

IV. Housing

A. INTRODUCTION

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

B. SAN MATEO'S HOUSING OBJECTIVES

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

The second major housing objective is to **maintain a diversity of housing opportunities**. There should be a variety of housing types and sizes, a mixture of rental and ownership housing, and a full range of housing costs. This variety of housing opportunities will accommodate a diverse population, leading to a variety of household sizes, all age groups and a wide range of income levels.

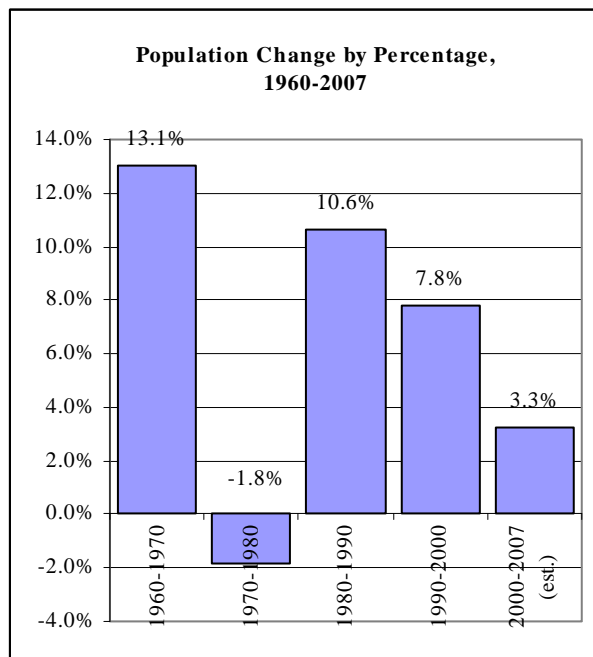
Third, San Mateo will need to **increase its housing supply to meet the housing demand caused by future job growth**. The types of new housing created should accommodate the income levels associated with new employment in the City.

C. BACKGROUND INFORMATION

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

POPULATION, AGE AND ETHNIC CHARACTERISTICS

The City of San Mateo has gone from a period of strong population growth in the 1960s to a decline in population in the 1970s, and a return to increased growth in the 1980s and 1990s. Within the City, total population increased from 69,870 in 1960 to 78,991 in 1970 (a 13% growth rate), declined to 77,561 in 1980 (a 1.8% reduction), and increased to 85,790 in 1990 (a



10.6% increase). The population grew an additional 7.8% between 1990 and 2000, to 92,482 people. The State of California's Department of Finance (DOF) estimates that in 2007, the population grew another 3.3%, bringing the total population to 95,510.

During the period 1990 to 2000, the total number of housing units in the City of San Mateo rose from 37,719 to 38,249, representing only a 1.4% increase. By 2007, it is estimated that the number of units had increased 2.2% in ten years, to 39,109 units. The disparity in the increase of total number of population and number of housing units has resulted in the increase in number of persons per unit from 2.27 in 1990 to 2.42 in 2000. In 2007, this figure is estimated at 2.44 persons per unit.

Age Distribution

A significant trend found in the data is the overall "aging" of the City's population. The following table shows that, since 1990, there have been substantial increases in the population both between the ages of 35 and 55, and in the 75+ categories. Although the age groups between 20 and 35 showed significant reductions over the last ten years, a new surge in youth (those under the age of 20) has occurred during this time period.

Changes in Age Distribution, 1990 - 2000

Age Cohort	1990		2000		% Change 1990-2000
	#	%	#	%	
0-9	9,462	11.1%	11,054	12.0%	16.8%
10-19	8,174	9.6%	9,469	10.2%	15.8%
20-24	5,635	6.6%	5,007	5.4%	-11.1%
25-34	17,067	20.0%	16,387	17.7%	-4.0%
35-44	13,921	16.3%	16,089	17.4%	15.6%
45-54	9,672	11.3%	12,671	13.7%	31.0%
55-64	7,729	9.0%	7,873	8.5%	1.9%
65-74	7,499	8.8%	6,190	6.7%	-17.5%
75-84	4,771	5.6%	5,398	5.8%	13.1%
85+	1,556	1.8%	2,344	2.5%	50.6%
TOTAL	85,486	100.0%	92,482	100.0%	8.2%

Racial/Ethnic Composition

Increasing racial and ethnic integration has occurred since the 1960s, with the percentage of minorities increasing from 6% in 1960, 17% in 1980, and 32% in 1990. By 2000, the percentage had increased to almost 44%. The most significant increases in the 1970s were in Asians and Pacific Islanders. Between 1980 and 1990, the San Mateo population became more diversified. In 1990 Non-Hispanic Whites made up 68% of the population, an overall decrease of 10 percentage points since 1980; Hispanics made up 15% of the population, an increase in 6 percentage points since 1980; Asian and Pacific Islanders made up 13% of the population, an overall increase in 5 percentage points since 1980; Blacks made up 3% of the population, a decrease in 1 percentage point since 1980, and Native American and other groups made up 1% of the population, similar to 1980.

Data from the 2000 Census show that almost 21% of the population identified as Hispanic/Latino. Whites made up about 57% of the population, while Asians and Pacific Islanders together accounted for approximately 17% of the population. Because of the new categories of race/ethnicity used in the 2000 Census, it is not possible to make a direct correlation with data from the 1990 Census; however, trend data will be available with the completion of the 2010 Census.

Race/Ethnicity, 2000 Census

Race/Ethnicity	Number	Percentage of Total
Hispanic/Latino	18,973	20.5%
Not Hispanic/Latino	73,509	79.5%
One Race/Ethnicity	70,392	76.1%
White	52,260	56.5%
Black/African-American	2,273	2.5%
Native American	222	0.2%
Asian	13,811	14.9%
Native Hawaiian/Other Pacific Islander	1,484	1.6%
Other	342	0.4%
Two or More Races/Ethnicities	3,117	3.4%
TOTAL	92,482	100.0%

Households

Significant changes have occurred in household composition during the past three decades. Household size declined from 3.2 to 2.41 persons per household from 1960 to 1990. Census data from 2000 show this figure rising to 2.48 persons per household. The 2000 Census shows that there are 37,338 households, an increase of 5.0% since 1990. According to the Association of

Bay Area Governments (ABAG), there were an estimated 38,400 households in San Mateo, an increase of 2.8% since 2000. This corresponds to a persons-per-household ratio of 2.47.

Income

Typical incomes in San Mateo are higher than the rest of the Bay Area. In 1970 the mean household income was \$14,703. This nearly doubled to \$30,108 in 1980, and increased to \$58,934 in 1995. According to the California Department of Community Development, the median family income (MFI) for the San Mateo County Metropolitan Statistical Area for 2008 is \$95,000 for a family of four. This income figure is lower than the Santa Clara County median income of \$105,500, but still significantly higher than the U.S. median income of \$58,526.

2008 Median Family Income: \$95,000

Income Category	Number of Persons in Household							
	1	2	3	4	5	6	7	8
Extremely Low Income (30% MFI*)	\$23,750	\$27,150	\$30,550	\$33,950	\$36,650	\$39,400	\$42,100	\$44,800
Very Low Income (50% MFI)	\$39,600	\$45,250	\$50,900	\$56,550	\$61,050	\$65,600	\$70,100	\$74,650
Low Income (80% MFI)	\$63,350	\$72,400	\$81,450	\$90,500	\$97,700	\$104,950	\$112,200	\$119,450
Median Income (100% MFI)	\$66,500	\$76,000	\$85,500	\$95,000	\$102,600	\$110,200	\$117,800	\$125,400
Moderate Income (120% MFI)	\$79,800	\$91,200	\$102,600	\$114,000	\$123,100	\$132,200	\$141,400	\$150,500

MFI = Median Family Income

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

Households by Income Category, 2000

Income Category	Number of Households	Percentage of Total
Extremely Low Income	3,647	9.8%
Very Low Income	3,563	9.6%
Low Income	7,108	19.1%
Moderate Income and Above	22,935	61.6%
TOTAL	37,253	100.0%

Poverty Level

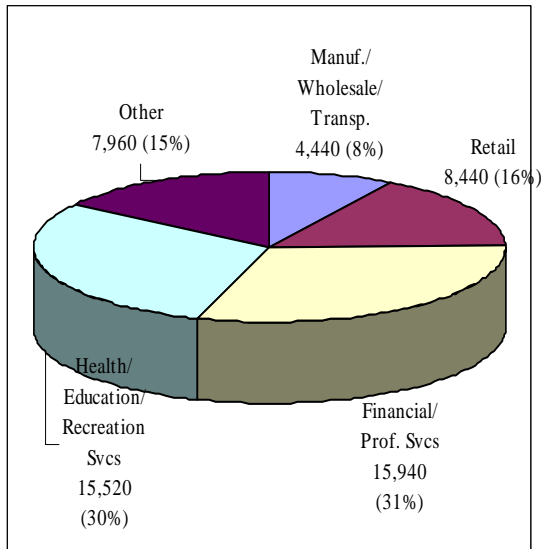
In 2006 the number of persons below the poverty level, as defined by the U.S. Census Bureau¹ made up 6.7% of the total population – about 6,000 people. Children appear to be disproportionately impacted by poverty; the poverty rate for children under the age of 18 is 11.3%. In addition, people with a high school education or less also have higher rates of poverty, at 13.3%. Nationally, poverty rate is 13.3% for all persons.

Employment and Jobs per Employed Person Ratio

The level of employment in a community, and on a subregional level such as the San Francisco Peninsula, has a significant effect on housing demand. Although many factors affect the choice

¹The U.S. census established the poverty level by poverty thresholds, which are reviewed annually according to changes in the cost of living. The average poverty threshold for a family of four persons was \$20,614 in 2006, and is adjusted based on the number of persons in a family. Poverty thresholds are applied on a national basis and are not adjusted for regional, state or local variation in the cost of living.

of housing location, it is desirable to have a balance between the number of jobs and the number of employed residents, particularly on a subregional level.



In 2000, ABAG reported that well more than half of the jobs within San Mateo and its sphere of influence were in the health, education, financial and professional services sectors. Manufacturing jobs continue to represent a relatively small portion of the City's work force, at only 8% of the total jobs.

In the City of San Mateo and its sphere of influence, the jobs/employed person ratio in 2000 was nearly balanced, with an employment level of 52,300 jobs and a labor force of 51,630 employed residents, representing 1.01 jobs per employed resident, as indicated by ABAG. Another indicator – the ratio of housing units to jobs – shows that for every job in San Mateo, there are 0.75 housing units, which is close to the preferred ratio of 0.70 units to every job. From this information, one can infer that the jobs-housing ratio is relatively in balance.

D. HOUSING SUPPLY AND NEEDS

HOUSING SUPPLY AND TYPE

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

Housing Types, 2007 (est.)

Total	Single	Multifamily		Mobile
	Family	2-4 Units	5+ Units	Homes
39,109	21,225	3,040	14,799	45
	54.3%	7.8%	37.8%	0.1%

Single-family dwellings have historically dominated San Mateo's housing stock, but this is changing. Vacant land for new single-family development has become very limited, and redevelopment of sites for multi-family housing at higher densities has increased. The trend towards multi-family housing also reflects the

increasing need for housing at all levels of affordability, as well as the high costs of single-family homes. The proportion of single-family versus multi-family housing has decreased from 78% in 1960 to about 54% in 2007, according to DOF.

San Mateo changed from an owner-dominated housing market in the 1960s (two-thirds owner occupied) to a renter-dominated market in the 1970s due to increases in apartment construction. During the 1980s, condominium construction and the conversion of apartments to condominiums reversed this trend, with the proportion of homeowners and renters now at approximately 54% and 46%, respectively.

Housing Stock Inventory, 2008

Category	Total	Vacancy Rate	0 - 1 BRs	2 BRs	3+ BRs
Total Year-Round Housing	37,329		10,757	11,406	15,166
Total Occupied Units	36,892		10,583	11,257	15,052
Renter	16,873		8,721	5,941	2,211
Owner	20,019		1,862	5,316	12,841
Total Vacant Units	437		174	149	114
For Rent	317	1.8%	1.7%	1.6%	3.0%
For Sale	120	0.6%	1.3%	0.9%	0.3%

Vacancy rates provide a quantifiable measurement of housing supply and demand. A vacancy rate of 5 or 6% is considered to reflect a well-balanced housing market, where those seeking housing have adequate choices and building owners have sufficient demand. Vacancy rates in San Mateo have returned to the lows of the 1980's with the vacancy rate in the 2000 Census at 1.2%. DOF estimates that vacancy rates in January of 2008 at 1.75%.

HOUSING AFFORDABILITY

The cost of housing in the Bay Area has risen dramatically in the past years, making it difficult for lower income people to find housing that is affordable to them. The National Association of Home-builders reports that California cities have the lowest homeowner affordability rates in the country, defined as the percentage of homes affordable to the median income family. Despite the high median incomes, especially in the Bay Area, few can afford the cost to purchase a home. The San Francisco MSA, of which San Mateo is a part, was one of the least affordable areas nationally in the third quarter of 2008, ranking 220th of 222 MSAs studied (New York-White Plains – New Jersey is the least affordable area in the nation). The following table illustrates these rankings for selected MSAs in California. In this region, only 16.6% of homes are affordable to families earning the median income. However, this is an improvement over the last quarter of 2007, when only 7.9% of homes in the region were affordable to the median income.

Housing Affordability Index, Selected California MSAs, Third Quarter 2008

Metro Area	Share of Homes Affordable for Median Income	2008 Median Family Income	Median Sales Price	Affordability Rank National
Sacramento--Arden-Arcade--Roseville, CA	59.9%	\$71,000	\$220,000	120
Modesto, CA	59.7%	\$56,500	\$176,000	121
Stockton, CA	58.1%	\$61,300	\$194,000	127
Vallejo-Fairfield, CA	54.8%	\$74,300	\$252,000	139
Bakersfield, CA	52.1%	\$50,000	\$162,000	149
Oakland-Fremont-Hayward, CA ^^^	49.5%	\$86,100	\$316,000	155
Riverside-San Bernardino-Ontario, CA	48.4%	\$62,000	\$220,000	159
Fresno, CA	44.1%	\$49,900	\$186,000	175
Redding, CA	40.4%	\$53,300	\$209,000	189
Santa Barbara-Santa Maria-Goleta, CA	38.8%	\$65,200	\$285,000	191
San Diego-Carlsbad-San Marcos, CA	38.7%	\$72,100	\$308,000	192
Santa Rosa-Petaluma, CA	37.8%	\$77,800	\$325,000	196
Oxnard-Thousand Oaks-Ventura, CA	34.5%	\$83,900	\$365,000	203
San Jose-Sunnyvale-Santa Clara, CA	33.0%	\$97,800	\$459,000	206
Santa Ana-Anaheim-Irvine, CA ^^^	28.5%	\$84,100	\$400,000	212
Napa, CA	23.2%	\$79,600	\$415,000	214
Santa Cruz-Watsonville, CA	22.8%	\$79,900	\$425,000	216
Los Angeles-Long Beach-Glendale, CA ^^^	20.7%	\$59,800	\$340,000	218
San Francisco-San Mateo-Redwood City, CA ^^^	16.6%	\$94,300	\$615,000	220
San Luis Obispo-Paso Robles, CA	13.4%	\$67,000	\$400,000	221

^^^ Indicate Metropolitan Divisions. All others are Metropolitan Statistical Areas.

Source: National Association of Homebuilders, 2008

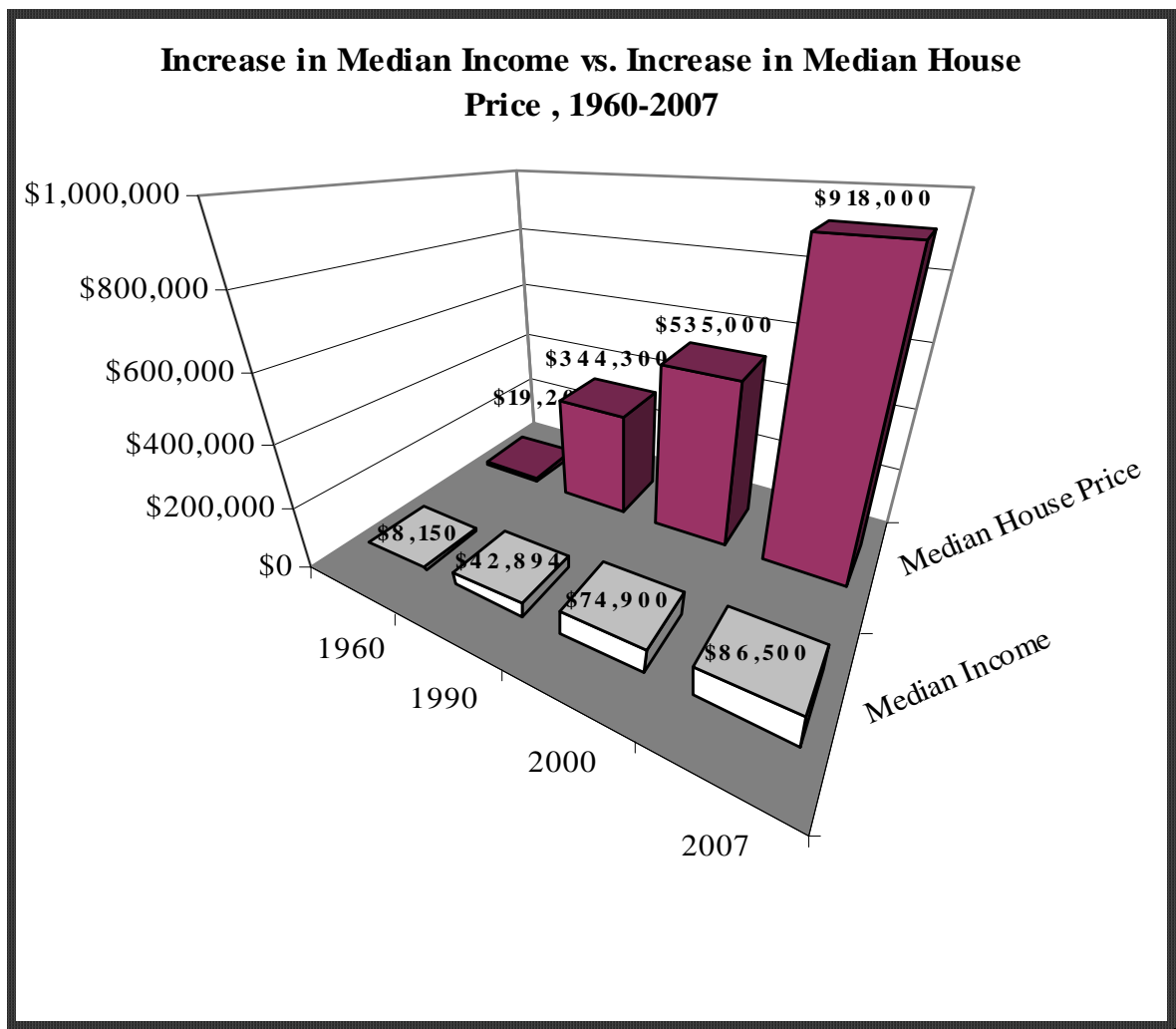
Ownership Housing

Since 1960, property values have risen astronomically, with median prices increasing from \$19,200 in 1960 to \$344,300 in 1990 to almost \$540,000 in 2000. Progressing through from 2000, however, the City has seen increasing prices but an uncertain market, consistent with the national mortgage crisis. The following table illustrates the current status of the ownership market.

Comparison of Housing Data, 2005-2007

	2005	2006	2007	% Change, 2005-2007
<i>Median Price</i>				
Single Family	\$860,000	\$850,000	\$918,000	7%
Condo	\$505,000	\$500,000	\$533,100	6%
<i>Number of Sales</i>				
Single Family	766	707	581	-24%
Condo	500	445	326	-35%
<i>Days on Market</i>				
Single Family	22	27	32	45%
Condo	20	37	43	115%

The difference in the inflation of home values and household income levels has resulted in a critical housing affordability gap. The affordability gap is expected to continue as employment in the lower paying service sectors of the economy becomes more dominant. For example, the ratio between the cost of a median-priced home and the median income in 1960 was 2.4, but in 2007 the gap grew to 10.6.



Rental Housing

The high demand for housing has also affected the rental market over the last few years such that there is a growing affordability gap for rental housing as well. According to the San Mateo

County Housing Indicators dated October 29, 2008 for quarter ending September 2008, the average market rent in the County for a one-bedroom was \$1,613 and \$1,849 for a two bedroom. This reflected a respective 4.6% and 5.4% increase in one-year.

Fair Market Rents (FMRs) are estimates, prepared by the US Department of Housing and Urban Development, of the rent plus utilities that would be required to rent privately owned, decent, safe, and sanitary rental housing of a modest nature with suitable amenities. The calculation of FMRs is based on information from the 2000 Census, housing surveys, and the CPI for housing. The rent figures do not necessarily reflect current asking rents, but rather the upper limits of rents that can be used in the negotiations for Section 8 contracts and other similar rent subsidy programs. The difference between FMRs and market rents illustrates the ongoing problem of the need for increased housing subsidies. In addition, FMRs tend to lag behind actual market trends by a year or sometimes more. As the gap between HUD FMRs and rents in the County widen, there are fewer and fewer landlords who will accept Section 8 vouchers and certificates.

The FMRs are contrasted with rents defined as "affordable." Affordability, for the purposes of this report, is generally defined as housing where an occupant pays no more than 30% of gross income for rent, including utility costs.

FMR versus Affordable Rents, 2008

Unit Size	Fair Market Rent	Affordable Rents at Extremely Low Income	Affordable Rents at Extremely Low Income as Percent of FMR	Affordable Rents at Very Low Income	Affordable Rents at Very Low Income as Percent of FMR	Affordable Rents at Low Income	Affordable Rents at Low Income as Percent of FMR
No Bedroom	\$1,035	\$594	57%	\$990	96%	\$1,584	153%
One Bedroom	\$1,272	\$679	53%	\$1,131	89%	\$1,810	142%
Two Bedroom	\$1,592	\$849	53%	\$1,414	89%	\$2,263	142%
Three Bedrooms	\$2,125	\$985	46%	\$1,640	77%	\$2,624	123%
Four Bedrooms	\$2,246	\$1,120	50%	\$1,866	83%	\$3,135	140%

HOUSING CONDITION

In determining the condition of the existing housing stock and the need for its preservation and improvement, the 2000 Census information is not sufficient, because the Census defined unsound buildings as those without plumbing or without kitchens. The Census therefore does not provide the level of specificity needed to accurately gauge the housing rehabilitation needs of the community.

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

Approximately 80% of the housing units in San Mateo are over twenty-five years old, and more than 70% were built before 1960. Similar to the rise in property values, the cost of housing maintenance also increased in the 1980s and onward. As housing structures grow older so does

the demand for regular maintenance. Property maintenance, however, is often deferred as residents are frequently unable to afford the rising cost.

Age of Housing Stock and Estimate of Units Needing Rehabilitation or Replacement, 2006

	Number of Units	Percent of Total	Units Needing Rehab, Percent	Units Needing Rehab, Total	
Built 2005 or later	0	0.0%			
Built 2000 to 2004	1,501	3.8%			
Built 1990 to 1999	2,073	5.3%			
Built 1980 to 1989	3,383	8.6%	1%	34	
Built 1970 to 1979	5,247	13.4%	3%	157	
Built 1960 to 1969	7,742	19.7%	5%	387	
Built 1950 to 1959	11,031	28.1%	10%	1,103	
Built 1940 to 1949	4,597	11.7%	20%	919	
Built 1939 or earlier	3,694	9.4%	30%	1,108	
	39,268	100.0%		3,709	Total Units Needing Rehab
				9.4%	Percentage of Total Units
			99.5%	3,690	Units that Can Be Repaired
			0.5%	19	Units that Must Be Replaced

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

Most units in the City are in good condition and are not considered to be in substandard condition. The city defines a "Substandard Housing Condition" as any dwelling unit which includes but is not limited to the following conditions: lacks structurally sound foundations, walls, roofs or porches, in need of a new roof or exterior paint, and in need of dry-rot repairs. Those considered to be in substandard condition are located primarily in Central, North Central, Central Business District and North Shoreview neighborhoods.

A "drive-by" survey of the North Central and North Shoreview neighborhoods conducted by Housing staff in the summer of 2007 indicated approximately 400 homes may be in need of rehabilitation.

UNITS AT RISK OF CONVERSION TO MARKET RATE

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

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

Project-Based Section 8

Flores Gardens has 72 one-bedroom senior units. The project was built with federal 221(d)(4) financing and affordability is maintained through Section 8 project based assistance. The building was constructed over a City owned parking lot via a lease of the “air rights” of the property. The owner of this building had the right to prepay its loan and opt out of the Section 8 program in 2003. However the owner elected to refinance with HUD to preserve the affordability of this building in 2005. The City amended its lease agreement to coincide with the refinance and therefore new affordability restrictions are now in place until the year 2035.

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

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

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

Tenant-Based Section 8

As of December 2008, the City of San Mateo had the highest number of households utilizing Section 8 vouchers with 687 disbursed throughout the City, or 16% of the total 4,251 in the County. One third of those are utilized by elderly households, a third are used by disabled households and 8% are both elderly and disabled.

Assisted Rental Housing

The following table contains an inventory of assisted rental projects and other rental units that are affordable and the expiration dates of their affordability. There are no projects with affordability restrictions due to expire in the next Housing Element cycle..

City of San Mateo Assisted Rental Housing

Project and Year Completed	Type of Development	Total Units	Total Aff. Units	30% AMI	50% AMI	65% AMI	80% AMI	120% AMI	Affordability Expiration	Owner	Financial Assistance
Pilgrim Plaza 1961	Senior Rental New Const.	56	56				56		2055	NP	HUD Section 202 Elderly Program
Park Towers 1965	Senior Rental New Const.	200	200				200		2015	NP	HUD Section 202 Elderly Program
Flores Gardens 1984	Senior Rental New Const.	72	72				72		2035	Private	HUD Sec 221 (d)(4)
Rotary Haciendas 1988-89	Senior Rental New Const.	82	82		81		1		2044	NP	Bought land w/RDA ; LIHTC
Belmont Bldg. 1993-94	Family Rental Conversion	6	6		6				2032	Private	CDBG Loan; RDA Loan
12 N. Idaho 1994	Family Rental Acq./Rehab	6	6		1	4	1		2024	NP	RDA; HOME ; SM Co. HOME
Darcy Bldg. 1995	Family Rental Conversion	8	8		8				2034	NP	RDA Loan; HOME Loan; SM Co Hsg Authority
106 N. Eldorado 1996	Family Rental Acq./Rehab	6	6		1	4	1		2036	NP	HOME Loan
Hotel St. Matthew 1996	SRO Acq./Rehab	56	56		56				2051	NP	HOME Loan; RDA Loan; LIHTC
Edgewater Isle 1998	Senior Rental/ Acq./Rehab	92	92		25	66		1	2048 Renewal option for add'l 50	NP	HOME Loan; RDA Loan; CalHFA Loan
Bridgepointe Condominiums 1999	Family Rental New Construct	396	59		24			35	2021	Private	BMR units
200 S. Delaware 1999	Family Rental Acq./Rehab	16	16	2	2		5	7	2049	NP	RDA Loan; HOME Loan
Humboldt House 2000	Mental Disabled Rehab	9	9		9				2020 Renewal option for add'l 20	NP	RDA Loan; HOME Loan

Project and Year Completed	Type of Development	Total Units	Total Aff. Units	30% AMI	50% AMI	65% AMI	80% AMI	120% AMI	Affordability Expiration	Owner	Financial Assistance
Jefferson at the Bay 2001-02	Family Rental New Construct	575	58				58		Life of property	Private	BMR units
Santa Inez Apt. 2001	Family Rental New Construct	44	44	0	42	2			2055	Private	RDA Loan , LIHTC
11 S. Delaware 20002	Family Rental Acq./Rehab	11	11	5	6				2034	NP	HOME Loan, SM Co HOME Loan
Chamberlain 2003	Family Rental New Construct	21	2				2		Life of property	Private	BMR units
The Metropolitan 2003	Family Rental New Construct	218	22		18	4			Life of property	Private	BMR units
CSM Teacher Housing 2005	Family Rental New Construct	44	4				4		Life of property	NP	BMR units
Nazareth Plaza 2005	Family Rental New Construct	54	5				5		Life of property	Private	BMR units
Rotary Floritas 2005	Senior Rental New Const.	50	50		49			1	2060	NP	RDA Loan, SM Co. HOME Loan ; LIHTC
Fountain Glen 2007	Senior Rental New Const.	135	14				14		Life of property	Private	BMR units
Totals		2,157	878	7	328	80	419	44			

Assisted Ownership Housing

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

City of San Mateo Assisted Ownership Housing

Project and Year Completed	Total Units	Total Aff. Units	30% AMI	50% AMI	65% AMI	80% AMI	120% AMI	Affordability Expiration	Financial Assistance
Meadow Court 1987-88	78	70					70	30-40 years/ rolls over with each new buyer	Bought land w/ CDBG ; CalHFA mortgages for buyers
Gateway Commons 1989	96	93				16	77	30-40 years/ rolls over with each new buyer	Bought land w/ CDBG & RDA ; CalHFA mortgages for buyers
Summerhill I 1996	54	6					6	30 years/ rolls over with each new buyer	BMR units
Summerhill II 1997	70	6					6	30 years/ rolls over with each new buyer	BMR units
Rushmore Townhomes 1998	13	1					1	30 years/ rolls over with each new buyer	BMR units
Humboldt Square 1998	26	8					8	30 years/ rolls over with each new buyer	RDA write down of land
St. Matthews Place 2000	34	5		2			3	30 years/ rolls over with each new buyer	BMR units
Ryland Homes 2001	153	15					15	30 years/ rolls over with each new buyer	BMR units
The Madrid 2000	13	1				1		30 years/ rolls over with each new buyer	BMR units
Norfolk 2002	57	7		5			2	30 years/ rolls over with each new buyer	BMR units
Bay Meadows Mix Use 2003	19	2					2	30 years/ rolls over with each new buyer	BMR units
Classic Communities 2003	25	3					3	30 years/ rolls over with each new buyer	BMR units
Grant St Condos 2003	17	2				2		30 years/ rolls over with each new buyer	BMR units

Baywood Place 2005	17	2					2	30 years/ rolls over with each new buyer	BMR units
Palm Residences 2007	19	2					2	45 years/ rolls over with each new buyer	BMR units
Stonegate 2007	45	9					9	45 years/ rolls over with each new buyer	BMR units
Park Bayshore 2008	21	2					2	45 years/ rolls over with each new buyer	BMR units
The Versailles 2008	61	6				1	5	45 years/ rolls over with each new buyer	BMR units
Totals	818	240	0	7	0	20	213		

HOUSING NEEDS OF LOWER-INCOME HOUSEHOLDS

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

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

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

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

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

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

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

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

The 2000 Census records San Mateo as having 37,338 total occupied households; 20,119 (54%) owner occupied housing units and 17,219 (46%) renter occupied units. According to the Comprehensive Housing Affordability Strategy (CHAS), there were 8,176 renter households and 6,142 owner households with some type of reported housing problem as defined above. Of those identified households, 13,708 (96%) reported a cost burden or severe cost burden; 8,213 (60%) of these households were renter-occupied; and 5,495 (40%) were owner-occupied. U.S. Census data from 2000 indicates that 3,756 (10%) of all housing units in San Mateo were overcrowded with greater than 1.01 persons per room, with 2,359 (6%) having greater than 1.51 persons per room.

Large Related Households: Large related households, particularly those which rent, may require housing assistance due to increased household expenses and the need for larger living quarters that typically carry higher rents. Since most of these families must compete for the limited amount of larger units (3 + bedrooms) many, especially those with small children, may experience overcrowding by occupying households with fewer rooms. CHAS data indicated that 3,285 (9%) of all households were large related households; 1,469 (45%) are renter households with 1,237 (84%) of these reporting problems.

Small Related Households: Data suggests that small related households experience housing problem at a slightly less, but proportionally significant level. Small related renter households headed by single parents may also require housing assistance. According to the 2000 Census, there were 299 single parent households which lived below the poverty line and probably have a housing problem.

Elderly Related Households: Elderly related households, particularly renters may require special housing assistance when compared to other family, age and tenure groups in the City. Many of these renters live on limited incomes and in substandard rental housing. Out of the 5,583 elderly renter households in the City, 2,171 (50%) reported a housing problem; and 929 (22%) reported a severe cost burden.

Other Households: Other households, which include primarily single persons, do not have greater housing problems as a group as compared to the whole population. Like the population as a whole, affordability of housing is a significant difficulty since 1,838 (53%) households reported a cost burden with 845 (24%) reporting severe cost burdens.

Disabled Households: The only data available for these households is number of households within each category and percentage of housing problems reported. Considering other available data, it would be expected that cost burden represents a large portion of the type of housing problems, but lacking such data, the specific types of housing problems will not be discussed for this report. There are a total of 4,975 (13%) disabled households in San Mateo with 46% of those reporting a housing problem.

Housing Needs for Extremely Low and Very Low-Income Households

Extremely low-income households (ELI) are defined as those whose incomes do not exceed 30% of HUD's adjusted median family income. Very low-income households (VLI) are defined by HUD as those households whose incomes do not exceed 50% of the median income. At the beginning of this section, data on both these groups will be combined because the needs of these

groups are virtually the same. In addition, much of the data available on lower-income housing groups is provided in aggregation. However, this Housing Element does include a section specifically addressing data on the ELI income group in compliance with State law.

Both ELI (3,647) and VLI (3,563) households each reflected 10% of all householders in San Mateo in 2000. Renters constituted 4,420 (61%) of all VLI households and owners constituted 2,790 (39%) of all VLI households.

Renters

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

Housing Problem: Data provided by HUD indicates that 5,332 households, 74% of all VLIs, reported a housing problem. The most severe housing problems associated with this group are overpaying or overcrowding.

Cost Burden: In San Mateo, 5,101 (96%) of VLI renters pay over 30% of their gross income toward rent, 69% of which pay over half of their income toward rent. Households with high cost burden demonstrate the greatest need for rental assistance or rental subsidies. Elderly, small, large and other household types all demonstrate a great need for rent subsidies and as such cannot be separated or classified as a priority group for rental assistance.

Overcrowding: Overcrowding has increasingly become a problem for VLI renter households, particularly for large related families in identified low-income areas. The 2000 Census reported overcrowded living conditions for 1,322 below poverty level renter households with a large number of those in concentrated in identified lower income areas in the North Central and Shoreview neighborhoods.

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

Family Size and Elderly: Each family type and elderly household category classified as low-income reported a housing problem. NIH staff believes all household types have an equally proportionate housing need. Separating needs into the categories determined by HUD disproportionately shows large families having a greater need than elderly, small, and other households.

Racial and Ethnic Groups: The data available illustrates that very high percentages of VLI households have housing problems. Comparing all minority groups with housing problems against all households with housing problems, it's clear that family groups are most significantly

impacted. The Hispanic/Latino ethnic group in “other” housing showed a disproportionate need in comparison to the group as a whole.

Very Low Income Household Renters with Housing Problems				
VLI Renters	Elderly*	Family	Other	Total
Total Low HHs	1,564	1,638	1,218	4,420
W/Housing Problem	1,160	1,529	1,033	3,722
	74%	93%	85%	84%
Black w/ Hsg Problem	23	120	60	203
	83%	71%	75%	73%
Hispanic/Latino w/ Hsg Problem	109	226	114	664
	36%	98%	98%	92%
Asian w/ Hsg Problem	N/A	N/A	N/A	585
	N/A	N/A	N/A	79%
Pacific Islander w/ Hsg Problem	N/A	N/A	N/A	44
	N/A	N/A	N/A	91%
*some housing needs data not available for all household types.				

Disabled Households: There were 885 total disabled renter households with the extra elderly category reporting the largest at 380 with other households at 350. All categories reported housing problems at a level of 65% or higher.

Owners

As a group, VLI owners have less housing problems than VLI renters, yet they have significantly higher percentage of housing problems as whole which is almost entirely due to housing costs.

Since it is nearly impossible for an extremely low or very low-income household to purchase a lower priced home in San Mateo's market, it is safe to assume most VLI owners have owned their property for some time. 78% of owners with incomes below poverty level live in homes over 35 years old, and 46% with homes older than 50 years. Home repair and maintenance costs are a significant burden for this income group. There were a total of 2,790 VLI homeowners.

Housing Problem: HUD data indicates that 1,610 or 58% of all VLI homeowners reported a housing problem. This percentage is slightly higher than the general owner population, 55% of which reported a housing problem.

Cost Burden: Of the VLI homeowners reporting housing problems, 96% or 1,606 had a cost burden over 30% and 73% or 1,172 of those households reported a housing cost burden of over 50% of income. This is significantly higher than owners reporting housing problems as a whole.

Overcrowding: Overcrowding was an issue with a very small number of VLI homeowners as compared to cost burden.

Family Size and Elderly: Elderly households make up a significant number (65%) of VLI homeowners, whereas they make up 31% of general homeowner population. Their housing problems are almost entirely cost related, which is compounded by the fact they tend to live in the older housing stock and presumably live on fixed incomes.

Racial and Ethnic Groups: Income distribution data provided for VLI homeowners indicates that Black Elderly households and Hispanic/Latino family households have a disproportionate need.

Very Low Income Household Owners with Housing Problems

VLI Owners	Elderly*	Family*	Other*	Total
Total Low HHs	1,808	623	96	2,527
W/Housing Problem	868	377	86	1,331
	48%	61%	90%	53%
Black w/ Hsg Problem	19	0	0	19
	79%	N/A	N/A	79%
Hispanic/Latino w/ Hsg Problem	75	124	30	229
	53%	85%	N/A	68%
Asian w/ Hsg Problem	N/A	N/A	N/A	460
	N/A	N/A	N/A	59%
Pacific Islander w/ Hsg Problem	N/A	N/A	N/A	10
	N/A	N/A	N/A	100%

*some housing needs data not available for all household types.

Disabled Households: There were 757 total disabled owner households with the extra elderly category reporting the largest at 368 and other households with 235. All categories reported housing problems at an average of 64%.

Specific Housing Needs for Extremely Low-Income Households

Of the more than 3,600 ELI households, more than 50% of them are seniors. Of the 1,327 ELI owners, 66% are seniors. This clearly illustrates the income problem that seniors often have. And, as could be expected, ELI senior households have high rates of housing problems: overall 68% of these households have some kind of problem, primarily cost burden.

However, large households in this category also experience a high rate of difficulties. According to HUD statistics, 100% of ELI large family owner households are paying too much for their housing, while 84% of large renter households have a cost burden. Although precise statistics are not available, anecdotal information suggests that large ELI households also experience a significant amount of overcrowding, as families try to double up to save costs.

Income distribution data provided for ELI households indicates that Black Elderly households and Hispanic/Latino family households have a disproportionate need.

Extremely Low Income Households with Housing Problems									
ELI Owners	Elderly*	Family	Other	Total	ELI Renters	Elderly	Family	Other	Total
White	660	115	170	945	White	685	130	345	1,160
	57%	83%	79%	64%		71%	85%	77%	74%
Black	19	0	0	19	Black	19	40	40	99
	79%	N/A	N/A	79%		79%	75%	63%	71%
Hispanic	45	64	0	109	Hispanic	95	369	74	538
	67%	94%	N/A	83%		39%	99%	95%	87%
Native American	N/A	N/A	N/A	20	Native American	N/A	N/A	N/A	10
	N/A	N/A	N/A	100%		N/A	N/A	N/A	100%
Asian	N/A	N/A	N/A	195	Asian	N/A	N/A	N/A	410
	N/A	N/A	N/A	82%		N/A	N/A	N/A	77%
Pacific Islander	57%	83%	79%	64%	Pacific Islander	N/A	N/A	N/A	24
	57%	83%	79%	64%		N/A	N/A	N/A	83%

*some housing needs data not available for all household types.

Housing Needs for Low-Income Households

Low-income households (LI) are defined by HUD as those households whose incomes fall between 51 to 80% of the median income. Approximately 19% or 7,108 of all households in San Mateo were considered to be moderate-income. Renters constituted 3,756 or 53% and owners constitute 3,352 or 47% of all LI households. Renters in this income group represent a somewhat higher percentage when compared to the tenure mix for the City's overall household population (46% renter).

Renters

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

Housing Problem: HUD data indicates 2,696 or 72% of all LI renters reported a housing problem. Cost burden data for LI renters seems to indicate that most housing problems for this group are due primarily to the high price of housing that requires a greater portion of household income to be devoted to rent.

Cost Burden: Cost burden data provided by HUD indicates that 1,992 or 53% of all LI renters reported a cost burden, 353 of these households reporting a severe cost burden. Elderly, small, large and other households types do not demonstrate a greater cost burden when compared to LI households as a whole and therefore do not warrant specific targeting for subsidies or rental assistance.

Overcrowding: Overcrowding was a housing problem for 1,411 or 38% of all LI renters with the majority of the households, 586 (46%), classified as small related. However, the group with highest percentage of LI overcrowding are large family households at 79%.

Family Size and Elderly: Housing and income data for LI renters broken out by family type and age shows that large families have a disproportionate housing need over most other household types with the lowest percentage (13%) of all LI households but the highest percentage of problems (88%). Considering this group has the lowest percentage of cost burden (21%), data would indicate the predominate problem is overcrowding, as previously mentioned. The problem with highest impact for elderly households is the cost burden at 72%.

Racial and Ethnic Groups: Black elderly and all groups of Hispanic/Latino renters show a disproportionate need of all low-income renters.

Low Income Household Renters with Housing Problems

LI Renters	Elderly*	Family*	Other*	Total
Total LI HHs	2211	2988	1909	7108
W/Housing Problem	881	2263	1314	4458
	40%	76%	69%	63%
Black w/ Hsg Problem	15	75	45	135
	100%	60%	56%	63%
Hispanic/Latino w/ Hsg Problem	35	710	190	935
	57%	88%	79%	85%
Asian w/ Hsg Problem	N/A	N/A	N/A	455
	N/A	N/A	N/A	73%
Pacific Islander w/ Hsg Problem	N/A	N/A	N/A	20
	N/A	N/A	N/A	100%
*some housing needs data not available for all household types				

Disabled Households: There were only 490 total LI disabled renter households with the "other households" category reporting the largest at 285. Although there are far fewer disabled LI households, the percentage reporting housing problems is highest at 82%.

Owners

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

Housing Problem: Out of the 3,352 LI homeowners, 1,762 or 53% reported a housing problem. This is somewhat higher than the 34% reported for all City homeowners.

Cost Burden: For LI homeowners the cost burden greater than 30% for is not significantly greater than that for LI renters with 1,703 (51%) of all LI homeowners reporting as having a cost burden. However, 849 households (25%) reported a severe cost burden as compared to only 5% of LI renters.

Overcrowding: Overcrowding was a housing problem for 56 owner-occupied LI households and base on the number reported, did not represent a specific housing need for the City or imply a burden for any particular household type.

Family Size and Elderly: This category showed the lowest percentage of housing problems for all LI household types at only 28%, which did not represent a specific housing need for this group.

Racial and Ethnic Groups: Of all low-income homeowner groups, Black elderly and all Hispanic/Latino groups show a disproportionate need.

Low Income Household Owners with Housing Problems

LI Owners	Elderly*	Family*	Other*	Total
Total LI HHs	1,604	1,254	494	3,352
W/Housing Problem	444	919	399	1,762
	28%	73%	81%	53%
Black w/ Hsg Problem	34	15	15	64
	88%	0%	100%	70%
Hispanic/Latino w/ Hsg Problem	65	245	50	360
	54%	88%	100%	83%
Asian w/ Hsg Problem	N/A	N/A	N/A	420
	N/A	N/A	N/A	54%
Pacific Islander w/ Hsg Problem	N/A	N/A	N/A	100
	N/A	N/A	N/A	50%
*some housing needs data not available for all household types				

Disabled Households: There were 715 total LI disabled homeowners with the "other households" category reporting the largest at 290 and 65% reporting problems. Extra elderly category had 280 households but only 23% reporting problems.

Housing Needs for Moderate Income Households

Moderate-income households (MOD) are defined as those whose incomes are greater than 80% of HUD's adjusted median family income. Renters constituted 24% or 8,977 of all MOD households and owners 37% or 13,958.

Renters

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

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

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

Overcrowding: Specific overcrowding data for this income group is not available in the Census.

Family Size and Elderly: Housing problem and cost burden data was provided for renters by family size and elderly households. The data indicates that of large families show a disproportionate need over other household types. This appears to be more related to overcrowding and condition of housing rather than cost burden. Elderly renter households had the largest cost burden with 28% and 3% carrying an extreme cost burden.

Racial and Ethnic Groups: Census data for housing problems, cost burden and overcrowding is not broken out by racial or ethnic groups for the middle-income group.

Disabled Households: There were 740 total MOD disabled renter households with the "other households" category reporting the largest at 500, more than twice as many as any other category. All MOD renters had 33% reporting housing problems with that percentage fairly balanced amongst all household types.

Owners

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

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

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

Overcrowding: HUD data was not provided for overcrowding by MOD homeowners and will not be discussed for the purposes of this report.

Family Size and Elderly: Twelve percent of elderly households in this income group reported a housing problem and large family households reported 43%. Most of the housing problems for elderly households reflected cost burden; whereas a little more than half of large family households reporting housing problems reflected cost burden indicating other housing problems that most likely related to overcrowding.

Racial and Ethnic Groups: Census data for housing problems, cost burden and overcrowding was not broken out by racial or ethnic groups for middle-income homeowners and will not be discussed in this report.

Disabled Households: There were 1,388 total MOD disabled owner households with only 19% reporting housing problems. The "other households" category reporting the most housing problems at 26%.

Needs of Homeless

The following is a discussion of a numerical estimate and description of sheltered and unsheltered homeless persons. The City incorporates both recent and previous data and studies from other government agencies, educational institutions and service providers to better examine the nature and extent of homelessness in the City. The City of San Mateo participated in the development of the *HOPE: Ending Homelessness in San Mateo County 10-Year Plan to End Homelessness* published in March 2006 (HOPE Plan) and continues to serve on the HOPE Inter-Agency Council (IAC). The City also serves on the Continuum of Care Steering Committee and as a reviewer for the annual HUD Continuum of Care NOFA grant application.

Homelessness Defined

The City concurs with the definition of “homeless” as presented in the HOPE Plan, which states: “People who are “homeless” include those who are living in the street, cars, and other places not meant for people to live, and also people living in emergency shelters and transitional housing.”

Additionally, the HOPE Plan further defines people who are “at risk of homelessness” as: “Those who have housing but are at acute risk of losing their housing because they earn 30% of Area Median Income (AMI) or below and pay more than 50% of their income for rent.”

Homeless Population

In support of the HOPE Plan strategy to develop new methodologies to gather data relating to homelessness, in 2007 San Mateo County implemented a new methodology for the requisite bi-annual one-day homeless census. This methodology provided for a more thorough one-day street enumeration process and a survey of homeless individuals documenting various demographic data, characteristics and needs of homeless individuals and families. This process, combined with a refinement of the Homeless Management and Information Strategies (HMIS)

System that collects data from service providers serving homeless populations, provides a more detailed set of collected data that will provide important information for all stakeholders to continue to develop and implement strategies to better meet the needs of the community. Even with these improved methodologies, the HOPE Plan acknowledges the difficulty in collecting accurate data in that the counts often overlook those in hidden places, such as those who living in cars or are doubled up with friends or family, and those who are “situationally” homeless as a result of financial or other crisis.

The final results of the 2007 Homeless Census and Survey were extrapolated by using an “annualization” formula developed by the Corporation for Supportive Housing that estimated there are 6,646 homeless people in San Mateo County on an annual basis, with 2,064 homeless people on the one night of the count. That total consisted of 1,094 unsheltered homeless people in 1,082 households and 970 homeless people in 693 households sheltered in such places as emergency shelters, transitional housing, motel vouchers, residential treatment facilities, hospitals and jails. Of the 1,775 households, 1,649 were individuals or couples without children and 126 had dependant children. When asked about children, either living with them or elsewhere, 15% had children under 18 living with them, 6% had children in foster care, 14% had children who were not in foster care but not living with them and 5% had adult children living with them. Of those who had minor children living with them, 72% were women and there was a higher proportion of racial and ethnic minority groups.

Looking more closely at the data from the one-day count, the City of San Mateo had a total of 317 sheltered and unsheltered homeless, reflecting 15.36% of the total homeless population countywide. This number includes the 62 unsheltered homeless, or 5.67% of the total percentage of unsheltered homeless population countywide. Considering that there are several emergency and transitional shelters located in the City of San Mateo, the total percentage of sheltered and unsheltered homeless for San Mateo reflected a higher percentage in the County overall. Therefore, a more accurate reflection of the City’s overall percentage of homeless population countywide is in the unsheltered count.

Other demographic and characteristic are data based on a countywide response to the individual interviews and survey responses. These data show that 92% of the homeless population are between the ages of 21-60 years old, 5% are more than 60 and 3% are between 18-21 years old with 66% being male and 34% female and 27% reporting having served in the US Armed Forces; both gender and service status consistent with national data. There is a disproportional overrepresentation of African American and underrepresentation of Caucasian homeless. According to the 2001 California Health Interview Survey, African Americans are 2.2% of the County’s overall population yet they reflect 31% of the homeless population. Respectively, Caucasians are 54% of the County’s population and are 41% of the homeless. Other racial data reflect 17% Hispanic/Latino, 3% Asian, 2% Pacific Islander, 1% American Indian/Alaskan Native and 4% Multi-Ethnic/Other.

Needs of Homeless Subpopulations

The following information in this section for homeless sub-populations are derived from the San Mateo County HOPE Plan, the San Mateo County Human Service Agency Continuum of Care, Healthy Community Collaborative of San Mateo County 2008 Community Assessment, as well as other resources as noted. It should be noted that most data provided are based on a surveys of homeless persons and service providers in San Mateo County as well as goals and achievements

noted by the Continuum of Care and other organizations. While it is unlikely San Mateo County Human Service Agency's statistical profile accurately represents the City's, it does give a general description of the likely characteristics of the City's homeless population which can be used for discussion and comparative purposes.

According to the National Low Income Housing Coalition's "Out of Reach 2007-2008", San Mateo County has dropped from first among the nation's least affordable counties to fourth; equal to San Francisco and Marin Counties and behind other metropolitan areas of Stamford-Norwalk, CT, Honolulu, HI, and Orange County, CA. The report indicates that the wage needed for housing for a two bedroom rental would be \$30.62. However, with the California State minimum wage at \$8.00, there persists a substantial income gap for many of our City's most needy families.

Need for Transitional Shelter Space for Families

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

In San Mateo County's 2007 Homeless Census and Survey, data indicate there were 970 sheltered persons that included 126 families and 227 accompanied youth, with children under 18 representing 11% of the sheltered population.

According to the Healthy Community Collaborative of San Mateo County 2008 Community Assessment the community perception of the availability of local homeless programs and shelters was 64.3% as "Fair/Poor", 26.3% as "Good" and 9.4% as "Excellent/Very Good," all reflecting a significant improvement from both 2001 and 2004. The primary provider of shelter for homeless families in San Mateo County is Shelter Network, which operates First Step for Families in San Mateo with a capacity of 39 families. This provides both short-term housing for up to 60 days and one-bedroom transitional housing apartments for an additional 4 months. In addition to providing shelter, there is free on-site day care for resident children as well as other job development and case management resources.

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

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

Need of Homeless Who Are Mentally Ill

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

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

Of the total respondents in the 2007 Census and Survey, 35% reported they had a mental illness, 35% reported they had a physical disability and 39% reported both drug, alcohol or combined drug and alcohol abuse. The survey also reflected that 13% of the respondents had co-occurring mental illness and substance abuse and 7% had co-occurring mental illness, substance abuse and chronic health conditions. It is clear that the homeless mentally ill need medical care, mental health, and drug and alcohol counseling services in addition to emergency, transitional, and permanent housing. Affordable apartments and single room occupancy hotel type housing are important elements to retaining stable long-term housing.

Providing onsite services at a housing location has been proven to be a more efficient and effective way of providing services to this population. The Mental Health Association of San Mateo County continues to be a leader in providing supportive housing for those with mental illness with their 24 unit supportive housing units at Belmont Apartments. In December 2008, the County released for public comment the first MHSA Housing project in partnership with MHA for the 14-unit Cedar Streets Apartments in Redwood City.

Needs of Homeless with Substance Abuse

Substance abuse is one of the major causes of homeless, and it is also a major factor that keeps homeless persons in a condition of homelessness. In the 2007 Census and Survey, 31% of respondents indicated alcohol or drug use was the primary reason for homelessness and 39% of respondents reported either alcohol or drug abuse or both as a disability. Unemployment at levels of 80% of respondents was reported as a primary reason for little or no income and 36% reported substance abuse as the main reason they were unable to obtain employment. It would, therefore, be clear that these persons would have a hard time obtaining and retaining housing without assistance.

Substance abuse presents a complex problem for service providers because most services and available housing are not designed to address drug and/or alcohol addiction. The need for increased treatment programs and sober housing is critical to meet these person's housing needs.

The Safe Harbor Shelter, operated by Samaritan House, provides 90 beds of emergency shelter for adult individuals with substance abuse counseling available onsite.

Need of Homeless Fleeing from Domestic Violence

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

According to in 2008 Community Assessment, there were 2,704 domestic violence-related calls for assistance in San Mateo County in 2005. This reflected a decline of 14% in the number of calls since 1998, with 2005 being the lowest year. A total of 555 arrests were made in 2005, down 27% from the record high of 759 in 1997. Most homeless survivors of domestic violence are women with children, yet the 2007 Census and Survey reflects only 7% of the respondents were experiencing domestic/partner abuse. This result appears to be somewhat lower than the 27%-63% national averages of homeless women who have experienced domestic violence. Future research will be needed to understand this result differential, which may be a result of undercounting those needing domestic violence services in San Mateo County.

Needs of Homeless Youth

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

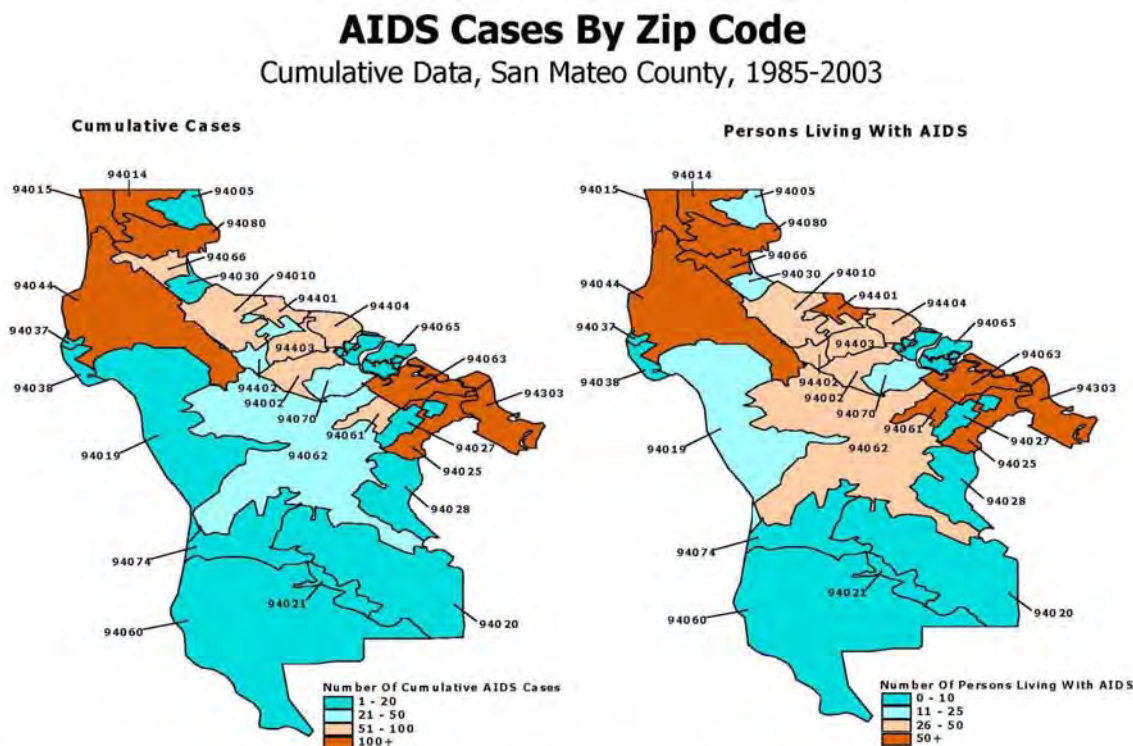
Without early intervention many of them will encounter the underground of economies of drugs and prostitution. There is currently only one shelter in the County specifically for these homeless youth, but the County has increased its focus on providing housing for emancipated foster youth and other transition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

Needs of Homeless with AIDS

The National Commission of AIDS reported that roughly 1/3 of all people infected with AIDS is either homeless or in eminent danger of becoming homeless. According to the National Coalition for the Homeless, up to 50% of person living with HIV/AIDS are expected to need housing assistance of some kind during their lifetimes. ELLIPSE is a service group located in San Mateo which provides emotional, financial and basic needs support for people with AIDS and HIV.

With advanced drug treatments, persons with HIV/AIDS have shown a growth in those living longer with the disease at a cumulative 785 persons in San Mateo County in 2002. Additionally, since 1992 there has been a declining number of newly diagnosed cases with only 32 new cases

in 2002 as compared to 222 in 1992. This points to the long term need for housing for those living with this disease.



Data are cumulative from 1985 through April 2003; data for persons living with AIDS as of December 2002
Source Data: San Mateo County Health Services Agency, Disease Control and Prevention Unit, HIV/AIDS Reporting System (HARS)
Healthy San Mateo 2010: A Report on the Health Status of San Mateo County Residents, 1990-2001

ID-1

Needs of Persons Threatened with Homelessness

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

Others who are at risk of becoming homeless are persons in overcrowded housing situations, victims of domestic violence and persons in tenuous employment situations. The needs of overcrowded households are extensive and include the risk homelessness. The housing need of victims of domestic violence is for additional shelters, or increased occupancy capacity for those in operation in order to accommodate all persons desiring to leave dangerous living situations.

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

Households at Risk of Becoming Homeless

Category	Households at Risk
Very Low-Income, With Cost Burden Over 50% of Income	3,548
Low-Income, With Cost Burden Over 50% of Income	1202
Overcrowded Households	994
Victims of Domestic Violence	80
Other	50

Other Special Needs

In addition to the homeless, there are other groups of persons who require supportive housing, including the elderly, frail elderly, persons with disabilities (mental, physical, developmental), persons with alcohol or other drug addictions, and persons diagnosed with AIDS and related diseases.

Needs of Persons Living With AIDS -- With advanced drug treatments, persons with HIV/AIDS have shown a growth in those living longer with the disease at a cumulative 785 persons in San Mateo County in 2002. Additionally, since 1992 there has been a declining number of newly diagnosed cases with only 32 new cases in 2002 as compared to 222 in 1992.

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

The National Commission of AIDS published the report "Housing and the HIV/AIDS Epidemic; Recommendations for Action" which indicates that roughly 1/3 of all people infected with AIDS are either homeless or are in eminent danger of becoming homeless and are in greatest need for supportive housing and housing assistance. Therefore, utilizing the number of persons living with AIDS in San Mateo County in 2002, approximately 261 persons and/or households require some type of supportive housing.

In the San Mateo County Health Services Agency report "Healthy San Mateo 2010: A Report on the Health Status of San Mateo County Residents, 1990-2001" prepared by Department of Public Health, March 2004, it indicated the majority of cases resided in the Northern and Southern areas of the county. Therefore the proportional need for San Mateo would be less.

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

Unfortunately, much of the data provided by the Census and HUD on persons with disabilities tend to aggregate all disabled persons together. For example, data provided by HUD indicate that the number of persons reporting some type of a disability was 26,724 in 2000. The following table provides some information on disability types within San Mateo in 2000.

Persons with Disabilities by Disability Type, 2000

	Number
Total Disabilities	26,724
Total Disabilities for Ages 5-64	17,714
Sensory Disability	784
Physical disability	2,359
Mental disability	1,753
Self-care disability	815
Go-outside-home disability	4,299
Employment disability	7,704
Total Disabilities for Ages 65 and Over	9,010
Sensory Disability	1,459
Physical disability	3,070
Mental disability	1,166
Self-care disability	1,045
Go-outside-home disability	2,270

Source: 2000 Census

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

Developmentally Disabled – According to the State of California, the term “developmental disability” refers to a severe and chronic disability that is attributable to a mental or physical impairment that begins before an individual reaches adulthood. These disabilities include mental retardation, cerebral palsy, epilepsy, autism, and disabling conditions closely related to mental retardation or requiring similar treatment.

Mental Retardation -- Mental Retardation is characterized by significantly subaverage general intellectual functioning (i.e., an IQ of approximately 70 or below) with concurrent deficits or impairments in adaptive functioning.

Cerebral Palsy -- Cerebral Palsy includes two types of motor dysfunction: (1) nonprogressive lesion or disorder in the brain occurring during intrauterine life or the perinatal period and characterized by paralysis, spasticity, or abnormal control of movement or posture, such as poor coordination or lack of balance, which is manifest prior to two or three years of age, and (2) other significant motor dysfunction appearing prior to age 18.

Autism -- Autism is a neurodevelopmental disorder with multiple causes or origins. It is defined as a syndrome causing gross and sustained impairment in social interaction and communication with restricted and stereotyped patterns of behavior, interests, and activities that appear prior to the age of three. Specific symptoms may include impaired awareness of others, lack of social or emotional reciprocity, failure to develop peer relationships appropriate to developmental level, delay or absence of spoken language and abnormal nonverbal communication, stereotyped and repetitive language, idiosyncratic language, impaired imaginative play, insistence on sameness (e.g., nonfunctional routines or rituals), and stereotyped and repetitive motor mannerisms.

Epilepsy -- Epilepsy is defined as recurrent, unprovoked seizures.

Other Developmental Disabilities -- Other Developmental Disabilities are similar to mental retardation that require treatment (i.e., care and management) similar to that required by individuals with mental retardation. This does not include conditions that are solely psychiatric or physical in nature. The conditions must occur before age 18, result in a substantial handicap, be likely to continue indefinitely, and involve brain damage or dysfunction. Examples of conditions might include intracranial neoplasms, degenerative brain disease or brain damage associated with accidents.

According the Developmental Disabilities Board, Area 5 (an advocacy organization), a total of 723 persons with developmental disabilities are consumers of the Golden Gate Regional Center's services within San Mateo zip codes. Of these, it is estimated that approximately 227 developmentally disabled persons have housing needs, or 31.3%. Of the 227 persons, an estimated 23 have additional mental health needs, and another 34 have physical ADA compliance needs. The types of housing opportunities appropriate for people living with a developmental disability include:

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

The needs of this population for supportive housing vary depending on the severity of the illness. Some developmentally disabled persons participate in different programs offered by service providers to help them transition to the community and live independently. For instance, Poplar ReCare provides job training program to developmentally disabled persons. A significant number of this population lives in supportive housing with no or little supervision. Others may have difficulty transitioning to the community. They estimates that approximately 1 to 3% of persons and/or households who report developmental disabilities also require housing assistance. Utilizing that percentage, the housing need would range from approximately 30 to 87 households in San Mateo – less than that estimated by the Developmental Disabilities Board, but still significant.

Mentally Disabled – Although basic information on persons in the City with a mental disability is provided in the Census, detailed information is generally only available at the County level. The Mental Health Services Act plan (2005) provides statistics on the needs of the mentally ill throughout San Mateo County. Of those served with mental health services, the plan found the following in 2003-2004:

- Most people (10,085) were served in the outpatient system, including psychiatric emergency and Access Team contacts.
- Over 2,000 adult clients (or 59% of all adult clients) were served with less than 15 hours of service per year. Of these, 17% received only medication related services.

- About 2,500 people also used San Mateo Medical Center Psychiatric Emergency Services (PES) for crisis services. Of these, most were adults, followed by children/youth and then older adults. Between 20% (older adults) and 35% (children/youth) had received services from the mental health system prior to the first PES visit. Post the PES visit, 76% of children/youth received services compared with only 37% of adults and 36% of older adults.
- Just over 700 people had inpatient episodes, most of them adults. There were 89 transition age youth and 70 older adults. The number of consumers with five or more inpatient episodes dropped from 23 in FY 02/03 to 11 in FY 03/04. A review of these 11 cases indicated the investment of a minimum of 47 hours of outpatient services to a top of 312 hours of outpatient service in addition to the inpatient stays.
- Over 500 adults received residential services in addition to outpatient services; 109 people were served in skilled nursing facilities/locked facilities; 12 of these individuals were older adults.
- Slightly over half of the people served by San Mateo County were MediCal beneficiaries (56.5%), although this varied by age group. About 7% of the people served were on and off of MediCal during the year of service.
- There is a range in the percentage of MediCal consumers served by sub-region (countywide average, 12.13%, ranging from 8.63% in East Palo Alto to 14.48% in Central). Sub-regions also show variance in the percentages by ethnicity of the MediCal population served.
- The diagnostic mix of San Mateo County consumers was:
 - ADHD 2%
 - Anxiety 6%
 - Bipolar 5%
 - Conduct Disorder 1%
 - Deferred 26%
 - Depression / Mood Disorder 20%
 - Other 14%
 - Schizophrenia / Psychotic 25%

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

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

Needs of Frail and Non-Frail Elderly -- As Census data has shown, the number of elderly population has increased dramatically from the city to county, state and national levels.

According to the Administration on Aging *A Profile of Older America: 2003*, there were 31.2 million persons in America ages 65+ in 1990. In 2000 there were 35 million and it is estimated that in 2010 there will be 40.2, a growth of 9 million in 20 years. Furthermore, projecting forward to 2020 there be 54.6 million older Americans and in 2030 there will be 71.5 million older Americans.

In 2000, there were 13,932 persons age 65 and over in San Mateo with 5,445 males and 8,487 females. Of those persons, 3,320 of the males and only 2975 of the females reported having a disability. There were 2,240 of those over 65 years of age who reported having two or more types of disability. More than 50 percent of all elderly households pay more than 50% of their household income on housing.

Housing needs of the elderly are varied. Some households have substantial retirement incomes and own their own homes, while others live on limited incomes in substandard rental housing. According to HUD data, there were 9,215 households (25% of all households in 2000) with persons 65 years of age or older.

Some elderly have unique housing needs because of poor health, mobility problems and income. Of the elderly requiring supportive housing, there are two sub-populations which need to be discussed in the Consolidated Plan including: frail and non-frail elderly. The following is a description of the general supportive housing needs for these groups:

Frail Elderly: The frail elderly share many of the same housing needs as the disabled. In order to remain dependent and in their own homes, they may require accessible housing with special design features. Typically frail elderly categorized as low-income are ones which are in most need of supportive housing assistance. According to Census 2000 data, there were 1,045 persons 65 years and over with a self-care disability in San Mateo, 725 females and 320 males.

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

Supportive Housing Available for Frail and Non Frail Elderly -- The State Department of Social Services' Inventory of Community Care Facilities indicates that as of March 30, 2005, there were 70 residential care facilities providing supportive housing for persons over age of 60 with a combined capacity and population of 1,211 persons. San Mateo has been very proactive in supporting senior housing development within the City, therefore housing development for this population will not be a priority for financial support from the City in the next five years.

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

In the SMCHSA Alcohol and Drug Services June 2003 report “*Alcohol and Drug Issues: An Overview of In-Treatment Data and Community Needs Indicators*”, there were 6,529 treatment episodes reported for 2001-02. Treatment episodes were defined as “one client enrollment in an alcohol/drug treatment program” and may occur more than once during the year. These treatment episodes were for 4,939 unduplicated clients, of which 680 were adolescent clients. During that program year additional funds were committed to specifically increase juvenile services. Considering the percentages previously noted, it could be estimated that approximately 1,235 persons would require some form of supportive housing.

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

Female-Headed Households – According to the 2000 Census, there are 3,245 female-headed households in San Mateo, which represents about 8.7% of the total number of households. While 1,460 of those households include children under 18 years of age, a greater proportion (55%) have no children under 18.

Children living in female headed households are more likely than other children to live below the poverty line. Single mothers have a greater risk of falling into poverty than single fathers due to such factors as the wage gap between men and women, limited training and education for higher-wage jobs, and inadequate child support. According to recent studies, single mothers on welfare rarely find full-time, permanent jobs at adequate wages. Almost 44% of all families in San Mateo who are living under the poverty level are headed by single mothers.

Households by Parent Status, 2000

Type	Number	Percent
Total Households	37,362	
Total Female Headed Householders	3,245	8.7%
Female Heads with Children under 18	1,460	45.0%
Female Heads without Children under 18	1,785	55.0%
Total Families Under the Poverty Level	803	
Female Headed Households Under the Poverty Level	350	43.6%

Source: 2000 Census

E. PROJECTED HOUSING NEEDS

EMPLOYMENT TRENDS

A total of 8,480 new jobs are anticipated to be created in San Mateo between 2010 and 2020, as shown in the table below. This represents a growth rate of 17.3%. The County as a whole is expected to experience a growth rate of 16.5%. However, this follows a period of decline, with both the county and the City project to have lost about 6% of their respective jobs by 2010. While the City and the County anticipate a reduction in the jobs-per-employed-person ratio, the City will continue to see more jobs per person than the County.

Projected Job Growth, 2000 to 2020

Jurisdiction	2000	2010	2020	Growth, 2000- 2010	Rate	Growth, 2010- 2020	Rate	Jobs per Employed Residents		
								2000	2010	2020
San Mateo	52,300	49,050	57,530	-3,250	-6.2%	8,480	17.3%	1.01	1.02	0.99
San Mateo Co.	386,590	363,060	423,100	-23,530	-6.1%	60,040	16.5%	1.05	1.07	1.06

Source: ABAG's Projections 2007; includes sphere of influence data

Consistent with national trends, the unemployment rates have slowly increased in certain sectors of the Bay Area. In April of 2008, the unemployment rate in San Mateo was 3.1%, which was lower than the County as a whole. The following table shows unemployment for the jurisdictions of the County.

Unemployment Rates by Jurisdiction, San Mateo County, April 2008

Jurisdictions	Labor Force	Employ- ment	Unemployment	
			Number	Rate
Belmont	14,900	14,400	500	3.4%
Burlingame	16,200	15,700	500	2.9%
Daly City	54,700	52,000	2,700	5.0%
East Palo Alto	12,900	11,600	1,300	9.8%
Foster City	16,900	16,400	500	2.9%
Half Moon Bay	6,400	6,100	300	4.9%
Menlo Park	16,300	15,800	500	3.2%
Millbrae	10,100	9,900	200	2.2%
Pacifica	22,800	21,800	1,000	4.6%
Redwood City	42,600	40,900	1,700	4.0%
San Bruno	22,700	21,900	800	3.4%
San Carlos	15,900	15,500	400	2.7%
San Mateo	50,900	49,300	1,600	3.1%
South San Francisco	32,100	30,500	1,600	4.9%
Belmont	14,900	14,400	500	3.4%
COUNTYWIDE TOTAL	384,500	369,200	15,300	4.0%

Source: California Employment Development Department, Labor Market Information, 2008

Although a significant number of new jobs are expected to be created in the San Francisco/San Mateo/Redwood City region, a large portion of them will be in low-wage service occupations. As shown in the following table, more than 70% of the job classifications projected to have the highest number of openings in the Metropolitan region from 2004-2014 have mean hourly wages

of less than \$14. With the exception of openings for certain types of managers and computer professionals, the vast majority of job openings will afford the earner far below median income. In fact, 71% of the jobs in the top 20 would not provide the funds for a single individual to be able to live self-sufficiently in the County, according to the Self-Sufficiency Standard.² In addition, more than 83% of these jobs will not require any more than on-the-job training; in other words, these jobs require little skill. This trend indicates that job growth in the region is likely to increase the demand for affordable housing and that the housing affordability situation for those currently housed is not likely to improve due to market forces during this period.

Largest Job Growth, 2004-2014
San Francisco-San Mateo-Redwood City Metropolitan Division³

Top Twenty Occupations	# of Job Openings	Median Hourly Wage	Annual Income	Education/Experience Required
Retail Salespersons	14,030	\$10.94	\$22,318	30-Day On-the-Job Training
Waiters and Waitresses	11,090	\$8.60	\$17,544	30-Day On-the-Job Training
Cashiers	10,970	\$10.27	\$20,951	30-Day On-the-Job Training
Counter Attendants, Cafeteria, Food Concession, and Coffee Shop	7,660	\$9.52	\$19,421	30-Day On-the-Job Training
Janitors and Cleaners, Except Maids and Housekeeping Cleaners	6,520	\$10.99	\$22,420	30-Day On-the-Job Training
Combined Food Preparation and Serving Workers, Including Fast Food	6,290	\$8.85	\$18,054	30-Day On-the-Job Training
Registered Nurses	5,950	\$39.09	\$79,744	AA Degree
Office Clerks, General	4,780	\$13.63	\$27,805	30-Day On-the-Job Training
Computer Software Engineers, Applications	4,740	\$46.78	\$95,431	BA/BS Degree
General and Operations Managers	4,190	\$52.47	\$107,039	BA/BS + Experience
Food Preparation Workers	4,040	\$9.93	\$20,257	30-Day On-the-Job Training
Executive Secretaries and Administrative Assistants	3,680	\$22.10	\$45,084	1-12 Month On-the-Job Training
Accountants and Auditors	3,650	\$30.42	\$62,057	BA/BS Degree
Security Guards	3,620	\$12.31	\$25,112	30-Day On-the-Job Training
Carpenters	3,620	\$26.72	\$54,509	12-Month On-the-Job Training
Cooks, Restaurant	3,430	\$11.82	\$24,113	12-Month On-the-Job Training
Laborers and Freight, Stock, and Material Movers, Hand	3,290	\$12.57	\$25,643	30-Day On-the-Job Training
Stock Clerks and Order Fillers	3,140	\$12.39	\$25,276	30-Day On-the-Job Training
Customer Service Representatives	3,000	\$17.05	\$34,782	1-12 Month On-the-Job Training
Bookkeeping, Accounting, and Auditing Clerks	2,850	\$18.99	\$38,740	1-12 Month On-the-Job Training
TOTAL	110,540			

Source: California Employment Development Department, 2008

POPULATION TRENDS

According to ABAG's Projections 2007, the City's population is expected to grow 11.9% (11,600 persons) by 2020. As shown in the following table, the population of the County is projected to be 800,700 in 2020, growing by 8.1% from 2010.

²December 2003, Prepared for Californians for Family Economic Self-Sufficiency, a project of the National Economic Development and Law Center

³Data for San Mateo County alone no longer available from the EDD.

Projected Population Growth, –2010 - 2020

Jurisdiction	2010		2020		Growth 2010-2020	Rate 2010-2020
	#	% total	#	% total		
San Mateo	97,700	13.2%	109,300	13.7%	11,600	11.9%
County Total	741,000		800,700		59,700	8.1%

Source: ABAG's Projections 2008

HOUSEHOLD TRENDS

ABAG projects that, although the number of households is expected to grow 7.6% for the County as a whole through 2020, the household growth rate for the City of San Mateo will increase significantly, from 6.4% by 2010 to just 11.1% by 2020.

Projected Household Growth, 2010 - 2020

Jurisdiction	Rate 2000-2010	Rate 2010-2020
San Mateo	6.4%	11.1%
County	5.2%	7.6%

Source: ABAG's Projections 2007

COMMUTING TRENDS

As housing prices escalate, families often move further and further away from central cities to find housing that is more affordable. This trend can be reflected in commuting patterns, not only in terms of the time it takes to travel between two locations, but also in the sheer number of commuters moving into and out of a region. However, the dramatic rise in energy costs in 2007 and 2008 may signal significant structural changes to commuting patterns, as commuters find ways to cut travel expenses.

The following table provides information that was generated before the cost of gasoline began to rise; it shows that, between 2000 and 2010, the Metropolitan Transportation Commission originally anticipated that commuters into and out of San Mateo County would increase by about 10%. Within the County, commuting was expected to increase by 9.8%, while commuters moving out of the County to other destinations would increase by 10.9%. Commuters from other areas coming to San Mateo County would increase by 9.2%. It remains to be seen whether these patterns will hold true in the coming months and years.

Expected Commuters Through the County of San Mateo, 2010 -2030

County of Residence	County of Work	2010	2020	2030	% Change 2010-2020	% Change 2020-2030
Within San Mateo County						
San Mateo	San Mateo	218,915	252,555	267,718	15%	6%
Out of San Mateo						
San Mateo	San Francisco	72,639	83,367	87,485	15%	5%
San Mateo	Santa Clara	61,689	61,887	61,905	0%	0%
San Mateo	Alameda	14,755	16,489	17,148	12%	4%
San Mateo	Contra Costa	1,628	1,853	2,082	14%	12%
San Mateo	Solano	237	297	382	25%	29%
San Mateo	Napa	124	165	204	33%	24%
San Mateo	Sonoma	285	542	962	90%	77%
San Mateo	Marin	847	1,179	1,480	39%	26%
San Mateo	Elsewhere	575	765	820	33%	7%
San Mateo	TOTAL	371,694	419,099	440,186	13%	5%

<i>Into San Mateo</i>						
San Francisco	San Mateo	46,294	50,872	57,071	10%	12%
Santa Clara	San Mateo	39,512	53,313	60,875	35%	14%
Alameda	San Mateo	40,081	47,134	54,397	18%	15%
Contra Costa	San Mateo	12,648	14,656	15,345	16%	5%
Solano	San Mateo	4,692	5,265	5,185	12%	-2%
Napa	San Mateo	626	609	546	-3%	-10%
Sonoma	San Mateo	2,460	1,768	1,178	-28%	-33%
Marin	San Mateo	3,364	3,082	2,810	-8%	-9%
Bay Area	San Mateo	368,592	429,254	465,125	16%	8%
Elsewhere	San Mateo	9,847	10,431	12,032	6%	15%
TOTAL	San Mateo	378,439	439,685	477,157	16%	9%

Source: MTC Forecasts based on ABAG Projections 2003.

Note: TOTAL is defined as the nine county San Francisco Bay Area and the 12 neighbor counties.

REGIONAL HOUSING NEEDS ALLOCATIONS

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

According to ABAG, the regional housing need is determined by estimating both the existing need and the projected need for housing. Existing need is the amount of housing needed to address existing overcrowding or low vacancy rates. Projected need relates to providing housing for the growing population. Using slightly different methods, both the State, through the State Department of Finance (DOF), and the region, via ABAG, estimate projected household growth. Since these numbers may differ, the State and the region work closely together to arrive at an agreed upon estimate of future population growth; therefore, housing need through 2014.

The region's total housing need is allocated to Bay Area jurisdictions through an allocation method. The method contains two distinct components, mathematical equations and rules.

There are two mathematical equations in the allocation method. The first equation is used to allocate total units among jurisdictions. This equation consists of factors, each weighted to indicate relative importance. The second equation is used to divide each jurisdiction's total need, based on the first formula, into the four income categories, as defined by state law.

The allocation method also contains a set of rules. These rules address how to allocate units by income, how to handle units in spheres of influence and voluntary transfers of units between jurisdictions and subregions.

This chapter covers the first mathematical equation, the primary one used to allocate units to jurisdictions. The next several chapters cover the income allocation formula and the allocation rules.

Math Equation Factors -- RHNA law delineates the specific factors that must be considered for inclusion in the mathematical equation component of the housing needs allocation method. These factors are:

1. Water and sewer capacity
2. Land suitable for urban development or conversion to residential use
3. Protected open space - lands protected by state and federal government
4. County policies to protect prime agricultural land
5. Distribution of household growth
6. Market demand for housing
7. City-centered growth policies
8. Loss of affordable units contained in assisted Housing
9. High housing cost burdens
10. Housing needs of farm workers
11. Impact of universities and colleges on housing needs in a community.

In devising the formula for allocating units to jurisdictions, staff and members of the Housing Methodology Committee (HMC) had to consider how each of these statutory factors could be incorporated into the mathematical equation component of the allocation method. For the Bay Area's allocation formula, the selected factors and their respective weights are:

- Household growth (45%)
- Existing employment (22.5%)
- Employment growth (22.5%)
- Household growth near existing transit (5%)
- Employment growth near existing transit (5%)

Household growth, existing employment and employment growth are each forecasted in the region's job, household and employment forecast, *Projections 2007*. By applying these factors and weights in the allocation formula, housing would be allocated to jurisdictions in a manner consistent with state RHNA objectives, statutory requirements, local land use and regional policies. Jurisdictions would then be required to plan for their allocated number of housing units within the housing elements of their general plans.

San Mateo Subregion -- The County of San Mateo, in partnership with all twenty cities in the county, formed a subregion. The formation of a subregion, for the purposes of conducting the RHNA, is allowed by State law. The San Mateo subregion designated the City/County Association of Governments (C/CAG) as the entity responsible for coordinating and implementing the subregional RHNA process.

Upon the State's determination of the total regional need, as required by law, ABAG assigned a share of the regional need to the San Mateo subregion. According to the law, the subregion's share is to be "in a proportion consistent with the distribution of households" from 2007-2014 in *Projections 2007*. San Mateo's share of units was also assigned by income category. The income distribution was determined by the regional average distribution of income.

San Mateo County's household growth during the RHNA period, 2007-2014, is estimated at 12,184 households. Household growth in the region over the same period is estimated at 166,060. San Mateo County's regional share of household growth is 7.3 percent.

Applying this percent to the total regional housing need of 214,500 units gives San Mateo County a minimum subregional housing need assignment of 15,738 units, or 7.3 percent of the total regional need.

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

The San Mateo subregion housing allocation method mirrored ABAG's final method. The same factors and weights were used as described above. Once units were allocated, using the ABAG formula, several cities in the San Mateo subregion agreed to transfer units, including the City of San Mateo. The following table shows the final ABAG housing allocation, as adjusted, for the City of San Mateo for the 2007-2014 planning period.

REGIONAL HOUSING NEED ALLOCATION, 2007 - 2014

Total Projected Need	Very Low	Low	Mod	Above Mod	Average Yearly Need
3,051	695	500	589	1,267	436
	23%	16%	19%	42%	

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

Total Projected Need	Extremely Low	Very Low	Low	Mod	Above Mod	Average Yearly Need
3,051	348	347	500	589	1,267	436
	11%	11%	16%	19%	42%	

HCD requires that San Mateo project new construction needs over the next five years. Based on ABAG's seven-year housing needs determination, San Mateo's housing needs are approximately 436 units per year. This annual figure multiplied by five results in an estimated need for 2,179 units over the next five years (July 1, 2007 through June 30, 2012).

FIVE-YEAR HOUSING NEEDS, 2007-2012

Income Category	Five-Year New Construction Need
Extremely Low-Income	248
Very Low-income	248
Other Lower-income	357
Moderate-income	421
Above moderate-income	905
Total Units	2,179

CLIMATE CHANGE

With the passage of AB 32 and SB 375, the City of San Mateo has taken extensive steps to address Climate Change. In 2007, a Carbon Footprint study was conducted to determine the City's greenhouse gas emissions which helped the City focus its sustainability efforts. In addition to the Carbon Footprint, the City initiated a Sustainability Advisory Committee which created and submitted to the City Council a Sustainability Initiatives Plan. This plan contains numerous recommendations on how the City can address Climate Change and reduce the City's greenhouse gas emissions.

In addition to the Sustainable Initiatives Plan, a Climate Action Plan (CAP) for City's Operations and Facilities was created. This Plan focuses on citywide efforts and programs of the City that reach out to and for the public. The CAP is for city agency efforts and includes specific actions that will reduce the energy and fuel use in city facilities and operations, thus lessening the climate change impacts that the city is responsible for. These two documents together present a full picture of what the City can do to increase its efforts to be more sustainable, more environmentally conscious and more climate friendly.

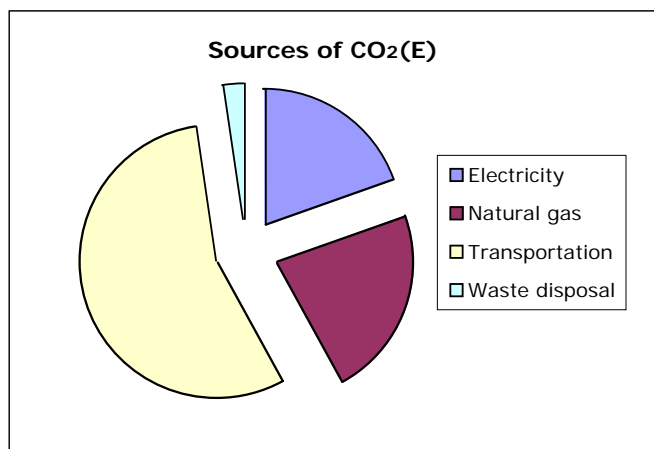
The following are excerpts of the Carbon Footprint Study and Sustainability Initiatives Plan as it relates to the Housing Element Update.

Carbon Footprint

In October 2007, the City issued its Greenhouse Gas Emissions Inventory Report. This report outlined the City's then current emissions and provided the basis for setting reduction goals. This report is being incorporated into the City's General Plan update scheduled for approval in 2009.

In summary, the community-scale footprint includes the CO₂ generated from all residences and businesses in the City of San Mateo and all traffic that drives on roads in the city. The largest source of CO₂ is transportation (55%), followed by the built environment (42%) and waste disposal (3%). The built environment comprises of all existing infrastructure and buildings. This includes the approximately 39,000 single family and multifamily households in the City of San Mateo.

Source of CO ₂	Metric tons of CO ₂ (e)
Electricity	121,055
Natural gas	141,657
Transportation	346,201
Waste disposal	16,096
Total	625,009



Sustainability Initiatives Plan

In 2007, the City engaged in a Sustainable Initiatives Plan that was developed for the City Council by the Sustainability Advisory Committee. The Plan addresses several areas of environmental responsibility for the City including citywide sources of CO₂ emissions, impacts from new developments and construction, city planning, waste and resource management and all modes of transportation. The Plan also addresses ways to engage the public and businesses in creating solutions to the environmental challenges.

To develop the plan a diverse group of individuals was chosen to work collaboratively in order to assure that recommendations would consider economic and equitable concerns as well as the environmental issues. In addition to this group and the consultant, many City staff were engaged in formulating recommendations to accomplish the objectives voiced by the committee.

As part of the process, the public was also encouraged to give voice to their environmental concerns and to participate in the discussion of recommendations that would affect their work or lives. A meeting was held with a group of developers to identify incentives and concerns about the green building program. Presentations followed by public comments and questions were held at the following venues: library events for the public on climate change and green building, the San Mateo County Association of Realtors, the San Mateo United Homeowners Association, the American Institute of Architecture – San Mateo County Chapter, and the San Mateo Chamber of Commerce Public Policy Committee. A Public Meeting was further held on December 8, 2007 to present the recommendations to the community before finalizing them.

Following the public outreach, the Sustainability Initiatives Plans was reviewed by the City Council and accepted for incorporation into the General Plan. Below are the General Plan and Built Environment policies from the Sustainability Initiatives Plan. Other policies related to Transportation, Waste and Recycling, Suburban Forest, and Water is referenced in other elements of the General Plan. For the entire Sustainability Initiatives Plan see Appendix T in the General Plan.

General Plan

As part of the General Plan update scheduled for adoption in 2009; the following goals and actions incorporate the recommendations into the General Plan and ensure that the recommendations become part of future planning. The City of San Mateo's commitment to transit oriented development (TOD) while being sensitive to existing neighborhoods is strongly aligned with the goals of the Sustainable Initiatives Plan and therefore, no recommendations on TOD are included in this section.

GP 1: Incorporate Sustainability into the General Plan Revision Process, including but not limited to the following objectives:

- a. Add or strengthen green building, energy efficiency and water conservation objectives to be in alignment with the strategies and intent of the Sustainable Initiatives Plan.

GP 2: Thoroughly review the General Plan to verify that there are no conflicting policies that would limit sustainable planning or green building design, developments and practices. Any conflicts that are identified should be considered and adjusted to encourage rather than discourage sustainability; to the extent the adjustments are not inconsistent with

local, voter-approved measures.

- a. Ensure that any Green Building Program or energy efficiency requirements that exceed building code are covered in the General Plan, in order that requirements would be found to be legally in compliance with the General Plan.

GP 4: Review land use designations for high intensity land uses located outside the Transportation Corridor or other transit nodes. When considering development or redevelopment of these locations, insure that proposed uses meet the City's sustainable transportation goals.

Built Environment

The built environment is responsible for about 42% of the City's CO₂ emissions resulting from, the primary use of water and natural resources and 22% of the waste stream⁴. Of this, there are approximately 39,000 housing units – both single family homes and multi-family units – and of these, just over half are owner-occupied. Of the single family homes, less than 2% are sold each year and only a small percentage come in for permits. Therefore, programs that address the current housing stock are essential to spur a significant reduction in energy or water use, thereby reducing the City's CO₂ emissions.

The Sustainability Initiatives Plan includes several recommendations for programs that will address the effects of new construction, remodels, renovations or tenant improvements and existing building stock. A majority of these recommendations were added to the City's work program for 2008-2010 with the final implementation details to be worked out by the Community Development Department (CDD).

The following policies from the Sustainability Initiatives Plan are currently being finalized with the General Plan update:

BE 1: Develop and implement a pilot program that will survey the existing housing stock and small businesses in the city and provide statistically significant data on the status of energy and water building practices and equipment (such as use of low flow and energy savings equipment and insulation, weather stripping and dual pane windows, air conditioner, heater and water heater efficiency, etc.)

Use this information to develop a proposal for a new program that will reach a high percentage of the existing housing stock and small businesses – both rental and owner occupied – to upgrade one or more of the identified needs and provide data to assess progress. With proposed funding sources, bring this proposal to the City Council.

BE 2: Incorporate one or more following programs into the Department of Community Development's work program. These programs will provide an alternative means of upgrading existing residential units and small businesses to a higher level of sustainability with a focus on reducing CO₂ emissions, water consumption and energy use.

⁴ 2004 Statewide Waste Characterization Study, California Integrated Waste Management Board, www.ciwmb.ca.gov/ConDemo/

Optional Programs:

1. Develop a pilot program of sustainability grants up to \$1,500 from CDBG Funds for the reduction of the use of natural gas through furnace, heater ducts and water heater upgrades. Water conservation programs could include low flow toilets and showerheads.
2. Focus on marketing existing programs of PG&E and Cal Water to encourage residents to take advantage of opportunities to retrofit for water, energy and conservation or to purchase Energy Star appliances,
3. Explore the idea of a program to distribute electric monitors for homes to assist homeowners to better understand energy consumption and costs.
4. Develop a plan for review that would require the upgrading of water flow and hot water heating systems and conversion of light bulbs when applying for a residential remodel project. This would be applicable to the remodels that are below the threshold for GreenPoint Rated Remodels, when that program is implemented.
5. Support and promote through education and outreach any existing programs and businesses in the community that provide solar installations.
6. Increase dissemination of information developed by BAWSCA, SMCWPPP (formerly STOPPP) and other public agencies or nonprofits on drought tolerant landscaping, water efficient irrigation and integrated pest management.

BE 4: Develop a voluntary program to implement the Build it Green GreenPoint Rated System for single family and multi-unit development projects. After initial implementation as a voluntary measure, the program shall require that new construction projects meet or exceed 75 points. When the GreenPoint Rated checklist for remodels is released, add remodels that are larger than 500 square feet to the voluntary and then required program. The mandatory program will begin with building permits issued for multi-family homes in 2009 and building permits issued for single family homes in 2010.

BE 5: Develop a voluntary program for private builders to meet or exceed LEED Silver standards in new developments and buildings. After initial implementation through voluntary participation supported by incentives for participation, the program shall require that new construction projects and major, non-retail remodeling or renovation projects (as defined in the City of San Mateo Green Building Standards of Compliance Table) be designed and constructed to meet or exceed LEED Silver standards. The mandatory program will begin with building permits issued in 2009.

BE 6: Prior to making the green building program mandatory, educate builders, developers and homeowners and the public on the proposed new standards and implement the voluntary programs.

BE 7: When the City adopts mandatory green building standards, these shall serve as the city's expectations for sustainable development. The City shall promote higher standards through the use of incentives.

BE 8: Every three years, in accordance with the review and updating of the GreenPoint Rated system and LEED checklists, the City shall review and update its green building requirements, as it does with Title 24 and Building Code changes. The intention of this periodic review is to work towards continual improvement and strengthening of the standards, to ensure that the changes in LEED and GPR are sufficient to accomplish this

and to consider whether a higher level of LEED or increased number of points should be required to meet the City's CO₂ reduction and sustainability goals.

BE 9: Increase new annual installations of solar or renewable energy systems for 2008 to 400kW. Increase subsequent year annual installations by 10% each year (2009 = 440kW of newly installed systems), until 2011 and at least 25% per year thereafter.

In 2007 new installations of solar photovoltaic systems was 100 kW, so this goal reflects a four times increase. An average home installation is 4.3 kW, so this goal represents about 93 installations (70 more than FY 06/07). When other renewable systems are included, such as geothermal, solar hot water or wind, the energy savings would need to be converted to kW.

A 4kW system could produce 5760 kWh on an annual basis; the installation of 400 kW would eliminate 120 metric tons of CO₂ emissions, which is less than .3% of the overall CO₂ from residential electricity use. However, solar installations are cumulative, so every new system will continue to provide clean electricity for years. In 2020, (factoring in a population increase of 15% and an increase of 10% in the amount of installations per year), the solar would replace about 6% of the residential demand. A 25% increase on a yearly basis would replace 16% of the residential demand by 2020.

Solar photovoltaics continue to be costly, even after significant rebates. A 4kW system costs approximately \$38,000 and would receive a \$9,000 rebate if installed today. However, there are several things the City can do to encourage people to take this step, in spite of the expense.

Potential Supportive Actions:

1. Promote or join local partnerships and opportunities that offer renewable energy options to the residents and/or help inform them of rebates and options. For instance, the City could actively support
 - a. Current efforts by Hillsdale High School and Owens Electric & Solar (a San Mateo based business) to provide a discount to homeowners while supporting the High School's solar program
 - b. Build It Green in running a Green Building and Solar Home Tour in the City
2. Ensure that the permit process is quick and inexpensive.
3. Consider development of a solar access ordinance.
4. Establish a reporting system in the Building Division to track the cost and size of the system, the efficiency measures that were done concurrently or prior to the permit and the expected kWh to be produced by the system.
5. Provide basic information to the public – distribute the RecycleWorks solar flier, run the RecycleWorks video, Harnessing the Sun's Energy on the City's cable network, add links and information to the Green Page on the City website.
6. Include a recommendation to address energy efficiency items before installing renewable energy systems in any promotion. Ensure that any solar program has an efficiency component.
7. Ensure that City permitting staff has expertise in solar and energy efficiency actions.
8. Watch for innovative programs and strategies being developed in other cities, such as the Berkeley solar and efficiency loan program, and, after the programs have been implemented and the details addressed, evaluate these programs as potential ideas for San Mateo to copy.

ENERGY CONSERVATION

Home energy costs have become an increasingly significant factor in housing costs as energy costs have risen, particularly in the past year with the ongoing energy crisis in California. Energy costs related to housing include not only the energy required for home heating, cooling and the operation of appliances, but the energy required for transportation to and from home.

State Title 24, enacted in the 1980s, permits builders of new residential units to achieve compliance either by calculating energy performance in a prescribed manner or by selecting from three sets of conservation measures. In developing the standards, the Energy Commission was concerned that the requirements not add an excessive additional cost to the price of each housing unit. Under the adopted standards, it was then estimated that the initial costs range from \$494 to \$5,816, depending on the methods used to comply. When compared to the 30-year life cycle costs of installing, financing and maintaining the conservation measures, net savings to homeowners will be between \$16,000 and \$28,000, according to the Energy Commission.

In order to save natural resources and to make utilities more affordable, the City's Housing Rehabilitation programs provide both funding and information referral for participants to include weatherization improvements and utilize energy and water efficient appliances and fixtures. Program participants are encouraged to use the energy conservation programs provided by Pacific Gas and Electric (PG&E).

In new affordable housing construction where the City provides financing, the City encourages that the design of new units are sensitive to energy consumption. Energy conservation is encouraged in the unit layout such as solar orientation, location of plumbing, and choice of heating system as examples.

F. EVALUATION OF THE PREVIOUS ELEMENT

The City made substantial progress in meeting many of its objectives established in 2002, when the most recent Housing Element was adopted.

ZONING

The City achieved a number of zoning changes to further the goals of preserving the character of existing neighborhoods. Design review of second story additions and new single family dwellings is now required to preserve neighborhood character and ensure building massing and design compatibility. Design guidelines were developed to assist homeowners early on as they consider potential remodeling projects. Design review and guidelines were also initiated for duplex dwellings to reduce massing and ensure compatibility with adjacent dwellings.

A Transit Oriented Development (TOD) ordinance was adopted in 2005 to implement the goals and policies of the San Mateo Rail Corridor Transit-Oriented Development Plan. A majority of the properties within the Corridor Plan area were rezoned to TOD. The ordinance and the Corridor Plan have been effective for encouraging development near transit and train stations. A number of Specific Plans have been completed to encourage multi use developments with an emphasis on livability and linking housing to transportation. The El Camino Real Master Plan, San Mateo Rail Corridor Transit-Oriented Development Plan, and Bay Meadows-Phase II Specific Plan Amendment have been adopted and all promote mixed-uses with high density housing.

AFFORDABLE HOUSING

The City met its most pressing affordable housing goal of preserving affordability at Flores Gardens, a 72-unit senior rental complex. This project was originally built under the Federal Housing Administration (FHA) 221 (d) (4) programs which provided construction funds and Section 8 rental assistance for the residents. The expiration of affordability restrictions for this project was potentially due to expire in 2003. However the owner of the building refinanced the FHA financing and renegotiated the covenant that extends the affordability restrictions until 2062.

The City also exceeded its housing rehabilitation goal to assist 75 low and moderate-income units by completing repairs on 52 single family homes and building that included 78 apartments for a total of 130 units. The City exceeded its goal of providing 125 minor home repairs to very low-income homeowners by completing 138 projects. Additionally, the Free Paint program assisted 24 homes for a total of 162 households assisted with all minor repairs.

Although the City did not meet its total goal of constructing 410 new affordable housing units, it made substantial progress by completing 313 units, 75% of the original goal. The City provided financial assistance to 133 of these units and the City's Below Market Rate (BMR) inclusionary program provided 180 units. Challenges in finding suitable sites during a hot real estate market period coupled with increasing development costs overall impacted the amount of housing actually constructed. Despite these economic conditions the following individual goals were met:

- The City met its goal to purchase two sites for future construction of affordable housing, one acre at the former Goodyear site at 2901 El Camino Real and two acres at the existing City Police Station at 2000 S. Delaware.
- The City also met its goal to prioritize funding for a senior housing project with the goal of 20% of City funds targeted to senior housing. Flores Gardens, a 50 unit senior rental project was completed, which represented 38% of the funds that the City provided for new construction of affordable housing during this time.
- In addition to new construction, the City provided funds to acquire and rehabilitate 11 apartment units at 11 S. Delaware for very low income families. It also provided funds to purchase and rehabilitate the Vendome Hotel, a residential hotel consisting of 16 rooms, to be used for supportive housing for the homeless.

The City assembled a Technical Advisory Committee to study various housing and land use issues which recommended that the City increase the inclusionary requirement in the BMR program from 10% to 15%. The Council approved this change to go into effect in January 2010. There was also a recommendation to establish a commercial linkage fee that had both strong opposition and support which has not yet been acted on. This item will be carried forward to the next plan period.

QUANTIFIED OBJECTIVES

The goal for total housing units including market rate housing was 2,057. During this reporting period, 1,850 units were completed, while 50 were under construction at the end of the planning period. The following table summarizes the quantified objectives from the last Housing Element Update.

Quantified Objectives, 2001-2006

Conservation/Preservation	Total	VLI	LI	MOD
Preservation Projects	72	72		
Homeowner and Renter Rehab	75		50	25
TOTAL, CONSERVATION/PRESERVATION	147	72	50	25

New Construction	Total	VLI	LI	MOD
Santa Inez Apartments	44	44		
Norfolk Properties	7	5		2
Jefferson at Bay	58		58	
Other potential affordable construction projects	301	111	122	68
TOTAL, NEW CONSTRUCTION	410	160	180	70
TOTAL, AFFORDABLE	557	232	230	95

Private Sector/Market Rate	
New Construction	1,500
GRAND TOTAL	2,057

The following table illustrates the accomplishments since 2002.

Accomplishments, 2001-2006

Conservation/Preservation	Total	VLI	LI	MOD
Preservation Projects	72	72		
Homeowner and Renter Rehab ⁵	95	58	33	4
TOTAL, CONSERVATION/PRESERVATION	167	130	33	4

New Construction	Total	VLI	LI	MOD
Santa Inez Apartments	44	44		
Norfolk Properties	7	5		2
Jefferson at Bay	58		58	
Other potential affordable construction projects	204	107	70	27
TOTAL, NEW CONSTRUCTION	313	156	128	29
TOTAL, AFFORDABLE	523	228	128	29

Private Sector/Market Rate	
New Construction	1,327
GRAND TOTAL	1,850

ONGOING PROGRAMS

A number of housing programs and policies have been ongoing to further the main goals of preserving the character and quality of residential neighborhoods, to provide a range of housing types to accommodate a diverse population, and to meet the demands created by new job growth.

There are established zoning provisions to address neighborhood compatibility to guide new developments and encourage the distribution of a variety of housing types and mixed uses where applicable. An inclusionary program requires all developers provide 10% (increases to 15% on January 1, 2010) of projects over 11 units be affordable to low and moderate income households. A commercial linkage fee to support affordable housing charged to developments that generate new jobs was considered, but not acted on in 2008. It continues to be a work item for this Housing Element. Other policies that encourage the creation of housing are the secondary unit, density bonus, and senior overlay provisions.

The City continues to seek a variety of funding sources to preserve, rehabilitate, and use code enforcement to improve existing properties and neighborhoods. It also uses those resources to work in partnership with private and nonprofit developers to provide housing for all the community, including those with special needs and the homeless. The following table outlines each of the actions to be implemented in the prior Element, and what actual progress was made.

- GOAL 1:** Maintain the character and physical quality of residential neighborhoods.
- GOAL 2:** Provide a diversity of housing types, responsive to household size, income and age needs.

⁵ Distribution of units by income category not available at time of printing.

POLICIES:

1. PROTECTING AND CONSERVING EXISTING HOUSING

H 1.1: Residential Protection. Protect established single-family and multi-family residential areas by the following actions:

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

<p>Program H 1.1: Residential Protection.</p> <ol style="list-style-type: none">1. Revise zoning code for residential districts as necessary to eliminate allowable uses not included or compatible with residential Land Use Categories as defined by the Land Use Element. Lead: Planning Division (Ongoing)	<p><u>Progress:</u> The City has adopted zoning code amendments which limit the over concentration of non-residential uses in residential zoning districts while at the same time allowing for provision of Special Use Permit request to provide for case by case review of facilities which meet identified community needs.</p> <p><u>Effectiveness:</u> Case by case evaluation of the impact of non-residential land uses has occurred with all Special Use Permits.</p> <p><u>Appropriateness:</u> The Zoning Code and General Plan are the appropriate locations to provide the protection against non residential uses on residentially zoned properties.</p>
<ol style="list-style-type: none">2. Consider policy during the Special Use Permit process. Lead: Planning Division (Ongoing)	<p><u>Progress:</u> As noted above, zoning code and general plan have been amended to implement this policy.</p> <p><u>Effectiveness:</u> Case by case evaluation of existing non-residential land uses has occurred with all Special Use Permits.</p> <p><u>Appropriateness:</u> The Zoning Code and General Plan are the appropriate locations to provide the protection against non residential uses on residentially zoned properties.</p>

<p>3. Consider policy during the design review process. Lead: Planning Division (Ongoing)</p>	<p><u>Progress:</u> Adequate buffers between residential and non residential uses are reviewed during the initial plan check. Zoning Code provisions require quantitative setbacks and buffers to ensure that both the residential and non residential uses are protected.</p> <p><u>Effectiveness:</u> The quantitative requirements in the Zoning Code ensure that adequate buffers such as setbacks, fencing, walls, and landscaping are in place between residential and non residential uses.</p> <p><u>Appropriateness:</u> The Zoning Code and General Plan are the appropriate locations to provide the protection against non residential uses on residentially zoned properties, and providing buffers between residential and non-residential uses.</p>
<p>4. Consider policy during the design review process. Lead: Planning Division (Ongoing)</p>	<p><u>Progress:</u> Conformance to the City's multi-family design guidelines is reviewed during the planning application review process. For larger projects, this review includes design review by an independent architectural design consultant, hired under contract by the City. Small lot (less than 10,000 square feet) multi-family design guidelines have been in place since 1992. These small lots are typical of the sites that are redeveloped as multi-family housing within areas containing substantial numbers of single family dwellings.</p> <p><u>Effectiveness:</u> Use of both the City's multi-family and small lot multi-family design guidelines have resulted in projects that incorporate design elements and scale of the surrounding neighborhood, including the use of individual entries, front porches, and building elements and materials which are prevalent in the surrounding neighborhood.</p> <p><u>Appropriateness:</u> The Zoning Code and multi-family design guidelines provide the appropriate means for ensuring that projects achieve a design character that is compatible with single family dwellings.</p>

H 1.2: Single-Family Preservation. Preserve existing single-family neighborhoods through the following actions:

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

<p>Program H 1.2: Single-Family Preservation</p> <p>1. Consider zoning code amendments to increase setbacks, landscape buffers or minimum fencing requirements in multi-family districts for sites that abut R-1 or R-2 districts. Consider housing affordability as a major goal during development of the guidelines. Lead: Planning Division Implementation Goal: July 2003 [Staff anticipates zoning code revisions during the next two years, including this action.]</p>	<p><u>Progress:</u> In 2006, minor revisions were made to the Single Family Design Guidelines and Zoning Code where additional privacy guidelines were added to the Single Family Guidelines and restrictions were added into the Zoning Code that protect against expanding the continuation of nonconforming walls into the side yard setbacks. Furthermore, for multifamily zoned properties that abut single family zones increased setbacks and buffers ensure that the impact to single family neighborhoods are reduced.</p> <p><u>Effectiveness:</u> The Zoning Code, Single Family Design Guidelines, and the Multifamily Design Guidelines have been effective in preserving the single family neighborhoods.</p> <p><u>Appropriateness:</u> The Multifamily Design Guidelines and Zoning Code are the appropriate areas to outline controls for preserving single family neighborhoods.</p>
<p>2. Consider additional buffering provisions such as location of recreational facilities, underground garage exhausts, etc. during the design review process. Lead: Planning Division (Ongoing)</p>	<p><u>Progress:</u> Additional buffering above and beyond the quantitative requirements outlined in the Zoning Code is considered during the design review process. A standard condition of approval is imposed on all development to insure that these types of utilities do not adversely affect the surrounding community.</p> <p><u>Effectiveness:</u> Standard conditions imposed on all multi-family development. Additionally, design review of multi-family projects allows for a review of privacy and noise impacts.</p> <p><u>Appropriateness:</u> A condition of approval is appropriate for siting these facilities during the building permit process.</p>

H 1.3: Housing Rehabilitation. Continue to provide funding as available for the conservation and rehabilitation of viable deteriorating housing in the City to preserve existing housing stock, neighborhood character and, where possible, to retain low- and moderate-income units.

<p>Program H 1.3: Housing Rehabilitation.</p> <p>1. Continue funding for housing rehabilitation projects as a high priority during allocation of CDBG funds to accomplish the following objectives by 2006:</p> <ul style="list-style-type: none"> --75 Rehabilitated units (owner occupied, low-income residences; rental units in low-income neighborhoods) --125 Minor Home Repairs (low/moderate-income households) <p>Lead: Neighborhood Improvement and Housing</p> <p>Implementation Goal: Ongoing; reach goal by July, 2006</p>	<p><u>Progress:</u> The City continues to provide funding for both single family and multi-family residential rehabilitation projects as a high priority each year through the provisions of CDBG, HOME and Redevelopment Housing Set Aside. The program implementation goal has been met.</p> <p><u>Effectiveness:</u> The program has been effective in preserving housing stock. From 2001-2006, the following accomplishments of these programs were:</p> <ul style="list-style-type: none"> -- 52 Households were assisted with CDBG and 78 households assisted with HOME funds for a total of 130 rehabilitated units. -- 138 Households assisted through Minor Home Repair program and an additional 24 households assisted through the Free Paint Program for a total of 162 households assisted. <p><u>Appropriateness:</u> With the continued aging of housing stock owned by a growing senior population and households with low incomes, this rehabilitation and minor home repair program continues to be appropriate and effective to preserve neighborhood character and affordable housing.</p>
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H 1.4: Code Enforcement. Continue and increase code enforcement efforts in residential areas to improve neighborhood appearance and conformance with health and safety standards.

<p>Program H 1.4: Code Enforcement.</p> <p>1. Continue code enforcement efforts and provide staff as needed to improve residential areas. Continue use of administrative citations and fees, civil penalties, and civil and criminal litigation to bring about compliance.</p> <p>Lead: Code Enforcement Division (Ongoing)</p>	<p><u>Progress:</u> The City continues its enforcement efforts and provides staff to improve residential areas through abatement, administrative citations and fees, civil penalties, and civil litigation to bring about compliance. The City also uses court ordered inspection and abatement warrants to enter, inspect and clean up hoarders and residential junkyards that present immediate health and safety violations. More recently, code enforcement efforts have included identifying mortgage holders on the growing number of foreclosed properties in order to enforce property maintenance.</p> <p><u>Effectiveness:</u> Code enforcement efforts have been effective in improving residential areas.</p> <p><u>Appropriateness:</u> Code enforcement continues to be one of the most appropriate tools in improving neighborhood appearances and conformance with health and safety standards.</p>
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<p>2. Continue to offer rehabilitation loans and repair grants to low-income households as listed in Program H 1.3. Lead: Neighborhood Improvement and Housing (Ongoing)</p>	<p><u>Progress:</u> The City continues to provide rehabilitation loans and repairs grants to low-income households.</p> <p><u>Effectiveness:</u> This program has been effective in improving neighborhood appearance and addressing deferred maintenance and other health and safety code issues in existing housing, particularly for properties with low-income households and/or seniors on a fixed income.</p> <p><u>Appropriateness:</u> The program is appropriate in preserving and maintaining housing stock.</p>
<p>3. Continue proactive code enforcement program in North Central, North Shoreview and other CDBG-eligible areas. Lead: Code Enforcement (Ongoing)</p>	<p><u>Progress:</u> Proactive code enforcement program in North Central, North Shoreview and other CDBG-eligible areas continues. This includes meeting with or attending neighborhood/homeowner associations, conducting neighborhood “walk-arounds” with residents, and conducting proactive sweeps of problem neighborhoods.</p> <p><u>Effectiveness:</u> Proactive code enforcement in the targeted neighborhoods has been effective in engaging the residents and obtaining compliance.</p> <p><u>Appropriateness:</u> Proactive code enforcement continues to be appropriate.</p>
<p>4. Continue the Apartment Inspection Program to assure safe and sanitary living conditions for residential tenants. Lead: Code Enforcement (Ongoing)</p>	<p><u>Progress:</u> The City’s Fire Department conducts apartment inspection on ongoing basis to assure safe and sanitary living conditions for residential tenants.</p> <p><u>Effectiveness:</u> The apartment inspection program has effectively addressed safety and health concerns.</p> <p><u>Appropriateness:</u> Apartment inspection is necessary and appropriate to ensure safe and sanitary living conditions for residential tenants.</p>

H 1.5: Building Bulk. Limit the sizes of new and expanded single-family dwellings and duplexes, retaining neighborhood scale and character. Consider preparation of design guidelines and establishment of a design review process for duplexes.

<p>Program H 1.5: Building Bulk.</p> <p>1. Through plan checking of single-family dwellings, ensure compliance with new R-1 regulations and design guidelines that control the bulk of and height of buildings. Adopt zoning code amendments to the R-2 district to limit the impacts of over-sized new construction and additions, including examination of floor area ratio, setback regulations and height limits. Lead: Planning Division Implementation Goal: Single-family review is ongoing. Goal for R-2: July 2003</p>	<p><u>Progress:</u> Plan checking of single-family dwellings is ongoing. Second story additions to single family dwellings and new single-family dwellings require design review. The adopted Single Family Design guidelines help to control the bulk and height of second story additions and new single family dwellings. In 2004, Duplex Design Guidelines were adopted by the City Council. These guidelines help to protect against the over-sized additions and new construction in R-2 zoning districts.</p> <p><u>Effectiveness:</u> Both the Single Family and Duplex Design Guidelines have been successful in limiting the size and scale of second story additions and new construction, thus each addition or new construction is compatible to the surrounding neighborhood character.</p> <p><u>Appropriateness:</u> The General Plan and Zoning Code are the appropriate locations for meeting this policy.</p>
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H 1.6: Variances and Lot Divisions. Consider existing neighborhood character in terms of dwelling size, height, setbacks and lot size and configuration in reviewing variances and lot division proposals.

<p>Program H 1.6: Variances and Lot Divisions.</p> <p>1 Consider during variance and subdivision review. Lead: Planning Division (Ongoing)</p>	<p><u>Progress:</u> Existing neighborhood character continues to be considered in the review of all variance and lot spit applications.</p> <p><u>Effectiveness:</u> Property and building characteristics of properties in the vicinity of any variance or lot split application become the basis of findings and recommendations for these types of applications.</p> <p><u>Appropriateness:</u> The General Plan and Zoning Code are the appropriate locations for meeting this policy.</p>
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H 1.7: Retention of Existing Lower-Income Units. Seek to retain existing subsidized very low-, low- and moderate-income housing units, especially those that will be available for conversion to market rate housing by the year 2006. Retention of such units should have high priority for available funds.

<p>Program H 1.7: Retention of Existing Lower-Income Units.</p> <p>1. Monitor affordable projects at risk of conversion to market rate. Maintain regular communication with the owners of all subsidized projects in San Mateo to keep up-to-date on their plans to maintain affordability. Monitor the possible expiration of affordability restrictions for 72 units at Flores Gardens. Lead: Neighborhood Improvement and Housing Implementation Goal: Annual discussions with each property owner.</p>	<p><u>Progress:</u> Although the HUD contract was eligible for expiration in 2003, the owners of Flores Gardens re-negotiated new funding with HUD. This new financing combined with City lease negotiations extended the term of affordability through 2062. There were no other ‘at risk’ properties.</p> <p><u>Effectiveness:</u> Flores Gardens is no longer ‘at risk’ of loss of affordability.</p> <p><u>Appropriateness:</u> This is required and appropriate in accordance with Federal, State and other funding regulations.</p>
<p>2. Monitor Federal actions and appropriations regarding extension of Section 8 contracts, and actively support additional appropriations. Lead: Neighborhood Improvement and Housing (Ongoing)</p>	<p><u>Progress:</u> Continued communications with the County Housing Authority and Department of Housing allow for ongoing opportunities. Section 8 program has had extensive Federal appropriation cutbacks and freezes over these years and have had few opportunity for new project based Section 8 complexes.</p> <p><u>Effectiveness:</u> Little opportunity for direct impact due to Federal appropriations.</p> <p><u>Appropriateness:</u> Staff should continue to monitor Federal actions and seek support for appropriations when available.</p>
<p>3. Give high priority to retaining existing FHA and HUD subsidized low-income units through use of CDBG funds, Redevelopment Housing Set-Aside funds, and other solutions. Lead: Neighborhood Improvement and Housing Implementation Goal: 2001 to 2006</p>	<p><u>Progress:</u> A new loan management software has been installed that will help to better track affordability requirements on the various properties and projects.</p> <p><u>Effectiveness:</u> Flores Gardens was the only project at risk during this time period and it did not require local funds to preserve the affordable units.</p> <p><u>Appropriateness:</u> The City should continue to give high priority to retain existing affordable housing units since it is more expensive to replace lost units.</p>
<p>4. Continue to support the County Housing Authority housing rental subsidies to lease units in San Mateo for very-low and low-income households. Lead: Neighborhood Improvement and Housing (Ongoing)</p>	<p><u>Progress:</u> The County currently assists 587 households through the Section 8 rent assistance in San Mateo.</p> <p><u>Effectiveness:</u> Although City staff is not involved in the administration of the Section 8 program, it provides significant assistance to participating households in the city.</p> <p><u>Appropriateness:</u> With rents increasing each year, it is appropriate for the City to continue to support the County Housing Authority housing rental subsidy program.</p>

H 1.8: Condominium Conversion. Continue the existing policy of protecting existing residents by offering purchase opportunities, long-term leases and relocation assistance.

<p>Program H 1.8: Condominium Conversion.</p> <p>1. Continue to implement tenant notification, purchase opportunities, long-term leases, and relocation assistance provisions of the subdivision code. Lead: Planning Division (Ongoing)</p>	<p><u>Progress:</u> Condominium Conversion is rare in the City of San Mateo with only one approved application within this reporting period. However, the existing policies of tenant notification, purchase opportunities, long-term leases, and relocation assistance continues to be enforced with any application and/or approval.</p> <p><u>Effectiveness:</u> In conjunction with the City's Condominium Conversion ordinance adopted in 1975 that requires compliance or upgrading to the current Building and Fire codes, these policies have been effective in protecting existing tenants from condominium conversion.</p> <p><u>Appropriateness:</u> The Condominium Ordinance has appropriately and effectively restricted the number of apartment conversions to condominiums.</p>
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H 1.9: Demolitions. Prohibit demolition of existing residences until a building permit for new construction has been issued, unless health and safety problems exist. Prevent housing stock from becoming health and safety problems through code enforcement efforts.

<p>Program H 1.9: Demolitions.</p> <p>1. Continue implementation of demolition ordinance. Implement code enforcement programs described in Program H 1.4. Lead: Building Inspection Division and Code Enforcement (Ongoing)</p>	<p><u>Progress:</u> Demolition ordinance will continue to be implemented.</p> <p><u>Effectiveness:</u> Demolition ordinance will continue to be implemented.</p> <p><u>Appropriateness:</u> The Demolition ordinance contains appropriate measures to preclude demolition of existing residences.</p>
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2. ENCOURAGING NEW HOUSING CONSTRUCTION

H 2.1: Fair Share Housing Allocation. Attempt to achieve compliance with ABAG Fair Share Housing Allocation for total housing needs and for low- and moderate-income needs.

<p>Program H 2.1: Fair Share Housing Allocation.</p> <p>1. Monitor housing production against ABAG Fair Share Allocation, providing annual updates for the Planning Commission and City Council, with the objective of increasing the housing supply by 1,910 units by 2006. Lead: Planning Division (Annual)</p>	<p><u>Progress:</u> A total of 1,642 new housing units were constructed in San Mateo during this Housing Element period.</p> <p><u>Effectiveness:</u> This figure represents 86 % of the ABAG RHNA allocation. Although San Mateo has suitable land inventory to achieve this goal, the development of housing is primarily accomplished by private developers which is influenced by the local market conditions. During this time period land construction costs have increased, at the same time market conditions for sale and lease have been volatile including the dot.com boom and bust, and the tightening of financing available for new construction in 2007-08</p> <p><u>Appropriateness:</u> Staff will continue to monitor and encourage housing production.</p>
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H 2.2: Jobs/Housing Balance. Maintain an overall balance of housing and employment within the community over the term of the Plan.

<p>Program H 2.2: Jobs/Housing Balance.</p> <p>1. Monitor housing production against new job creation, providing annual updates for the Planning Commission and City Council. Lead: Planning Division (Annual)</p>	<p><u>Progress:</u> The City continues to be successful in addressing the jobs-housing balance as measured by both the number of jobs per employed resident and the number of jobs per household. In terms of the former, the jobs housing ratio is considered balanced the closer the ratio is to 1.00. ABAG projects that, based on the growth of jobs in the City, the jobs-per-employed-resident ratio will continue to rest around 1.00 through 2020:</p> <p><u>Effectiveness:</u> Although City does not have direct control in influencing the jobs/housing balance, tracking this data provides assists in long range planning for both housing, land use and economic development activities.</p> <p><u>Appropriateness:</u> Staff will continue to monitor housing production and job creation.</p>
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H 2.3: Public Funding of Low- and Moderate-Income Housing. Continue to use available funds to increase the supply of low- and moderate-income housing through land purchases and other development encouragements and through use of nonprofit sponsors and subsidized financing using federal and state sources, tax credits, and the like.

<p>Program H 2.3: Public Funding of Low- and Moderate-Income Housing.</p> <p>1. Give funding for new low- and moderate-income housing a high priority for CDBG, Redevelopment Housing Set-Aside, and other available funds, with the objective of subsidizing the construction of at least 410 new affordable housing units by 2006 for the following income groups:</p> <p>Very low-income: 160 units Low-income: 180 units Moderate-income: 70 units</p> <p>Seek to purchase two housing sites by 2006 for low-cost housing projects. Continue to work with nonprofit sponsors, such as BRIDGE and Mid-Peninsula Coalition, to develop projects and obtain subsidized state (HCD) and federal financing, and use both income and mortgage tax credits.</p> <p>Lead: Improvement and Housing Division Implementation Goal: July, 2006</p>	<p><u>Progress:</u> The City provided funding for the following affordable housing projects:</p> <ul style="list-style-type: none"> • Santa Inez : \$3.3 million for construction of 44 very low income family rentals • Rotary Floritas: \$3 million for construction of 50 very low income senior rentals. • First Step for Families: \$500,000 for construction of transitional homeless shelter for families-39 units. • 11 S; Delaware: \$600,000 for the acquisition and rehab of 11 very low income family rentals. • Goodyear Site (2901 ECR): Provided \$5.6M to purchase one acre site for future development of 68 very low income family rentals. • Police Station Site (2000 S. Delaware): Acquired 2 acre site for \$6.35M for future development of family rentals. • Vendome Hotel: \$3.3M for acquisition and rehab of 16 rooms in residential hotel for homeless supportive housing. <p><u>Effectiveness:</u> New construction of affordable housing units totaled 313 units including those financially assisted by the City and those provided by developers through the Below Market Rate Program. This is 75% of the original goal:</p> <p>Very Low Income: 156 units Low Income: 128 units Moderate Income: 29 units</p> <p>Significant increases in land and construction costs impacted the amount of units the City was able to financially assist with existing funds.</p> <p><u>Appropriateness:</u> The City will continue to evaluate market conditions and aggressively apply for funding to determine future goals.</p>
<p>2. Encourage the development of senior citizen housing. Prioritize above resources for affordable housing to develop senior housing with a goal that 20%, or 132 new housing units, of the income groups identified above are for senior citizen housing.</p> <p>Lead: Neighborhood Improvement and Housing Division Implementation Goal: July, 2006</p>	<p><u>Progress:</u> Fifty of the 133 new affordable housing units completed with financial assistance from the City during the last planning period were developed as senior housing.</p> <p><u>Effectiveness:</u> This figure represents 38% of City-assisted and 16% of total new affordable housing.</p> <p><u>Appropriateness:</u> Because the Redevelopment Agency has spent the maximum allowed by State regulations for senior housing with Housing Set Aside funds for the planning period of 2002-2014, the City at this time cannot provide financial assistance with RDA funds for future senior projects. However, the City will continue to support the development of senior housing by others.</p>

H 2.4: Private Development of Affordable Housing. Encourage the provision of affordable housing by the private sector through:

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

<p>Program H 2.4: Private Development of Affordable Housing.</p> <ol style="list-style-type: none"> 1. Maintain an inclusionary housing ordinance to implement Policy H 2.4 The ordinance shall include: <ol style="list-style-type: none"> a) At a minimum, require all projects which include more than 10 residential units, including mixed-use projects, shall be required to include 10% of the residential units for exclusive use as affordable housing units. b) The project proponent shall build the unit(s) on site, either in partnership with a public or nonprofit housing agency, or on its own. Off-site building shall be allowed only if the proponent demonstrates that on-site construction is infeasible; and in any event, any off-site units must be built within the City of San Mateo. <p>No in-lieu fees shall be allowed except for:</p> <ol style="list-style-type: none"> i. Projects which include 10 units or less; or ii. Fractional affordable housing unit requirements of less than .5. <ol style="list-style-type: none"> c) The affordable units shall be as similar in exterior design and appearance as possible to the remaining units in the project. d) Affordable rental units shall carry deed restrictions which guarantee their affordability. e) Affordable for sale units shall have deed restrictions which allow for first right of refusal to the local government, upon the sale of the unit. The City local government should only refuse the option of purchase if it has already expended all of its financial resources available for housing, including Community Development Block Grant funds, local housing trust fund monies, and any other federal, state or local funds typically available for affordable housing purposes. <p>Lead: Neighborhood Improvement and Housing Division (Ongoing)</p>	<p><u>Progress:</u> The Below Market Rate (BMR) inclusionary program requires 10% of any new residential project that has 11 or more units to be affordable. During this period 180 units were completed through this program.</p> <p><u>Effectiveness:</u> This program provided 58% of the new affordable housing units constructed during this program period All units were provided onsite.</p> <p><u>Appropriateness:</u> City will continue this program as required by local referendum and its significant contribution to the affordable housing stock.</p>
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<p>2. Evaluate and study the impacts on development costs to housing by increasing the inclusionary housing production requirements. Areas for consideration include increasing the percentage of units required, lowering the affordability pricing, lowering the project size that triggers the requirement, and including an in lieu payment for small projects.</p> <p>Lead: Neighborhood Improvement and Housing Division</p> <p>Implementation Goal: Ongoing for existing program; bring proposal on new requirements to Council by 2002</p>	<p><u>Progress:</u> A Technical Advisory Committee (TAC) for the Housing and Land Use study was formed and a report submitted in January 2008. As a result a new program resolution was approved to increase the inclusionary requirement to 15% in October 2008. The new program also provides for fractional fees for projects sized 5-10 units, and for fractional BMR units not constructed onsite. It also allows some flexibility on BMR units size and bedroom mix.</p> <p><u>Effectiveness:</u> The new program standards will go into effect on January 1, 2010.</p> <p><u>Appropriateness:</u> Staff will continue to monitor the impacts of the BMR program on market rate housing development, but at this time this program appears to be comparable to neighboring city programs in the county.</p>
<p>3. Develop, hold public hearings on, and if possible, adopt a commercial/ housing linkage program, based on empirical data applicable to the City of San Mateo. The program should match the housing constructed and/or subsidized to the demand created by commercial development, in terms of affordability levels, type of tenancy, number of bedrooms, and other relevant factors.</p> <p>Lead: Neighborhood Improvement and Housing Division</p> <p>Implementation Goal: Bring to the Council by 2002</p>	<p><u>Progress:</u> The Housing and Land Use report contains a recommendation to implement a commercial linkage program and this item was discussed at a study session in May 2008. There was both strong opposition and support for this proposal.</p> <p><u>Effectiveness:</u> No decision has been made whether to adopt a commercial linkage program.</p> <p><u>Appropriateness:</u> This work item will continue into the next Housing Element program until a final decision is made.</p>
<p>4. Develop a density bonus program consistent with State law.</p> <p>Lead: Planning Division (Ongoing)</p>	<p><u>Progress:</u> Density bonuses as required by State law have been adopted by resolution and adopted as part of the Zoning Code. Further changes to this code are in progress.</p> <p><u>Effectiveness:</u> Density bonus law has not been widely used by developers until fairly recently due to changes in SB 1818. The incentives and allowances allowed under the recent changes to SB 1818 have instigated a review of the City's policies and review of applications. Revisions and/or a new ordinance are expected.</p> <p><u>Appropriateness:</u> A Density Bonus ordinance was adopted in January 2009. This will further outline the restrictions and allowances under the State Density Bonus Law.</p>

<p>5. Provide information to developers on density bonus provisions for affordable housing. Give processing priority to applications which include substantial proportions of affordable housing.</p> <p>Lead: Planning Division (Ongoing)</p>	<p><u>Progress:</u> The City continues to provide information to developers regarding the density bonus provisions for affordable housing and to more fully explain the program to interested applicants.</p> <p><u>Effectiveness:</u> Recently approved affordable housing projects did receive density bonuses and were given priority during development process.</p> <p><u>Appropriateness:</u> The City provides information to developers on the Density Bonus Law. With the adoption of the proposed Density Bonus Ordinance additional information will be available.</p>
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H 2.5: Distribution of Low- and Moderate-Income Housing. Attempt to distribute low- and moderate-income housing developments throughout the City. Encourage the mixing of market-rate and low/moderate-income units where feasible.

<p>Program H 2.5: Distribution of Low- and Moderate-Income Housing.</p> <p>1. Consider during review of applications for affordable housing projects.</p> <p>Lead: Planning Division (Ongoing)</p>	<p><u>Progress:</u> The City's current Below Market Rate program ensures that affordable housing is developed throughout the City rather than in specific areas since it is applied on all new housing projects that contain 11 or more units. Also staff tries to avoid concentration of new affordable housing in any given neighborhood.</p> <p><u>Effectiveness:</u> The BMR program has been effective in distributing the affordable housing. The 3 new affordable housing projects completed this year, as well as the 2 new sites acquired that were financially assisted by the City are well distributed in different neighborhoods.</p> <p><u>Appropriateness:</u> The City's Below Market Rate program has been effective in distributing the affordable units throughout the City.</p>
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H 2.6: Rental Housing. Encourage development of rental housing for households unable to afford ownership housing.

<p>Program H 2.6: Rental Housing</p> <p>1. Consider during review of applications for multi-family housing.</p> <p>Lead: Planning Division (Ongoing)</p>	<p><u>Progress:</u> The decision to develop rental vs. for-sale units in multifamily projects varies with the market. Some developers don't decide whether to sell or rent their units until the units are under construction and the market is evaluated at that time. For the majority of this reporting period the City has seen more for-sale units than rental units; however due to recent market conditions, the City now has a few rental projects going through the approval process.</p> <p><u>Effectiveness:</u> Developing rental vs. for-sale units is based on market conditions by private developers. The City has targeted 100% of its affordable housing financing toward rentals to address this gap.</p> <p><u>Appropriateness:</u> The City will continue to prioritize its affordable housing funds for rentals when the private market does not provide them.</p>
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H 2.7: Secondary Units. Allow creation of secondary units on single-family properties to provide opportunities for affordable rental units or to allow for the housing of extended families. Require that the design of secondary units be compatible with the main residence and neighborhood, provide adequate on-site usable open space and parking, and not infringe upon the privacy of adjoining properties.

<p>Program H 2.7: Secondary Units.</p> <p>1. Utilize R-1 design guidelines for the creation of secondary units that are compatible with the design of the principle residence and surrounding neighborhood, provide useable on-site open space and protect the privacy of adjoining properties. Lead: Planning Division Implementation Goal: (Ongoing)</p>	<p><u>Progress:</u> Secondary Units are permitted as of right within residential zoning districts. Each application for a second story secondary unit is reviewed for consistency to the Single Family Design Guidelines and the Zoning Code. In 2003 the Secondary Unit Ordinance was revised to provide additional quantitative requirements and to link the ordinance to relevant Design Guidelines.</p> <p><u>Effectiveness:</u> Both the Single Family Design Guidelines and the Zoning Code have ensured the compatibility of these units with the surrounding properties.</p> <p><u>Appropriateness:</u> The Secondary Unit Ordinance has appropriately allowed secondary units in single family neighborhoods while requiring conformance to code requirements and design guidelines.</p>
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H 2.8: Single Room Occupancy. Provide for the development of single room occupancy (SRO) units to provide small affordable units in areas close to transportation services.

<p>Program H 2.8: Single Room Occupancy.</p> <p>1. Adopt a Single Room Occupancy ordinance to allow the development of new SRO projects. Lead: Planning and Building Divisions Implementation Goal: 2004</p>	<p><u>Progress:</u> The City does not have a Single Room Occupancy ordinance. There were no applications for SRO developments during this reporting period. An SRO ordinance will be developed in conjunction with any request for development of an SRO project.</p> <p><u>Effectiveness:</u> The adoption of a Single Room Occupancy ordinance as part of a development proposal will allow for appropriate review of current trends and the creation of relevant standards for SRO development.</p> <p><u>Appropriateness:</u> Adopting an SRO ordinance in conjunction with any new SRO development proposal is appropriate to ensure compliance with this policy.</p>
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H 2.9: Multi-Family Location. Provide for the development of multi-family housing to create a diversity of available housing types as follows:

1. Maintain the following sites or areas for multi-family land use:
 - a. Commercial sites on East Bayshore Road between Cypress and East Poplar avenues,
 - b. When redeveloped per the Bay Meadows II Specific Plan, portions of the Bay Meadows race track,

- c. Manufacturing sites on Woodside Way near Villa Terrace,
 - d. The Elks Club site on 20th Avenue,
 - e. The church, nursery and adjacent office sites on El Camino Real (SR 82) at Monte Diablo Avenue,
 - f. The warehouse site at Railroad and Cypress avenues,
 - g. The Callan properties north of Campus Drive, and
 - h. Properties on Corte de Flores, and adjoining portions of Edison and Flores streets.
 - i. Hillsdale Station Transit-Oriented Development (TOD) area, and
 - j. Hayward Park Station Transit-Oriented Development (TOD) area.
2. Permit reclassification to multi-family zoning of other properties that meet the following criteria:
- a. Have adequate size to allow for a self-contained housing development and include adequate on-site parking and usable open space;
 - b. Have good access to arterial streets and transit nodes;
 - c. Maintain a reasonable buffer to single-family districts; and
 - d. Constitute a logical extension of existing multi-family development at compatible and appropriate densities or are zoned for commercial use.

<p>Program H 2.9: Multi-Family Location.</p> <p>1. Maintain multi-family zoning on specified sites consistent with the Land Use Map or Land Use Element policies. Lead: Planning Division (Ongoing)</p>	<p><u>Progress:</u> The locations designated in this policy have been designated as multi-family residential on the Land Use Map and have been reclassified to a multi-family zoning designation. The City has maintained existing land zoned for multi-family use.</p> <p><u>Effectiveness:</u> Multi-family projects have been developed on the Bay Meadows practice track. Additional multi-family development is planned/approved for portions of the Bay Meadows race track.</p> <p><u>Appropriateness:</u> This program maintains multi-family zoning in areas that are appropriate for multi-family land use.</p>
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<p>2. Consider during review of Reclassification applications for multi-family districts. Lead: Planning Division (Ongoing)</p>	<p><u>Progress:</u> Any future requests for reclassifications to multi-family will be evaluated under the criteria listed in section 2 of this policy as part of the development review process for a specific project.</p> <p><u>Effectiveness:</u> No reclassification applications have been applied for during the last reporting period.</p> <p><u>Appropriateness:</u> Review of these specific criteria during potential reclassifications to multi-family zoning provide for land use compatibility and buffers to adjacent neighborhoods.</p>
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H 2.10: Housing Densities. Re-examine permitted densities in multi-family districts to:

1. Provide a density range, with densities at the higher end of the range to be considered based on provision of public benefits such as affordable housing, increased open space, public recreational facilities, or off-site infrastructure improvements, or location adjacent or near (generally within a half-mile walking distance) transit nodes;
2. More closely relate maximum densities to those which can be reasonably achieved given other zoning constraints, and
3. Ensure that inappropriate densities are not permitted for lots of less than one-half acre.

<p>Program H 2.10: Housing Densities.</p> <p>1. Adopt development standards permitting densities at the higher end of the range based on specific standards for provision of low- or moderate-income housing, such amenities as increased open space, public recreational facilities, or off-site infrastructure improvements, and location adjacent or near transit nodes. Lead: Planning Division Implementation Goal: July, 2003</p>	<p><u>Progress:</u> Regulations to provide for greater density upon provision of public benefits and comprehensive multi-family guidelines have not yet been developed. Both the Measure H (1991) and Measure P (2004) voter initiatives established density ranges in the City. Since 2001, residential development has averaged 77% of the maximum permitted density, and over 80% since 2006. Project specific amenities are analyzed on a case by case basis during the public review process.</p> <p><u>Effectiveness:</u> No standards have been developed as yet, so effectiveness cannot be analyzed,</p> <p><u>Appropriateness:</u> No standards have been developed as yet, so appropriateness cannot be discerned,</p>
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<p>2. Adopt zoning code amendments to ensure that maximum densities in R-3, R-4, and R-5 districts are consistent with other development requirements such as parking, open space, height limits, and setbacks. Lead: Planning Division Implementation Goal: July, 2003</p>	<p><u>Progress:</u> No code amendments have been adopted. Since 2001, residential development has averaged 77% of the maximum permitted density, and over 80% since 2006. Development standards within residential zoning districts are being met, and are compatible with established density ranges.</p> <p><u>Effectiveness:</u> No code amendments have been adopted, so effectiveness cannot be analyzed.</p> <p><u>Appropriateness:</u> No Code amendments have been developed so appropriateness cannot be discerned.</p>
<p>3. Review the densities permitted on lots of less than one-half acre in the R-3, R-4, and R-5 districts to ensure that permitted densities are appropriate on small lots. Lead: Planning Division Implementation Goal: July, 2003</p>	<p><u>Progress:</u> Review of small lots has not been undertaken. Both the Measure H (1991) and Measure P (2004) voter initiatives established density ranges in the City. The City's zoning code limits density on small lots and increases density on larger lots or through lot accumulation.</p> <p><u>Effectiveness:</u> No review completed, so effectiveness cannot be analyzed,</p> <p><u>Appropriateness:</u> No review has been completed, so appropriateness cannot be discerned,</p>

H 2.11: Senior Project Location. Permit senior housing projects on multi-family or non-residentially zoned properties within walking distance of services and transit routes. Continue to provide allowances for density bonuses for senior projects.

<p>Program H 2.11 Senior Project Location.</p> <p>1. Consider during review of reclassification applications to the Senior Citizen Overlay district and Residential Care Facility Special Use Permits. Lead: Planning Division (Ongoing)</p>	<p><u>Progress:</u> The City allows Senior Projects within multi-family and commercially zoned properties. Three Senior projects have been constructed since the last reporting period and all are on major transit routes.</p> <p><u>Effectiveness:</u> The City continues to promote the development of senior housing through its use of the Senior Citizen Overlay District.</p> <p><u>Appropriateness:</u> The City's Senior Citizen Overlay District provides standards for review of requests for senior development projects.</p>
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H 2.12: Mixed Use. Continue the policy of encouraging residential uses in existing commercial areas, or in locating adjacent or near transit nodes, where the residences can be buffered from noise and safety concerns and can provide adequate on-site parking and usable open space. Provide floor area and/or height bonuses for residential development in selected areas of the City.

<p>Program H 2.12: Mixed Use.</p> <p>1. Permit the construction of housing or mixed-use projects in commercial areas. Encourage mixed use in specific area plans, the El Camino Real Master Plan, and the San Mateo Rail Corridor Transit-Oriented Development Plan. Consider designation in future plans for Bay Meadows II, and 42 Avenue. Lead: Planning Division (Ongoing)</p>	<p><u>Progress:</u> Construction of mixed use buildings are permitted in all commercial zoning districts. Applicants developing in specific areas such as the El Camino Real Master Plan and San Mateo Corridor Plan areas are encouraged to develop mixed-use buildings.</p> <p><u>Effectiveness:</u> Recently approved projects within the El Camino Real Master Plan and the Corridor Plan consist of mixed-use developments, including a 68-unit affordable housing development and the large Bay Meadows II mixed office/residential/retail uses.</p> <p><u>Appropriateness:</u> The San Mateo Corridor Plan and the El Camino Real Master Plan have effectively steered developers to propose mixed-use projects as shown by the recently approved projects.</p>
<p>2. Publicize the advantages of constructing housing or mixed-use projects in commercial areas. Publicize the ability to locate residences in commercial areas. Lead: Planning Division (Ongoing)</p>	<p><u>Progress:</u> Individual meetings with applicants and comments made by the Planning Commission during public hearings have publicized the desirability of mixed-use development. In addition, the El Camino Real Master Plan and Land Use Transportation Corridor Phase 1 Plan both include provisions encouraging the development of mixed-use projects.</p> <p><u>Effectiveness:</u> As described above, the Corridor Plan and the El Camino Real Master Plan have helped to guide and publicize the benefits of mixed-use developments. This is in addition to the various community meetings and Planning Commission meetings where mixed-use development is encouraged.</p> <p><u>Appropriateness:</u> The General Plan, Zoning Code, Corridor Plan and El Camino Real Master Plan are the appropriate guiding and regulating documents to encourage mixed-use development.</p>

H 2.13: Transportation Oriented Development (TOD). Encourage well-planned compact development with a range of land uses, including housing, commercial, recreation and open space, in proximity to train stations and other transit nodes. Encourage the maximization of housing density where possible.

<p>Program H 2.13: Transportation Oriented Development (TOD).</p> <p>1. Encourage transit-oriented development in locations adjacent or near train stations and other transit nodes. Lead: Planning Division Implementation Goal: San Mateo Rail Corridor Transit-Oriented Development Plan and Bay Meadows II Specific Plan are underway and due for completion by 2005.</p>	<p><u>Progress:</u> The San Mateo Rail Corridor Plan Transit-Oriented Development Plan was adopted by the City Council in 2005. This document and the subsequent specific plan and design guidelines have regulated development in the rezoned Transit Oriented Development (TOD) properties.</p> <p><u>Effectiveness:</u> The Corridor Plan has been effective in encouraging development near transit and train stations. This is evident by the recently approved Bay Meadows II development and the Mid Peninsula affordable housing development, both of which are adjacent to the Hillsdale CalTrain Station.</p> <p><u>Appropriateness:</u> The Corridor Plan is the appropriate guiding/regulating document to encourage development near transit and train stations.</p>
<p>2. Adopt Transportation Oriented Development Ordinance to provide incentives for development of TOD projects. Lead: Planning Division Implementation Goal: 2005 in conjunction with the San Mateo Rail Corridor Transit-Oriented Development Plan and Bay Meadows II Specific Plan.</p>	<p><u>Progress:</u> A TOD ordinance was adopted in 2005 with the associated Corridor Plan, as described above.</p> <p><u>Effectiveness:</u> The ordinance and the Corridor Plan have been effective for encouraging development near transit and train stations.</p> <p><u>Appropriateness:</u> The ordinance along with the Corridor Plan are the appropriate documents for encouraging development in TOD zoning districts.</p>

H 2.14: The Homeless. Continue existing support for organizations that seek to prevent homelessness. Transitional housing may be located in residential districts and commercial districts with a special use permit, while emergency shelters may be located in commercial districts.

<p>Program H 2.14: The Homeless.</p> <p>1. Continue existing support, where feasible, for programs and facilities seeking to prevent homelessness. Lead: Neighborhood Improvement and Housing Division and Community Services Division (Ongoing)</p>	<p><u>Progress:</u> City actively participated in development of HOPE San Mateo County, the 10-year plan to end homelessness completed in 2006. The HOT Program (Housing Outreach Team) started as a first year pilot project in 2006 focused on developing a Housing First model for chronically homeless persons in Downtown San Mateo. Redevelopment Agency purchased Vendome Hotel to be primary housing resource for program. City has had continuous representation and participation on the County Continuum of Care focusing on programs for prevention of homelessness and services to homeless families & individuals. The City contributes a ‘fair share’ payment for operation of a regional emergency homeless shelter for individuals and provides grants to Shelter Network for operation of First Step for Families, a family focused emergency shelter program.</p> <p><u>Effectiveness:</u> Shelter support, rent assistance and other related services helped Vendome Hotel and HOT program showed immediate effectiveness due to level of interest of homeless persons to participate in program.</p> <p><u>Appropriateness:</u> The City will continue to work with the County 10 year HOPE plan to work on homelessness at the regional level.</p>
<p>2. Allow emergency shelters as a special use in commercial zoning districts. Lead: Planning Division Implementation Goal: (Ongoing)</p>	<p><u>Progress:</u> In 2000 the Zoning Code was amended to implement this policy. Emergency shelters were also made a permitted use for religious institutions located in residential zoned areas.</p> <p><u>Effectiveness:</u> No new shelters have been established during this planning period. The City participated in the development of the HOPE plan which was adopted in 2005. Its primary goal is to prevent homelessness with the provision of permanent affordable housing with support services. .</p> <p><u>Appropriateness:</u> Although emergency shelters provide emergency support, they do not prevent or end homelessness. Therefore the focus for future years will be to concentrate on homeless prevention and supportive services in permanent housing in accordance with the County 10-year HOPE plan.</p>

H 2.15: Open Choice. Continue efforts towards the elimination of discrimination based on race, religion, sex, nationality, age or physical disability that prevent free choice in housing.

<p>Program H 2.15: Open Choice.</p> <p>1. Continue implementation of the Fair Housing Resolution, affirmative marketing of city-subsidized housing projects, and provision of available funding for private nonprofit organizations that monitor and provide assistance to those experiencing discrimination in housing choice. Lead: Neighborhood Improvement and Housing Division (Ongoing)</p>	<p><u>Progress:</u> The City contracts with Project Sentinel to provide Fair Housing services and monitoring. All housing related projects or services funded by the City include affirmative marketing guidelines and are monitored on a regular basis.</p> <p><u>Effectiveness:</u> The fair housing oversight helps to educate tenants, landlords, home sellers and prospective buyers as to appropriate treatment and actions as related to housing choice. Continues to provide protection for all in housing choice.</p> <p><u>Appropriateness:</u> Program retains appropriateness and is required by law.</p>
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H 2.16: Special Needs Groups. Continue existing support for programs that assist special needs groups (the elderly, large families, female heads of households, and the disabled).

<p>Program H 2.16:</p> <p>1. Continue to support programs particularly designed to accommodate special needs groups. In the past, typical programs have included rehabilitation loans, minor home repair, purchase of land for new housing, Section 8 rental assistance, shared housing, and first- and last-months rent program. Lead: Neighborhood Improvement and Housing Division (Ongoing)</p>	<p><u>Progress:</u> In addition to some of the Affordable Housing reported in section H 2.3, the City has regularly supported a variety of programs focused on the provision of housing and related services to special needs populations; including seniors, mental health permanent supportive housing, home modifications for accessibility, rental assistance for substance abuse recovery clients, The following are some examples of the achievements in those programs since 2001:</p> <ul style="list-style-type: none"> • Approximately 50 homeowner rehab loans • Over 170 households assisted through Minor Home & Free Paint Programs • Approximately 3,000 households and 4,200 individuals received services from nonprofit service providers through the RDA Community Services Funding for various housing assistance programs. <p><u>Effectiveness:</u> Simple rehabilitation loans for low income households has been effective in the preservation of the existing and affordable housing stock, serving primarily senior and disabled homeowner households. The leveraging of City funds through grants to nonprofit agencies continues to provide a very effective and efficient way of providing a high level of services reaching a variety of special needs populations.</p> <p><u>Appropriateness:</u> Because of their effectiveness, these programs are appropriate in serving these populations and will continue to provide a wide variety of housing related services.</p>
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G. INVENTORY OF LAND FOR RESIDENTIAL DEVELOPMENT

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

ADJUSTED HOUSING NEED FIGURES

The State allows local jurisdictions to deduct units built or in the pipeline between January 1, 2007 and June 30, 2009 from the total need figures established by ABAG. The resulting number includes those units that ultimately must be accommodated through adequate sites. The City of San Mateo has developed the following figures for reducing the need that must be accommodated in adequate sites:

Adjusted Housing Need, 2009

	VLI	LOW	MOD	ABOVE	TOTAL
Projects Completed Jan 2007-June 2009	0	20	18	322	360
Projects In the Pipeline, Jan 2007-June 2009	0	0	0	18	18
TOTAL, ALL PROJECTS	0	20	18	340	378

	VLI	LOW	MOD	ABOVE	TOTAL
TOTAL REGIONAL HOUSING NEED ALLOCATION	695	500	589	1,267	3,051
TOTAL, ALL PROJECTS	(0)	(20)	(18)	(340)	(378)
ADJUSTED REGIONAL HOUSING NEED ALLOCATION	695	480	571	927	2,673

ADEQUATE SITES INVENTORY

City staff inventoried vacant and underutilized parcels in San Mateo to determine what land is available for development at various levels of density. These density levels were then equated to the ABAG affordability levels and the number of units which might be able to be developed at each affordability level is estimated, e.g. available land zoned at higher densities can be counted toward the very low- and low-income level needs, and land zoned at lower densities are counted toward the moderate and above moderate-income housing need. The analysis was also completed using the actual average built densities for developments built on land with various zoning designations; the State has determined that it is not sufficient to simply calculate it at the zoned densities, especially if there are significant differences between zoned and built densities.

The City of San Mateo's land inventory for future housing includes property zoned for multifamily use that is currently vacant as well as land that is underutilized. The adequate sites analysis demonstrates that there is enough land to meet the ABAG Regional Housing Needs Allocation. The analysis for affordable housing units for extremely low, very low, low and

moderate income households is based on three assumptions: (1) that any property zoned multifamily that can accommodate 11 or more units will produce 10% affordable units through the Below Market Rate (BMR) program (15% starting January 1, 2010); (2) that land zoned at densities higher than 30 units to the acre can facilitate affordable housing development; and (3) that government subsidies can be applied on any multifamily site to provide further affordability.

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

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

Land Inventory by Zoning Designation, 2009

ZONING	PERMITTED DENSITY (DU/ Acre)	CAPACITY (In Acres)	MAXIMUM NUMBER OF UNITS	REALISTIC NUMBER OF UNITS
Bay Meadows Specific Plan (TOD)	50	39.11	1,956	1,212
Commercial Districts (CBD, C1, C2 etc.)	50	10.71	536	382
Executive Office (E1, E2 etc.)	50	5.68	284	229
Lower Density Residential (R1, R2, etc.)	9-35	35.04	695	382
Other High-Density Residential (R4, R5 etc.)	50	5.76	288	225
Other TOD	50	53.17	2,659	2,077
TOTAL	149.47		6,418	4,507

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

Land Inventory by Income Category, 2009

INCOME LEVEL	REALISTIC CAPACITY (In Housing Units)
Extremely Low/Very Low	725
Low	533
Moderate	711
Above Mod.	2,505
TOTAL	4,468

A more complete breakdown of this information – including by parcel number, by vacant/underutilized status, and specific zoning – can be found in Appendix A. The following table

illustrates that the City has met the adequate sites test in terms of realistic capacity versus ABAG RHNA.

Adequate Sites Summary

	ELI/VLI	LOW	MOD	ABOVE	TOTAL
Current Inventory	725	533	711	2,505	4,468*
Adjusted Regional Housing Need Allocation	695	480	571	927	2,673
SURPLUS/(SHORTFALL) OF SITES	30	53	140	1,578	1,795

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

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

SENIOR CITIZEN OVERLAY DISTRICT

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

SECONDARY UNITS

In 1983, the City adopted a Secondary Unit Ordinance, which allows for the creation of ancillary rental units (commonly referred to as "granny" or "in-law" units) on single-family properties.

The ordinance requires that the units be small (maximum 640 square feet of living area), that they provide adequate parking and that the property owner reside on-site. In 2003, the ordinance was revised to comply with State regulations allowing secondary units as permitted uses in all residential zoning districts.

MOBILEHOMES AND MANUFACTURED HOUSING

Manufactured housing and mobile homes provide opportunities for lower cost housing.

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

H. CONSTRAINTS ON HOUSING DEVELOPMENT

GOVERNMENTAL CONSTRAINTS

Introduction

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

Zoning

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

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

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

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

and secondary units. Bay Meadows Phase 2, adopted in 2005, allows for the development of up to 1,500 residential units in a transit oriented mixed use environment that includes various housing types.

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

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

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

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

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

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

GENERAL ZONING SUMMARY

ZONE	USE	MAX HT	FLOOR AREA RATIO	REQUIRED YARDS				MIN LOT WIDTH	PARK-ING
				SIDE	FRONT	REAR	STREET SIDE YARD (CORNER LOT)		
SINGLE-FAMILY RESIDENTIAL									
R1-A	SFD	24' to plate line;	0.4	7'	25'	15'; 25' above 1 st floor	15% of lot width (7.5' min.; 25' max)	75'	2 enclosed garage spaces, plus 1 per 750 SF over 3000 SF
R1-B		32' to roof peak	0.5	5'	15'; (20' to garage)		15% of lot width (7.5' min; 15' max)	60'	
R1-C							50'		
TWO-FAMILY RESIDENTIAL									
R2	SFD Duplex	24'	0.5 - 0.6	Same as R1-B				30'	Studio – 1.5 1 BR – 1.8 2 BR – 2.0 >2 BR or >1400 SF – 2.2 (1 covered space req'd per unit)
MULTIPLE FAMILY DWELLINGS									
R3	Medium density	35' to 55'. See bldg height plan	0.85	1-2 units = 5'; >2 units = 6'; > 2 stories = ½ bldg ht.; max of 25'	15'; > 3 stories = ½ bldg ht.	15'; > 3 stories = ½ bldg. ht.	1-2 units = 5' >2 units = 6' > 2 stories = ½ building ht. max of 25'	50'	
R4	High density		1.5						
R5			2.0						
DOWNTOWN RESIDENTIAL DISTRICTS									
R4-D	High density	35' to 55' See Chap 27.28	3.0	15'	20'	25' or 25% of lot width, whichever is greater; 40' max 25'	15'	50'	
R5-D					N/A				
R6-D					20'			N/A	

ZONE	USE	MAX HT	FLOOR AREA RATIO	REQUIRED YARDS				MIN LOT WIDTH	PARK-ING
				SIDE	FRONT	REAR	STREET SIDE YARD (CORNER LOT)		
COMMERCIAL DISTRICTS & TOD ZONE									
C1	Neighborhood Commercial	25' to 55'	.5 - 3.0	Buffers are required for parcels adjacent to residential parcels; see Chap 27.30.060				N/A	See Chap. 27.64.160
C2	Regional/Community		.5 - 2.0						
C3			1.0 - 2.0						
C4	Service Commercial		.5 - 1.5						
CBD	Central Business District	See bldg height plan	3.0	Buffers are required for parcels adjacent to residential parcels; see Chap 27.38.120				N/A	See Rail Corridor Plan
CBD-S	Central Business District Support		3.0	Buffers are required for parcels adjacent to residential parcels; see Chap 27.18.120					
TOD	Transit Oriented Development	35' to 55' See Rail Corridor Plan	2.0 – 3.0	See Rail Corridor Plan					
COMMERCIAL OFFICE DISTRICTS									
E1	Executive Park	25' to 55' See bldg height plan	.4 -1.0	Buffers are required for parcels adjacent to residential parcels; see Chap 27.44.090				N/A	See Chap. 27.64.160
E2	Executive Office		.5 - 2.0	Buffers are required for parcels adjacent to residential parcels; see Chap 27.48.100					
MANUFACTURING DISTRICTS									
M1	Manufacturing	See bldg height plan	1.0	See Chapter 27.56.075				N/A	See Chap. 27.64.160
SPECIAL DISTRICTS									
S	Shoreline District		1.0	15 feet when adjacent to R zoned property				N/A	See section 27.61.060
A	Agricultural District								
OS	Open Space District								
Q	Qualified Overlay District								
SC	Senior Citizen Overlay District								

As noted in the charts above, zoning regulations are not more onerous for multi family dwelling zoning districts when compared with other zoning classifications. The need for on-site and off-site improvements is not dictated by the type of land use, but by the extent of impact generated

by the project. For example, transportation impacts fees are determined by the number of vehicle trips that will be generated by the development.

Codes

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

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

Below Market Rate (BMR) Program

Inclusionary zoning programs – of which the City's local BMR program is one variant – are sometimes perceived as adding to the cost of housing by requiring the market-rate units to subsidize the affordable units. This is an area of much dispute, both in the Bay Area and nationally. There are as many positive aspects of inclusionary programs as there are negative aspects. For example, a study conducted by the National Housing Conference's (NHC) Center for Housing Policy (2000) highlighted several important contributions to inclusionary zoning to communities, not the least of which is the creation of income-integrated communities without sprawl.⁶

Within the last three years, several studies have been published that specifically address the issue of who pays for inclusionary zoning. Some of these studies assert that the costs associated with inclusionary programs are passed on to the market priced homes, while other studies assert that in fact the cost is not borne by the end users at all. For example, the "Reason Foundation" study entitled "Housing Supply and Affordability: Do Affordable Housing Mandates Work?" (April 2004) argues that housing consumers and some landowners pay for inclusionary requirements, not developers. The authors assert that market-rate buyers (and to some extent, renters) will be forced to pay higher amounts than they otherwise would for their units because of inclusionary zoning's implicit tax on other units.

⁶Inclusionary Zoning: A Viable Solution to the Affordable Housing Crisis?" (Washington, DC: The Center for Housing Policy, National Housing Conference, October 2000).

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

Most cities that have conducted economic analyses have concluded that, in the long run, most of the costs are borne by landowners [rather than market rate renters or buyers.] Initially, before land prices have had time to adjust, either the market-rate buyers or the developer pays, depending on whether the market allows the developer to increase his prices. If the developer cannot raise the market price for the non-inclusionary units or lower his total costs, or some combination, his profits will decline. To put this another way, builders will pay less for land because inclusionary zoning lowers their profits.⁷

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

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

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

In most instances – certainly within the State of California – local jurisdictions with inclusionary programs have analyzed them as potential constraints to development. This has been the directive of State HCD: while it pronounces "housing element law neutral relative to enactment of mandatory local inclusionary provisions," the State also notes that there may be tradeoffs that must be discussed in the Housing Element's constraints section. However, jurisdictions almost

⁷Barbara Ehrlich Kautz, "In Defense of Inclusionary Zoning: Successfully Creating Affordable Housing," *University of San Francisco Law Review* – Vol. 36, No 4 (Summer 2002).

always have implemented a number of incentives and cost benefits to mitigate these impacts, so that whatever constraint has been identified there is an offset offered to mitigate it.

In 2006 the City formed a Technical Advisory Committee to study a number of housing and density issues that specifically included a review of the City's Below Market Rate Program and how it compared to other cities in San Mateo County. The resulting Housing and Land Use Study Report (2008) identified a number of findings on this issue. The economist report in the Housing and Land Use Study Report concluded that depending on the flexibility of land prices, the cost of the inclusionary units is generally-passed on to the property owner selling his land for housing rather than to the price or rental rate of the housing units. In other words, the price that the property owner is offered for his land is already lower because of the developer's additional costs for the BMR program. A survey of residential building permit activity of local jurisdictions in San Mateo County showed no nexus between the number of building permits issued after the adoption of an inclusionary program as compared to before adoption of such a policy. Finally, the City surveyed its inclusionary requirements compared to the rest of the cities in San Mateo County. In November 2008 the City Council approved an increase in its affordable housing requirement from 10% to 15% for projects that include 11 or more residential units. This was found to be very comparable to neighboring cities. At the time San Mateo's 10% requirement was among the lowest in the County. A survey revealed that 3 cities in addition to San Mateo had a 10% requirement option, 7 cities had 15%, and six jurisdictions had 20%.

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

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

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

Processing, Permits, and Fees

The development application and environmental review process necessary to obtain a building permit can significantly affect the cost of a project, both in processing fees and delay. The review process in San Mateo has been structured to minimize delay, but provide opportunities for public input. The City adopted a pre-application planning process for applicants to hold meetings with neighborhood residents and the Planning Commission (large developments over 21 units) to allow for early input into the design of a project before submitting a formal planning application for public review. While this process adds additional time in the early stages of a development, the applicant obtains public comments and direction from the Planning Commission which helps expedite the formal planning approval process. The City of San Mateo

has established timing goals for the processing of formal planning application development projects. When a developer has submitted all materials and a project is determined to be complete, the following processing goals have been established: 24 calendar days for Zoning Administrator decisions; 40 calendar days for Planning Commission decisions for projects that are exempt from CEQA; 60 calendar days for projects requiring Negative Declarations; and 90 calendar days for projects requiring approval by the City Council. These goals are part of the packet of information given to applicants for submittal of their planning applications. Since 2006, City staff has met these processing goals 100 percent of the time for Planning Commission and City Council hearings, and an average of 95 percent for Zoning Administrator decisions. In addition, multifamily developments less than 6 units can be approved by the Zoning Administrator without the need for a Planning Commission public hearing.

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

Permit processing fees are established by City Council resolution and are intended to reimburse the City for actual administrative costs. Fees are imposed by the Planning, Building and Public Works Departments. A 2007 survey conducted by City staff indicated that San Mateo's fees are within the average range of other comparable Peninsula cities surveyed. A typical 44-unit multi-family project pays approximately \$1,409 per unit in Planning fees, \$2,318 per unit in Building fees, and \$2,010 per unit in Public Works fees. The City refunds any unexpended application and plan check fees after completion of a project.

The Developers Contribution Policy, adopted in 1979, requires a builder to pay for all infrastructure and public improvements directly associated with the proposed development and a proportionate share of all citywide programs affected by the development. San Mateo has adopted fees to carry out this policy. The most common development fees in San Mateo are for expansion of the wastewater treatment plant, transportation improvement fees, and the park in-lieu fee. The contribution to the sewage treatment plant expansion is based on the amount of anticipated sewage from a new project, and averages about \$1,928 per multi-family unit. Some development areas also require a sewer improvement fee for upgrades to an existing trunk line which averages \$2,957 per multi-family unit. Transportation improvement fees help provide needed improvements to City streets and intersections and are calculated at \$3,258 per new single family residence, and \$2,468 per new multi-family dwelling unit. The park fee in lieu of land dedication for new park facilities averages about \$16,212 per unit. The City adopted a fee for public art which is based on building valuation (projects over \$3 million) and is estimated at \$545 per residential unit. A school impact fee of \$2.63 per square foot of habitable residential space is imposed by the local school districts.

Single Family and Multi-family Development

The City of San Mateo is a mostly built out community. The majority of new development will consist primarily of infill, reuse, or redevelopment. Available land to construct a large scale single family development is scarce. Planning application and permit processing for single family and multi-family developments are somewhat comparable in the City of San Mateo. As previously stated, planning application processing charges are intended to reimburse the City for

actual administrative costs and applicants are billed for staff time and resources regardless of the type of application submitted to the City. In addition, the City processes all requested development approvals (subdivision maps, site plan and architectural review, environmental documents, etc.) concurrently, which provides for consistency among different application types and reduces the overall public review processing time.

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

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

- Do the land use designations allow for a range of housing types?
- The City allows for a wide range of housing types from single family dwellings (approx. 4 – 8.7 units/acre) single family dwellings to high density residential (50 – 75 dwelling units per acre.) In addition, the City allows for secondary units on lots zoned residential as a permitted use. There are also special standards to allow increased density for senior citizen housing units.

The City also adopted provisions to allow emergency shelters within existing churches. This was done to accommodate a proposed program coordinated by local churches. As part of the Housing Element update, emergency shelters are also proposed as permitted uses in Regional/ Community Commercial land use areas.

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

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

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

family homes. Special provisions for emergency shelters, senior citizen housing and secondary units broaden the types of housing permitted in the City.

- Do growth limitations unduly restrict housing development?

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

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

There are areas around CalTrain stations have potential for mixed use development. The San Mateo Rail Corridor Transit-Oriented Development Plan established TOD zones in the vicinity of the Hayward Park and Hillsdale CalTrain Stations. The Plan provides for mixed use development at the highest residential densities and building heights near the train stations to encourage lively, transit oriented, and pedestrian friendly places.

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

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

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

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

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

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

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

The City of San Mateo Zoning Code does not include open space requirements in all of its residential zoning districts. The sole citywide district, R3 (Medium Density), which requires the provision of open space, allows for both private and common open space to be used in the fulfillment of this requirement. This allows for a great deal of flexibility on the part of the design team in the design of open space areas. Both passive and active open space areas are also counted towards this requirement. Downtown residential zoning districts also require the provision of open space. However, similar to the R3 district, this requirement can be met through the provision of both private and common open space. The provision of adequate open space is insured by implementation of the

City's multi family dwelling design guidelines, which includes a guideline calling for the provision of open space to "...accommodate the needs of the residents." This allows for flexibility on the part of the designer to provide open space while at the same time meeting other project goals, such as the provision of housing units.

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

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

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

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

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

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

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

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

NON-GOVERNMENTAL CONSTRAINTS

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

Financing Availability

The availability of financing can sometimes constrain the development or conservation of housing. Until the end of 2008, home mortgage credit ~~has~~ was readily available at attractive rates throughout the U.S. The beneficial effects of lower mortgage interest rates on homeownership affordability are profound. For example, with mortgage interest rates at 10%, and assuming a 15% down payment, a family with an annual income of \$60,000 can qualify to purchase a \$166,000 home. With interest rates at 8%, the same household with the same \$60,000 income qualifies to purchase a \$198,000 home. Were interest rates to fall to 6%, the same household could qualify for a \$242,000 home.

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

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

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

Twenty years ago, private lenders would provide construction financing based on the loan-to-value ratio of 80%. As federal rules changed regarding the regulation of lenders in the 1980s, lenders became more conservative in the underwriting practices they employed in terms of their loan-to-value ratios. Although this reduced the risk to lenders, it negatively impacted the ability of developers to find sufficient funding for new development. In some cases, in the 1990s banks were reported to provide loans of only 50 to 65% of the project's value.

Today, the economic condition in the country is quite dire, and financing for any development is extremely difficult. The foreclosure crisis has also hit the Bay Area, some areas more than others. At the end of 2008, there were about 60 units in pre-foreclosure, foreclosure, or in auctions in the City of San Mateo, out of a total 39,168 units, or 0.1 %. In contrast, in the City of Antioch in Contra Costa County – with a total of 33,936 units – almost 870 were somewhere in

the foreclosure process (2.5%). Although home affordability has been improving as a result of the increasing numbers of foreclosures on the market, building permits, starts and sales continue to decline because prospective homebuyers either lack access to credit or the confidence to buy. According to industry experts, the recent drop in 30-year fixed mortgage rates to near 5% will cushion the decline in housing but is not enough to stop it. That will take an end to declining home prices and much improved confidence about income security. Neither is likely in the next few months.

In addition, the unexpectedly large drop in housing permits and starts in November 2008 probably reflects in part the loss of credit by homebuilders and developers which forced them to cease building. In the affordable housing market, developers are having difficulty raising enough funds in already-tapped sources to meet their housing cost gaps.

Development Cost

Construction Cost

Escalating land prices and construction costs due to a high demand for housing are major contributors to the increasing cost of housing in the Bay Area. A major impediment to the production of more housing is the cost of construction, which involves two factors: the cost of materials, and the cost of labor. However, the cost of construction varies with the type of new housing and the way it is built. According to the Association of Bay Area Governments, wood frame construction at 20-30 units per acre is generally the most cost efficient method of residential development. However, local circumstances of land costs and market demand will impact the economic feasibility of construction types.

New York is the costliest city in which to build in the United States, with San Francisco in second place. An affordable project approved in San Mateo, which will begin construction in early 2009, illustrates the real-world implications of high construction costs. This 68-unit development is projected to cost about \$25.6 million, which translates to about \$377,000 per unit for hard costs alone. Soft costs are an additional \$121,000 per unit, and land costs are about \$78,000 per unit. All told, the per-unit development costs total \$576,000 per unit. In square footage terms, this totals more than \$470 per square foot.

The following chart from Reed Construction Data shows key indicators in residential construction as of December 2008. While some indicators bode well for residential construction, other changes suggest a deepening economic crisis from which the housing market may take some time to recover.

Key Indicators of the U.S. Market Environment — Dec 2008
Residential Construction (New and Remodeling)

	Year Ago	Previous Month or Qtr.		Latest	Level	Recent Trend	Impact on Const.
New Residential							
Affordability – 30-Year mortgage index (NAR)	119.2	135.2	Oct	141.8	High	Rising	↑
Affordability – 1-Year ARM mortgage index (NAR)	121.0	141	Oct	142.9	High	Rising	↑
Consumer income growth, % change y/y (U.S. Commerce Dept.)	5.6	0.2	Oct	-0.4	High	Falling	↓
Consumer real income growth, % change y/y (U.S. Commerce Dept.)	3.2	-9.2	Oct	-10.4	High	Falling	↓

Employment change, 000s (U.S. Labor Dept.)	60	-320	Nov	-533	Low	Falling	↓
Household net worth, % change y/y (FRB)	8.8	-0.7	Q2	-3.5	Average	Falling	↓
30-Year fixed mortgage rate, % level (Freddie Mac)	6.10	6.14	W/E Dec 18th	5.17	Low	Falling	↓
1-Year ARM mortgage rate, % level (Freddie Mac)	5.5	5.33	W/E Dec 18th	5.09	Low	Falling	↓
Consumer confidence index (The Conference Board)	87.8	38.8	Nov	44.9	Low	Rising	↑
Housing market index (NAHB)	19	9	Dec	9	Low	Steady	↔
Homes under construction, 000s (U.S. Census Bureau)	1,077	881	Nov	857	Low	Falling	↓
New home inventory, number-of-months supply (U.S. Census Bureau)	8.6	10.9	Oct	11.1	High	Rising	↑
Existing home inventory, number-of-months supply (NAR)	10.5	10	Oct	10.2	High	Rising	↑
Residential Remodeling							
Existing home sales, 000s (NAR)	5,060	5,140	Oct	4,980	Low	Steady	↔
Building supply store sales, seasonally adj. \$ millions (U.S. Census Bureau)	28,005	26,905	Nov	26,587	Low	Falling	↓
Wood product shipments, seasonally adj. \$ millions (U.S. Census Bureau)	8,402	7,963	Oct	8,050	Low	Falling	↓
Remodeling contractor hours worked, % change y/y (U.S. Labor Dept.)	-10.1	-5.8	Oct	-5.2	Low	Falling	↓
Mortgage refinancing applications, index (Mortgage Banking Association)	2,127	1,281	W/E Dec 12th	4,156	High	Rising	↑

Abbreviations: y/y = year over year; WE = week ending; ARM = adjustable-rate mortgage;
NAR = National Association of Realtors; FRB = Federal Reserve Board;
NAHB = National Association of Home Builders.

Table: Reed Construction Data and Reed Construction Data - CanaData

Cost of Land

The cost of land varies considerably between and within jurisdictions. Market factors, especially the desirability of the location, play an important role in setting property values. Recent projects in San Mateo translate into \$120 to \$150 per square foot.

All of these factors serve to impact the overall cost to produce housing, including affordable housing. Developer overhead and indirect costs, such as project management, design, marketing and taxes, typically adds about 10% to 15% of total costs. Financing of the construction project typically represents another 15% of the total costs. As noted in the Eden example above, the total cost per unit can run more than \$557,000. Another recent project in San Mateo is projected to cost even more at \$650,000 per unit. The land costs alone for this project represent about \$145,000 per unit.

Other Non-Governmental Constraints

NIMBYism

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

Construction Defect Litigation

The threat of lawsuits over real or imagined construction defects deters the building of condominiums and townhouses because they are managed by homeowners associations that may be more willing to sue developers than individual homeowners typically are. Thus, according to this argument, California is deprived of badly needed owner-occupied, affordable, high-density and in-fill housing.⁸

Downpayment/Move-In Costs

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

⁸. "Construction Defect Litigation and the Condominium Market," California Research Bureau, Sacramento, November 1999.

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

INVENTORY

There are no projects at risk of conversion to market rate within the new planning period. The earliest project that will see affordability restrictions expire is the Park Towers Project, built in 1965. The 200-unit development is in nonprofit ownership, and was financed under the HUD Section 202 Program for seniors. Its restrictions will expire in 2015.

COST ANALYSIS OF PRESERVING “AT-RISK” PROJECTS

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

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

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

AVAILABLE RESOURCES FOR PRESERVATION

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

QUANTIFIED OBJECTIVES FOR AFFORDABLE “AT-RISK” UNITS

As no units are at risk of conversion during the planning period, no quantified objectives are included.

J. DESCRIPTION OF HOUSING PROGRAMS

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

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

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

Federal Programs

Community Development Block Grant (CDBG) The City of San Mateo has been an active participant in the CDBG program for over 30 years. HUD awards this flexible grant program to jurisdictions through a statutory formula that uses measurements of need. CDBG funds can be used to assist low and moderate income persons in the form of social services activities, housing rehabilitation, economic development, neighborhood revitalization, improvement of public facilities, and prevention and elimination of slums and blight. The City's entitlement grant has decreased an average of 5% over the last five years. It is anticipated that the CDBG grant will continue to remain the same or decrease further; therefore, the City is budgeting a conservative 2% decrease annually over the next five years.

Rental Rehabilitation Program Income For 8 years, the City participated in this now defunct HUD sponsored program. The City still receives minimal program income through the repayment of loans and is used for programs that are eligible under the CDBG program.

HOME Investment Partnership Program The HOME program is a federal grant to participating jurisdictions determined by formula allocations. HOME funds are directed toward the housing programs that assist persons 60% of the median income including acquisition, rehabilitation, new construction, tenant based assistance, homebuyer assistance, planning and supportive services. The City of San Mateo participates in the program as an individual jurisdiction. A portion of each year's grant (15%) is set aside for use by non-profit Community Housing Development Organizations (CHDO). Currently there is one certified CHDO in San Mateo, HIP Housing Development Corporation (HHDC). Although it is unclear if funding levels will be maintained for this program in the future, the City is estimating a conservative 3% decrease annually for the next five years.

Mortgage Credit Certificates (MCC) The Mortgage Credit Certificate is a 15% federal income tax credit on mortgage interest available directly to qualified first time homebuyers and is administered by the County. Lenders calculate this tax savings and consider it as additional disposable income that can be used to qualify for a higher mortgage. This program has been used extensively by the participants in San Mateo's First Time Homebuyer program as funds are available.

Low Income Housing Tax Credits (LIHTC) The LIHTC is an incentive for investors to provide equity to develop rental units for households at 30 - 60% of median income. The program is not a direct federal subsidy, but rather a tax incentive administered by the Internal Revenue Service. Tax credits were used to help finance the Rotary Hacienda Senior Housing complex in 1989, the St. Matthew Hotel Project in 1997, the Santa Inez Apartments in 2002, Rotary Floritas in 2005 and will be used for Peninsula Station in 2009.

Section 8 Rental Assistance Program This program is administered by the San Mateo County Housing Authority with multiple eligibility criteria; a family or a single person who is 62 years or older, disabled or pregnant, household annual gross income equal to or below the HUD published income limits. Households who qualify for Federal Preference are considered first and are defined as persons who are involuntarily displaced, or persons who are paying more than 50% of household income towards rent.

Other Public Funds

State Programs The City of San Mateo obtained \$750,000 from the CalHome Program for Owner Occupied Housing Rehabilitation in 2008 and will apply for future funds in the future. It also obtained an Infill Infrastructure Grant in the amount of \$3.8 million for the Peninsula Station Project in 2008, and will be eligible for the Proposition 1C Housing Related Parks Program funds in 2010 as they become available. Staff keeps a close eye on funding cycles and new funding opportunities from the State as they are noticed. Also, housing developers and housing organizations are eligible to apply for State funds, such as programs sponsored by California Housing Finance Agency (CalHFA), on a project by project basis. There are also State Low Income Tax Credits available, which can be used to assist housing projects.

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

San Mateo Redevelopment Agency (RDA) The San Mateo Redevelopment Agency (RDA) receives a portion of local property taxes from its merged Downtown and Shoreline Redevelopment areas for purposes of economic and physical revitalization. By State law a minimum of 20% of agency revenue must be set aside for housing to assist persons up to 120% of the median income. Changes in California Redevelopment Law require the Agency to target assistance to very low and low-income households as well as age restricted housing. Together with tax increment and loan repayments and after debt service and administration costs, the Agency anticipates having approximately \$4.0 million available directly for housing projects and programs over the next five years.

With current changes to Redevelopment Law, there is now a cap on the amount of funds that can be utilized to assist in senior housing development. Previous to the new law, the City has assisted senior developments to an amount exceeding the cap. Therefore, the City will focus

development priority to other family housing and will not be assisting any senior housing in the next 5-10 years.

Below Market Rate Program (BMR) In 1992 an inclusionary zoning ordinance was passed that requires 10% of all newly constructed units citywide to be priced affordably. This BMR program applies to all complexes sized 11 or more units, both rental and ownership units. Rental units must be affordable to persons 80% of median income and ownership units must be affordable to persons 120% of the median income. The City has added about 34 ownership and 106 rental units to its affordable housing stock through this program in the last five years for a total of about 236 units since 1992. Beginning January 1, 2010 the program requirements will increase to 15% of new projects with 11 or more units.

Private For-Profit and Nonprofit Sources

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

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

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

HEART. The Housing Endowment And Regional Trust of San Mateo County germinated in February 2002 with the contribution of \$3 million from the County of San Mateo to establish a regional housing trust fund in order to build and rehabilitate affordable housing for low and middle income workforce and fixed income residents. HEART was officially created in 2004 as the result of public and private collaboration and the creation of a Joint Powers Authority (JPA) between currently 12 cities and the County of San Mateo. The City was very involved in the development of HEART and the JPA and continues its membership with annual contributions. In its first year, HEART was one of the few trust funds in the State successful in being awarded the maximum \$2 million grant from Prop 46 funds.

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

Institutional Structure

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

City of San Mateo/City of San Mateo Redevelopment Agency

The Neighborhood Improvement and Housing (NIH) Division is the lead public agency for the development, preservation and improvement of housing in San Mateo. NIH administers the federal funds received by the City and the Redevelopment Agency's housing activities (A minimum of 20% of Redevelopment Agency funds must be set-aside for housing activities). NIH is responsible for many of the activities and programs identified in the Consolidated Plan such as Housing Rehabilitation, the First Time Homebuyer Program, the development of new housing through developer assistance, site acquisition and rehabilitation, Code Enforcement and the Community Funding program. In addition, NIH works closely with the Economic Development and Business Assistance Division to maintain and expand economic opportunities within the City.

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

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

County of San Mateo

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

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

Nonprofit Organizations

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

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

There are several agencies the City works with that have experience developing new housing. Shelter Network of San Mateo County has several facilities that house homeless adults and families throughout the County with First Step for Families and the RDA owned Vendome Hotel here in the City of San Mateo. Human Investment Project and the Mental Health Association of San Mateo County have experience with acquisition and rehabilitation of housing properties as well as strong property management. None of these agencies however, have the capacity or expertise in the development of new medium to large-scale housing projects. Many of the new construction and larger projects in the County are conducted by one organization, Mid-Peninsula Housing Corporation.

Private Sector

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

Contractors and developers are equally adept in their fields, as are other members of the business community. Their shortcoming is that they are often unfamiliar with the needs of lower income persons, or with the limitations of those trying to provide services for them. The private sector, however, is slowly learning that serving the low-income community is good business and not a risk, if they have the patience and willingness to serve this group. Private developers are also involved with building affordable housing through the requirements of the City's Redevelopment Agency and Below Market Rate ordinance.

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

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

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

HOUSING-RELATED PROGRAMS

Housing Rehabilitation Program

This program has been active in San Mateo for over 25 years funded primarily by CDBG, but also with RDA funds and State CalHome funds. Low interest home repair loans are available to low or moderate-income homeowners, and investors who agree to rent to low and moderate-income tenants at affordable rents. Eligible repairs include code violations, deferred maintenance items, and some general property improvements. The program is available to owners citywide and investor-owned properties in the North Shoreview and North Central target areas.



Minor Home Repair and Paint

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

Lead-Based Paint Hazard Reduction

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

First Time Home Buyers Program

The City has two primary strategies to address the need for affordable homeownership in San Mateo.

The first strategy continues to be the City's project based first time buyer program. This program provides first time buyers the opportunity to purchase condominiums as they become available for resale at two City sponsored complexes.



**Classic Communities Ownership Units
Below Market Rate Program**

This project-based approach is also augmented by new ownership units that either the City builds or private developers build in compliance with the City's Below Market Rate Program.

Section 8 Rental Assistance

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

Acquisition of Land

The City is always looking for opportunities to purchase land to assist the development of housing. This includes land banking for the development of owner and rental housing, senior and family housing, transit-oriented housing and mixed-use developments. In 2006 and 2007 the City made significant land purchases and provided additional assistance for affordable housing development with Redevelopment Housing Set-Aside Funds and HOME Funds. These included the Peninsula Station on El Camino Real, the Police Station site at 2000 S. Delaware and the Vendome Hotel on the corner of 2nd Avenue and Claremont St. These projects utilized the bulk of available RDA and HOME funds for several years.

Acquisition and Rehabilitation of Existing Housing

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

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

Below Market Rate Program

Created by City ordinance, this program requires developers of new housing projects with more than 10 units to develop 10% (15% effective January 1, 2010) of units with housing price restrictions. These units, either rental or ownership, will have deed restrictions that make them permanently affordable. Ownership units are required to be affordable to households at or below 120% median income and rentals are required to be affordable to households at or below 80% median income. The City does not provide any financing to the buyers. NIH coordinates the marketing, sales, and program monitoring of the units through its First Time Buyer program. Redevelopment funds pay for the administrative costs of unit sales.

Community Housing Development Organizations (CHDO)

The City will coordinate with HIP Housing Development Corp. (HHDC) or any other qualified CHDO to apply the annual increment of HOME funds that are channeled directly to CHDOs. The HOME funds will be used to assist persons who make less than 60% of the median income. For program years 2005, 2006, 2007 and 2008, the City was granted a specific request to waive the requirement for CHDO set-aside, based on the high percentage of completed CHDO projects, and reprogrammed those funds to the rehabilitation of the Vendome Hotel.

New Construction

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



**Rotary Floritas
New Construction**

Redevelopment Area

Any new development of housing in the City's Merged Shoreline and Downtown Redevelopment area triggers a set aside of affordable units similar to the BMR program. Redevelopment Law stipulates that 15% of new or rehabilitated housing units in the Redevelopment Project Area built by private developers must be affordable to persons at or below 120% median income and 40% of those units must be affordable to persons at or below 50% median income.

Secondary Units

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

K. HOUSING GOALS, POLICIES, AND PROGRAMS

- GOAL 1:** Maintain the character and physical quality of residential neighborhoods.
- GOAL 2:** Provide a diversity of housing types, responsive to household size, income and age needs.
- GOAL 3:** Ensure that all new housing is developed or remodeled in a sustainable manner.
- GOAL 4:** Encourage conservation improvements and measures to existing housing stock to make them more energy and water efficient.

POLICIES:

1. PROTECTING AND CONSERVING EXISTING HOUSING

H 1.1: Residential Protection. Protect established single-family and multi-family residential areas by the following actions:

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

Program H 1.1: Residential Protection.

1. Consider policy during the Special Use Permit process with respect to the intrusion of incompatible uses.
Lead: Planning Division
(Ongoing)
2. Consider policy during the Special Use Permit process with respect to the overconcentration of non-residential uses.
Lead: Planning Division
(Ongoing)

3. Consider policy during the Site Plan and Architectural Review process with respect to assuring adequate buffers.
Lead: Planning Division
(Ongoing)
4. Consider policy during the design review process with respect to the review of development proposals for conformance with design guidelines.
Lead: Planning Division
(Ongoing)

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

Some non-residential uses such as churches, day care centers and private schools are defined by the Land Use Element as being potentially compatible with residential uses. These types of facilities generally are located in and serve residential neighborhoods. However, special use permits are required to consider the operational characteristics of such uses and to tailor them, where feasible, to a particular site. Overconcentration of non-residential uses should be avoided in residential neighborhoods so that individual blocks do not lose their residential character.

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

H 1.2: Single-Family Preservation. Preserve existing single-family neighborhoods through the following actions:

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

Program H 1.2: Single-Family Preservation

1. Consider potential impacts on intact single family neighborhoods during the review of land use changes and special use permits for proposed development other than single family dwellings.
Lead: Planning Division
(Ongoing)

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

Lead: Planning Division
(Ongoing)

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

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

H 1.3: Housing Rehabilitation. Continue to provide funding as available for the conservation and rehabilitation of viable deteriorating housing in the City to preserve existing housing stock, neighborhood character and, where possible, to retain low- and moderate-income units.

Program H 1.3: Housing Rehabilitation.

1. Continue funding for housing rehabilitation projects as a high priority with CDBG and/or other funds to accomplish the following objectives by 2014:

50 Rehabilitated units (owner occupied, low/moderate-income residences; rental units in low-income neighborhoods)

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

Lead: Neighborhood Improvement and Housing
(Ongoing)

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

Lead: Neighborhood Improvement and Housing
Implementation Goal: Ongoing

H 1.4: Code Enforcement. Continue and increase code enforcement efforts in residential areas to improve neighborhood appearance and conformance with health and safety standards.

Program H 1.4: Code Enforcement.

2. Continue code enforcement efforts and provide staff as needed to improve residential areas. Continue use of administrative citations and fees, civil penalties, and civil and criminal litigation to bring about compliance.
Lead: Code Enforcement Division
(Ongoing)
2. Continue to offer rehabilitation loans and repair grants to low-income households as listed in Program H 1.3.
Lead: Neighborhood Improvement and Housing
(Ongoing)
3. Continue proactive code enforcement program in North Central, North Shoreview and other CDBG-eligible areas.
Lead: Code Enforcement
(Ongoing)
4. Continue the Apartment Inspection Program to assure safe and sanitary living conditions for residential tenants.
Lead: Fire Department
(Ongoing)

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

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

H 1.5: Building Bulk. Limit the sizes of new and expanded single-family dwellings and duplexes, retaining neighborhood scale and character.

Program H 1.5: Building Bulk.

1. Through plan check review of single-family dwellings and duplex buildings, ensure compliance with both the single family and duplex regulations and design guidelines that control the bulk of and height of buildings.
Lead: Planning Division
(Ongoing)

H 1.6: Variances and Lot Divisions. Consider existing neighborhood character in terms of dwelling size, height, setbacks and lot size and configuration in reviewing variances and lot division proposals.

Program H 1.6: Variances and Lot Divisions.

1. Consider during variance and subdivision review.
Lead: Planning Division
(Ongoing)

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

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

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

In addition to the Single-Family Dwelling Design Guidelines, the City Council adopted Duplex Design Guidelines in 2004, revised floor area ratio standards, and created a daylight plane for duplex dwellings. Duplex zoned areas are typically located near single family neighborhoods and provide a transition to higher density neighborhoods. Many of the issues and guidelines are similar to those contained in the Single-Family Dwelling Design Guidelines.

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

H 1.7: Retention of Existing Lower-Income Units. Seek to retain existing subsidized very low-, low- and moderate-income housing units, especially those that will be available for conversion to market rate housing. Retention of such units should have high priority for available funds.

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

1. Monitor affordable projects at risk of conversion to market rate. Maintain regular communication with the owners of all subsidized projects in San Mateo to keep up-to-date on their plans to maintain affordability. No market rate conversions are anticipated during 2009-2014.
Lead: Neighborhood Improvement and Housing
-(Ongoing)
2. Monitor Federal actions and appropriations regarding extension of Section 8 contracts, and actively support additional appropriations.
Lead: Neighborhood Improvement and Housing
(Ongoing)
3. Give high priority to retaining existing FHA and HUD subsidized low-income units through use of CDBG funds, Redevelopment Housing Set-Aside funds, and other solutions.
Lead: Neighborhood Improvement and Housing

-(Ongoing)

4. Continue to support the County Housing Authority housing rental subsidies to lease units in San Mateo for very-low and low-income households.
Lead: Neighborhood Improvement and Housing
(Ongoing)

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

H 1.8: Condominium Conversion. Continue the existing policy of protecting existing residents by offering purchase opportunities, long-term leases and relocation assistance.

Program H 1.8: Condominium Conversion.

1. Continue to implement tenant notification, purchase opportunities, long-term leases, and relocation assistance provisions of the subdivision code.
Lead: Planning Division
(Ongoing)

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

H 1.9: Demolitions. Prohibit demolition of existing residences until a building permit for new construction has been issued, unless health and safety problems exist. Prevent housing stock from becoming health and safety problems through code enforcement efforts.

Program H 1.9: Demolitions.

1. Continue implementation of demolition ordinance. Implement code enforcement programs described in Program H 1.4.
Lead: Building Inspection Division and Code Enforcement
(Ongoing)

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

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

2. ENCOURAGING NEW HOUSING CONSTRUCTION

H 2.1: Fair Share Housing Allocation. Attempt to achieve compliance with ABAG Fair Share Housing Allocation for total housing needs and for low- and moderate-income needs.

Program H 2.1: Fair Share Housing Allocation.

1. Monitor housing production against ABAG Fair Share Allocation, providing annual updates for the Planning Commission and City Council.
Lead: Planning Division
(Annual)

H 2.2: Jobs/Housing Balance. Maintain an overall balance of housing and employment within the community over the term of the Plan.

Program H 2.2: Jobs/Housing Balance.

1. Monitor housing production against new job creation, providing annual updates for the Planning Commission and City Council.
Lead: Planning Division
(Annual)

The City of San Mateo is committed to the provision of housing necessary to accommodate an expanding workforce. In response to State law, the Association of Bay Area Governments (ABAG) has determined that there must be enough land available to accommodate 2,437 units of housing need in the City.

H 2.3: Public Funding of Low- and Moderate-Income Housing. Continue to use available funds to increase the supply of low- and moderate-income housing through land purchases and other development encouragements and through use of nonprofit sponsors and subsidized financing using federal and state sources, tax credits, and the like.

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

1. Give funding for new low- and moderate-income housing a high priority for use of CDBG, Redevelopment Housing Set-Aside, and other available funds, with the highest priority of public funds for very low income family housing.
Lead: Improvement and Housing Division
Implementation Goal: July, 2010

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

H 2.4: Private Development of Affordable Housing. *Encourage the provision of affordable housing by the private sector through:*

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

Program H 2.4: Private Development of Affordable Housing.

1. *Maintain an inclusionary housing ordinance to implement Policy H 2.4 The ordinance shall include:*
 - a) *At a minimum, require all projects which include more than 10 residential units, including mixed-use projects, shall be required to include 10% of the residential units for exclusive use as affordable housing units.*
 - b) *The project proponent shall build the unit(s) on site, either in partnership with a public or nonprofit housing agency, or on its own. Off-site building shall be allowed only if the proponent demonstrates that on-site construction is infeasible; and in any event, any off-site units must be built within the City of San Mateo. No in-lieu fees shall be allowed except for:*
 - i. *Projects which include 10 units or less; or*
 - ii. *Fractional affordable housing unit requirements of less than .5.*
 - c) *The affordable units shall be as similar in exterior design and appearance as possible to the remaining units in the project.*
 - d) *Affordable rental units shall carry deed restrictions which guarantee their affordability.*
 - e) *Affordable for sale units shall have deed restrictions which allow for first right of refusal to the local government, upon the sale of the unit. The City local government should only refuse the option of purchase if it has already expended all of its financial resources available for housing, including Community Development Block Grant funds, local housing trust fund monies, and any other federal, state or local funds typically available for affordable housing purposes.*

Lead: *Neighborhood Improvement and Housing Division (Ongoing)*
2. *Evaluate and study the impacts on development costs to housing by increasing the inclusionary housing production requirements. Areas for consideration include*

increasing the percentage of units required, lowering the affordability pricing, lowering the project size that triggers the requirement, and including an in lieu payment for small projects.

Lead: *Neighborhood Improvement and Housing Division*

Implementation Goal: *Ongoing for existing program; bring proposal on new requirements to Council by 2002*

The City formed a Technical Advisory Committee to evaluate a number of housing and land use issues that resulted in a report submitted in January 2008. As a result of this, the Council adopted changes to the BMR program to increase the affordable housing requirement from 10% to 15% for projects consisting of 11 or more units, includes a fractional fee for projects sized 5-10 units and to cover fractional BMR units not constructed onsite, and provides for some flexibility in construction of BMR units onsite. The target income levels remained the same, except that there is a new option to allow construction of 10% BMR in rental projects if the affordability is dropped to very low income instead of the 15% BMR targeted to low income households. These provisions will become effective January 1, 2010.

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

Lead: *Neighborhood Improvement and Housing Division*

Implementation Goal: *Bring to the Council by 2002*

The Housing and Land Use Study Report included a recommendation to adopt a commercial/housing linkage fee, however it no decision was made whether to adopt such a program. This will continue to be a work item in 2009-2010.

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

Lead: *Planning Division (Ongoing)*

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

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

Lead: *Planning Division (Ongoing)*

H 2.5: Distribution of Low- and Moderate-Income Housing. Attempt to distribute low- and moderate-income housing developments throughout the City. Encourage the mixing of market-rate and low/moderate-income units where feasible.

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

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

Lead: *Neighborhood and Improvement and Housing*

(Ongoing)

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

H 2.6: Rental Housing. Encourage development of rental housing for households unable to afford ownership housing.

Program H 2.6: Rental Housing

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

Lead: Planning Division

(Ongoing)

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

H 2.7: Secondary Units. Allow creation of secondary units on residentially zoned properties to provide opportunities for affordable rental units or to allow for the housing of extended families. Require that the design of secondary units be compatible with the main residence and neighborhood, provide adequate on-site usable open space and parking, and not infringe upon the privacy of adjoining properties.

Program H 2.7: Secondary Units.

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

Lead: Planning Division

(Ongoing)

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

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

maximum of 640 square feet (typically a studio or one-bedroom unit) and provide one off-street parking space.

H 2.8: Single Room Occupancy. Provide for the development of single room occupancy (SRO) units to provide small affordable units in areas close to transportation services.

Program H 2.8: Single Room Occupancy.

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

Lead: Planning and Building Divisions

Implementation Goal: 2012

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

H 2.9: Multi-Family Location. Provide for the development of multi-family housing to create a diversity of available housing types as follows:

1. Maintain the identified sites on the Inventory of Sites Available for New Housing Development (Appendix A of the Housing Element).
2. Permit reclassification to multi-family zoning of other properties that meet the following criteria:
 - a. Have adequate size to allow for a self-contained housing development and include adequate on-site parking and usable open space;
 - b. Have good access to arterial streets and transit nodes;
 - c. Maintain a reasonable buffer to single-family districts; and
 - d. Constitute a logical extension of existing multi-family development at compatible and appropriate densities or are zoned for commercial use.

Program H 2.9: Multi-Family Location.

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

Lead: Planning Division
(Ongoing)

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

Lead: Planning Division
(Ongoing)

H 2.10: Housing Densities.

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

Program H 2.10: Housing Densities.

1. Consider policy during the development review process.
Lead: Planning Division
(Ongoing)
2. Consider policy during the development review process.
Lead: Planning Division
(Ongoing)

If San Mateo is to meet its housing needs, it will need to encourage multi-family housing on vacant sites and through redevelopment. However, to create high-quality living environments and protect existing neighborhoods, certain standards must be followed in the location of new multi-family developments. Sites must be large enough to provide adequate parking and still leave area available for recreation and open space. Multi-family sites must be close to arterial streets to handle traffic generation and discourage traffic through single-family neighborhoods. Specific commercial sites may be developed for multi-family use.

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

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

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

In 1979 the allowable densities of multi-family districts were studied and revised, with the intent of limiting allowable densities on smaller parcels and providing density incentives for lot assemblage. The increase in lot size provided better opportunities for incorporating parking and open space in a more livable project design. The R-3 District, for example, now allows just two units to be constructed on a parcel of 6,000 square feet. If two such parcels are merged, creating a 12,000 square foot lot, a project of eight units is allowed.

H 2.11: Senior Project Location. Permit senior housing projects on multi-family or non-residentially zoned properties within walking distance of services and transit routes. Continue to provide allowances for density bonuses for senior projects.

Program H 2.11 Senior Project Location.

1. Consider during review of reclassification applications to the Senior Citizen Overlay district and Residential Care Facility Special Use Permits.
Lead: Planning Division
(Ongoing)

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

H 2.12: Mixed Use. Continue the policy of encouraging residential uses in existing commercial areas, or in locating adjacent or near transit nodes, where the residences can be buffered from noise and safety concerns and can provide adequate on-site parking and usable open space. Provide floor area and/or height bonuses for residential development in selected areas of the City.

Program H 2.12: Mixed Use.

1. Permit the construction of housing or mixed-use projects in commercial areas. Encourage mixed use in specific area plans, the El Camino Real Master Plan, and the San Mateo Rail Corridor Transit-Oriented Development Plan. Consider designation in future plans for 42 Avenue.
Lead: Planning Division
(Ongoing)
2. *Publicize the advantages of constructing housing or mixed-use projects in commercial areas. Publicize the ability to locate residences in commercial areas.*
Lead: Planning Division
(Ongoing)

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

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

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

H 2.13: Transportation Oriented Development (TOD). Encourage well-planned compact development with a range of land uses, including housing, commercial, recreation and open space, in proximity to train stations and other transit nodes. Encourage the maximization of housing density where possible.

Program H 2.13: Transportation Oriented Development (TOD).

1. Encourage transit-oriented development in locations adjacent or near train stations and other transit nodes.
Lead: Planning Division
(Ongoing)
2. Ensure that development proposals conform to the ~~Adopt~~ Transit Oriented Development Ordinance and the San Mateo Rail Corridor Transportation Oriented Development Plan.
Lead: Planning Division
(Ongoing)

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

In 2007, the City adopted the Transit Oriented Development Ordinance which implements the San Mateo Rail Corridor Transit Oriented Development Plan (adopted 2005). The Plan encourages and provides guidance for transit oriented development centered on the Hillsdale and Hayward Park Caltrain station areas. Land uses, development densities, and parking and transportation demand management are important components in the Plan. In addition, the Plan includes goals and policies to improve the street system and pedestrian and bicycle friendliness within the planning area. Development within the TOD area will be required to conform to the

policies and guidelines contained in the San Mateo Rail Corridor Transit Oriented Development Plan.

H 2.14: The Homeless. Continue existing support for organizations that seek to prevent homelessness. Assist Countywide efforts to address homelessness through participation in the HOPE Program. Although the HOPE program focuses efforts on providing permanent supportive housing rather than emergency shelters, the City must also comply with SB 2 which requires ensuring there are appropriate zones where emergency housing is located as a permitted use. Accordingly, transitional housing may be located in residential districts and commercial districts, while emergency shelters may be located in Regional/Community Commercial districts.

Program H 2.14: The Homeless.

1. Continue existing support, where feasible, for programs and facilities seeking to prevent homelessness.
Lead: Neighborhood Improvement and Housing Division and Community Services Division
(Ongoing)
2. Allow emergency shelters as a permitted use in Regional/Community Commercial land use categories.
Lead: Planning Division
Implementation Goal: (Ongoing)

In 2005-2006, a county-wide group of diverse stakeholders undertook an intensive community-based planning process to develop a plan to end homelessness in San Mateo County. The end result – entitled “Housing Our People Effectively (HOPE): Ending Homelessness in San Mateo County (“the HOPE Plan”) – lays out concrete strategies designed to end homelessness in our community within 10 years. Completed in March 2006, the report incorporates the experiences and expertise of over 200 stakeholders, including members of the business, nonprofit and government sectors. Many of these stakeholders were elected officials and staff from the 21 jurisdictions that are members of the San Mateo County Countywide Housing Element Update project. The final plan has been formally adopted by several of San Mateo County’s 21 jurisdictions.

The HOPE Plan is the community’s comprehensive policy and planning document relating to homelessness and therefore provides the local policy framework for developing the strategies and activities required by SB2 relating to emergency shelter, and transitional and supportive housing.

The HOPE Plan is a call to action to prevent and end homelessness in San Mateo County. The Plan is outcome-driven and as such has two overarching desired results:

- Creating 7,900 units of affordable and supportive housing for households which are homeless or at imminent risk of homelessness; and
- Providing 4,300 households with short-term assistance to secure or maintain housing.

The HOPE Plan intentionally made no recommendation to expand the supply of emergency or transitional housing (except for a small pilot motel voucher program to provide assistance to single individuals). Although the HOPE planners recognized that there is a lack of needed resources

throughout the housing continuum, including emergency and transitional housing, the greatest need and the most effective use of new and/or redirected resources is for creating and sustaining quality affordable housing (accessible to households with incomes $\leq 30\%$ AMI) and, where needed, supportive housing. Since the HOPE Plan was adopted by the County, many cities, and other community groups, there have been no plans for new emergency shelter or transitional housing put forth in San Mateo County (with the exception of transitional housing or permanent housing with transitional services for emancipating foster and/or homeless transition-age youth).

Within the specific strategies identified to increase affordable housing opportunities, the Plan recommends removing barriers to and/or creating incentives for the development of extremely low-income affordable and supportive housing by:

- Establishing innovative land use and zoning policies and recommendations;
- Creating clearer, more streamlined building and development processes to shorten the time and decrease the cost of affordable and supportive housing development; and
- Identifying more suitable, appropriately zoned land and multi-unit buildings appropriate for affordable and supportive housing.

H 2.15: Open Choice. Continue efforts towards the elimination of discrimination based on race, religion, sex, nationality, age or physical disability that prevent free choice in housing.

Program H 2.15: Open Choice.

1. Continue implementation of the Fair Housing Resolution, affirmative marketing of city-subsidized housing projects, and provision of available funding for private nonprofit organizations that monitor and provide assistance to those experiencing discrimination in housing choice.

Lead: Neighborhood Improvement and Housing Division
(Ongoing)

San Mateo's efforts to provide a diversity of housing would be meaningless if that housing were not available in an atmosphere of open and free choice for all prospective residents. The City seeks to eliminate discriminatory rental and sales practices which act as barriers to free choice in housing, and in 1970 passed a Fair Housing Resolution governing all City departments and housing initiatives. The City's Human Resources Commission is responsible for ensuring compliance with the Fair Housing Resolution. City sponsored housing programs and projects built with City subsidies include affirmative marketing plans to reach all segments of the community. The City also contributes funding to fair housing programs that provide counseling services, investigation of alleged abuses, and legal assistance.

H 2.16: Special Needs Groups. Continue existing support for programs that assist special needs groups (the elderly, large families, female heads of households, and the disabled).

Program H 2.16: Special Needs Groups.

1. Continue to support programs particularly designed to accommodate special needs groups. In the past, typical programs have included rehabilitation loans, minor home repair, purchase of land for new housing, Section 8 rental assistance, shared housing, and first- and last-months rent program.

Lead: Neighborhood Improvement and Housing Division
(Ongoing)

State law requires that residential care facilities serving six or fewer persons that assist special needs groups be treated the same as single-family dwellings. To avoid overconcentration, the City will continue to request that facilities be separated by 300 feet, as permitted by State law.

2. Evaluate governmental constraints to the development and rehabilitation of housing for people with disabilities. Develop strategies to eliminate identified constraints where appropriate. As part of this effort, develop a reasonable accommodations procedure as needed based on the findings of the evaluation.

Lead: Planning/Neighborhood Improvement and Housing

Implementation Goal: January 2011

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

The State Department of Housing and Community Development (HCD) prepared a report highlighting some of the many implementation issues associated with the passage of this law, SB 520. In addition to clarifying the State's intent on reasonable accommodation, SB 520 requires that jurisdictions who find such constraints must include programs to remove them, or provide reasonable accommodations for **housing** designed for occupancy by persons with disabilities (as opposed to **persons** with disabilities themselves). According to this report:

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

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

3. INCORPORATE SUSTAINABILITY INTO HOUSING DEVELOPMENT

H 3.1: Sustainable Housing Development. Incorporate Sustainability into existing and future single family and multifamily housing:

1. Ensure that all existing and future housing, including both single family and multifamily housing, is developed in a sustainable manor.

Program H 3.1: Sustainability Housing Development.

1. Adopt a Green Building Ordinance to address sustainability in housing development.

Lead: Community Development Department

Implementation Goal: January 2010

Using the Sustainability Initiatives Plan as a guide, the Community Development Department is addressing climate change by creating various policies and plans. To specifically address climate change and sustainability in housing development, the Community Development Department will adopt a mandatory Green Building Ordinance by January 2010. In June 2008, the City Council approved a voluntary ordinance to address new housing development. This voluntary program has been successful for projects seeking Planning Commission approval in that housing projects recently approved by the Planning Commission have incorporated various methods of sustainability into their project. Upon adoption of a mandatory ordinance, all existing and future housing will be required to incorporate sustainability features or construction into their housing development.

4. INCREASE ENERGY AND WATER EFFICIENCY IN EXISTING RESIDENTIAL UNITS

H 4.1: Energy and Water Efficiency. Encourage energy and water efficiency in all existing residential units.

Program H 4.1: Energy and Water Efficiency.

1. **Pilot Program.** Design pilot program to evaluate the condition of existing housing stock in order to implement a program to encourage energy and water efficiency retrofits utilizing the existing Housing Rehabilitation program and/or with other programs and incentives.

Lead: Neighborhood Improvement and Housing

Implementation Goal: Conduct neighborhood survey and evaluate results by June 2009
Implement Pilot Incentive Program in place by January 2010

2. **Citywide Efficiency Program.** Design survey instrument to evaluate the condition of existing housing stock citywide and design a program to encourage the energy and water efficiency retrofits utilizing the existing Housing Rehabilitation program and/or with other programs and incentives.

Lead: Neighborhood Improvement and Housing

Implementation Goal: Conduct Citywide survey and evaluate results by January 2010
Implement Citywide Incentive Program by June 2010.

The City's built environment consisting of existing infrastructure and buildings contribute to 42% of the City's carbon emission. The City's estimated 39,109 residential units contribute a large portion of the built environment's carbon emissions. To reduce the existing housing stock's carbon emissions the Neighborhood Improvement and Housing Division is conducting a pilot program to encourage energy and water efficiency of the North Shoreview neighborhood. Upon completion of this survey, the program will be evaluated for citywide expansion.

L. QUANTIFIED OBJECTIVES

According to the State Department of Housing and Community Development, the sum of the quantified objectives for the programs should ideally be equal to or surpass the community's identified housing needs. However, State law recognizes that the total housing needs identified may exceed available resources and the community's ability to satisfy this need within the content of the general plan. Under these circumstances, the quantified objectives need not match the identified existing housing needs but should establish the maximum number of housing units that can be constructed, rehabilitated, and conserved over a five-year time frame.

With respect to affordable units, the City has estimated the potential subsidies available during the planning period and has calculated the potential number of units that could be assisted with these funds. In addition, staff has compiled a list of known or expected development projects in the next few years, including preservation projects anticipated to come on line between 2007 and 2012.

Based on residential building permits issued in the last year and residential projects that have been initially reviewed by the Planning department that have not been built, the quantified objective for non-subsidized units developed in the market is 905 units. Factors that have influenced a slower than expected new construction market include the cost to develop, the difficulty in finding suitable land without site constraints (such as toxics, topography, etc.) and the uncertainty with the current economy.

Given these factors, the City has determined that the quantified objectives for the next five years are as follows:

Quantified Objectives, 2007-2012

Conservation/Preservation	Total	VLI	LI	MOD
Homeowner and Renter Rehab	50		50	
Vendome Hotel	16	16		
TOTAL, CONSERVATION/PRESERVATION	66	16	50	0

New Construction	Total	VLI	LI	MOD
Peninsula Station	67	53	14	
Police Station Site	60	54	6	
Bay Meadows Affordable Site	50	45	5	
Bay Meadows BMR	50			50
Other BMR	100		20	80
Other potential affordable construction projects	40	35	5	
TOTAL, NEW CONSTRUCTION	367	187	50	130
TOTAL, AFFORDABLE	433	203	100	130

Private Sector/Market Rate	
New Construction (RHNA 5-year allocation for Above-Mod	905
GRAND TOTAL	1,338

The following table summarizes these objectives against the RHNA need allocations for the five-year period:

Income	Quantified Objective	Five-Year RHNA Figure
VLI	203	496
LI	100	357
MOD	130	421
Market	905	905
TOTAL	1,338	2,179

M. CONSISTENCY WITH OTHER ELEMENTS OF THE GENERAL PLAN

The Housing Element is consistent with all other elements of the general plan. The City's Land Use Element implements specific policies of the housing element such as encouraging mixed use development and multi-family residential development, and also includes the following overall policy:

LU 1.6: Residential Development. Facilitate housing production by carrying out the goals and policies in the Housing Element.

The Circulation Element includes an analysis of future traffic and planned improvements. These traffic projections are based in part on projected housing units consistent with the Housing Element goals.

PUBLIC PARTICIPATION

According to State law, local jurisdictions must "make a diligent effort to achieve public participation of all economic segments of the community in the development of the housing element, and the element shall describe this effort" {65583(c)}. This will make the housing element, and subsequent action on it, serious, effective, politically supported, and truly representative of the widest set of housing needs.

This Housing Element represents the culmination of many months of staff development and community review. At a study session on March 20, 2006, the City Council provided direction to staff to commence a Housing and Land Use Study. The purpose of this study was to review various housing issues and make policy recommendations to address them. The recommendations contained in that report are the basis for future actions included here in the Housing Element, as well as General Plan amendments, zoning ordinance revisions, and potential changes to other existing City policy documents. The major issues that were addressed include:

1. Review of the City's current Below Market Rate (BMR) Program in relation to its affordability requirements and the physical distribution of BMR units.
2. Examination of the effects of State density bonus law on densities and how bonus provisions may be utilized by developers;
3. Analysis of lowering densities citywide and potential impacts to the General Plan, specifically the Housing Element;
4. Review of existing regulations that permit residential development in non-residential zoning districts; and
5. Consideration of a commercial linkage fee for affordable housing.

Technical Advisory Committee

In order to facilitate public discussion of the housing issues contained in this report, a Technical Advisory Committee (TAC) was appointed by the City Manager. The TAC consisted of 11 persons, including representatives from:

- Homeowner/neighborhood associations including representatives of the United Homeowners Association.
- Business community such as the San Mateo Association of Realtors, the Tri County Apartment Association, and the San Mateo Area Chamber of Commerce.
- Housing advocates including representatives from the Housing Leadership Council and Peninsula Interfaith Action.
- Housing developers such as SummerHill Homes, the San Mateo County Building and Construction Trades Council, and O'Riordan Construction.

A total of seven TAC meetings were held between June 2006 and October 2007. Topics discussed included affordable housing and the City's Below Market Rate (BMR) housing program, residential development on commercially zoned properties, State of California density bonus law, and maximum residential densities permitted in the City, and the issues related to implementation of a commercial linkage fees.

In conjunction with these TAC meetings, three public workshops were held to present information to the public from various housing and economic professionals, and to allow for broader public comment.

The TAC was utilized to allow for members of the community to directly assist staff in the review of information, materials, and comments received at public meetings/workshops, and also to review draft housing policy statements. It was not intended that the TAC would operate by consensus, but instead would assist staff in determining the varied community interests involved in the production of housing.

Each member of the TAC represented a segment of the community and expressed their views and experiences related to housing issues discussed at each meeting. In some cases, a consensus was reached, in others there was a spirited debate regarding the merits of various approaches to addressing San Mateo's housing needs. However, regardless of each individual's viewpoints, the need for housing in San Mateo and in the region was recognized.

In addition, Economic & Planning Systems (EPS) was retained by the City to provide an economic recommendations analysis of the City's existing BMR Program, and to assist staff and the TAC in any for potential changes to this program and other City policies and regulations.

Upon City Council review and direction on the recommendations in this report, staff has taken (or will take) subsequent actions to implement them on an individual basis. The programs section of this document include the actions to be taken as part of the Housing Element.

The following highlights the public process undertaken to produce this document:

Housing and Land Use Technical Advisory Committee Meeting #1	June 29, 2006
Housing and Land Use Workshop #1	August 29, 2006
Housing and Land Use Technical Advisory Committee Meeting #2	September 27, 2006
Housing and Land Use Technical Advisory Committee Meeting #3	October 18, 2006
Housing and Land Use Workshop #2	November 9, 2006
Housing and Land Use Technical Advisory Committee Meeting #4	November 29, 2006
Housing and Land Use Workshop #3	February 17, 2007
Housing and Land Use Technical Advisory Committee Meeting #5	February 28, 2007
Housing and Land Use Technical Advisory Committee Meeting #6	May 24, 2007
Housing and Land Use Technical Advisory Committee Meeting #7	October 25, 2007
Joint City Council and Planning Commission Study Session	May 8, 2008
Special Needs Housing Focus Group	September 3, 2008
City Council Revision to BMR Program	October 20, 2008
Planning Commission Draft Review	January 27, 2009
City Council Draft Review	February 17, 2009

To make public meetings on the draft Element meaningful and productive, the City informed a wide range of community groups about the process and content of the revision. Background reports, program reviews, and draft policies were developed after extensive staff reviews and

input from the community. In addition to the meetings noted above, the City conducted a special needs focus group to solicit information from service providers on the housing needs of a wide variety of groups, including the homeless, seniors, people with disabilities and others. All comments solicited during this special needs meeting – as well as comments garnered through the Housing and Land Use Study – are included in Appendix C.

APPENDIX A

INVENTORY OF SITES AVAILABLE FOR NEW HOUSING DEVELOPMENT

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APPENDIX A - INVENTORY OF SITES AVAILABLE FOR NEW HOUSING DEVELOPMENT

APN	Address	Zoning	GP	Size (acre)	Max DU/acre	Mathematical Capacity	Realistic Capacity				Total Realistic Units
						w/o a Density Bonus	Extremely Low/Very Low	Low	Moderate	Above Moderate (Market)	
VACANT SITES											
032-312-250	131 Baldwin Avenue	E2/R4	Executive Office/High Density Multi-Family	0.30	50	15	3	2	2	5	12
032-442-200	El camino Real @ 2nd Street	E2/R5	Executive Office/High Density Multi-Family	0.17	50	9	2	1	1	3	7
033-135-070	1025 4th Avenue	R5D	High Density Multi-Family	1.01	50	51	9	6	7	16	39
033-163-010 033-163-020	728 2nd Avenue	R4D	High Density Multi-Family	0.42	50	21	4	3	3	7	16
033-163-030 033-163-040	216-222 Fremont Street	R4D	High Density Multi-Family	0.40	50	20	4	2	3	6	15
033-281-140	Worker Resource	CBD-S	Central Business Support	1.25	50	63	11	8	9	20	48
034-143-010	2 East 3rd Avenue	CBD	Central Business	0.2	50	10	2	1	1	3	8
034-161-090	39 Delaware Street	R2	Low Density Multi-Family	0.54	17	9	2	1	1	3	7
034-183-060	480 4th Avenue	CBD-S	Central Business Support	1.16	50	58	10	7	8	19	45
035-503-390	400 Mariner's Island Blvd	C2	Regional/Community Commercial	2.87	50	144	0	0	11	65	76
038-282-020	North of Verona Ridge	R3	Medium Density Multi-Family	0.94	35	33	6	4	5	11	25
039-501-110	North of the Peninsula Golf & Conuntry Club	R1B	Single Family	4.45	9	40	7	5	6	13	31
040-030-190	BMSP - Residential Block 1	BMSP	TOD	2.16	50	108	0	0	11	97	108
040-030-190	BMSP - Residential Block 2	BMSP	TOD	3	50	150	0	0	8	78	80
040-030-190	BMSP - Residential Block 3	BMSP	TOD	6.8	50	340	0	0	16	140	156
040-030-190	BMSP - Residential Block 4	BMSP	TOD	1.65	50	83	0	0	7	64	71
040-030-190	BMSP - Residential Block 5	BMSP	TOD	4.38	50	219	0	0	8	68	76
040-030-190	BMSP - Residential Block 6	BMSP	TOD	1.9	50	95	0	0	5	49	54
040-030-190	BMSP - Residential Block 7	BMSP	TOD	3.15	50	158	0	0	16	142	158
040-030-190	BMSP - Residential Block 8	BMSP	TOD	4.2	50	210	0	0	7	67	74
040-030-190	BMSP - Residential Block 9a	BMSP	TOD	3.07	50	154	0	0	2	22	24
040-030-190	BMSP - Residential Block 9b	BMSP	TOD	1.6	50	80	0	0	3	28	31
040-030-190	BMSP - Block Mixed-Use 1	BMSP	TOD	2.8	50	140	25	17	20	45	108
040-030-190	BMSP - Block Mixed-Use 2a	BMSP	TOD	1.36	50	68	0	0	7	81	88
040-030-190	BMSP - Block Mixed-Use 3a	BMSP	TOD	1.17	50	59	0	0	8	68	76
040-030-190	BMSP - Block Mixed-Use 4	BMSP	TOD	0.87	50	44	0	0	7	63	70
040-030-190	BMSP - Affordable Housing Block	BMSP	TOD	1	50	50	9	6	7	16	39
041-200-500	De Anza/Polhemus	R2	Low Density Multi-Family	0.53	17	9	2	1	1	3	7
041-212-340	Liaw/Polhemus Road	R1A	Single Family	7.37	9	66	12	8	10	21	51
042-012-020	907 Laurelwood Drive	R1B	Single Family	1.66	9	15	3	2	2	5	12
042-121-060	36th Avenue @ Cole Grove	C3/R4	Regional/Community Commerical/High Density Multi-Family	1.43	50	72	13	9	10	23	55
							120	84	215	1252	1665
Assessor's Parcel Number	Address	Zoning	General Plan Designation	Size (acre)	Max DU/acre	Mathematical Capacity	Realistic Capacity				Total Realistic Units
						w/o a Density Bonus	Extremely Low/Very Low	Low	Moderate	Above Moderate (Market)	
UNDERUTILIZED											
032-075-010 032-075-100	1 Engle Road	R4	Multi-Family High Density	0.23	50	12	2	1	2	4	9
032-197-160 032-197-150 032-197-330	201 N. San Mateo Drive 111& 113 Monte Diablo	E2 & R5	Executive Office	0.38	50	19	3	2	3	6	15
032-292-070 032-292-080	117 & 121 N. San Mateo Drive	E2	Executive Office	0.59	50	30	0	3	0	30	33
032-311-120 032-311-130	106, 110 & 120 Tilton Avenue	R5	High Density Multi Family	0.77	50	39	7	5	6	12	30
032-323-310 032-323-140 032-323-150 032-323-160	72 B Street	C1/R5	Neighborhood Commercial/Medium-High Density Multi-Family	0.54	50	27	5	3	4	9	21
032-331-010 032-331-020 032-331-150	20 N. Railroad	R3	Medium Density Multi-Family	0.76	35	27	5	3	4	9	20
033-081-280	480 Bayshore Blvd	R4	High Density Multi-Family	0.93	50	47	8	6	7	15	36
033-171-040 033-171-050 033-171-060 033-171-180	155 Kingston Street	R4	High Density Multi-Family	1.24	50	62	11	8	9	20	48
034-158-090 034-158-100 034-158-110 034-158-120	15-27 S. Claremont Street	R4D	High Density Multi-Family	0.38	50	19	0	0	2	16	18
034-196-010 034-196-020	234 7th Avenue	C1/R5D	Neighborhood Commercial/Medium-High Density Multi-Family	0.23	50	12	2	1	2	4	9
034-198 090 034-198-100	807 Laurel Avenue	R6D	High Density Multi-Family	0.24	50	12	2	1	2	4	9
035-200-070	1620 S. Delaware Street	TOD	Transit Oriented Development	0.30	50	15	3	2	2	5	12
035-200-120	1650 S. Delaware Street	TOD	Transit Oriented Development	1.07	50	54	9	7	8	17	41
035-200-160 035-200-040	1630 Delaware	TOD	TOD	5.20	50	260	46	32	38	84	200
035-200-180 035-200-060	1700 S. Delaware Street	TOD	Transit Oriented Development	11.98	50	599	106	74	88	194	461
035-215-050 035-215-060 035-221-010 035-221-020	Leslie/17th/Railroad	TOD	Transit Oriented Development	1.62	50	81	14	10	12	26	62
035-242-090 035-242-140 035-242-160 035-242-170 035-242-190 035-242-200 035-242-210 035-242-210	S. Delaware/Concar/S. Grant/Highway 92	TOD	Transit Oriented Development	14.53	50	727	129	90	106	235	559

Assessor's Parcel Number	Address	Zoning	General Plan Designation	Size (acre)	Max DU/acre	Mathematical Capacity	Realistic Capacity				Total Realistic Units	
							w/o a Density Bonus	Extremely Low/Very Low	Low	Moderate		Above Moderate (Market)
UNDERUTILIZED	Continued											
035-320-120	200 S. Delaware Street	TOD	Transit Oriented Development	2.1	50	105	19	13	15	34	81	
035-320-360	1949 Pacific Blvd	TOD	Transit Oriented Development	5.68	50	284	50	35	42	92	219	
035-320-450	2090 S. Delaware Street	C3	Regional/Community Commercial	2.73	50	137	0	0	11	100	111	
035-421-450	2868 S. Norfolk Street	R3	Medium Density Multi-Family	0.41	35	14	0	0	0	10	10	
035-431-090	1633 Marina Court	R3	Medium Density Multi-Family	6.78	35	237	0	0	3	27	30	
039-030-110 039-030-310	220 W. 20th Avenue	E1/R4	Executive Park/Multi-Family High Density	3.99	50	200	35	25	29	65	154	
039-052-350	229 W. 20th Avenue	R3	Medium Density Multi-Family	5.40	35	189	33	23	28	61	146	
039-060-010	205 West 20th Avenue	E1/R4	Executive Office/High Density Multi-Family	0.25	50	13	2	2	2	4	10	
039-060-250	31 West 20th Avenue	R4	High Density Multi-Family	0.14	50	7	1	1	1	2	5	
039-351-100 039-351-110 039-351-120 039-351-130 039-351-140	2817-2841 S. El Camino Real	TOD	Transit Oriented Development	2.57	50	129	23	16	19	42	99	
039-351-170 039-351-180	2901-2905 S. El Camino Real	TOD	Transit Oriented Development	0.99	50	50	24	43	0	1	68	
039-360-060 039-360-070	3025 S. El Camino Real	TOD	Transit Oriented Development	3.13	50	157	28	19	23	51	121	
042-201-320	514 La casa Avenue	R1C	Public Facility	6.20	9	56	10	7	8	18	43	
042-245-120	4300 S. El Camino Real	C1/R4	Neighborhood Commercial/Medium-High Density Multi-Family	0.30	50	15	0	0	0	10	10	
279-41-31 279-41-32 249-41-40	SBE Lots @ Highway 92/Pacific Blvd	TOD	Transit Oriented Development	4.00	50	200	35	25	29	65	154	
							613	456	503	1270	2842	
						Grand Total	6417	734	540	718	2522	4507
						City of San Mateo RHNA #s	695	500	589	1267	3051	
						Minus Pipeline Projects	0	(20)	(18)	(340)	(378)	
						Final Adjusted RHNA #s	695	480	571	927	2673	

APPENDIX B

PUBLIC COMMENTS

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APPENDIX C PUBLIC COMMENTS

HOUSING AND LAND USE STUDY PUBLIC WORKSHOP #1 SUMMARY REPORT

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▪ Report on Inclusionary Housing Policies from Other Jurisdictions, prepared by Economic & Planning Systems, Inc. – August 2006.	
▪ Legal Overview of Density Bonus Law, Measure P, and BMR Program.	
Letter from Home Builders Association of Northern California	

**CITY OF SAN MATEO
HOUSING AND LAND USE STUDY
PUBLIC WORKSHOP #1**

Tuesday, August 29, 2006
City Council Chambers

WORKSHOP SUMMARY

The City of San Mateo is holding a series of public workshops on the Housing and Land Use Study. The purpose of these workshops is to provide a forum for members of the San Mateo community to discuss issues pertaining to affordable housing, the City's Below Market Rate (BMR) program, density bonus law and its impact on citywide densities, and existing regulations that permit residential development on commercially zoned properties in the City.

The topics for this first workshop were:

- 1) Affordable housing needs and trends, and
- 2) The City's BMR program.

Approximately 57 persons attended the first workshop which was held in the City Council Chambers. Principal Planner Bill Wanner welcomed the public to the workshop and briefly explained the format for the meeting. Robert Muehlbauer, Neighborhood Improvement and Housing Manager, made a presentation on the purpose of the Housing and Land Use Study and discussed the topics for the first workshop. He also explained the role of the City's Technical Advisory Committee (TAC) in the public process and in assisting staff in the development of policy recommendations on the various housing issues.

Senior Management Analyst Sandy Council gave a PowerPoint presentation on existing City goals, policies, and requirements for affordable housing. She also explained housing affordability levels, the BMR program, and available resources to provide housing. Walter Kieser from Economic & Planning Systems (SPS), the City's economic consultant, presented information on inclusionary housing requirements from other jurisdictions in the County. He also briefly explained his role in assisting the City in evaluating its affordable housing regulations and policies. Assistant City Attorney Mike Ogaz provided a legal overview of density bonus law, Measure P (the voter approved amendment to the General Plan), and the BMR program.

There was a wide variety of comments from the public at the workshop. Comments were captured on flip charts. In summary, the topics included housing needs, City growth and the location of housing, the BMR program, housing policies, infrastructure and traffic concerns, and density of housing. The individual comments and information received on comment cards handed out by staff at the meeting have been attached to this workshop summary. Comments received at the workshop that pertain to future topics that were not on the first workshop agenda were captured on a separate flip chart (called "parking lot") and are also attached to this summary.

At the end of the evening, staff stated that there is no specific date for the next public workshop, although, it would most likely occur in October or November. All persons who signed in will receive notice of the next workshop. Staff urged all attendees to go to the City's website to find more information on the Housing and Land Use Study. The next TAC meeting will be held on

September 27, 2006.

**CITY OF SAN MATEO
HOUSING AND LAND USE STUDY
Public Workshop No. 1**

**Topics: Affordable Housing Needs and Trends,
and Below Market Rate Program**

**August 29, 2006, 7:00 p.m.
City Hall Council Chambers
330 West 20th Avenue, San Mateo CA**

AGENDA

- 1. 7:00 – Welcome**
- 2. 7:05 – Purpose of Workshops and Review of Work Program Topics**
- 3. 7:15 – Review of Existing City Requirements/Policies for Affordable Housing and Housing Needs**
 - Presentation from Community Development Dept.**
- 4. 7:35 – Review of Market Trends and Economic Study Work Program**
 - Presentation by City's Economic Consultant**
- 5. 7:55 – Overview of Density Bonus Law, Measure P, and Below Market Rate Regulations**
 - Presentation from City Attorney's Office**
- 6. 8:15 – Public Comments and Questions**
- 7. 8:45 – Next Steps**

Housing and Land Use Study Workshop #1

Housing Comments/Questions (from flip chart)

Housing Needs

- Bay Area is a desirable place to live. Job growth is a measure of the economic vitality here but due to high housing costs, many people commute long distances, even though they would like to live here.
- What is the job/housing balance in San Mateo? That should be looked at now.
- County wide 27% of the households are single persons which may suggest that some housing stock is underutilized. Home sharing is a solution to better use the existing housing units.
- We need affordable rentals. Someone who loves to live here and loves a job that doesn't pay enough cannot afford to live here. The location of the units is not as important as the cost.

Growth and Location of Housing

- There is an inequitable distribution of below market rate units in Central and North Central neighborhoods. These neighborhoods have traditionally been the most affordable neighborhoods and they need to be protected to preserve the neighborhood quality.
- Where does the future housing go? There is only so much land in San Mateo. How can the City accommodate any more growth other than the El Camino/ Rail Corridor?
- Non Profits who build affordable housing are looking for locations close to transit and services for the residents to decrease dependency on cars. The El Camino is underutilized and has good potential for the future.
- When does over-saturation occur? There is not enough room for more growth.
- "No growth" does not help the situation because it will increase the demand for housing and increase costs more. The BMR program just patches the problem since not enough units are created to address the need. Perhaps the only way to solve the problem is to raise money to buy land for high density affordable housing to serve as many people as possible. Perhaps raise taxes or float bonds to pay for the land.
- We need to preserve the quality of life in San Mateo by limiting growth.
- The basic premise of Measures H/P is to scatter affordable units throughout the city so neighborhoods are not over impacted. You cannot distinguish the affordable units from

the market units and it becomes an equitable impact all over town. This is a sound policy that should be retained and Council has the ability to increase the percentage.

- Affordable housing looks good in neighborhoods; anyone who drives by Rotary Floritas would not be able to distinguish it from a market rate project.

Below Market Rate Inclusionary Program

- The current BMR policy which requires all affordable units to be built onsite is too restrictive. There should be more flexibility to the program.
- There is a real need to get more affordable housing. Increase the BMR percentage to make more housing affordable.
- The BMR program costs are passed onto the market rate units within the project and make housing more expensive for the market rate residents.
- BMR costs are not passed onto market rate buyers. Developer will sell the units for what the market will bear. The BMR costs are more reflected in the price of the land a developer is willing to pay. At some point if the percentage of BMRs is too high it could make a project infeasible for a developer, but doubt that will happen in San Mateo.

Housing Policies/Development

- Look at ways to increase density within single family neighborhoods such as “in-law” units, and encourage more attached homes.
- Encourage more vertical buildings with mixed use such as live/work units.
- Land is too expensive here. Need more incentives to encourage mixed use developments.
- What are other cities doing across the country? Can we look at other innovative ideas like Home Sharing?
- Encourage small units with less parking close to transportation. An example is a complex nestled between Tilton and Catalpa at the north end of B Street.
- Seems like the Housing Element goals are unrealistic—how can that many units be built in San Mateo?
- What are the consequences of not meeting the Housing Element requirements?
- How do we meet all three Housing Element Goals? They seem to be in conflict.
- What is the vision by leaders for future growth? What are the impacts on the quality life, such as overcrowding?

Housing and Land Use Study Workshop #1

Comment Cards (Comments are organized by each card received - 14 cards)

1. Tell us about Hillsborough. I have been told that they make no effort to provide affordable housing units. Doesn't their "decision" to "not play fair" place an increased burden on surrounding cities?

What are the ramification(s) of not complying with the State requirement? (i.e. no approved Housing Element)

2. If the City can not control the prices of houses, then why provide the land?

It seems that greed is overridden by need.

We are willing to increase traffic, noise, dirty streets, over crowding, gangs, and a city of high density houses, which are equal to Projects for low income families.

I too have attended meetings seeking answers from our City officials.

3. Why is it that San Mateo is doing all the building? If each City is allocated a certain amount for housing – then each city should be required to use it.

What happens when San Mateo runs out of land? Will single family parcels be rezoned for denser housing?

There will never be enough affordable housing.

4. A minimum of 10% Below Market Rate should be inclusive within a development (11 units or more). This would spread the BMR equitably around San Mateo and not target specific neighborhoods such as Central, North Central and North Shoreview for off-site construction of BMRs.

Reduce the tear-downs of our historic stock of single family homes. Not enough is being done to preserve our single family neighborhoods and our property values.

Rezone South Amphlett from Fifth to Folkstone from Service Commercial to Residential R3.

Downzone to R1 – Fifth to Ninth. Idaho to Delaware – Central neighborhood.

Reduce the high densities on Third and Fourth and reduce densities citywide.

No mixed use on South Amphlett from Fifth to Folkstone and Third and Fourth Avenues. Neighborhood commercial businesses bring more parking, pedestrian debris, and street cleaning issues.

The Central neighborhood needs a “Neighborhood Specific Plan” to preserve our single family neighborhood character.

The over-concentration of in-home landscaping businesses and other industrial businesses impact residential parking and our residential property values. Residential should be residential.

I will e-mail more.

5. Your affordable housing program is great!

Why is affordable housing planning to be built near railroads and freeways? Is this supposed to be positive or negative?

Get more public involved. How was this workshop advertised?

What is an example of an increase in allowable density? For example: normally 2 bedrooms holds X amount of people. With the increase in allowable density it would be 2 bedrooms holds X amount of people.

6. Need more multi-family units.

More condo conversions w/10% BMR.

More mixed use development.

More live/work lofts.

Spread BMR across more neighborhoods.

7. Meeting was a bully pulpit for Special Interest.

The TAC group is stacked w/special interest groups. More “citizens” need to be included.

Must have plan in place to guarantee that quality of life of existing neighborhoods are not affected.

Traffic, I believe is being ignored as part of these workshops. Traffic is very important and must not be ignored.

Housing costs/rates are controlled by supply and demand – government always tries to manipulate economics and fails.

Due to recent and past development, our neighborhood now has crime and gang activity. It will get worse.

City’s only concern is providing affordable housing. City does not care about existing low density housing.

8. The Technical Advisory Committee consists of realtors, trades, builders, developers, Chamber of Commerce. Why? This is very similar to the CAC's. Why not make it regular citizens instead of weighted in developers favor.
9. I would like to see our neighborhood stay single family homes to keep the character of the neighborhood – Central neighborhood.
10. How will you maintain the character and physical quality of existing neighborhoods by destroying it?

Who has decided what is affordable? Fixed income? No jobs?

Where do you expect people to park?

Are those of you who are doing the planning going to insure that existing homeowners will not be impacted?

Did we vote for a study? Is this being done because of the money or are we concerned about people and their welfare at all? Did we get an opportunity to participate before this presentation? If so, when? How much did we pay for the study?

More information on the density problem!

Where will all of these units be located?

What kind of impact will construction have on traffic and the environment?

Composition of groups need to be diverse! (ethnically, age, gender, communities).

If answers are given to these questions/concerns, please disregard! Thank you for the opportunity.

11. I live in a below market rate unit (Santa Inez Avenue). Please for future complex, please build or include storage closets – ours doesn't have.
12. BMR subsidized by other market rate units.
13. What generated these workshops?
14. Can we have cookies at the next public workshop? And bottled water.

**Housing and Land Use Study
Workshop #1**

Other Comments (from “parking lot” flip chart)

1. Need to look at the capacity of the current infrastructure.
2. Jobs vs. population. Review jobs/housing balance. Lessen commute.
3. Must look at traffic and parking issues.
4. Too much housing. There are multi-family developments on every block.
5. Density is too high. When is enough, enough.
6. The City should purchase housing sites to construct affordable housing. Create a tax to pay for these units.
7. Build studio units that will fit into the neighborhood with reduced parking.
8. Put some sort of requirement in the code to meet the BMR ratio or stay close to it.
9. Measure H/P. Allowed for more than 10 percent affordable units, and nothing has been done by the City. Requires BMR units to be spread throughout a development so that you can't point to a specific place and say “that's where the poor people live”.
10. Developers will sell/rent units for whatever the market will bear.
11. Build along El Camino Real where the one and two story commercial uses are located (underutilized properties).
12. Home share concept. Build secondary units.
13. Need additional code enforcement.
14. More attached homes.

**HOUSING AND LAND USE STUDY
PUBLIC WORKSHOP #2
SUMMARY REPORT**

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**CITY OF SAN MATEO
HOUSING AND LAND USE STUDY
PUBLIC WORKSHOP #2**

Thursday, November 9, 2006
Beresford Recreation Center

WORKSHOP SUMMARY

The City of San Mateo is holding a series of public workshops on the Housing and Land Use Study. The purpose of these workshops is to provide a forum for members of the San Mateo community to discuss issues pertaining to affordable housing, the City's Below Market Rate (BMR) program, density bonus law and its impact on citywide densities, and existing regulations that permit residential development on commercially zoned properties in the City.

The topic for this second workshop was:
Affordable Housing. How Do We Get More?

Approximately 25 persons attended the second workshop which was held in the activity room at Beresford Recreation Center. Principal Planner Bill Wanner welcomed the public to the workshop and briefly explained the format for the meeting. Walter Kieser from Economic & Planning Systems (EPS), the City's economic consultant, presented information on the City's current Below Market Rate program and density bonus law. The consultant reviewed five test scenarios pertaining to the economics of density bonus provisions, indicating that while a density bonus may enhance development feasibility through increased revenues from added market rate units, it may not always be feasible to obtain the maximum density bonus due to the need for increased subsidies for the affordable units.

Fran Wagstaff, President of Mid-Peninsula Housing Coalition made a presentation on the publication titled "On Common Ground: Joint Principles on Inclusionary Housing Policies", prepared by Home Builders Association of Northern California and Non-Profit Housing Association (2004). This document is a policy paper that provides recommendations to increase the amount of affordable housing through inclusionary housing programs.

Senior Management Analyst Sandy Council led the public discussion and questions portion of the agenda. There was a wide variety of comments from the public at the workshop. Comments were captured on flip charts. There were several comments on the applicability of the "On Common Ground" publication to the City of San Mateo. Comments were made about keeping the BMR program as it currently exists, as well as comments about allowing a greater number of smaller BMR units where larger BMR units would be required, and in balancing any potential changes to the program between the interests of both developers and residents. There were a number of questions and comments about the rental market.

At the end of the evening, staff stated that there is no specific date for the next public workshop, although, it would most likely occur in January or February.. All persons who signed in will receive notice of the next workshop. The next TAC meeting will be held on November 29, 2006.

**CITY OF SAN MATEO
HOUSING AND LAND USE STUDY
Public Workshop No. 2**

Topic: Affordable Housing. How Do We Get More?

**November 9, 2006, 7:00 p.m.
Beresford Recreation Center, Activity Room
2720 Alameda de las Pulgas, San Mateo CA**

AGENDA (*Revised*)

- 2. 7:00 – Welcome and Overview of Workshop 1.**
- 8. 7:05 – Economics of Affordable Housing and Density Bonus.**
 - Presentation by City’s Economic Consultant.**
- 9. Inclusionary Housing Programs. What Cities Can Do To Encourage Developers To Provide More Affordable Housing.**
 - Presentation by Fran Wagstaff, President, Mid-Peninsula Housing Coalition.**
- 10. 7:45 – Public Comments and Questions.**
- 11. 8:45 – Next Steps.**

**CITY OF SAN MATEO
HOUSING AND LAND USE STUDY
PUBLIC WORKSHOP #2
November 9, 2006**

Public Comments

General Comments

- Build BMR units on-site.
- The Metropolitan example is to build condos & rent them for 10 years. After the 10 years are up, then the developer may sell them.
- The TAC should be able to read “National Housing Coalition” papers.
- We don’t want more BMR units in Central & N. Central.
- Have you talked to the financial lenders and analyzers to see whether or not the people who live in the BMR units can really afford to be there? Creative financing is already causing problems for some owners.
- Use Bay Meadows as an example to achieve the 10% BMR units spread throughout the market rate units with the addition of a 1 acre of land for an all BMR unit building. We should apply this example to the KMART site.
- The social objective of providing single family and large BMR units may be worth the large financial costs. We should think about targeting specific groups.
- We should address the economic and social diversity BMR units have on a neighborhood.
- “HIP” Housing is a good model to build from, but do not concentrate the BMR units in North Central.
- If the rental market comes back the developers will build luxury rentals not market rate rentals.
- The current BMR policy allows for off-site development of BMR units if it is determined to be infeasible to develop them on-site. We should define “Infeasible”.
- We need to change the BMR policy, so we have the ability to trade large BMR units for multiple smaller units.
- The current Inclusionary Program works.

Response to EPS Study

- Figure 1 is for the For Sale Market, however the Rental Market is the exact opposite.
- Develop a matrix with all of the options. There are too many variables to understand.
- We need to find the middle ground so that the developers and residents can be happy.
- High Density with the Density Bonus option is not good.
- What happens when the interest rates change? What happens to the chart (figure 1)?

Response to On Common Ground

- On Common Ground’s ideas and suggestions should not be used for San Mateo.
- The American Canyon example provides both BMR rentals and BMR for sale units to make a project work.
- Can’t and shouldn’t compare Napa to San Mateo. However, some principles could apply to smaller units and developments in San Mateo.

“Parking Lot” Comments

- Traffic? – dealt with EIR
- Be careful with the combination of high density with affordable housing,

- Locate the high density sites on east side of city (ECR).

SUMMARY REPORT

HOUSING AND LAND USE STUDY PUBLIC WORKSHOP #3 SUMMARY REPORT

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Attachments:

PowerPoint Presentation

The presentation may be viewed on the City's website (www.cityofsanmateo.org – go to Departments/Planning/Housing and Land Use Study/Public Workshops/ February 15, 2007 presentation).

**CITY OF SAN MATEO
HOUSING AND LAND USE STUDY
PUBLIC WORKSHOP #3**

Thursday, February 15, 2007
Central Recreation Center

WORKSHOP SUMMARY

The City of San Mateo is holding a series of public workshops on the Housing and Land Use Study. The purpose of these workshops is to provide a forum for members of the San Mateo community to discuss issues pertaining to affordable housing, the City's Below Market Rate (BMR) program, density bonus law and its impact on citywide densities, and existing regulations that permit residential development on commercially zoned properties in the City.

The topics for this workshop included:
Citywide Densities and
Residential Development in Non-Residential Areas

Approximately 30 persons attended the third workshop which was held in the activity room at Central Recreation Center. Principal Planner Bill Wanner welcomed the public to the workshop and briefly explained the current status of the Housing and Land Use Study. The study has moved from discussions on affordable housing and the City's Below Market Rate (BMR) Program into the land use phase, specifically residential densities and residential development in areas that are designated for non-residential land uses.

As part of a PowerPoint presentation, City staff discussed the format for the meeting. The presentation was developed to address some of the land use questions and comments received at previous public workshops and Technical Advisory Committee (TAC) meetings, while providing the technical background on the issues to be discussed. The presentation may be viewed on the City's website (www.cityofsanmateo.org – go to Departments/Planning/Housing and Land Use Study/Public Workshops/ February 15, 2007 presentation).

This meeting was the first public workshop on the Housing and Land Use Study attended by several members of the public. As such, there were many questions about the City's current BMR Program, Measure P standards, and density bonus law, topics that were covered in previous workshops. Chief of Planning, Ron Munekawa and Senior Management Analyst Sandy Council addressed the questions from the public and provided background information on the applicable codes, policies, and standards. Staff also informed the public that Economic & Planning Systems (EPS), the City's economic consultant, will be preparing a report on the topics covered in the public workshops, and the report will be made available to the public prior to public hearings on the Housing and Land Use Study.

Regarding land use issues, public comments included: reducing citywide residential densities; impacts of residential development on schools, traffic and roadway capacities, parks and open space; concern over the compatibility of new development with existing land uses and neighborhood character; requiring a special use permit for residential development in non-residential areas; retention of neighborhood commercial areas; maintaining a healthy

jobs/housing balance; the need for more housing in the downtown; and retention of mixed use residential and commercial policies with guidelines for new developments.

This is the last scheduled public workshop for the Housing and Land Use Study. At the end of the evening, staff stated that the next TAC meeting will be held on February 28, 2007, as a follow-up to this public workshop.

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**CITY OF SAN MATEO
HOUSING AND LAND USE STUDY
Public Workshop No. 3**

**February 15, 2007, 7:00 p.m.
Central Park Recreation Center
50 East Fifth Avenue, San Mateo CA**

AGENDA

- Topics: Citywide Densities and
Residential Development in Non-Residential Areas**
- 3. 7:00 – Welcome and Review Status of Housing and Land Use Study.**
 - 4. 7:05 - Introduction of Workshop Topics.**
 - 5. 7:10 - Background on Residential Densities, General Plan Policies on Land Use, and Residential Development in Commercial Areas.**
 - 6. 7:30 – Public Comments – Density and Residential Development in Non-Residential Areas.**
 - 5. 8:45 – Next Steps.**

**CITY OF SAN MATEO
HOUSING AND LAND USE STUDY
PUBLIC WORKSHOP #3
February 15, 2007**

PUBLIC COMMENTS

Workshop Topics: Citywide Densities and Residential Development in Non-Residential Areas

Citywide Density Comments

1. Concern about extensive density citywide at expense of parks/open space.
2. Impact of increased development on schools.
3. How long can duplexes be demolished and redeveloped into higher density projects?
4. Consider reducing densities to 40 units per acre as the maximum density to compensate for density bonus provisions (as promised in prior years). Would be able to get 50 units per acre with a density bonus.
5. Use new ABAG projections for current development projects (traffic). Fair share housing allocation. Work with the County to allocate a portion of San Mateo's fair share to another jurisdiction.
6. Long range planning (20 years) is needed, rather than short term cycles. Look at resources (gas, oil, etc.).
7. Stronger consideration of existing character of neighborhood when reviewing development proposals. Design guidelines.
8. Impacts on certain neighborhoods that are close to higher density zoning.
9. Look at dividing lines between zoning districts. Some R2/R3 and R1/R2 borders are mid-block rather than at the street.
10. High traffic areas at intersections that can not be fixed: Concar/Delaware & SR 92, El Camino Real & SR 92, El Camino Real & Borel – Quality of life/trade-offs.
11. Roads are at capacity.
12. Cars generated by large projects.
13. Need more space for recreation (soccer and little league). More development means more children and more need for recreation space. Quality of life – lower ratio of parks per resident.
14. Bay Meadows Park is too small. Look at everyone to be served. Passive vs. active parks.
15. Who will live in the new dwelling units? Where do children play in multi-family developments? (on-site open space)
16. Reduce density and manage growth – anticipate growth.
17. Manage growth through funding of mass transit.

Comments on Specific Areas of the City (density)

18. Look at 42nd Avenue (BelMateo) area.
19. Aragon area – Office area at Borel.
20. Need more housing downtown.
21. Rezone to R1: 5th to 9th, Delaware to Idaho.

Residential Development in Non-Residential Areas

22. Restrict housing in the Bovet/Borel office area.
23. Many Executive Office (E1) developments were built as single projects. The land is subdivided and individual parcels are sold for redevelopment to other than office use. Creates inconsistent land uses. Entire land area of original subdivision should be redeveloped as a unit, not parcel by parcel with different land uses.
24. Review jobs/housing balance and goals when considering residential in non-residential areas.
25. There is a compatibility issue with residential next to commercial. Mixed-use developments are ok. Set guidelines for uses.
26. Require a special use permit for change in use from commercial to residential land use.
27. Be careful of allowing residential in commercial areas. Need neighborhood retail/commercial. Take holistic approach. Quality of life – sustainability, not just economics.
28. Residential use of land does not give many benefits to the City. Residential property is more expensive to serve.

Other Comments

29. In-law unit at Lindbergh and Cypress (legal?).
30. Maple Street is a freeway. Traffic calming - need speed humps to slow traffic.
31. Use park space in Bay Meadows 2 for little league.
32. Collect fees for fractional BMR units.
33. Look at secondary unit parking standards.

Special Needs Focus Group
San Mateo, September 3, 2008

- Major issues right now include homelessness caused by foreclosures
- Lower end of the homeowner market in trouble
- Need homeless prevention for families
- Average rents are going up – we’re seeing \$1820 for average apt
- Lots of people out there are ELI – at risk of homelessness, including those on SSI
- W/ vouchers, can’t find rentals because of vacancy rates
- When credit is also bad, combined with addiction problems or previous incarceration, there are many at risk (or are already) homeless
- Shelter + Care doesn’t provide damage guarantees
- Rehab needs are worse for lower-income people
- Aging of population growing concern
- Harder to find people to do small home repairs
- Long-term-care facilities also seeing foreclosures
- There are 30 facilities across the State in foreclosure
- Nursing homes and assisted living facilities also in trouble
- Working poor on edge of homelessness because of increased food and gas prices – people have to choose
- More subsidized services needed
- More homelessness than before – need lunch programs, laundry, transportation
- Middle range and nonprofit also are feeling the problems
- Retention of employees difficult – greater turnover, less continuity in nonprofit service providers
- The developmentally disabled are moved out to housing in areas separate from the services they need
- Increased demand on housing stock
- Increased diagnoses of autism mean more supportive housing needed
- The aging disabled are a concern
- **SOLUTION:** set aside units for disabled/special needs populations in RFPs for housing
- **SOLUTION:** programs for nonprofits to purchase foreclosures in Single Family homes (SF more suitable)

- **SOLUTION:** look at how easy it is for developers to get ADA modifications, etc – reasonable accommodation procedures?
- Affordable housing is probably biggest housing need for the developmentally disabled population
- Not enough supply
- Need set-asides
- Working with landlords always a challenge
- Reimbursement rates are the same throughout the State – frozen for 5+ years
- Crisis: issue of budget (State) – providers have not been paid; the State is considering lowering the reimbursement rates; need geographic differentials for high-cost areas
- If providers decide not to continue, San Mateo County will be disproportionately impacted
- Nothing will happen until there is a disaster
- Developmentally disabled are aging with medical needs – true of all special needs
- Hidden costs under housing needs
- Long-term care facilities impacted by the aging, expect a doubling of population by 2020 (skilled nursing care and assisted living)
- Developmentally disabled people needing medical care are showing up in nursing facilities
- Problems mixing need populations
- Longevity of brain injured – living longer, requiring more assistance
- San Mateo County has not plan for emergency housing for the aging developmentally disabled
- Family groups for the disabled may have some info – NAMI
- To some extent, problems are cyclical – but foreclosure impacts are new
- Also, autism surge is new
- 20 years ago, those with DSM IV diagnosis of autism was 3,00 in CA; now it's 30,000
- Housing is clearly a need here
- Large groups of incarcerated and parolees now returning to community
- State knows how many stay within the County
- **SOLUTION:** inclusionary zoning pans out at higher incomes, so there should be some number for those below 30% AMI
- Need to make sure the Housing Element has data on the various kinds of special needs populations

- Housing for sex offenders – they are homeless because of the difficulties of getting them support
- Need a countywide plan
- Law makes them more of a threat by making it hard for them to find places to live not near schools, etc.
- Need a plan to reduce community risk
- **SOLUTION**: building housing above police stations for this population
- **SOLUTION**: in the Midwest, a City bought housing for this population – should do it here
- This is a safety issue for the community
- Leslie Foundation converted housing in Belmont (?) to low income assisted living
- **SOLUTION**: look into this as a model
- Need more collaboration between housing related agencies – nonprofit and for-profit
- Real burden is housing
- **SOLUTION**: education on NIMBYism to make safer and healthier for everyone
- Housing inventory is not feasible to do Housing First ideals
- We have reduced shelter beds but still need them
- We had a donor give \$10K a month for homeless prevention over 6 months
- Targeted those “one paycheck away” from homelessness
- **SOLUTION**: small amounts strategically focused to prevent homelessness
- Need more rent subsidies and support services
- **SOLUTION**: take advantage of downturn in economy for later use – landbanking so many properties are for sale
- Many opportunities to plan
- But, it will deplete tax rolls
- Wells Fargo will donate some of their foreclosed properties
- To cover operating costs need subsidies
- Where does money come from for programs?
- Need changes in public policies at all levels
- Great investment to do an annual report card of social indicators
- Hard to move beyond inertia
- **SOLUTION**: State needs to allow people to earn more money while on SSI

- TANF keeps people poor as well
- Distance requirements for residential care facilities also creates a burden – legislative issue
- Public parks need to be ADA accessible
- If you can find housing for between \$300K and \$400K for residential care facilities, can sometimes be stopped by overconcentration policies
- Forge public-private partnerships for housing
- Demonstration projects
- **SOLUTION**: commercial development linkage fee
- **SOLUTION**: use THRIVE (?) to support it
- West Bay Housing has the right idea but rates are constantly under fire
- Need longitudinal studies on homelessness prevention
- Need more intermediate housing
- Better info to the community
- **SOLUTION**: create a website for services? Working in isolation a problem
- Homelessness is a symptom of larger issues
- Problems are a continuum

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