

## 1 INTRODUCTION

### INTRODUCTION AND BACKGROUND

The California State Legislature identified the attainment of a decent home and satisfying environment for every resident of the state as a goal of the highest priority. Recognizing that local planning programs play a pivotal role in the pursuit of this goal, and to be sure that local planning effectively implements statewide housing policy, the legislature mandates that all cities and counties include a housing element as part of their adopted local general plans. Section 65302 (c) of the Government Code requires the preparation of a Housing Element.

### ORGANIZATION OF THE HOUSING ELEMENT

Housing Elements are generally made up of two major parts. The first consists of an evaluation of the housing needs and opportunities of the community. The second is a course of action to provide for those needs.

In preparing part one, several different types of data are examined.

- To begin, basic socioeconomic data is analyzed to describe the people of the community and their housing needs. Special emphasis is given in the analysis to groups with unique housing needs: the disabled, the elderly, large families, female headed households, and people in need of emergency shelter and transitional housing.
- The existing housing stock in the community is evaluated. Included is an analysis of the condition of the community's housing stock, the availability of units to serve all types of families, and the availability of units to serve all income levels.
- The potential for development of new housing within the community is studied. This includes data on vacant or underutilized residentially zoned property, potential for reuse or redevelopment, and potential housing development on other types of property.
- The factors that constrain the development of new housing are analyzed. Included are governmental constraints (land use controls, building codes, development application procedures and fees, infrastructure availability) and non-government constraints (price of land, cost of construction, and availability of financing). In addition, the state requires all jurisdictions to address opportunities for energy conservation in the housing element.

Part two is a course of action that responds to identified housing needs by establishing goals, policies, and programs. The programs of each jurisdiction are required to address the following subjects:

- Adequate sites to meet housing needs;
- Development of very low, low and moderate-income housing;
- Governmental and non-governmental constraints;
- Conservation and improvement of the existing housing stock, including previously assisted housing that may become eligible market rate housing;
- Equal housing opportunities;
- Other identified housing needs.

Each of the housing programs must quantify objectives, identify the individuals or agencies responsible for carrying out the program, and propose an implementation schedule.

## RELATIONSHIP OF THE HOUSING ELEMENT TO OTHER PLANS

In addition to the Housing Element, there are several other plans which either directly or indirectly affect the development of housing. These include other elements of the city's General Plan, Consolidated Plan, and Urban Water Management Plan, as well as the county's Airport Land Use Plan and Congestion Management Plan.

### The General Plan

The California Government Code requires that every city and county prepare, adopt, and implement a general plan for community development. The general plan must include a statement of development policies, diagrams, and text setting forth objectives, principles, standards and plan proposals. There are seven mandatory elements required by state law – land use, circulation, housing, conservation, open space, noise, and safety – which may be organized as desired by a city as long as all required topics are addressed.

The Redwood City *Strategic General Plan* is a statement of policy for the physical development of the city that provides a vision of the future, aimed at improving the quality of urban life in the city and maintaining those features that make Redwood City unique and desirable. The mission statement emphasizes an awareness of the city's heritage and community assets, and encourages public participation in decision making. It urges the promotion of public health, safety, general welfare, urban beauty, and civic pride. The mission statement concludes with the recognition of the cultural and economic diversity of the city and endorses the preservation of its stability and well-being as hallmarks of a good place to live.

The Redwood City *Strategic General Plan*, adopted in 1990 and amended from time to time, set seven goals:

1. Integrate a range of land uses to ensure that Redwood City is a desirable place to live.
2. Manage and improve the transportation system for optimal use by public transit, automobiles, bicycles, and pedestrians.
3. Provide safe and sanitary housing opportunities in suitable locations for all segments of the population.
4. Reserve open space areas within the urban complex to enhance the value of other lands and the quality of life in the community.
5. Orchestrate lead roles in environmental preservation, air and water quality, wildlife protection, resource recovery, and cultural enrichment in concert with economic development.
6. Verify the safety of all buildings and other facilities in the city against seismic and other hazards.
7. Establish maximum tolerable limits for point noise sources and ambient noise levels.

The Housing Element leads to the achievement of housing goals and provides for an adequate number of sites and infrastructure to meet Redwood City's share of regional housing needs. The Housing Element has been reviewed to ensure consistency with the other elements of the General Plan.

### The Consolidated Plan

The Consolidated Plan is required as a condition of receiving Federal Community Development Block Grant entitlements and HOME Partnership Program Funds authorized under Title I, Housing and Community Development Act of 1974, 42 U.S.C. 5301, and the Title I, Cranston-Gonzalez National Affordable Housing Act. The Plan is designed to shape various housing and community development strategies and facilitates a collaborative process and unified vision between local decision-makers and the community to address local problems comprehensively.

The Consolidated Plan is most instrumental in achieving the City's affordability goals and housing objectives of the Housing Element for low and very-low income households. Annual entitlements of CDBG and HOME funds can be used by the City to implement programs identified in the Housing element, including but not limited to:

- acquire housing sites,
- acquire and rehabilitate existing housing,
- provide down payment assistance for homeownership and rental assistance to tenants,

- subsidize land costs for self help ownership housing, and
- provide subsidies to developers that create affordable housing units.

The Plan requires the City to set housing goals for a five year period and adopt an Annual Action Plan showing how federal funds will be leveraged to provide affordable housing each year of the plan period. Through this requirement, 40% of CDBG funds and 100% of HOME funds are used to promote affordable housing. Other federal funds are used to provide community improvements and infrastructure to improve the livability of low- income neighborhoods.

#### Urban Water Management Plan 2000

Redwood City adopted the *Urban Water Management Plan Update 2000 (UWMP)* in January 2001 to fulfill the requirements of California Water Code Division 6, Part 2.6 (Urban Water Management Planning). The plan describes the service area of the water supplier (City of Redwood City Water Utility Enterprises), including current and projected population, climate, and other demographic factors affecting the supplier's water management planning. The projected population estimates are required to be based on data from the state, regional, or local service agency population projections within the service area and be stated in five-year increments to 20 years or as far as data is available. The plan is required to identify and quantify to the extent practicable, the existing and planned sources of water available to the supplier in five-year increments to 20 years or as far as data is available. The UWMP plan and the Housing Element can become consistent provided that:

- The UWMP is amended in 2001-2002 to conform to the 2000 Census data, the Housing Element update of the General Plan and the Interim Water Shortage Allocation Plan (Resolution No. 14225, 5/14/2001).
- The City Council adopts a *Water Supply Master Plan* for the City of Redwood City by 6/30/2002, which takes into account:
  - 1) The cumulative water demand reductions necessary to bring Redwood City's total annual use in normal supply year conditions to 10.93 million gallons per day, pursuant to the Settlement Agreement and Master Water Sales Contract of 1984, between the City and County of San Francisco and its Suburban Purchasers.
  - 2) The intent and implications of California Senate Bill 221 signed into law by the Governor in October 2001 and effective January 1, 2002.
  - 3) The projected water demand of 2,544 new housing units by 2006, and
  - 4) The cumulative effects on water demand by implementation of water conservation measures, local and regional water recycling, and new external water supplies that may become accessible to Redwood City via the regional water system.

The following section describes the relationship between the Housing Element and other regional plans.

#### Airport Land Use Plans

Section 65302.3 of the Government Code requires that the General Plan be consistent with airport land use plans. *The San Mateo County Comprehensive Airport Land Use Plan, December 1996* addresses proposed development relative to three airports: San Francisco International, San Carlos, and Half Moon Bay and identifies mitigation measures to be considered. The three major concerns of the San Mateo County Plan are: aircraft noise impact reduction, safety of persons on the ground and in aircraft in flight, and height restrictions/airspace protection. Although Redwood City surrounds the San Carlos Airport of three sides (north, east, and south), the principal impacts are to Redwood Shores, located north of the airport. As described later in the Housing Element, the build out of Redwood Shores occurred in 2001 and the Housing Element does not propose additional housing units in this location. Southeast of the airport in the vicinity of Bair Island Rd., a parcel presently designated and zoned for mixed use (commercial/ residential) could be developed as high density residential, and would be subject to mitigation at the time of proposed development. Other land for reuse or redevelopment as residential would not be impacted by the San Carlos Airport, unless the development was proposed to be very tall in which case it would be required to comply with the height restrictions in the airport plan. The *San Mateo County Comprehensive Airport Land Use Plan* is being updated at the time of this writing.

The San Francisco International Airport Land Use Plan does not affect development in Redwood City according to the staff of the San Mateo County Airport Land Use Commission (C/CAG).<sup>1</sup>

Due to the requirement for consistency, the Airport Plan can have an impact on both the development of housing and on the cost of residential development due to the inclusion of noise attenuation features.

#### Congestion Management Program

The 1999 *Congestion Management Program (CMP)* adopted by the City/County Association of Governments of San Mateo County require local jurisdictions to ensure that traffic impacts on the regional transportation roadway network are fully mitigated. Projects that will generate a net 100 or more peak period trips on the CMP network and that are subject to discretionary city approval are required to reduce and eliminate the traffic impacts of development. Traffic impacts can be reduced or eliminated through a variety of measures, or by paying a high traffic impact fee. Due to the requirement to reduce and eliminate these traffic impacts, the Congestion Management Program can have a great impact on both the development of housing which generates 100 or more peak period trips and on the cost of residential development. There is a public policy conflict with trying to promote more housing, particularly affordable housing and imposing traffic impact fees on such development.

#### FAIR SHARE ALLOCATION PROCESS

Government Code section 65584 requires the determination of existing and projected regional housing needs. The California State Department of Housing and Community Development (HCD) determines the statewide needs for housing and then assigns those needs regionally. The Association of Bay Area Governments (ABAG) examines housing needs across jurisdictional boundaries of 101 cities in the nine county region of San Mateo, Santa Clara, San Francisco, Marin, Alameda, Contra Costa, Napa, Sonoma, and Solano Counties and distributes the assigned regional allocation of statewide needs within the region. Anticipated housing needs through June 2006 have been distributed by ABAG to each city and county (Regional Housing Needs Plan). Each jurisdiction is then required to address at least that projected housing need in its housing element.

In essence, the ABAG Housing Needs Determinations quantify for the region the state legislature's values pertaining to statewide housing distribution and growth. Regional housing needs "take into consideration market demand for housing, employment opportunities, the availability of suitable sites, and public facilities, commuting patterns, type and tenure of housing needs, and the housing needs of special needs groups. The distribution shall seek to avoid further impaction of localities with relatively high proportions of lower-income households."<sup>2</sup>

The 1999 – 2006 *Regional Housing Needs Plan* covered the time frame January 1, 1999 through June 30, 2006, a seven and one-half year planning period.<sup>3</sup>

<sup>1</sup> Telephone conversation, David Carboni, staff to the San Mateo County Airport Land Use Commission (C/CAG), September 10, 2001

<sup>2</sup> Government Code Section 65584(a).

<sup>3</sup> ABAG used the following approach to allocate the regional "fair share." The methodology uses projections of the growth of housing and jobs developed in 1999 and published in *Projections 2000*. "This growth is weighted 50 percent households and 50 percent jobs ("Jobs/Housing Balance" adjustment) to determine a regional allocation factor (the share of regional growth) to be applied to the "Regional Goal Number" received from HCD. The methodology is further used to distribute a share of housing to each jurisdiction by income category. This portion of the methodology distributes the share of each jurisdiction's need by moving each jurisdiction's income percentages 50 percent toward the regional average."

The resulting requirement set for Redwood City was:

- Very low-income units: 534
- Low-income units: 256
- Moderate-income units: 660
- Above moderate-income units: 1,094

## HOUSING ELEMENT LAW

Article 10.6 of the Government Code describes the Housing Element and Section 65583 specifically describes the required contents of the element, which are listed in Appendix A.

## PREPARATION OF THE HOUSING ELEMENT

A broad community commitment is essential to the City's ability to establish and carry out programs addressing local housing issues. Accordingly, a key objective of the Housing Element is to increase the public's awareness of the specific housing related needs and problems of the community, as well as programs and projects which will effectively meet those needs. The city's new bi-annual newsletter, which is mailed citywide and new housing web site respond to this need.

Redwood City's Housing Element for the 1989-99 period was reviewed by the Housing and Human Concerns Committee (HHCC), the Planning Commission, and City Council and adopted by the City Council in 2000. Since the information in this Element was recently updated, considered and reviewed, much of it has been carried forward to this Housing Element for the period 1999 to June 30, 2006.

A joint meeting of the Planning Commission and HHCC was held in the Spring of 2001 to discuss the update to the Housing Element for years 1999-2006. A Housing Element Subcommittee was formed, consisting of three members of the HHCC and three members of the Planning Commission. The Subcommittee met over a four-month period to strengthen key programs, such as the program to preserve assisted units at risk of becoming market rate units, and to consider additional programs and sites for the development of housing. The Interim Urgency Ordinance Subcommittee, Downtown Citizen Task Force, city commissions and the public also provided input to the formulation of the new housing programs. In November 2001, the Planning Commission and HHCC also held a joint study session to review the Draft Housing Element. In addition, in December 2001 the City Council held a public hearing to review/comment on the Draft Element. In 2002, additional public hearings before the Planning Commission and City Council will be held on the Draft and Final Housing Element update.

Highlights of new Housing Element programs (since HCD certified the Housing Element in May 2000) include:

- Preparation of a Downtown Area Plan with new housing as its principal objective
- New housing opportunities (residential rezonings) within easy walking distance of the transit center
- New higher density residential zoning district classifications (50-60 units/acre)
- Developer incentives for building housing in mixed use districts
- Citywide distribution of a bi-annual housing newsletter and new housing web site that describe new and on-going housing programs offered through the City
- New ownership housing
- First time homebuyer program
- Efficiency unit affordable housing program
- Incentive program to allocate units to service occupations
- Strengthening the units at risk housing program.

Two suggestions that were considered, but have not been included in this Housing Element and the reasoning for their exclusion are:

- A citywide inclusionary zoning ordinance was considered. Redwood City already has a requirement for inclusionary housing in its redevelopment area as set forth in California Redevelopment Law.<sup>4</sup> Furthermore, the land encompassed by the *Downtown Area Plan* is entirely within a redevelopment area. Finally, the main goal of the *Downtown Area Plan* is to build a substantial amount of new housing development in the downtown area, thus triggering the inclusionary requirement.

Outside of the redevelopment area, the city intends to use Precise Plan or Development Agreements, where appropriate, to require affordable housing.

- A program to set standards for single room occupancy (SROs) facilities was considered. This suggestion was not included because currently, SROs are permitted in many zoning districts as quasi-public uses. Instead, the City will prepare efficiency unit guidelines tied to the Density Bonus Ordinance to enable small, affordable units to be distributed in any number of residential developments, rather than to concentrate affordable units within a single, individual building. There are some existing SROs in Downtown and the alternative housing type, efficiency units, would better serve the needs of seniors and those with limited incomes who work in Redwood City.

The adoption of this Housing Element is only one step toward ensuring the provision of suitable housing for all of the residents of Redwood City. Continued pursuit of the programs and projects set forth in this Element must take the form of active participation by both the public and private sectors in a variety of projects addressing local housing needs. Solutions to housing problems will only be achieved through a well-coordinated effort among public officials, private owners, lending institutions, developers and the general public, all of whom should be expected to maintain a continuing interest in the local housing environment.

.....

---

<sup>4</sup> Redevelopment law requires that over the life of the Redevelopment Plan, the Agency ensure that 15% of all housing units built be affordable to moderate income households; and that 40% of the 15% be affordable to very low income households.

## 2 COMMUNITY PROFILE

### INTRODUCTION AND BACKGROUND

This chapter provides an overview of Redwood City's role in San Mateo County and describes characteristics of Redwood City's residents, which are important in determining housing need. These include population, household size, ethnic distribution, age, income, and industry of employment. Information relevant to groups with special housing needs, including the elderly, large families, single parent families, disabled, persons at risk of being homeless, homeless and persons in need of emergency shelter and transitional housing, is also included.

### REDWOOD CITY'S ROLE IN SAN MATEO COUNTY

Redwood City is part of a continuous urban area on the San Francisco Peninsula, stretching from San Francisco on the north to San Jose on the south. The city has many assets including the geography of the area, frontage on the San Francisco Bay, pleasant year-round climate, a deep-water port, and a strategic location midway between San Francisco and San Jose, and proximity to bridges that span the San Francisco Bay – the San Mateo Bridge to the north and the Dumbarton Bridge to the south – connecting the mid-Peninsula to the East Bay. In addition, as the County Seat, Redwood City is home to the County Government Center with offices, a courthouse, jail, and many social services. These features and a diverse local economy make Redwood City an attractive place to live and work.

The city is growing and diversifying. During the 1990s, population grew at an average annual rate of 1.33 percent, or 14.1 percent for the decade. The growth is related to natural increase, economic expansion, immigration, and a housing cost advantage relative to other cities in the county.

Redwood City is a job center for south San Mateo County and provides a full range of services - shopping, housing, employment, recreation and government services. A variety of businesses make up the city's local economy – in particular, high tech businesses, auto dealerships, retail trade, manufacturing, accommodation and food services, and health care and social assistance. Continued diversity in the economic base is important to provision of a variety of employment opportunities matched to the skills of the city's residents.

### POPULATION

Redwood City's population has grown from 66,072 in 1990 to 75,402 in 2000, according to the 2,000 Census. The average annual population growth rate of 1.33 percent during the 1990s slowed from the average annual growth rate of 1.86 percent during the 1980s, as the city's vacant land was developed. In the 1970s total population actually declined, despite residential growth in the Redwood Shores area.

Home owners move less frequently and remain longer in their houses today than they did before the passage of Proposition 13 in 1979 because there were few tax consequences to selling and buying a different house in that era.

**Figure 2-1 Redwood City and San Mateo County Population Growth 1950 to 2000**

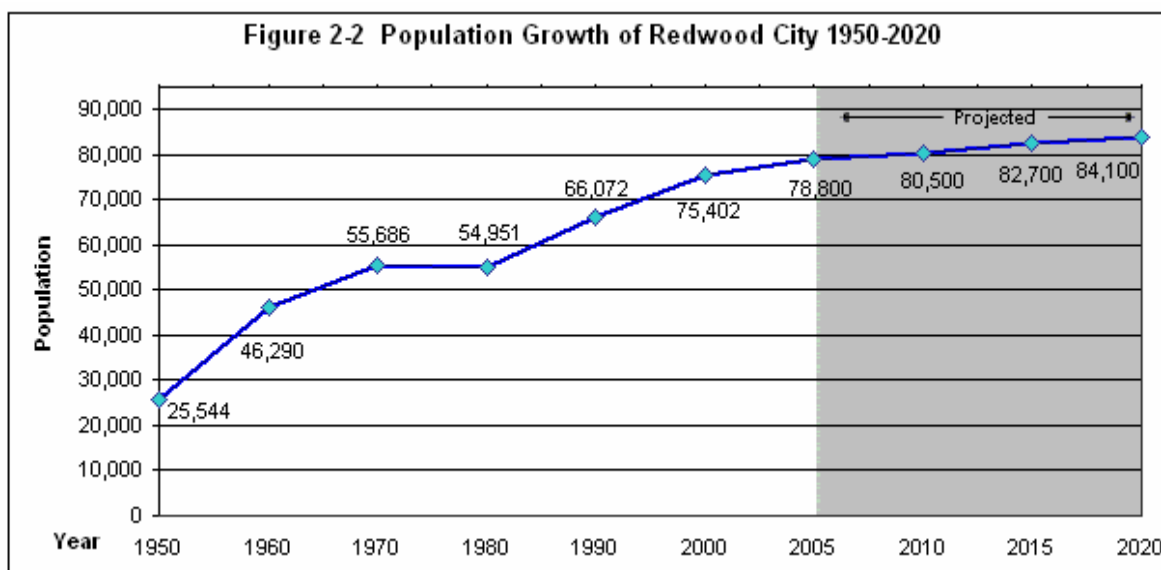
	1950	1960	1970	1980	1990	2000 <sup>1</sup>
<b>Population - City</b>	25,544	46,290	55,686	54,951	66,072	75,402
<b>Population - County</b>	235,659	444,387	556,234	587,329	649,623	707,161

1. U.S. Census, 2000

Source: U.S. Department of Commerce, Bureau of the Census

### PROJECTED POPULATION

ABAG projects a slower average annual population growth rate between 2000 and 2005 than the city experienced during the decade of the 1990s. A slowing growth rate is to be expected as the dwindling supply of vacant land is built out. Growth will depend largely on reuse of developed land and redevelopment, such as completion of the Franklin Projects; implementation of the Downtown Plan, which envisions roughly 2,600 –3,400 additional units; and development of housing on the bay front, east of Highway 101. Additional infrastructure and public services will be necessary to accommodate the growth. A moderate, but steady growth rate can be expected in Redwood City, as well as in San Mateo County over the next twenty years.



According to the 2000 Census, the unincorporated areas within Redwood City's Sphere of Influence (i.e. North Fair Oaks, Emerald Hills etc.) have a population of 96,084 persons. (By contrast, ABAG's 1999 Projections estimated 104,100 persons). While unincorporated properties within Redwood City's sphere of influence are eligible for annexation, the City has no current plans to annex these areas. Redwood City has no land use controls (residential or otherwise) over unincorporated land because this land is under the jurisdiction of San Mateo County.

Figure 2-3 depicts two sets of population projections for the city developed by the Association of Bay Area Governments (ABAG) in 1999, and again in 2001 for the years 2000 through 2020. The projections were revised significantly downward for the city, the county, and the sphere of influence following the release of the 2000 Census data. For example, the projected population for Redwood City made in 1999 for the year 2000 was high – 79,000, compared with the 2000 Census count of 75,402. ABAG will publish the revised projections in *Projections 2002*.

The determination of Redwood City's regional fair share of housing (made by ABAG) was based on the 1999 projections and according to ABAG staff will not be revised downward to align with the revisions in population projections. In Figure 2-3 below the projections made in 1999 by ABAG are shown in boldface to highlight the projections that were used to determine the city's fair share, described in Chapter 1.



**Figure 2-3 Population: Actual 2000, and Two Sets of Projections for 2000 to 2020**

	2000	2005	2010	2015	2020
Redwood City, actual	75,402				
Redwood City, projected in <b>1999</b>	<b>79,000</b>	<b>82,500</b>	<b>83,700</b>	<b>85,200</b>	<b>86,100</b>
Redwood City, projected in 2001	75,402	78,800	80,500	82,700	84,100
Sphere of Influence including City, actual	96,084				
Sphere of Influence including City, <b>1999</b>	<b>104,100</b>	<b>108,600</b>	<b>109,800</b>	<b>111,300</b>	<b>112,200</b>
Sphere of Influence including City, 2001	96,084	101,100	102,600	105,200	107,000
San Mateo County, actual	707,161				
San Mateo County, projected in <b>1999</b>	<b>737,199</b>	<b>767,100</b>	<b>779,700</b>	<b>795,700</b>	<b>809,800</b>
San Mateo County, projected in 2001	707,161	739,100	754,600	775,900	795,100
Sources: U.S. Census 2000 for "actual" 2000; Projections 2000, Association of Bay Area Governments, December 1999; Draft Projections 2002 Association of Bay Area Governments					
Notes: 1. ABAG has significantly reduced its population projections to align with the 2000 Census. The determination of regional housing needs was based on the projections made in 1999.					

## HOUSEHOLDS AND FAMILIES

Knowledge of household characteristics, including size and composition, is essential in determining household needs for a community. Three definitions are useful for interpreting household data.

**People per household** This measure is obtained by dividing the number of people in households by the number of households.

**Family** A family consists of a householder and one or more other people living in the same household who are related to the householder by birth, marriage, or adoption. All people in the household who are related to the householder are regarded as members of his or her family. A household can contain only one family for purposes of census tabulations. Not all households contain families since a household may comprise a group of unrelated people or one person living alone.

**People per family** A measure obtained by dividing the number of people in families by the total number of families (or family householders).

Figures 2-4 and 2-5 depict the average household size and average family size in the city from 1970 through 2000. It is of interest that although the city's household size has increased over the past 20 years, it is similar to that in the 1970s.

Average family household size decreased slightly between 1990 and 2000, as more people either lived alone or as a group of unrelated individuals, and thus were not classified as a family. Family households with children present have decreased as a percentage of total households, dropping from 51 percent of all households in 1990 to 31 percent of all households in 2000. At the same time, the number of families with children under age 18 increased from 7,856 in 1990 to 8,785 in 2000. Additional information on households is provided in the sections on income and special housing needs.

In contrast to the national trend of declining household size, the size of a typical Bay Area household increased over the last decade. In Redwood City, people per household rose slightly from 2.52 in 1990 to 2.62 in 2000. In San Mateo County, average household size increased more during the decade – from 2.22 in 1990 to 2.74 in 2000 – and in the Bay Area the average household size rose from 2.61 to 2.69. In San Jose it rose to 3.2 in 2000. East Palo Alto led the way with the largest increase, reaching 4.69 in 2000, up from 3.31 in 1990.

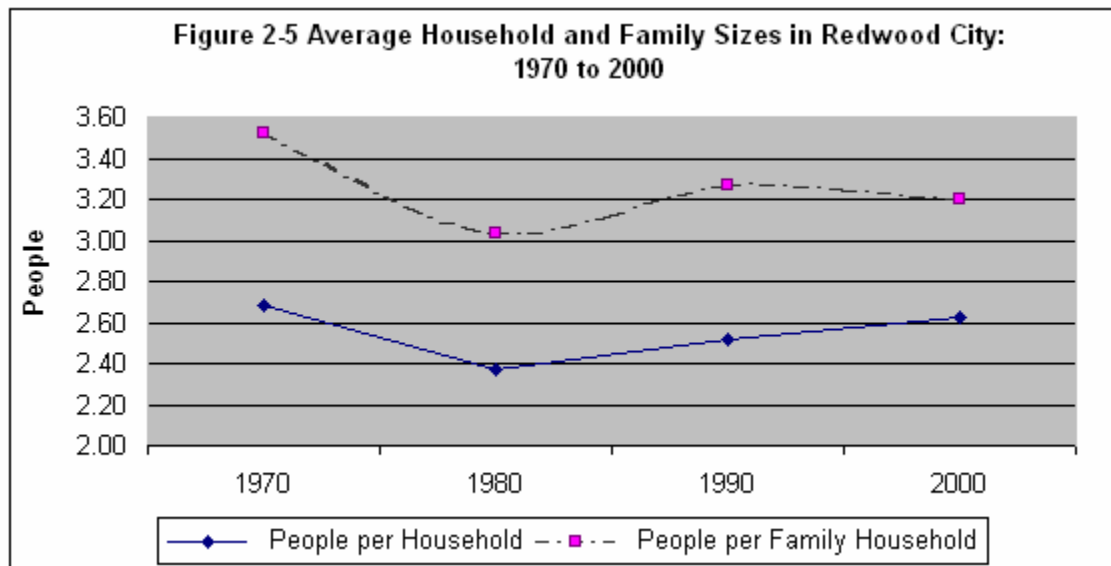
An increase in household size begins to explain how an increase in population of 9,330 people was accommodated in the existing and 2,488 new households in Redwood City during the last decade.

**Figure 2-4 Average Household and Family Sizes in Redwood City: 1970 to 2000**

	1970	1980	1990	2000 <sup>1</sup>
People per Household	2.68	2.37	2.52	2.62
People per Family Household	3.52	3.03	3.27	3.20

1. U.S. Census, 2000

Source: U.S. Department of Commerce, Bureau of the Census



### LARGE HOUSEHOLDS

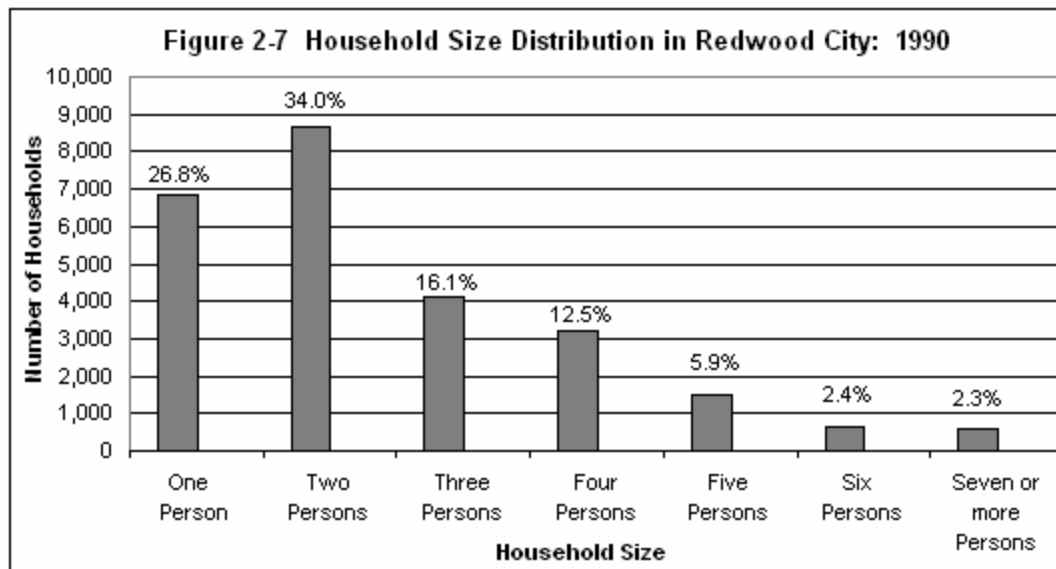
Large households, defined in the Census as households with five or more persons, have special housing needs. In 1990, there were 25,572 households in Redwood City, of which 10.6 percent, or 2,711 households were large. In 2000, there were 28,060 households. As of the writing of this housing element, the number of people in each household is not yet available; however, if the percentage of large households from 1990 were applied to the number of households in 2000, there would be (28,060 x 0.106) 2,974 large households.

**Figure 2-6 Household Size Distribution in Redwood City: 1990**

Household Size	Number of Households	Percent of Total
One Person	6,843	26.8%
Two Persons	8,689	34.0%
Three Persons	4,128	16.1%
Four Persons	3,209	12.5%
Five Persons	1,507	5.9%
Six Persons	616	2.4%
Seven or more Persons	580	2.3%

Source: U.S. Census, 1990

Note: Percentages may not add to 100 percent due to rounding.



There were 9,941 occupied housing units with 3 or more bedrooms and 2,489 units with 5 or more persons in 1990. Most of the larger units with 3 or more bedrooms required by larger families are owner occupied as shown in Figure 2-8, leaving a sufficient number of large, rental units for large family renter households. However, when market conditions and ability to pay for large units are taken into account, large rental units are not affordable to low income large family households. See Figures 3-8, 3-9 and 3-10.

The average household size was slightly less in ownership housing (2.6) than in rental housing (2.63) in 2000. In 1990, of the owner-occupied units, 39 percent were occupied by three or more persons. In 1990, of renter-occupied units, 38 percent were occupied by three or more persons.

The number of large units that are available for rent is dependent on market conditions. Large units are versatile in that they can accommodate various living arrangements, such as large families, multiple roommates, and families doubling up. Large units also house smaller, more affluent households who desire “extra” bedrooms. For these reasons, large units are an asset to a city’s housing stock - particularly large rental units. However, when the households with the living arrangements described above (large families, multiple roommates, families doubling up, smaller more affluent households) compete for a limited amount of housing, large families with lower household income cannot compete.

The fundamental housing problem of low-income households in Redwood City is insufficient income. Secondly, there is a need for more large, rental units, at prices low-income households can afford. Large households with very low income – those earning less than 30 percent of the County median income – and low income - those earning between 50 to 80 percent of the County median income - are in need of subsidized, large units.

Figure 2-8 shows that 14 percent of rental units (or 1,740 rental units) have 3 or more bedrooms. Sixty-two percent of these units are occupied by fewer than 3 people – further demonstrating that the large households with very low- and low-income cannot compete for large units. Also refer to Figures 3.8 & 3.9.

In the marketplace existing in 2000 and 2001, a low-income household could afford a 3 bedroom unit in Redwood City under the following circumstances: 1) the residents have Section 8 housing assistance to subsidize the rent; 2) the household lives with at least one other household, most likely in an overcrowded situation; 3) the housing is owned by a non-profit organization, sponsored by a public agency; or 4) the owner-resident has owned the house for a long time and does not have a mortgage.

**Figure 2-8 Large Housing Units in Redwood City: 1990**

	<b>Total Occupied</b>	<b>Owner- Occupied</b>	<b>Renter- Occupied</b>	<b>Vacant Units</b>	<b>Total Units</b>
<b>Total</b>	25,493	12,946	12,547	1,354	26,847
<b>3 or more Bedrooms</b>	9,941	8,201	1,740	339	10,280
<b>3 or more Bedrooms (percent)</b>	39%	63%	14%	25%	38%

Source: U.S. Census, 1990

**SINGLE-PARENT HOUSEHOLDS**

Approximately 7 percent of all households, and 24 percent of all family households with children under 18 present, are headed by a single head of household with no spouse present. Seventy-three percent of these households are headed by women and twenty-seven percent are headed by men. Figure 2-9 depicts single parent household information.

Most female-headed households with children have annual incomes far below that of two-parent families. In San Mateo County, there was also a 77 % drop in single-parent households receiving welfare between the high point in 1994 and 2000.

Single-parent households represent a need for daycare as well as for affordable housing of various sizes. The location of housing for single parent households – near schools and playgrounds - is important.

**Figure 2-9 Single-Parent Households with Children in Redwood City: 2000**

<b>Household Type</b>	<b>Households</b>	<b>Percent of Total Households</b>	<b>Percent of Family Households with Children under 18 years</b>
Female Householder with Children	1,519	5%	17%
Male Householder with Children	565	2%	6%
<b>TOTAL</b>	<b>2,084</b>	<b>7%</b>	<b>24%</b>

Source: U.S. Census, 2000

Note: Percentages may not add to total due to rounding.

**THE DISABLED**

The number of disabled persons has important planning implications for a city. Specialized needs include certain social services, disabled access throughout the city, and housing with specialized features for disabled residents. Figure 2-10 depicts the 1990 Census data related to disability. The 2000 Census data was not available at this writing. In 1990, 2,942 persons, aged 16 to 64 reported some form of permanent disability that limited the amount of work they can perform. Forty percent of these disabled persons are prevented from doing any paid work due to their disabilities. Overall, 7 percent of Redwood City residents reported work disabilities; the figure for work disabilities was lower than the state average of 8 percent.

Supportive housing for the disabled and other group living situations should be located close to transit,

shops, and community services.

**Figure 2-10 Persons with Disabilities in Redwood City : 1990**

	Number of People
<b>Work Disability</b>	
Disabled in Labor Force	1,483
Disabled not in Labor Force - Prevented from Working	1,184
Disabled not in Labor Force - Not Prevented from Working	275
People with no Work Disability (Age 16 - 64)	41,075
<b>Public Transportation Disability</b>	
Disabled, age 16 - 64	719
People without a disability, age 16 - 64	42,230
Disabled, age 65+	946
People without a disability, age 65+	6,002

Source: U.S. Census, 1990

#### ETHNICITY

Redwood City has experienced a significant change in its ethnic makeup over the past decade, as shown in Figure 2-11, which depicts the ethnic distribution in Redwood City. In 1990, 24 percent of the city's population identified themselves as Hispanic; by 2000, the number grew to 31 percent. The Hispanic or Latino population increased 48 percent between 1990 and 2000. Overall, non-Hispanic white persons accounted for 54 percent in 2000, down from 66 percent in 1990. Asians accounted for 9 percent, while blacks accounted for 2 percent.

The total population of Redwood City comprises 11 percent of the county overall, and 15 percent of the county's Hispanic population. Redwood City is anticipated to continue to be an attractive home base location for new immigrants, and extended families of existing residents.

**Figure 2-11 Hispanic or Latino and Race in Redwood City: 1990 and 2000**

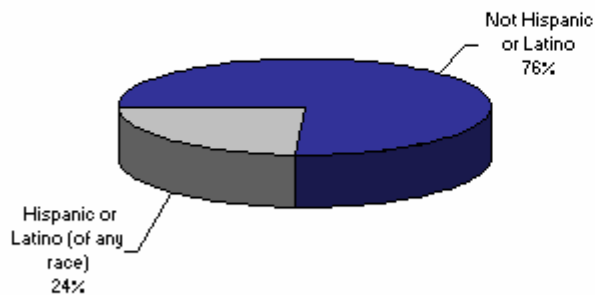
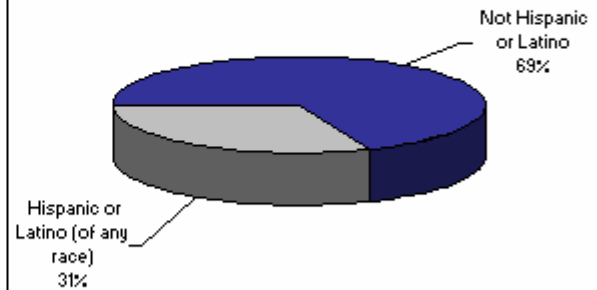
Group	1990		2000	
	Population	Percent	Population	Percent
Hispanic or Latino (of any race)	15,935	24.1%	23,557	31.2%
Not Hispanic or Latino	50,137	75.9%	51,845	68.8%
White	43,504	65.8%	40,656	53.9%
Black or African American	2,240	3.4%	1,791	2.4%
American Indian and Alaska Native	280	0.4%	165	0.2%
Asian	4,004	6.1%	6,604	8.8%
Native Hawaiian and Other Pacific Islander	*	*	635	0.8%
Some other race	109	0.2%	163	0.2%
Two or more races	*	*	1,831	2.4%

Source: U.S. Census, 1990 and 2000

**Notes:**

Percentages may not add due to rounding.

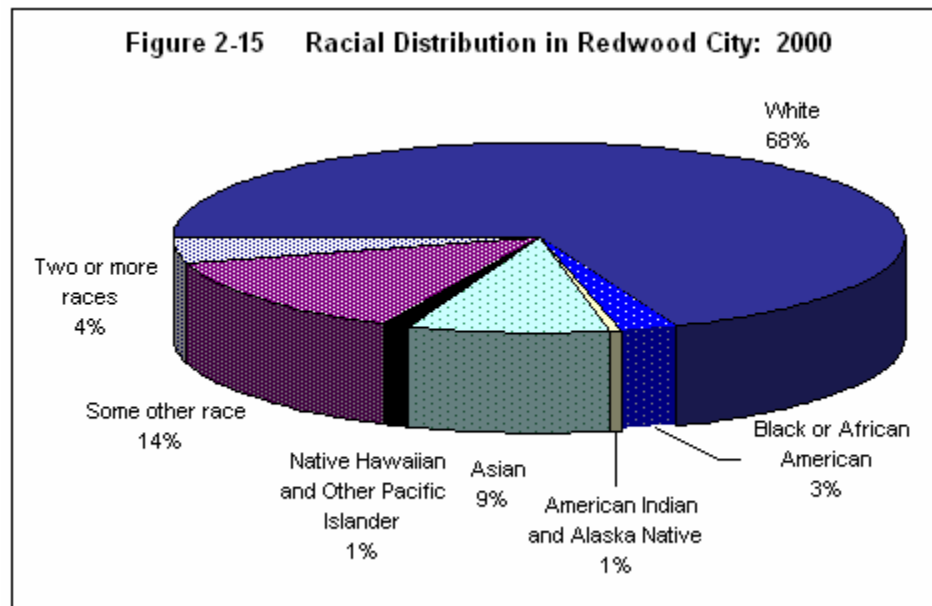
\* In 1990, the following categories have been combined - Asian and Pacific Islander, and Some other race and Two or more races.

**Figure 2-12 Hispanic or Latino, and Non-Hispanic or Latino in Redwood City: 1990****Figure 2-13 Hispanic or Latino, and Non-Hispanic or Latino in Redwood City: 2000****Figure 2-14 Racial Distribution in Redwood City: 2000**

Racial Group	2000	
	Population	Percent
White	52,008	69.0%
Black or African American	1,916	2.5%
American Indian and Alaska Native	384	0.5%
Asian	6,715	8.9%
Native Hawaiian and Other Pacific Islander	663	0.9%
Some other race	10,535	14.0%
Two or more races	3,181	4.2%
<b>TOTAL</b>	<b>75,402</b>	<b>100.0%</b>

Source: U.S. Census, 2000

Note: Percentages may not add due to rounding.



### AGE

There has been an explosion of school age children in Redwood City between 1990 and 2000. The population of children age 5 through 9 increased 62 percent and the population age 10 through 14 increased 35 percent, while the total population of the city as a whole rose 14 percent. Population increases in the 5-14 age groups and the 35-54 age groups have accounted for much of the city's population growth in the last ten years. The population between ages 20 and 34 declined in Redwood City during this decade. Most cities in the county experienced a decline in the proportion of residents age 20 – 34 during the 1990s, but not in the absolute number of people aged 20 – 34. The city's age profile became more like that of San Mateo County in nearly every age group, as shown in Figure 2-16. In a given age group, comparison of the percent in the city in 1990 and 2000 moves toward the percent distribution in the county in 2000.

The median age in Redwood City was 34.8 years in 2000, up from 33.2 in 1990. The median age in the County was 36.8 in 2000, up from 35.0 in 1990. Statewide the median age was 33.3 and nationally, it was 35.3 in 2000.

**Figure 2-16 Age Distribution in 1990 and 2000**

Age Group	City 1990		City 2000		City 1990 - 2000	County 2000
	Population	Percent	Population	Percent	Population Change	Percent
0-4	5,249	7.9%	5,679	7.5%	8.2%	6.4%
5-9	3,137	4.7%	5,085	6.7%	62.1%	6.6%
10-14	3,187	4.8%	4,309	5.7%	35.2%	6.2%
15-19	3,645	5.5%	3,979	5.3%	9.2%	5.8%
20-24	4,782	7.2%	4,741	6.3%	-0.9%	5.8%
25-34	14,882	22.5%	14,250	18.9%	-4.2%	15.9%
35-44	11,317	17.1%	13,935	18.5%	23.1%	17.4%
45-54	6,475	9.8%	9,981	13.2%	54.1%	14.5%
55-64	4,880	7.4%	5,752	7.6%	17.9%	8.9%
65-74	4,409	6.7%	3,573	4.7%	-19.0%	6.3%
75-84	2,474	1.0%	3,001	4.0%	21.3%	4.5%
85+	635	1.0%	1,117	1.5%	75.9%	1.6%
Total	66,072		75,402		14.1%	

## ELDERLY HOUSEHOLDS

Redwood City aged at a slower pace than San Mateo County as a whole, with just a 1.1 percent increase in residents 65 and over, compared with a 10.1 percent growth countywide during the decade of the 1990s. At the same time, the 65-and-over population increased by 13.8 percent in the Bay Area and 14.7 percent in California as a whole.

Although the number of people in Redwood City aged 65 and over rose slightly between 1990 and 2000 (one percent), they decreased as a percentage of Redwood City's population during the decade. In 1990, people aged 65 and over comprised 11.5 percent of Redwood City's population and in 2000 they accounted for 10.2 percent of the city's population. By contrast, seniors as a proportion of the population declined from 12.6 percent a decade ago to 12.4 percent in 2000. The slower growth of the population 65 and over reflects the relatively low number of people reaching 65 during the past decade because of the relatively low number of births in the late 1920s and early 1930s. However, in Redwood City the slower growth of the population 65 and over is in stark contrast to that of the County, Bay Area and State. Redwood City has a lower proportion of its population in the 55 – 74 age group than do most cities in San Mateo County.

When the group, 65 and over, is separated into 3 groups, a very different picture emerges for Redwood City. Between 1990 and 2000, the number of people age 65-74 in Redwood City decreased, while those age 75-84 increased by 21 percent, and those 85 and over increased 76 percent as some people live longer lives. Most other cities in the county also saw a decrease in the number of people age 65 to 74, but an increase in the 75 – 84 and 85+ population groups between 1990 and 2000.

The elderly and frail elderly need supportive housing and services. One of the primary non-housing needs for frail and elderly is adult day care. Adult day care and related supportive services are necessary to assist family members who are caretakers to be able to work during the day and also to receive supportive services relating to caring for diseases related to Alzheimer's and other forms of dementia. Approximately 100 frail and elderly persons from Redwood City are receiving assistance from Rosenor House (Peninsula Volunteers, Inc.) and San Carlos Adult Day Care (Catholic Charities) on a monthly basis. There are an estimated 800 frail elderly seniors in need in a given month in Redwood City that receive assistance such as meals and groceries. The absence of supportive programs result in the senior being institutionalized sooner. Additional facilities are needed with subsidies for low-income seniors. Supportive services such as counseling and group therapy are also a vital part of the non-housing services needed by this population. The absence of adequate assisted living units and Alzheimer's housing units will cause more and more frail elderly and disabled persons to be at risk of becoming institutionalized in nursing homes and similar facilities.

**Figure 2-18 Residents Age 65 and over**

Area	Percent of Total Population in 2000	Percentage Increase between 1990 and 2000
Redwood City	10.2%	1.1%
San Mateo County	12.5%	10.1%
S.F. Bay Area	11.2%	13.8%
California	10.6%	14.7%
United States	12.4%	12.0%

Source: U.S. Census, 2000

## INCOME AND POVERTY STATUS

In 1990, the reported median income in Redwood City was 93 percent of that of San Mateo County (\$42,962 compared to \$46,437). Since household size is somewhat larger in Redwood City than in the county as a whole, the resulting per capita household income in Redwood City was 91 percent that of the county (\$20,580 compared to \$22,671). Figure 2-19 depicts the household income distribution for



Redwood City in 1989. At this writing, information on income and poverty status from the 2000 Census was not yet available.

**Figure 2-19 Household Income Distribution in Redwood City**

Income Range	Number of Households	Percent of Total
\$0 - \$4,999	669	3%
\$5,000 - \$9,999	1,354	5%
\$10,000 - \$14,999	1,413	6%
\$15,000 - \$19,999	1,484	6%
\$20,000 - \$24,999	1,834	7%
\$25,000 - \$34,999	3,516	14%
\$35,000 - \$49,999	4,671	18%
\$50,000 - \$59,999	2,580	10%
\$60,000 - \$74,999	2,934	12%
\$75,000 - \$99,999	2,778	11%
\$100,000 - \$124,999	1,191	5%
\$125,000 - \$149,999	492	2%
\$150,000 or more	656	3%
<b>Total</b>	<b>25,572</b>	<b>100%</b>
Source: U.S. Census, 1990		
Note: Percentages may not add to 100 due to rounding.		

There were 16,534 families in Redwood City in 1990. Of these, 1,015 or 6 percent were reported to be below the poverty level. Figure 2-13 depicts poverty status in Redwood City in 1990. Nearly 40 percent of the families living below the poverty level were headed by women. Altogether, 78 percent of the families below poverty included children under the age of 18.

Throughout the city, 5,328 people or 8 percent of the population were below poverty level in 1989. Ten percent of the people in poverty were 65 years or older.

The proportion of the population living below the poverty level in 1990 can be used to extrapolate a comparable figure for 2000. Such an extrapolation indicates that 6,258 people (8 percent of the population) may be living below the poverty level in 2000, including 1,092 families. Note that these figures are only estimates.

**Figure 2-20 Poverty Status in Redwood City in 1990, Projected for 2000**

		Percent of Total	2000 Projection
<b>Persons below poverty</b>	5,328	8%	6,258
<b>Families below poverty</b>	1,015	6%	1,092
with children	788	78%	848
without children	227	22%	244

Sources: U.S. Census, 1990  
Redwood City Planning And Redevelopment Services, 2001

## INDUSTRY OF EMPLOYMENT

Redwood City desires to create and maintain a jobs/housing balance that reflects the labor force needs of the City and nearby areas of south San Mateo County. With approximately 1.5 employed residents per household, the city achieves an appropriate balance.

Redwood City had a labor force of 42,690 in April 2001, of whom 41,950 were employed and 740 were unemployed, according to the California Employment Development Department. The unemployment rate for Redwood City residents was 1.7 percent, while for County residents it was 1.9 percent and California residents 4.8 percent. In 2000, the unemployment rate in Redwood City was 1.4 percent.

Unemployment in Redwood City reached its highest level during the decade in 1992, when the rate was 4.7 percent. In the same year, California had an unemployment rate of 9.3 percent.

The labor force numbers consist of employed and unemployed people. When the labor force of 42,470 is divided by the number of households (28,060), Redwood City had 1.51 laborers per household in 2000. Similarly, there were 1.49 employed people per household in 2000.

Information on occupation and employment is an important part of determining special housing needs of employment groups such as workers in the service sector. The projected growth or decline in a particular industry can also serve as an indicator of future housing needs. Figure 2-21 provides data from the 1990 Census on the industry of employment. Comparison with data from the 2000 Census (to be available in 2002) will identify employment growth or decline in local industries.

In 1999 at the height of the business cycle, there were 27,808 jobs in the computer and data processing services industry in San Mateo County, many of which were in Redwood City. (The number of jobs did not include contract jobs, where an employee worked for a temporary employment company, yet worked at the premises of another business.) The average annual pay in this industry in San Mateo County was \$115,508. In the services sector, there were 121,575 jobs countywide, including business services, health services, research and testing, engineering and management services, social services, amusement and recreation services, and educational services. The services sector is expected to lead in the creation of new jobs during the next decade. Business services, including software development and computer-related services, are expected to show the largest increases. Other services industries also will register significant gains during the upcoming decade. The health services industry, particularly doctors' offices and clinics, is expected to grow. Likewise, engineering, architectural, accounting, research, and management services, as well as the hotel/motel service jobs are expected to experience growth. In 1990, 34 percent of the employees in Redwood City were employed in the services sector.

Redwood City's distribution of jobs by industry is expected to show significant changes during the decade of the 1990s as many new computer-related jobs developed. Although the data on industry of employment from the 2000 Census is not yet available, the development projects approved by the City during the last decade are indicative of the addition of a significant number of high tech, well-paying jobs. The Economic Census of 1997 indicated growing employment in high-tech businesses.

The Economic Census conducted by the U.S. Census Bureau in 1997 reported on the taxable portion of the services sector. Businesses having a significant number of employees in Redwood City included the following:

- Manufacturing and in particular, computer and electronic product manufacturing, and more specifically communications equipment manufacturing
- Wholesale trade and in particular, wholesale trade of durable goods;
- Retail trade, especially motor vehicle & parts dealers, automobile dealers, and food and beverage stores. Grocery stores are the principal employer in the food and beverage category;
- General merchandise stores;
- Software publishers;
- Real estate;

- Professional, scientific, & technical services. In this category, the largest employers were: computer systems design & related services, scientific research & development services, and legal services;
- Administrative & support services;
- Health care & social assistance, particularly ambulatory health care services, of which the largest employer is offices of physicians;
- Arts, entertainment, & recreation, particularly, other amusement & recreation services;
- Food services & drinking places, particularly limited-service eating places, followed by full service restaurants, and special food services;
- Repair & maintenance, particularly automotive repair & maintenance; and
- Wholesale trade, particularly wholesale trade of durable goods.

The local economy offers a variety of employment including work in the following businesses: computer manufacturing, software publishers, professional, scientific & technical services, retail trade, food services, healthcare, automotive repair and maintenance, and wholesale trade.

When more of the 2000 Census data is released, an additional analysis of the economic status of Redwood City residents can be prepared.

**Figure 2-21 Industry of Employment in Redwood City: 1990**

Industry	Employees (Number)	Percent of Total	Employees (Number)	Percent of Total
Agriculture, Forestry, and Fisheries	757	2.1%		
Mining	8	0.0%		
Construction	2,466	6.8%		
Manufacturing	5,951	16.3%		
Manufacturing, Nondurable Goods			1,812	5.0%
Manufacturing, Durable Goods			4,139	11.3%
Transportation	1,761	4.8%		
Communications and Other Public Utilities	1,064	2.9%		
Wholesale Trade	2,184	6.0%		
Retail Trade	5,562	15.2%		
Finance, Insurance and Real Estate	2,858	7.8%		
Services	12,443	34.1%		
Business and Repair Services			2,645	7.2%
Personal Services			1,440	3.9%
Entertainment and Recreation Services			511	1.4%
Professional and Related Services			7,847	21.5%
Health Services			2,642	7.2%
Educational Services			2,221	6.1%
Other Services			2,984	8.2%
Public Administration	1,442	4.0%		
TOTAL	36,496	100.0%		

Source: U.S. Census, 1990

Note: Percentages may not add to 100 percent due to rounding.

## COMMUTING

The extent to which workers live in one community but work in another community gives an indication of the imbalance between housing and employment opportunities. The concept of a jobs/housing balance is based on environmental as well as housing considerations. The provision of affordable housing close to job centers can have both fiscal and environmental benefits.

In 1990, there were 35,807 workers 16 years and over in Redwood City. Seventy-six percent drove alone to work, while 12 percent carpooled. Four percent took public transportation. Three percent walked, and another three percent worked at home. In 1990, 27% of workers worked in Redwood City.

#### HOMELESSNESS AND PERSONS IN NEED OF EMERGENCY SHELTER

Homeless people, victims of abuse, and other individuals represent housing needs which are not being met by the traditional housing stock. These people require temporary housing and assistance at little or no cost to the recipient. The homeless population of Redwood City is diverse in terms of ethnicity, race, age, and background. Homelessness has no color; it is represented by Whites as well as Blacks, Hispanics, American Indians, and Asians.

There are several agencies that estimate the homeless population. The homeless population in San Mateo County in 2000 was 4,663, according to a survey conducted by San Mateo County. The homeless population in Redwood City is 497, assuming the homeless population in Redwood City is the same percentage as the general population of the City is to the County – 10.66 percent. This amounts to seven tenths of a percent of the total city population. As housing costs continue to increase, more people are expected to become homeless in the future.

Another measure of homelessness and “at risk for becoming homeless” is people living in “other” non-institutionalized group quarters. The 2000 Census reported that 446 people lived in non-institutionalized group quarters in Redwood City. “Group quarters” are defined as a place where people live or stay other than the usual house, apartment, or mobile home. Two general types of group quarters are recognized: institutional (for example, nursing homes, mental hospitals or wards, hospitals or wards for chronically ill patients, hospices, and prison wards) and non-institutional (for example, college or university dormitories, military barracks, group homes, shelters, missions, and flophouses). Since Redwood City does not have any college or university dormitories or military barracks, the 446 people listed in the subcategory, “Other Non-institutionalized Group Quarters”, represent the homeless.

According to a study conducted by the Emergency Hunger and Housing Coalition in 1990, 41% of the surveyed homeless are children, leaving 59% adults, 48% of whom have children, and 15% of whom are single mothers. Veterans contribute to 8% of the homeless and people who have been in prison comprise 10% of the homeless who were surveyed in a study on the homeless by the County of San Mateo in 1990.

In San Mateo County the approach to housing the homeless and maximizing delivery of services involves regional coordination and cooperation. The delivery of services is organized by the County’s Homeless Coordinator, which enables the services at certain locations to be tailored to the needs of individual special needs groups. By sharing resources regionally, the cost of operation and the delivery of services became more effective. The focus shifted to the delivery of services at existing homeless facilities, from designating sites for homeless activities. The County’s Shelter Plus Program provides long term rental assistance and supportive services to approximately 76 Redwood City residents.<sup>1</sup>

The City of Redwood City continues to work with public and non-profit community agencies to address the needs of the homeless, particularly the needs of families. The City also provides direct funding to non-profit organizations serving homeless families, homeless individuals, including persons who are senior citizens, homeless youth and homeless persons who have mental disabilities. The City allows, through its zoning, single-room occupancy facilities which can provide housing opportunities for single, homeless individuals. In addition, the City helps homeless people to transition into jobs and permanent living situations.

---

<sup>1</sup> Source: San Mateo County Homeless Quadrant, Redwood City Family House, Spring Street Shelter, Your House South, and Maple Street Shelter

Special Needs of At-Risk Populations - Persons Who Are Not Homeless

In addition to the large numbers of homeless individuals and families, there are also distinct groups that are susceptible to becoming homeless in the near future. Those at-risk groups include very low and low-income families, individuals released from various institutions, single parents, substance abusers, and the elderly populations. In planning for the next five years, issues related to very low- and low-income households, single parents, and the elderly, are addressed in this housing element and issues related to these groups and individuals released from various institutions, and substance abusers are addressed in the City's *Consolidated Plan 2000-2005*.

Opportunities for the At-Risk Population

Programs to upgrade job training and open opportunities for the at-risk population should be supported to enable those who are able to work to pay for their housing. An increase in the supply of affordable housing units in varied sizes, including efficiency units for seniors and individuals would significantly aid in reducing the number of homeless families and singles in Redwood City. If rents continue to increase, more elderly households will continue to risk homelessness unless rental subsidies or additional affordable senior housing units are available.

Inventory of Shelters

Most shelters used to house homeless people are financed through government funding and private donations. They offer free and subsidized housing to those who are homeless and/or very low-income. The shelters are described in Appendix B. There are three types of shelter housing in Redwood City.

- *EMERGENCY SHELTERS* are usually one to three nights and up to 28 days stay to meet the immediate needs of first time homeless.
- *TRANSITIONAL SHELTERS* accommodate homeless from six to eight weeks up to a period of six months and include counseling, referral, and/or training ideally to rehabilitate the user into independence.
- *LONG TERM SHELTERS* are permanent housing facilities for special needs or individuals unable to gain complete financial independence. They are distinguishable from other homeless facilities based on their "institutional" type structure and the fact that their clients have no usual housing elsewhere.

It is estimated that 47% of the total users of temporary emergency services are Redwood City residents. Also, it is estimated that approximately 76 Redwood City residents use long term rental assistance and supportive services, which is provided by the County's Plus Care Program. It is estimated that 1.3% of the total city population is homeless. The situation is expected to worsen because of the lack of affordable housing and escalating rents. The supply of transitional housing should be augmented and term of program participation lengthened in order to provide for immediate as well as long term needs of families and individuals "at risk" of becoming homeless while additional permanent affordable housing projects can be developed.

Footnotes

1. Palo Alto Daily News, Page 3, July 28, 2001.
2. San Jose Mercury News, Page B-1, August 13, 2001.

Sources:

Temple University study conducted by Professor Eugene Erickson in 2001, cited in the S.F. Chronicle on 7/7/01.

San Mateo County Homeless Quadrant, Redwood City Family House, Spring Street Shelter, Your House South, and Maple Street Shelter

### 3 HOUSING CHARACTERISTICS

#### INTRODUCTION AND BACKGROUND

This chapter describes the supply and condition of the existing housing stock in Redwood City. The local housing supply is described in terms of total stock, tenure, unit size, unit age and condition, cost of housing and ability to pay, and vacancy rates. Also included is an analysis of existing multifamily housing developments that are, or will be, eligible to change to non-low-income housing uses by 2011 due to termination of subsidy contracts, mortgage prepayment, or expiration or use restrictions.

#### HOUSING SUPPLY, PRODUCTION AND COMPOSITION. (AS REVISED)

In 2000 there were 28,921 housing units in Redwood City, up from 26,847 in 1990 according to the U.S. Census. Another measure of the production of housing units, based on the issuance of building permits, is published by the California Department of Finance (DOF). Although the Census and DOF data vary, both are indicative of the level of housing production. Since 1988, Redwood City has produced the following number of new units as reported by the Department of Finance:

**Figure 3-1**  
**Housing Production,**  
**1988 - 2002**  
**(building permits issued)**

Year	Units
1988	448
1989	476
1990	41
1991	95
1992	116
1993	82
1994	188
1995	505
1996	308
1997	321
1998	568
1999	54
2000	229
2001	38
2002	35
2003	11
<b>Total Units</b>	<b>3,515</b>

Source: City of Redwood City,  
Consolidated Plan, 2000, as  
updated

Figure 3-2 provides a detailed breakdown of the existing housing units in 2000 by type of structure for Redwood City and San Mateo County. Redwood City has a higher percentage of buildings with 5 or more housing units than San Mateo County, which is consistent with the greater number of rental units in Redwood City compared with the County.

<b>Figure 3-2</b>		<b>Distribution of Housing Units in Redwood City: 2000<sup>1</sup></b>	
<b>Units in Structure</b>	<b>Redwood City (Total Units)</b>	<b>Redwood City (Percent of Total)</b>	<b>San Mateo County (Percent of Total)</b>
1 (Detached Single Family)	13,614	46%	57%
1 (Attached Single Family)	3,052	10%	8%
2 to 4	2,384	8%	7%
5+	9,638	33%	27%
Mobile Home	612	2%	1%
<b>Total Housing Units</b>	<b>29,300</b>		

Source: California State Department of Finance (DOF), Population and Housing Estimates for California Cities and Counties, January 1, 2000.

**Notes:**

1. These estimates have not been updated by DOF to include the 2000 Census results.
2. Percentages may not add to 100 percent due to rounding.

### TENURE

Tenure refers to the occupancy of housing units by owners or renters. Ownership has often been associated with security and permanence.

The 2000 Census indicates that 47 percent of all occupied units in Redwood City are renter occupied and 53 percent are owner occupied. In San Mateo County, 39 percent of all occupied units are renter occupied and 61 percent are owner occupied. Higher levels of renter occupancy in Redwood City are likely related to the marketplace response to the housing demand of Redwood City's inhabitants, as well as individuals and families locating in Redwood City to achieve affordability.

### AGE AND CONDITION OF HOUSING STOCK

The following chart shows the units built by decade through August 2001.

<b>Figure 3-3 Units Built By Decade</b>									
Total	Pre-1940	1940-49	1950-59	1960-69	1970-79	1980-89	1990-99	2000-01	
# of Units	29392	2887	3975	7632	5376	3610	3367	2278	267
% of Total	100%	10%	14%	26%	18%	12%	11%	8%	1%

Source: Redwood City Housing Element: 2000, updated.

As the existing housing stock ages it is important that the buildings are periodically rehabilitated in order to maintain safe and sanitary housing stock. Due to age, high density, and overcrowding, some of the City's housing stock does not meet minimum standards, and code enforcement is needed to protect the remaining housing from loss of value, quality and function.

The City's efforts in housing rehabilitation through the use of Block Grant funds and code enforcement has improved the overall quality of housing in Redwood City, although there are some areas where additional effort is needed to improve the condition of housing. In many years the City exceeds its commitment (stated in the *Consolidated Plan*) to make 45 rehabilitation loans per year. For example, in fiscal year 2000-2001, 160 rehabilitation loans were achieved. The

variable that makes issuance of a greater number of loans possible is full staffing of the Home Improvement Loan Program.

The 1990 and 2000 Census show that 77% (22,921) of the dwelling units in Redwood City were constructed prior to 1970. These units are now over 30 years old and could be in need of rehabilitation. Forty-six percent (13,194) of the dwelling units were built prior to 1950 and would have certainly required some rehabilitation to keep them in good condition.

It is reasonable to expect that many of the apartment units will require some type of rehabilitation during the next decade based on the age of the housing stock. There is a trend toward units requiring more frequent rehabilitation due to the increasing occurrence of overcrowding in all type of housing units.

Rehabilitation costs are divided into two categories: the physical cost of rehabilitation and the cost of relocating tenants on a temporary or permanent basis. The cost of physical rehabilitation for rental housing in the City's Home Improvement Loan Program during the 2000/2001 program year averaged \$49,583 per unit in multi-family buildings and \$51,792 per single family unit. The higher per unit rehabilitation cost for detached, single-family housing can be attributed to a greater need for structural work, such as foundations, and the larger size of the dwelling. In both multifamily and single-family dwellings, an aging/neglected housing stock, overcrowding/overuse of individual units, the presence of lead-based paint, rising construction costs and predated energy efficiency systems contribute to the cost of rehabilitation.

Since 1977, the City has rehabilitated approximately 725 housing units under its housing rehabilitation loan programs. Between 1989 and June of 2001, approximately 472 units have been rehabilitated from seriously substandard/ uninhabitable to the standards of current health and safety codes.

#### Number of Substandard Units (AS REVISED)

On May 29, 2002, the City commissioned Keyser Marston to conduct a survey of substandard dwelling units within the City to provide a database that identifies the location of homes that are deteriorated and in need of repair and those older homes that are likely to have lead paint. The study also identified all historic residential units constructed prior to 1920 and, of those identified, which units were determined as deteriorated or dilapidated.

Deteriorated buildings were defined as needing of one or more major repairs and/or extensive maintenance; repairs to damaged building components are critical to prevent further decay or structural deterioration; or rehabilitation is considered necessary for continued occupancy of building. This category includes buildings that require a new roof, exterior building repair, limited window and door repair/replacement and minor foundation repair.

Dilapidated buildings were defined as having major damage or severe deterioration; rehabilitation is likely infeasible since the total cost of repairs would exceed the value of the structure or require replacement of major building components; occupancy is considered unsafe. This category includes buildings with roofs that have collapsed or have significant fire damage.

According to the survey, approximately 204 buildings, which include 275 *units*, were identified as substandard and/or dilapidated and in need of rehabilitation. In addition, 295 historic, pre-1920 residential buildings were identified, which include 357 historic *units*. Nine historic buildings were also identified as deteriorated or dilapidated.

#### Housing Rehabilitation for Low and Very-Low Income Households (AS REVISED)



Figure 3-4 depicts the 103 rehabilitated homes that meet required findings under AB438.<sup>1</sup> At the time of rehabilitation the four Main/ Stambaugh Street units were not in service as a housing use

and they were dilapidated to the point of being boarded up and determined uninhabitable by the City's Fire Chief. These units caught on fire and have remained unoccupied since the 1950s. Home Improvement Loans used to substantially restore these units to habitable use involved 30-year agreements tied to the term of financing and are still in service as exclusive affordable housing. Since tenants in these units lease via Section 8 contracts, annual re-certification documents the continued AB438 compliance of these units.

The City has also ensured the preservation of Redwood Court, a 27-unit affordable housing development that was at risk of being converted to market rate housing. The City's participation with the California Housing Finance Agency made it possible for a non-profit to purchase and rehabilitate these units and continue affordability to very low income households for 55 years. A Program in the Housing Element called Preservation Program was utilized by the City to grant funding to this project. A Public Hearing will be held by the Housing and Human Concerns Committee on September 23, 2003 making the finding that public funds will be used to prevent the units from converting to market rate because of termination of previous subsidies allocated to the development.

Finally, the City is working to ensure that the Hallmark Apartments meets the requirements of AB438 under the eligibility section B) Multifamily rental units to be converted from non-affordable to affordable. The City is currently working to provide \$650,000 in financing for the acquisition/ rehabilitation of this 72-unit apartment complex for 22 very-low income and 49 low-income units with a 55 year affordability term (manager's apartment is not counted).

#### Community Care Facilities

Figure 3-4 also depicts community care facilities located in Redwood City. As of year 2001 Redwood City houses the second largest number of community care facilities in San Mateo County (Appendix C).

<b>Figure 3-4</b>			
<b>Housing Rehabilitations for Very-Low Income Households and Community Care Facilities</b>			
	Very Low-Income	Low-Income	Total
Housing Rehabs	26	77	103
Community Care	+ 10	+ 47	+ 57
Total	36	124	160

#### OVERCROWDING

Housing with more than one person per room in residence has been defined as "overcrowded." By this definition, 17.3% (2,185 out of 12,547) of all rental units in the city were reported to be overcrowded in 1990. Some 5.8% (485 out of 12,946) of owned units were also reported to be overcrowded.

There is a high incidence of overcrowding in one and two bedroom rental units because low-income families cannot afford three bedroom units without a housing subsidy. The majority of occupied units consist of studio, one- and two-bedroom units. The majority of rental units

<sup>1</sup> AB438 allows housing units to be counted as part of a city's fair share housing production if the existing units are determined uninhabitable (i.e. boarded up and not in service) and are rehabilitated to current code for very-low income household occupancy.

occupied by very low- and low-income households consist of studios and one-bedroom apartments, shown in Figure 3-8.

#### VACANCY

Generally, a five percent effective vacancy rate is considered desirable to provide for adequate

consumer choice and mobility as well as adequate returns to housing providers (this desirable, effective vacancy rate only applies to units for sale or for rent; it does not include units being held for occasional use or awaiting occupancy). However, given the problem of overcrowding, a five percent vacancy rate actually represent an under supply of housing in the city, particularly in the affordable ranges. The overcrowding problem demonstrates that the demand for housing by people with lower incomes exceeds the supply of housing at a price affordable to lower-income households. When vacancy rates are too low, population mobility is impaired, costs remain high, and substandard housing remains occupied.

The 1990 Census showed the vacancy rate for ownership housing was 1.1 percent and for rental housing was 2.9 percent. The 2000 Census showed the vacancy rate for ownership housing was 0.4 percent and for rental housing was 2.3 percent. At the time of the 2000 Census (April 2000), the nation and the region was at the height of the business cycle and demand for housing was at its peak. Since then, the stark change in the economy with job losses adding up, company earnings declining, and more newly built apartments coming on the market, vacancy rates have increased and rents have declined from the peak in 2000. In 2001 vacancy rates in the San Francisco and Oakland areas remain unchanged at 5 percent between the second and third quarters. In Santa Clara County, vacancy rates climbed from 4 percent to 6 percent during this period, according to a survey<sup>2</sup> conducted by Axiometrics, a Dallas firm that tracks 80 apartment markets nationwide. Although Axiometrics surveys large complexes, the trends hold true for smaller properties according to representatives of the Tri-County Apartment Association, a trade group for landlords in San Mateo, Santa Clara, and Santa Cruz counties. The San Francisco Metropolitan Statistical Area (MSA) includes San Mateo, San Francisco, and Marin counties. The Oakland MSA includes Alameda and Contra Costa counties.

#### HOUSING COSTS

In 1980 the median cost of a home was \$123,400. In 1990 the median cost of a home had risen to \$349,500 and in 2000, the median cost of a home was \$496,250, a 302% increase since 1980. Prices of a “home” in Redwood City vary depending on location and on whether the “home” refers to the group – condominiums, townhouses, and detached single family houses- or simply to detached single family houses. Please refer to figure 6-3 in Chapter 6, which depicts median prices of single family residences/condos and new houses by zip code, for a look at variation by zip code. In the second quarter of 2001, the median price of a detached, single family house in Redwood City was \$570,000, compared with \$550,000 during the second quarter of 2000.

Mean contract rent in 1980 was \$283 and increased to \$731 by 1990. According to a rent survey, dated April 17, 2000, the contract rent was \$1,200, representing a 40% increase since 1990.

**Figure 3-5**

**Median Single Family Home Price  
August 2001<sup>3</sup>**

<sup>2</sup> The survey measures rents and vacancies at 97 Bay Area properties – a total of more than 26,000 apartments – owned by seven publicly held real estate investment trusts, including Avalon Bay Communities and Essex Property Trust. The firm conducts its quarterly surveys in the middle month of each quarter, meaning the information was gathered in August.

<sup>3</sup> San Mateo County Association of Realtors (SAMCAR), 2001, based on 540 total sales in August 2001.

San Mateo County	\$575,000
Redwood City	\$575,000
Redwood Shores	\$689,500

Source: Peninsula Regional Data Services, Data are completed home sales in San Mateo County, with 488 total sales in March 2000.

#### Over Payment Issues

The California State Legislature requires each housing element to analyze and document household characteristics, as done above, and also to show the level of payment compared with ability to pay and housing characteristics including overcrowding and housing stock condition. This section reports the Association of Bay Area Government's findings regarding "overpayment" for housing.

According to HUD's definition of overpayment, a low or very low-income household that pays more than 30% of its income for housing is living in unaffordable housing.

**Figure 3-6**  
**Households Overpaying for Housing**

City	Low-income Households Owning	Low Income Households Renting	Low Income Households Overpaying (Owners)	Low Income Households Overpaying (Renters)	% of Low Income Renters Overpaying	% of Low Income Owners Over-paying
Belmont	743	1,759	345	1,437	46%	82%
E. Palo Alto	1,281	2,495	636	1,899	50%	76%
Foster City	481	1,149	280	992	58%	86%
Menlo Park	1,343	2,623	506	2,085	38%	79%
Redwood City	2,564	6,711	928	5,121	76%	36%
San Carlos	1,508	1,382	611	1,110	41%	80%
San Mateo	3,747	7,594	1,377	5,972	37%	79%

According to a press release by HUD on March 27, 2000, it is estimated that the low-income households paying more than 50% of their income for housing increased by 12% since the economic recovery began in 1991.

#### Renter and Owner Needs

The majority of apartment units in Redwood City are one and two bedrooms built in the 1950s and 1960s. Larger units with 3 or more bedrooms required by larger families are mostly ownership dwellings. The number of these units that are available for rent is partially dependent on the market conditions. In 2000-2001, a low-income household could not afford a 3 bedroom unit in Redwood City unless: 1) it had Section 8 housing assistance to subsidize the rent, 2) it lived in an overcrowded situation with at least one other household, 3) the housing is owned by a non-profit organization, sponsored by a public agency, or 4) the owner-resident owned the house for a long period of time and does not have a mortgage.

The cost of rental housing responds to market forces. The lack of inventory, therefore, limits housing choice and availability to many middle and moderate-income persons and particularly most low-income and elderly households. When several families together compete for a housing unit based on the strength of multiple, combined incomes, elderly households have little or no ability to compete. The result has been more and more senior households applying for homeless assistance.

Figure 3-7 is a comparison of affordable rents for each income group (based on a standard of housing expenditures not exceeding 30% of median income) compared to the average cost of available units based on a rent survey in 2000 as follows:

**Figure 3-7 Comparison of Affordable Rents: 2001<sup>4</sup>**

Unit Sizes	Rent Surveyed	Average Rent	Affordable Rent	Income Required
1 BR (1-2 people)	15	\$1,161	\$850	\$34,000
2 BR (2-4 people)	7	\$1,534	\$1,062	\$42,500
3 Bedroom (5+people)	3	\$2,283	\$1,147	\$45,900

New construction of multifamily units requires available land to develop. Large parcels of unencumbered land do not exist within the City limits. Possible future sites currently contain older businesses and homes that will have to be demolished before new construction can begin. Since the major value in many older residential areas is in the land, acquisition and relocation will be an expensive process.

The density of housing must be fairly high to lower the per unit land costs to a level where affordable housing can be built. In addition to the land cost, building costs can reach up to \$288 per square foot<sup>5</sup> for multifamily units. Building fees and taxes can run an additional 1-3% of the total construction costs according to the Redwood City Building Division. An estimate of fees is shown in figure 6-2 in Chapter 6.

The definition of affordability varies depending on State or Federal interpretations. The State of California defines affordability as expenditures for housing of 30% of income. Expenditures on housing include utilities for rentals and mortgage insurance, taxes, homeowner fees, etc., for ownership housing. A large amount of subsidy is required to meet the affordability requirements, especially for very low-income households. A typical ownership-housing unit would sell to a very low-income family between \$134,000 and \$150,000. The Federal definition of affordability addresses 30-35% of income for housing in subsidized rentals. In an area with extremely high housing costs, these definitions and variables make it challenging to leverage private funds with a combination of redevelopment and federal dollars to create housing that is affordable to the very low-income.

Rents are expected to continue to increase in the next five years as the population of the Bay Area continues to rise and more affluent housing seekers are competing for a limited supply of rental housing. For example, the population of Redwood City is projected to increase 1.3<sup>6</sup> percent per year for the period 2001 – 2006 and the population of San Mateo County is projected to increase 2 percent a year according to San Mateo County Economic Development Association's (SAMCEDA). Overcrowding is expected to increase as renters move more than one household into units in an effort to avoid homelessness.

The outlook for decent, safe, and sanitary affordable housing could improve over the next few years if the private sector, local, state and the federal government form partnerships to require affordable housing development for all income groups. Absent this type of partnership, the economic climate is most conducive to market rate housing. Land costs are at a premium and developers have few incentives to build at below market rate. Rental costs of existing units are already out of reach for the very low-income and fixed income households, including elderly persons. As a result, the need for low-income affordable housing for families and elderly households is expected to increase continuously over the next five years.

<sup>4</sup> Affordable Rents are calculated based on incomes at 50% of median.

<sup>5</sup> Building Standards, ICBO

<sup>6</sup> Redwood City Planning and Redevelopment, 2001

Figure 3-8 shows the number rental units within the City of Redwood City that are affordable to people with low- and very low-incomes.

**Figure 3-8 Rental Units Affordable to Very Low- and Low-Income Households: 1990**

Unit Size	0 and 1 Bedroom Units			2 Bedrooms			3 or more Bedrooms		
Income as a percent of County median income	0 - 30%	0 - 50%	0 - 80%	0 - 30%	0 - 50%	0 - 80%	0 - 30%	0 - 50%	0 - 80%
Number of Occupied Rental Units	284	816	3,506	145	491	1,714	113	217	327

Source: *Consolidated Plan 2000 - 2005*, City of Redwood City, 2000, p. II-5

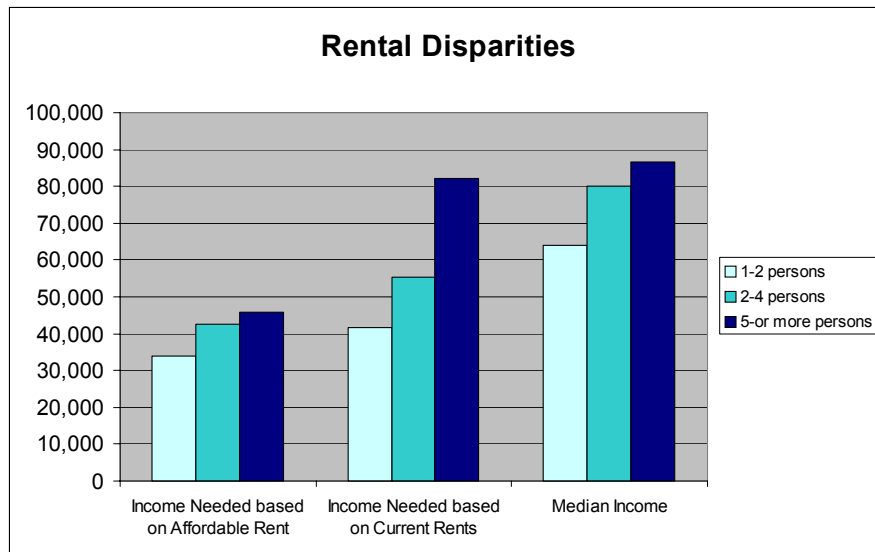
**Figure 3-9 Vacant Rental Units Affordable to Very Low- and Low-Income Households: 1990**

Unit Size	0 and 1 Bedroom Units			2 Bedrooms			3 or more Bedrooms		
Income as a percent of County median income	0 - 30%	0 - 50%	0 - 80%	0 - 30%	0 - 50%	0 - 80%	0 - 30%	0 - 50%	0 - 80%
Number of Vacant Rental Units	0	626	190	0	28	55	0	0	0

Source: *Consolidated Plan 2000 - 2005*, City of Redwood City, 2000, p. II-5

Data provided by HUD illustrate vacant units for rent to low- and very low-income families and the incidence of overcrowding in rental units. Figures 3-9 and 3-10 support the observation that larger families are forced to choose smaller units due to the lack of larger, subsidized, affordable rental units. The overcrowded conditions of the smaller units have led to the higher incidence of housing problems. The choices available to very low-income families are further constrained by affordability. Redwood City has implemented a comprehensive housing strategy to organize and provide programs to benefit households earning less than 80 percent of the County median income. This housing strategy is described in the *Consolidated Plan 2000 - 2005*.

A survey of rental units in Redwood City showed that a reasonable number of units fell within the low- and moderate-income categories, but few were in the very low category. The units surveyed were advertised in the Redwood City Independent and the San Francisco Chronicle in September 2001.



50% of Median Income	Affordable Rent	Current Average Rent	Income Needed Based on Affordable Rent	Income Needed Based on Current Average Rent
1-2 persons	\$850	1 BR - \$1161	34,000	41,796
2-4 persons	\$1063	2 BR - \$1,534	42,500	55,224
5-or more persons	\$1148	3 BR - \$2,283	45,900	82,188

Based on this survey, the market rate for rents is greater than what most very low-income families can afford. For example, a family needs an income of \$82,188 per year to afford to rent the average three-bedroom unit. A very low-income family makes only 50% or about \$45,900 of the needed income per year to afford this rent. For a low-income family with three children, the only options may be to crowd five into a two-bedroom apartment, move out of the area, or obtain a Section 8 rent subsidy. The graph above illustrates the disparity between the income needed to rent at the average and affordable rent levels with the high county median income.

In 1990, a significant number of renters, approximately 76%, were paying more than 35% of their income for housing, and 36% of homeowners were paying more than 35% of their income for housing. It is expected that the 2000 Census will show a 12 percent increase in the percentage of people paying more than 35 percent of their incomes for housing.

#### Housing to Accommodate the Disabled

All new housing will be required to meet Title 24 (State) regulations and/or ADA (Federal) regulations with respect to housing accessibility and/or adaptability, where appropriate.

#### ASSISTED HOUSING **AS REVISED**

There are four projects containing a total of 325 federally assisted housing units in Redwood City. The Federally Assisted Housing chart (Appendix D-1) identifies the projects, the date when federally insured assistance matures, and the status of each development. Three of the four projects, Casa de Redwood, Heron Court, and Redwood Court are owned or controlled by non-profit organizations and are prohibited by law from prepaying their federally insured mortgages prior to their maturity dates. These projects are not at risk as long as the U.S. Department of Housing and Urban Development (HUD) continues to renew the existing Section 8 contracts on these projects. HUD renews the project-based contracts annually.

The remaining development, Redwood City Commons, (850 Main Street) consists of 58 senior housing units. This is a for-profit development and so could convert to market rate, since private owners have the option of not accepting a project-based, Section 8 subsidy. However, it is unlikely that an owner would refuse the economic incentive of a Section 8 subsidy.

If the development converted to market rate status, HUD would offer tenant-based, Section 8 certificates to the tenants residing in the project so they could continue to be assisted by individual Section 8 contracts. Since Section 8 rents exceed the local market rents for similar housing units, the reality is that there is an incentive for apartment owners to house people with Section 8 certificates as long as this differential continues.

In the event that the owner desired to sell Redwood City Commons, HUD would encourage the owner to sell the property to a community-based organization with non-profit status, who would have other options for owning and maintaining these units. In October 2001, a representative of Redwood City Commons informed staff that they are renewing their leases annually with HUD to maintain affordability for existing and future occupants.

In Redwood City, there are also seven affordable projects containing 141 units, all of which are locally assisted housing. An eighth project, the Franklin St. apartments, was completed in the fall of 2002. This project contains 31 affordable units. There are no public housing units in Redwood City owned by the Housing Authority. The Locally Assisted Housing chart (Appendix D-2) identifies the projects, the date when the financing aid expires, and the status of each development. None of the seven projects are at risk during the 2001 to 2011 period.

The non-profit organizations that own Casa de Redwood (on Veterans Blvd.), Heron Court (on Gunter Lane), and Redwood Court (on Spruce St.) have a mission to provide affordable housing. They have limited options for selling their property and must hold their mortgages for the required period. The 20-year contract for the provision of Section 8 subsidies for the 27-(very low income) unit Redwood Court expires in 2003. The owner of this building could convert the units to market rate rents because of the termination of subsidies and expiration of the HUD contract. As such, the City is participating with a non-profit and the California Housing Finance Agency to assist the non-profit in acquiring and rehabilitating the housing with 55 year deed restrictions to ensure the units remain affordable to very-low income households through June of 2085.

Representatives of Casa de Redwood and Heron Court have stated an intention to continue the affordability of these units with project-based Section 8 contracts, which are renewed annually. Representatives of Redwood City Commons indicate they are renewing their leases annually with HUD to maintain affordability for existing and future occupants.

Congress adopted the Mark-up to Market Option as an emergency initiative in June 1999 to provide an incentive to owners of certain below-market properties located in strong markets to renew the Section 8 contract and continue to provide affordable housing. This program is useful for cities and nonprofits to preserve affordable housing. For example, the program is used in Homestead Park in Sunnyvale to preserve assisted housing.

#### Program to Preserve Assisted Housing

As the City has done in the case of Redwood Court, the City could also consider playing a role in furthering the preservation of Redwood Commons by:

- Establish a list of qualified, community-based organizations, such as Mid-Peninsula Housing Coalition, to be ready to step in and assume ownership and management of the units.
- Hold public hearings upon receipt of any Notice of Intent to Sell or Notice of Intent to Convert to Market Rate Housing, pursuant to Section 65863.10 of the Government Code.
- Identify a qualified, eligible buyer to purchase and hold the units as long term affordable housing.

- Seek to provide “financing necessary to assist a qualified, eligible buyer” to purchase the units at risk of being converted to market rate.
- In the event of either the future loss of Section 8 subsidies for rental assistance, or the termination of the Section 8 program, the City and/or the Redevelopment Agency have available and shall consider appropriating HOME funds and Redevelopment Tax Increment funds to reduce operating costs on these units as a short term solution. In addition, the City and/or the Redevelopment Agency shall seek other local, state and federal dollars to make rental subsidy payments.
- Consider using funds from any source available at the time, up to and including CDBG/HOME funds, Redevelopment Housing Funds, General Funds, loan guarantees, bond funds, or any other source of funds available to the City.

### Analysis of Replacement Costs for Assisted Housing

This section is intended to respond to the requirement for an analysis of replacement costs for federally and locally assisted housing that is at risk of being converted to market rate. Since non-profit developers own 267 units in the City’s federally assisted housing inventory and 126 in the City’s locally assisted inventory, they are not considered to be at risk. The remaining 58 units at Redwood Commons are privately owned. This analysis, therefore, addresses the 58 units at Redwood Commons.

Considering the current economic climate and the great need for senior housing, based on the number of seniors who are being priced out of the housing market, this analysis assumes outright replacement of the units rather than rehabilitation or conversion of an existing housing development that could serve this need.

Development assumed at risk: Redwood Commons Senior Housing<sup>7</sup>  
 Number of Units: 58

### Replacement Cost Analysis<sup>8</sup>

<i>Construction Costs per Sq. Ft.:</i>	<i>\$200.00<sup>9</sup> per sq. ft. including services and community space</i>
<i>Minimum cost per unit<sup>10</sup>:</i>	<i>650 sq. ft x \$200 = \$130,000</i>
<i>Minimum cost for 58 units</i>	<i>\$130,000 x 58 units = \$7,540,000.</i>
<i>Method of Replacement:</i>	<i>Utilize public subsidy and non-profit developer</i>
<i>Sponsor:</i>	<i>City and Redevelopment Agency<sup>11</sup></i>
<i>Financing Mechanism:</i>	<i>Federal funds, Redevelopment Housing Funds, Bond issue or tax credits</i>
<i>Timing to Replace Units:</i>	<i>2 – 5 years</i>

<sup>7</sup> In October 2001, a representative of Redwood City Commons informed staff that they are renewing their leases annually with HUD to maintain affordability for existing and future occupants.

<sup>8</sup> Axiometrics, as reported in the San Jose Mercury News, September 11, 2001, page 1C.

<sup>9</sup> Represents current cost of construction for similar projects based on today’s construction and materials costs in 1999, and does not include the cost of land. Actual cost at a future date may be higher or lower, depending on the local economy and construction industry.

<sup>10</sup> Assumes affordability to 50% and below median income, with the majority of units assisting seniors with incomes from poverty level to 30% of median.

<sup>11</sup> The Redevelopment Agency would serve as sponsor where eminent domain power is required to assemble site for replacement housing or when site development is within the Redevelopment Plan Area. The City would sponsor any revenue bond issues required to finance such a project. (Eminent domain is the authority of a government to take, or to authorize the taking of, private property for public use.)





## **4 REVIEW OF 1989 – 1999 HOUSING ELEMENT**

### **INTRODUCTION AND BACKGROUND**

The state Housing Element Law requires that each jurisdiction carry out a review of progress made on the policies and programs specified in the Housing Element.. The following chapter describes the policies and programs contained in the previous element and efforts by Redwood City to accomplish them. Since the housing policies (statement of purpose) are the implemented through the housing programs (action plans), they are automatically incorporated into the review outlined below

### **GOALS**

Provide safe and sanitary housing opportunities in suitable locations for all segments of the population.  
Housing Element goal adopted in 1993

Provide or create new sites for 4,741 new very low to above moderate income housing units between 1988-99, within the city limits of Redwood City (or within land that Redwood City has land use control over). Housing Element goal adopted in 2000

### **POLICIES 1989 – 1999**

1. Promote the construction of lower-income housing developments located in areas that are convenient to public transportation, shopping, recreation, schools, hospitals, employment, and other community facilities.
2. Explore plans and programs for private or public redevelopment of areas adjacent to the downtown district to provide for new well-designed multi-family structures to house those in all income levels who, by desire or necessity, wish to be near the downtown area.
3. Allow second (attached and detached) units in single-family residential areas, while respecting the character of residential neighborhoods.
4. Provide emergency housing for people without housing or those who are inappropriately housed.
5. Give emphasis in allocating funding to programs that assist first time home buyers that are of lower income.
6. Encourage public/private partnerships in the development of housing wherever possible.
7. Mid-point (late 1995) review by the Housing and Human Concerns Committee, Planning Commission and City Council of the Housing Element Implementation schedule.
8. Complete review of the Housing Element, including reassessment of objectives, policies and strategies implementation measures, priorities and strategies every five years. The review document to be prepared by staff, reviewed by the Housing and Human Concerns Committee and then submitted to public hearing before the Planning Commission and City Council.
9. Continue to use available federal and state funds to the fullest extent to improve housing conditions and affordability.
10. Develop incentive programs (using Capital Improvement Funds, CDBG, and other available sources) for residents willing to assist in upgrading their neighborhoods.
11. Assure that housing programs maximize choice and avoid unlawful discrimination. Promote equal opportunity in housing.

## HOUSING POLICY/PROGRAM EFFECTIVENESS

The following administrative actions were intended to implement the legislative intent of the adopted city policies for housing. Programs 1 – 4 respond to the requirements for state certification set forth by the state Department of Housing and Community Development (HCD) in the letter to Redwood City dated March 11, 1993 regarding deficiencies noted by HCD within Redwood City's draft 1993 Housing Element. With this more detailed description/analysis of on-going housing programs (1-4), HCD ultimately certified Redwood City's Housing Element in May of 2000. Programs 5 – 26 were listed in the previously adopted 1993 Housing Element. Programs 27 – 32 were implemented during the 1988 – 99 planning period but were not specifically listed as housing programs in the previous Housing Element.

Each program is followed by a section entitled, *Progress*, which reports on the implementation of the program. A Status Update of each program is also provided. With few exceptions, the following housing programs have been carried forward to the current 1999 – 2006 Housing Element planning period.

### PROGRAMS

**Program 1** The City will encourage a variety of housing types and strive to provide sufficient land to allow the market to freely create 4,741 new residential units, new residential sites or rehabilitated units (AB348) for 996 very low, 806 low, 996 moderate and 1,943 above moderate-income households.<sup>1</sup>

*Progress: During the 1989-99 planning period Redwood City constructed 3,508 new housing units and created 4,635 new sites for housing.*

*Figure 4-1 provides a summary of Redwood City's determined housing need, housing production and unit income distribution for the 1988-99 planning period. Most of the units produced were built east of Highway 101 within the planned residential community of Redwood Shores. However, infill sites along Bair Island Road and within Western Redwood City were also rezoned and developed residentially*

*As Figure 4-1 illustrates, during the 1988-99 planning period, Redwood City exceeded its moderate-income housing need by 370 units (1,366 provide -996 required =370), but produced 250 fewer above-moderate income units (1,943 required – 1,693 provided =250). Redwood City also produced 802 fewer very-low income and 551 fewer low-income units (996-194 =802 and 806-255 =551) than required. Overall, Redwood City was 1,233 units short of the total 4,741 residential units required (4,741 required – 3,508 produced = 1,233) in order to meet its "fair share" housing need.*

*Listed below are a few factors that combined to limit Redwood City's ability to completely achieve the housing construction goal of the previous housing element:*

- *A major national and statewide recession during the early 1990s, from which California was one of the last states to recover;*
- *A crisis in the banking industry;*
- *Significant demographic shifts over the past ten years;*
- *Significant reduction of development potential on bayfront land;<sup>2</sup> and*

<sup>1</sup> The income ranges for a family of four persons based on 1990 HUD estimates are: Very Low Income \$0-24,925; Low income \$24,925-\$39,880. Moderate Income \$39,880-\$59,821; and Above-Moderate \$59,821+.

<sup>2</sup> ABAG letter to Redwood City, dated April 11, 1997, states: "Based in large part on the loss of the development potential in South Shores, the growth expectations for Redwood City have declined significantly. The census tract level residential development potential for portions of South Shores has been drastically reduced since 1,626 acres have been acquired as permanent open space by the Peninsula Open Space Trust. In addition, I understand that Area H has very different development expectations than it did over a decade ago. Whereas the planned capacity was for 420 units and 156,000 square feet of commercial at the time the housing needs were prepared; currently it is in the tidal plain and the city has not been granted jurisdiction by the Army Corps of Engineers. The following table contrasts the Projections 87 and Projections 96 series household growth forecasts for Redwood City:

Household Growth	Projections 87	Projections 96
1990-1995	2,380	805
1995-2000	2,580	1,800

We agree that the City's ability to identify suitable residential sites has been substantially reduced since the mid- to late-1980s and this should somehow be taken into account in reviewing the City's residential site inventory."

- *Responsibility for developing residential units within significant acreage (Redwood City's Sphere of Influence) that is under the jurisdiction and control of San Mateo County. Redwood City has no land use/zoning controls (residential or otherwise) over this unincorporated property.*<sup>3</sup>

As Figure 4-1 illustrates, while Redwood City did not entirely meet its "fair share" housing need through new construction, it **exceeded/doubled (4,635 sites) its "fair share"** through the creation of new housing site capacity.

Status Update: This significant new site capacity (4,635 sites) should greatly increase opportunities for development of additional housing for all household income levels during the 1999-2006 Housing Element planning period.

**Figure 4-1  
Summary of Redwood City's 1988 –1999  
Housing Need, New Production & New Sites**

AGAB Housing Need Determination:

Very-Low	Low	Moderate	Above-Moderate	Total
996	806	996	1,943	<b>4,741</b>

Redwood City Housing Unit Production:

Very-Low	Low	Moderate	Above-Moderate	Total
194*	255	1,366*	1,693*	<b>3,508*</b>

New Housing Sites Created (per mixed use, in-law unit & other rezonings): **+4,635**

**Grand Total Produced (New Units & New Sites) 8,143\***

\*Update: Building permits for the 206 unit Franklin project were not issued in 1999 as assumed in this analysis, but were issued in 2000. Therefore, the following deductions from the previous housing production should be made: 12 units from very low income, 19 units from moderate income, 175 units from above moderate, and 206 units from the total number of units produced.

## **Program 2**<sup>4</sup>

The City should provide land suitable for residential development and analyze the relationship of zoning and public facilities to residential site development. (Refer to Figure 4-1 (for summary of units built/sites created) and Figures 4-2 & 4-3 (for infill sites and housing programs that created new housing units/sites).

*Progress: (a.) Land Suitable for Residential Development*

*Redwood City is a suburban community comprised primarily of residentially zoned properties. Residential properties are generally located within three geographically separate areas of the City: Redwood Shores, Bair Island Road and Western Redwood City. (Figures 4-2 & 4-3 identify land that has been rezoned to allow additional residential growth within these areas).*

### **Redwood Shores:**

*Redwood Shores, located east of U.S. Highway 101, is a 'Planned Residential Community' that has been under residential construction since the mid-1960s. Infrastructure improvements were financed through General Improvement (GID) and Mellow Roos Districts.*

Status Update: Since 2001, this middle to upper income residential community has been fully built out. Redwood Shore contains roughly 11,000 residential units.

<sup>3</sup> Redwood City has no current plans to annex unincorporated residential neighborhoods (the Fair Oaks, Ampex, Friendly Acres, Selby, College and Emerald Hills Neighborhoods), nor has the City received any applications from unincorporated residential property owners' requesting to be annexed to the City. (Redwood City recommended that consideration be given to having San Mateo County be held responsible for producing affordable units within their own jurisdiction).

**Bair Island Road:**

*Bair Island Road, located east of Highway 101 and south of Redwood Shores, contains the City's newest residential growth, but is primarily zoned for commercial and light industrial uses. In 1989 the City rezoned 20-acres of property from commercial to mixed-use residential. In 1998-99, 200 new residential units were constructed in this otherwise largely commercial area. During the writing of the 1989-99 Housing element, the City anticipated roughly a total of 300 additional units for development on Bair Island's only remaining mixed-use 11-acre infill site (see Figure 4-2- Pete's Harbor site). At build out, roughly a total of 500 units were anticipated within existing, mixed-use districts along Bair Island Road.*

*Bair Island Road currently lacks adequate roadway infrastructure to accommodate future expansion. Properties within this area are only accessible via a narrow, two-lane roadway that ends in a residentially developed cul-du-sac. The area is land locked by Redwood Creek, tidal plain sloughs, San Francisco Bay and Highway 101. The City is currently planning the extension of Blomquist Road (across Redwood Creek) to provide secondary (emergency vehicle) roadway access to this new residential area.*

Status Update: Since certification of Redwood City's 1989-99 Housing Element, the City has received one applications (44+/-acre Marina Village site) and anticipates a second (14+/-acre Syufy site) application to rezone existing commercial property to the mixed-use (residential and commercial) zoning district along Bair Island Road. If these and/or other future sites are determined to be *suitable* (i.e. adequate water, sewer, roadway infrastructure capacity) for future residential development, additional units could be anticipated along the along Bair Island Road area within the 1999-2006 Housing Element planning period.

**Western Redwood City:**

*By contrast, Western Redwood City, located west of U.S. Highway 101, contains residences built as far back as the 1800s. Western Redwood City is also largely built out, as all large, vacant residential sites are no longer available.*

*Additional lower- to above moderate-income housing units within Western Redwood City will likely occur through: **rehabilitation** of deteriorating affordable units (refer to Chapter 3, p.3), **densification** of underutilized (duplex-multi-family residential (MFR)) and infill sites, **redevelopment** of properties located within the boundaries of the Redevelopment Area and through private sector **reconstruction** of properties that have been **rezoned** from commercial to mixed use/ high density residential.*

**Housing Densification of Infill Sites**

*Figure 4-2 illustrates residentially zoned sites that are currently underutilized (i.e. existing duplex sites containing only a single-family unit or triplex lots containing only duplex units, etc.). This table also shows the only large mixed-use/residential infill site remaining along Bair Island Road (Pete's Harbor site). Increased densification of these properties could result in roughly 609 additional housing units.*

**Figure 4-2  
Existing Duplex and Infill Properties**

Underutilized Duplex-MFR Properties (West Redwood City - 10-30 units/net acre)	134
Pete's Harbor (Bair Island -- -11-acres at 43-50 units (with density bonus)/acre)	475
<b>Total Units Possible</b>	<b>609</b>

### **Housing Redevelopment**

The Redwood City Redevelopment Agency has and will continue to assist developers with infrastructure improvement financing in order to help defray the cost of new housing within the Redevelopment Area (i.e. Wyndham Place and City Center Plaza) and for Redevelopment Agency assisted projects (i.e. Rolison Road Project). In addition, the City and Redevelopment Agency have donated the entire cost of land, significantly contributed toward land costs and/or provided other economic incentives for projects (Appendix F).

California Redevelopment Law also requires that 15% of the units located within a Redevelopment Area be dedicated to very lower, low and moderate-income housing. To date, the **Agency has exceeded its very low to low-income unit requirements** under this law.

### **Housing Reconstruction** (Newly Created/Rezoned Mixed Use and Residential Sites)

Figure 4-3 lists new residential sites that have been created as a result of zoning amendments.

The rezoned Downtown, El Camino, Woodside & Bair Island Mixed Use Districts previously did not allow residential development. These properties can now be developed at the highest residential density allowed (43-50 units (with a density bonus)/acre).

**Figure 4-3  
New Affordable Housing Sites**

Year of Zoning Change	Amendments to Zoning Ordinance	New Affordable Housing Sites Created
1991	* New Mixed Use (36-50 units /acre) Downtown District Zones	300
1991	Revised In-law Unit Regulation (2units/5000sq.ft.)	1,900
1993	New Duplex Parcels (2units/7500sq.ft. now allowed on 50-ft. wide lots)	134
1993	*New Mixed Use (36-50 units /acre) El Camino, Woodside & Bair Island Road Zones	1,800
<b>Unit Potential</b>		<b>4,134</b>

In summary, the rezoned and newly created infill sites outlined in Figures 4-2 and 4-3 equate to a total of **4,743 new sites suitable for future residential development**. These rezoned properties should greatly increase opportunities for development of additional housing for all household income levels.

Status Update: The housing rehabilitation, densification, redevelopment and reconstruction programs will continue during the 1999-2006 Housing Element planning period.

Since the previous housing element, the City also prepared a *Downtown Area Plan*. This Plan will likely be adopted in 2002. Once adopted, approximately 2,600-3,400 additional housing units within the Downtown District are anticipated for development.

**Program 3** The City should analyze processing and permit procedures as governmental constraints upon maintenance, improvement or development of housing for all income groups.

*Governmental Constraints upon the Development of Housing for all income levels:*

(a) *Relocation Costs/One for One Replacement:*

Much of the available land remaining in Redwood City is infill property within the City's Redevelopment Areas. Certain federal and state laws relating to relocation limit the City's ability to promote and facilitate housing for lower-income groups within the City's remaining infill sites. For the City to acquire and assemble infill parcels for new development, it is required under state or federal law, depending on which source would be used for acquisition, to relocate existing households to comparable replacement units. In 2000, the average cost typically added up to an additional \$50,000-\$75,000 per unit (due to increased rental costs) for acquisition costs.

Additionally, units removed from the housing stock must be replaced on a bedroom for bedroom basis. While this constraint impacts cost related to suitable infill housing, an advantage is that replacement

*housing can be built to reflect unit size needed (e.g. Rolison Road Project will replace existing studio apartments with two and three bedroom units).*

*(b) Labor Costs:*

*The Prevailing Wage requirement for new residential construction within the Redevelopment Area also impacts developers' ability to create affordable units. Prevailing wages can increase development costs by 20 to 30 percent.*

*(c) Redwood City Permit and Processing Procedures:*

*All City Departments have undergone reorganization and participate in a 'Continuous Improvement Program.' This program is customer service based. Its purpose is to streamline permit process procedures including reducing governmental constraints upon the development, maintenance and improvement of housing for all income levels. Outlined below are a few of the City's processing and permit procedure improvements:*

*(c-1) Counter Team Cross-Training - All employees that work the front counter are cross-trained to better service customers with Planning, Engineering, Fire and Building code questions and permit processing. The Counter Team is also trained to promote and provide housing program handouts to the public that promote new housing development. Backup Senior staff from each department are also available for questions and to facilitate/expedite permit and processing procedures.*

*(c-2) One Stop Permit Shop – Every Wednesday smaller projects are approved over the counter or within 24 hours.*

*(c-3) Expedited Permit Review Procedures – A concentrated interdepartmental team approach has also resulted in faster and more coordinated permit processing for larger development projects.*

*(c-4) Plan Review Committee - This Committee provides Project Team Coordination and Predevelopment Plan Review to streamline the permit process and improve customer service.*

*(c-5) Simplified Building and Planning Codes – The City simplified Building and Planning codes to streamline the permit process and improve customer service.*

*(c-6) Eliminated Several Building and Planning Codes - The City reduced the number of Building and Planning codes to streamline the permit process.*

*(c-7) Eliminated Fees- The City does not charge Architectural Permit fees for single-story residential additions.*

*(c-8) Combined Building and Engineering Inspections – The City combined Building and Engineering Inspections to streamline the permit process and improve customer service.*

*(c-9) Standardized Building Permit Forms/Procedures and Developed Standard Construction Handbook – The City standardized Building Permit forms and procedures and developed a Standard Construction Handbook to streamline the permit process and improve customer service.*

*(c-10) Developed and Improved Public Information Handouts- This on-going effort has and continues to improved customer service.*

*(c-11) Extended Hours of Operation - Extended hours include early morning, evening and weekend hours for improved customer service.*

*(c-12) Provide Services by 24 Hour Voice-Mail, Fax, E-Mail, and Internet Web Site - These services are also intended to improve customer service.*

*Governmental Constraints upon the Maintenance/Improvement of Housing for all Income Levels:  
(See Permit and Processing Procedures outlined above and housing programs listed below)*

*(d) Code Enforcement & Home Improvement Loan Programs:*

*The City encourages the maintenance and improvement of housing for all income levels through its Code Enforcement Program. Code enforcement is the vehicle used to identify the City's existing housing stock built prior to 1940. The goal of code enforcement is to minimize and retard deferred maintenance, which creates health and safety problems, or causes blighted conditions in neighborhoods. Those properties cited for serious repairs, which are occupied by low-income households, are referred to the Home Improvement Loan Program for assistance. This Program is the vehicle used to maintain decent safe and sanitary housing owned and or occupied by low income households.*

*(e) Revolving Fund Programs:*

*The City also encourages the maintenance and improvement of housing for all income levels through its Revolving Fund Programs. These programs (outlined below) are self-supporting and administrative costs are paid from annual Community Development Block Grant entitlements and operate on an ongoing basis.*

*(e-1) Home Improvement Loan Program- provides low interest loans to low income homeowners, and landlords of single family rentals and duplexes (20 units/year).*

*(e-2) Rental Rehabilitation Loan Program - funds rehabilitation for rentals containing three or more multifamily units of two bedroom or larger for housing large families (25 units/year).*

*(e-3) Historic Preservation Residential Loan Program - funds rehabilitation of historic residences for rental by low-income households and non-low income owner occupants (as requested by eligible properties).*

*(e-4) Emergency Loan Program - funds emergency repair loans for homeowners on fixed incomes with immediate health and safety repairs program.*

*(e-5) New Lead Based Pain Program- grants to remove lead hazards from rental units occupied by low-income households with children under the age of six and children with elevated blood levels.*

*(e-6) New Energy Loan Program- funds for improvements designed to reduce energy costs.*

*Since 1977, the City has rehabilitated approximately 725 housing units under these programs. Over the term of the 1989-99 Housing Element, approximately 472 units have been rehabilitated from seriously substandard/uninhabitable to current health and safety code standards. During the four years of the Consolidated Plan (1995-2000), the City **exceeded its five-year goal** (225 units projected) for **rehabilitation by 109%** (247 units completed as of June 30, 1999).*

Status Update: The above listed processing and permit procedures programs are on-going and will continue through the 1999-2006 Housing Element planning period.

**Program 4** The City should endeavor to preserve assisted housing.

*Progress: No "Units at Risk" were converted to market rate housing during the planning period 1989-1999. There are four projects containing a total of 325 federally assisted housing units in Redwood City. The Federally Assisted Housing is listed in Appendix D-1 with the date when federally insured assistance matures, and the status of each development. Also included is a list of Locally Assisted Housing developments in Appendix D-2.*

Status Update: The existing assisted housing preservation program has been strengthened and carried forward into the 1999-2006 housing element with new features including: a requirement for a public hearing when a notice of intent to convert to non-low-income status is received, a requirement to seek eligible buyers, and consideration of financing mechanisms, as described in Chapter 8, Program F.6.

**Program 5** Review the General Plan and Zoning Map in late 1995 (mid five-year review) to monitor the success of the policies and strategies of the Housing Element. The review shall include:

- a) An update of residential building permits by type and affordability of units built.*



- b) *An update of an inventory of approved residential projects.*
- c) *Monitoring the availability of suitable vacant land and developed land (that might be rezoned).*
- d) *Percentage increases in the price of housing, including new, resale, and rental costs.*

*Progress: The City reviewed the Housing Element of the General Plan and zoning map in 1990-1993 and 1997-2000 and continues to update the above listed items as part of the State Department of Housing and Community Development certification process.*

Status Update: This Housing Element policies and strategies update program is ongoing /continues to date for the 1999-2006 Housing Element planning period.

**Program 6** Use CDBG, Proposition 84, HOME, CRA and private investment funds to create and/or build 50 affordable housing units for lower-income residents by 1998.

*Progress: The City exceeded anticipated development expectations outlined in Program 6. Table 4-1 above provides a summary of all units built for lower-income households both within and outside of the Redevelopment Area. Appendix F lists lower-income units built, currently under construction and anticipated for development specifically within the boundaries of the Redevelopment Area.*

Status Update: The City will continue to use these funding resources to assist with the development of affordable housing units for lower-income residents. Chapters 5 and 7 of this Housing Element provide information on additional lower-income household units anticipated for development within the current 1999-2006 Housing Element planning period.

**Program 7** Actively promote the construction of new residential projects within the redevelopment area. A minimum of 15 percent of the units are to be affordable to low and very low income resident. The Agency will be responsible for one or more of the following activities: land purchase and assembly, negotiating with developers, financing the project, land write-downs, financing for future homeowners, or construction of public improvements.

Objectives: 549 dwelling units at eight project sites of which 110 would be affordable to low and very low-income families. By 1994, approximately 16 units will be available for occupancy as below market rate units. An additional 80-100 units should be available for occupancy by 1995. The number of below market rate units has not been determined, but a minimum of 15 percent of the units will be below market rate. The remaining units will not be available until after 1995.

*Progress: The City exceeded this goal through construction of a total of 3,508 units between 1989-1999. Within the Redevelopment Area, 21 affordable units were built between 1989-95 during a recession and 124 affordable units were built between 1995-2000 after the recession. (refer to Figure 4-1 for a more complete breakdown of units built both within and outside of the Redevelopment Area).*

Status Update: During the 1999-2006 planning period, 621 units are expected to be built with more than 15 percent as affordable units, as shown in Appendix E-2 (Franklin–Phase 1, Rolison Road, El Camino /Vera, The Flats, transit corridor sites and housing catalyst site Area 3).

**Program 8** Enlist the cooperation of private developers to implement the Housing Element policies through the use of a redevelopment loan fund.

*Progress: The intent of the program was achieved through the establishment of a landbanking program leveraged with redevelopment funds, and not through the creation of a redevelopment loan fund. In 1998/99 federal funds – CDBG and HOME – were used to establish a landbanking program, which acquired the Lincoln site in January 1999 and El Camino Real/Vera site in September 2000 for the development of up to 60 affordable units on 0.93 acres.*

Status Update: The landbanking program leveraged with redevelopment funds will continue to be used to facilitate the development of affordable units during the 1999-2006 planning period.

**Program 9** Continue to utilize to the fullest extent possible available federal subsidies through the Section 8 programs with an objective of 500 units under voucher each year (non-cumulative).

*Progress: In August of 2001, 501 Redwood City families used Section 8 subsidies each year according to the San Mateo County Housing Authority. This number is continuous and stable, fluctuating by only 5 families per month.*

Status Update: The Section 8 program will continue to assist lower-income households during the 1999-2006 planning period.

**Program 10** Continue the rehabilitation of substandard residential units using available subsidies for lower-income residents, both owner and renter with an objective of 25 rental units and 20 owner occupied units during the 1992-93 fiscal year, and a similar number in the remaining five years.

*Progress: Western Redwood City contains many older homes that are in need of rehabilitation. The City's Home Loan Improvement Program has helped to preserved 472 units, an important affordable housing stock that might otherwise have been lost (for health and safety reasons) through demolition. . Figure 4-4 illustrates the number of very low and low-income residential units rehabilitated within the 1988-99 planning period that meet the requirements of AB348.*

*The following table also outlines community care facilities approved within the 1988-99 planning period. Redwood City houses the second largest number of community care facilities in San Mateo County.*

<b>Figure 4-4</b>			
<i>Home Loan Improvement Program &amp; Community Care Facilities For Very Low- &amp; Low-Income Household (HH) 1988-1999</i>			
	<u>Very Low-Income HH</u>	<u>Low-Income HH</u>	<u>Total</u>
Housing Rehabs	17	0	17
Community Care	<u>+ 16</u>	<u>+47</u>	<u>+63</u>
Total	33	47	80

Status Update: The Home Loan Improvement and Community Care Facilities programs will continue to facilitate the creation of affordable units during the 1999-2006 planning period.

**Program 11** Continue to provide information on home loan improvement programs and other related housing improvement efforts through direct mail to target areas three times per year in order to provide information to homeowners and property owners on the availability of funds for rehabilitation of dwellings.

*Progress: The City implemented this program in the 1990s and in 2001, and broadened the program to encompass the topics of affordable housing and community acceptance. The City also publishes a bi-annual Housing Programs Newsletter to: 1) inform Redwood City citizens about available housing opportunities/ programs within the City, 2) educate the public about the myths and benefits of affordable housing, 3) help build consensus within neighborhoods where affordable housing is proposed and 4) minimize resident concerns about affordable projects by providing visual examples (photos) of well designed affordable housing projects.*

Status Update: These educational housing program will continue during the 1999-2006 planning period. Housing Programs are also described on Redwood City's new housing web site.

**Program 12** Promote the use of energy conservation measures in low and moderate income housing retrofits through continued funding by the City rehabilitation program.

*Progress: The City requires compliance with Title 24 energy measures as part of this ongoing program. Redwood City also has a Minor Home Repair and Weatherization Program that provides a maximum assistance level of \$1,000 per household for minor repairs that include weatherization items.*

Status Update: This program will continue and has been expanded for the 1999-2006 planning period. In 2001, the City expanded the program to focus on energy related improvements and to raise the maximum assistance level to \$2,000. The assistance is a grant, which is provided to low income and disabled homeowners. In addition, the City provides energy loans up to \$20,000 at 3 percent interest with payments under \$150 per month. These loans are available to low-income households.

In addition, the City and Pacific Gas & Electric each offer rebates for buying energy efficient appliances, known as Energy Star-label appliances. All City residents of all income levels are eligible for this program, which became effective on July 1, 2001.

**Program 13** The City shall take a leadership role in promoting equal opportunity in housing through education and enforcement efforts, including but not limited to discrimination audits, and joint educational efforts with fair housing and real estate industry groups.

*Progress: In this ongoing program, the City continues to support service providers who seek to eliminate housing discrimination and who investigate all alleged cases of housing discrimination in Redwood City. The City's Fair Housing Agency conducts annual mandatory training of the staffs of all human services organizations funded by the City to enable them to recognize possible violation of the fair housing laws. The Agency also funds Fair Housing Education and Training of private apartment owners.*

Status Update: This equal opportunity housing program continues during the 1999-2006 planning period.

**Program 14** Assure that the objectives, implementation measures and specific housing programs in this document are pursued within the established time frames, and that these objectives remain compatible with other elements of the General Plan. Continue to stimulate participation by all economic and social segments of the community during the annual review of the document.

*Progress: Most of the housing programs in the 1989-1999 housing element were achieved. Compatibility with the General Plan was reviewed in 1990-1993 and 1997-2000 as part of the State Department of Housing and Community Development certification process. Public hearings were held as part of this process.*

Status Report: The Housing Element will again be examined during the upcoming General Plan update process. A number of public hearings were held and more will be held. Several committee/ commission/ citizen task forces were also created to assist with the development of Housing Element programs (i.e. Housing Element Subcommittee, Interim Urgency Ordinance Subcommittee, Accessory Unit Ordinance Subcommittee and Downtown Task Force).

**Program 15** Promote the Human Investment Project's Shared Homes Program directed to seniors and single parents who are homeowners or tenants.

*Progress: This is an ongoing program that provides housing for low-income households. From fiscal year 1990-91 through 2000-01, there were 403 households in Redwood City who provided housing for persons seeking housing using the Shared Homes Program. This number represents only provider households in Redwood City, and not the households who sought and received housing through this program. To illustrate, in the fiscal year 2000-01, 26 households in Redwood City provided housing for 29 low income households who were seeking housing. So together, this ongoing program provided home sharing arrangements for 55 low income households (representing 65 people) in Redwood City in the fiscal year 2000-01. Using the illustration, only the 26 provider households were counted toward the total of 403 provider households cited above. Most of the provider households (370) earned below 80 percent of the county median income, and thus were helped to afford their housing unit by the house sharing arrangements.*

*In addition to operating the Shared Homes Program, the parent agency, HIP Housing, has two group share homes, a triplex, and a 36 unit apartment building named Redwood Oaks in Redwood City.*

Status Update: The shared homes program continues during the 1999-2006 planning period.

**Program 16** Amend the Zoning Ordinance to require a minimum 50-foot average lot width for duplex development and maintaining the 7,500 square-foot minimum lot size requirement.

*Progress: The City revised its Zoning Ordinance in 1993 to allow more duplex units on lots with 50 foot lot widths, where 60 feet was previously required. Opportunities for 134 additional units were created. The size of these duplex units (typically smaller than single family homes) should help to control their affordability. These units will likely be affordable to larger-sized households.*

Status Update: Since August of 2001, opportunities for roughly 125 additional units remain. Incentives for this program include: Architectural Permits and permit fees are not required for single-story additions. These additions are approved over the counter or within 24-hours. Architectural Permits for two-story additions are typically approved within two to 10 days of plan submittal. The Counter Team is trained to inform property owners about this code change and to encourage the development of these units.

**Program 17** Promote the Density Bonus provision of the Zoning Ordinance for all new multifamily residential projects with five or more units with an objective of five units per year.

*Progress: Residential units have been built using the density bonus provision in the zoning ordinance, for example the 81-unit, lower-income, City Center Plaza project received density bonuses.*

Status Report: Since 2001, the visibility of this ongoing housing incentive program has been raised as it is now described on the City's development application forms. In 2000-2001, the visibility of this ongoing program was also raised with a new brochure describing housing incentives. This bi-annual brochure is distributed citywide.

**Program 18** Promote the continued expansion of the retail, commercial, and industrial sector of the community to provide jobs and services to new residents who wish to remain or locate in Redwood City.

*Progress: The City implements this program through its development approval process and through the office of the Economic Development Coordinator.*

Status Update: This program continues during the 1999-2006 planning period.

**Program 19** Amend the Land Use Element of the General Plan and the Zoning Ordinance to allow at least 300 new residential units, either separately, or in conjunction with commercial development, along El Camino Real and Woodside Road.

*Progress: The General Plan and the Zoning Ordinance were amended in 1989 and 1993 to allow residential development along El Camino Real and Woodside Road and Bair Island Road.. This policy change could potentially create 1,800 new "mixed use" housing units at the highest residential density allowed by zoning (43-50 units (with a density bonus)/acre). From 1998-2000, 155 new rental units and 46 new townhouses were constructed along Bair Island Road. Between 1999-2006, 506 new rental, condo and townhouse units, including 76 very low to moderate-income units (15%), will also be built along El Camino Real within the Redevelopment Agency-sponsored Franklin Street projects. To date, 206 of the Franklin Project units are under construction along El Camino Real.*

*The City implemented this zoning change to increase housing production on lands previously zoned only for commercial use. While creating many new high-density residential sites, this zoning district change has also helped to preserve the many existing multi-unit residential developments located along El Camino Real and Woodside Roads.*

*To encourage mixed-use, affordable housing along the two transit corridors, the City allows the highest residential density allowed by zoning. The City also encourages its Density Bonus Program, which allows additional units if the units are developed as affordable or senior units. The City also provides developers with the option of building residential only units instead of requiring that a portion of their project be developed with commercial uses. Developer construction loans are more easily obtained for residential only projects. In addition, the City prepared (an Area Plan and EIR) planning-related documents for the developers of the Franklin projects. The Agency also continues to assist developers with its eminent domain powers and economic incentive programs.*

Status Update: In April of 2001, this program was strengthened by adding an incentive in the form of a floor area ratio bonus for office development provided that residential units are included within the development. To further encourage residential development, no floor area ratio is applied to the residential portion of these projects. In 2001, this incentive program has resulted in the approval of seven new residential units along El Camino Real and four new units along Woodside Road.

The City is also undertaking a landscape median improvement project designed to enhance the aesthetic appearance of El Camino Real. During the 1999-2006 planning period it is anticipated that this beautification project will further attract housing development to the El Camino Real transit corridor.

**Program 20** Work with San Mateo County to facilitate the purchase of an existing apartment building at Winslow and Alden Street by a not for profit agency.

*Progress: This objective could not be met because the building was sold to a private buyer.*

**Program 21** Facilitate the development of an additional transitional Housing Facility for approximately 20-25 families to provide longer term stay (2-6 months) than the existing Redwood Family House. An existing apartment building will be purchased for this use.

*Progress: In 1993-94 there were not sufficient funds to both purchase and operate the facility envisioned in this program. However, the City Council contracts with the Shelter Housing Network who developed a more cost-effective, regional approach to transitional housing.*

Status Update: The City will continue use this more cost-effective, regional approach to transitional housing during the 1999-2006 planning period.

**Program 22** Promote the Center for Independence of the Disabled to provide housing rehabilitation assistance and accessibility modification to existing residential structures.

*Progress: The City used CDBG funds to implement this on-going program.*

Status Update: In fiscal year 2001-2002, the City provided \$30,000 for the Housing Accessibility Modification Program to implement accessibility improvements for persons with disabilities.

**Program 23** Continue to process, in a timely fashion, the housing projects located in Redwood Shores, with an objective of 200 market rate dwellings each year for the ten year period 1993-2003, producing a total of 2,000 dwelling units. These projects represent the bulk of residential development for conventional housing on the Bay side of San Mateo County.

*Progress: Redwood Shores, built out in 2001, exceeded the objective of 2,000 market rate dwelling units (Refer to Figure 4-1).*

**Program 24** Maple Street and El Camino Real. Cooperate with the property owner and/or developer to allow the redevelopment of the former RMC Lonestar site and adjacent parcels for a housing development with the objective of constructing 150 dwelling units in the first phase and 75 units in the second phase with 20 percent of the units (45 units) to be below market rate.

*Progress: During the previous planning period, the City rezoned this 4.5-acre site and expanded the development to include 8 additional acres. The City also prepared an Area Plan, required environmental document (EIR) and commenced negotiations with two developers to develop this expanded 12+-acre residential neighborhood, referred to as the Franklin Project.*

Status Update: The Franklin Project consists of two developments. Phase 1 is currently under construction and consists of 206 rental units, including 12 very-low-income and 19 moderate-income units. Phase 2, will likely be constructed during the 1999-2006 planning period and will include at least 300 additional units with 15 percent affordable to lower-moderate-income households as required by California Redevelopment law.

**Program 25** Whipple Avenue at Warren Street. Purchase the existing and vacant Whipple Lodge (30,000 square feet) through eminent domain, and negotiate with a non-profit or for profit developer for the construction of a housing project consisting of approximately 23 affordable dwelling units.

*Progress: This project, called Wyndam Place, was built in 1995 with the assistance of the Redevelopment Agency. The ownership townhouse units were purchased by one very-low, five low and nine moderate-income households.*

**Program 26** Main Street at Middlefield Road. During construction of the downtown parking structure this site will be used for overflow parking. The site is entirely owned by the City and Redevelopment Agency. Proposals will be solicited from developers for a residential project with an objective of 100 dwelling units 20 percent of which will be below market rate.

*Progress: This project, called City Center Plaza, was built in 1997 and is a 100% affordable unit project. This mixed-use development consists of 81 affordable rental units that are currently occupied by 49 very low- and 32 low-income households.*

#### **Programs (27-32) implemented but not outlined as housing programs in the 1993 Housing Element**

##### **Program 27** "In-law" Unit Ordinance

*Progress: In 1991 the City amended the zoning ordinance to create additional opportunities for affordable housing by increasing the number of infill sites for "in-law" unit development. In-law units are allowed within all residentially zoned land (RH through R-5) throughout the City. Staff identified a total of 1,900 "in-law" unit sites that can be built throughout the City. These units are designed to address the housing needs of singles, elderly and two person households. The smaller size of these units (one bedroom) helps to control their affordability. The City anticipates the development of 20 in-law units/year.*

*Redwood City approves in-law units within one week of plan submittal. The City's Counter Team is trained to inform property owners about this code change and to encourage in-law unit development. The City also prepared public information handouts (in both English and Spanish) to increase awareness of this housing densification program.*

Status Update: The City continues this housing program during the 1999-2006 planning period.

**Program 28** \*Rezoned "CB" & "CBR" (Central Business & Central Business Retail) Districts to allow 'mixed use' (Residential above Retail) District.

*Progress: In 1991, the City implemented this zoning change to increase housing production on lands within the Downtown District previously zoned only for commercial use. This policy change created opportunities for 300 new residences above ground floor retail uses at the highest residential density allowed by zoning. In 1997, this rezoning resulted in the construction of the City Center Plaza project, an 81 unit very-low and low-income Redevelopment Agency-sponsored downtown development. These "Mixed Use" rezonings have also helped to preserve many of the City's existing affordable housing units (primarily high density rentals and condominiums) located in the Downtown District. This housing supply is no longer considered non-conforming and is therefore no longer at risk of being lost.*

*These Downtown District properties are located within a Redevelopment Area. The Agency provides incentives through land donations (where feasible), eminent domain powers, density bonuses, assistance with infrastructure and other economic improvement costs. At its own expense, the Agency also prepared the City Center Plaza project's planning-related documents and processed (environmental documents, etc.) permits free of charge to the developers.*

Status Update: This housing program has been extended to also allow housing development within the "CA" (Commercial Administrative) District within 1500 feet of the CalTrain/Samtrans Bus Station. The "CB" district also now allows residential development on both the ground floor and above ground floor.

#### **Program 29** Implement Planned Development (PD) Ordinance

*Progress: The PD zoning designation allows clustered development on smaller lots to encourage multi-unit rentals, townhouses, condos, and single-family developments. This popular ordinance also allows exceptions to height limitations, setbacks, lot coverage and parking for residential developments.*

*The PD Ordinance is an ongoing, housing incentive program, which the City encourages. All multi-unit housing developments of five or more units can qualify for the above listed zoning code exceptions.*

*The Counter Team is trained to promote this multi-unit housing incentive program. In addition, to help increase the public's awareness of this available housing program, the City has and will continue to prepare and provide public information handouts. The City also prepares and updates a housing site listing for developers, contractors, realtors and the general public.*

Status Update: The City continues this popular housing incentive program during the 1999-2006 planning period.

#### **Program 30** Implement State Manufactured Housing Law

*Progress: The City approved eight manufactured housing applications within the 1988-99 planning period. Manufactured housing is an affordable housing program, which the City and Agency encourage by allowing these units within all residential (R-1 through R-5) districts.*

Status Update: The City continues to comply with the State Manufactured Housing Law, which allows affordable type construction on residentially zoned properties.

#### **Program 31** Rezoned Land to "Mobile Home Park" District

*Progress: This zoning district was created in 1989 to protect and preserve existing very-low and low-income mobile homes within Redwood City. These affordable units are now protected/preserved as part of Redwood City's permanent housing stock*

Status Update: The "Mobile Home Park" District continues to protect existing affordable housing units.

#### **Program 32** Implement Government Code 65852.2 / Destroyed Nonconforming Units

*Progress: The City complies with the State's "burn-down" code. This code seeks to preserve destroyed nonconforming units (i.e. those units involuntarily destroyed 100% or less by fire, earthquake or some other calamity) by allowing the same number of units to be rebuilt instead of down zoning these site to meet current (lower density) zoning standards. As an older city, Redwood City has an extensive number of these non-conforming higher-density residential developments on small lots. These units are no longer at risk and are now preserved as part of Redwood City's housing supply.*

Status Update: The City continues this affordable housing program during the 1999-2006 planning period.

## 5 HOUSING OPPORTUNITIES

### INTRODUCTION AND BACKGROUND

According to the state Housing Element Law, the housing element of the general plan will include “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 (Section 65583(a)(3)).” The following section describes the opportunities for housing development on residentially and commercially zoned property in the city.

In 2001 the City used its Geographic Information System to determine the availability of vacant land and land that can be redeveloped in these zoning districts. Appendices E-1 and E-2 summarize all the available land identified in the city. The appendices also provide the number of units that can be expected to be developed on those sites. Parcels with significant size and/or shape constraints were not included in the inventory unless they could be combined with adjacent parcels to yield an appropriate site.

Redwood City is almost entirely built-out with little remaining vacant land; therefore, many of the opportunity sites are located on land to be re-utilized. The zoning ordinance of Redwood City describes six zoning districts where the permitted use is primarily residential and four commercial zoning districts where residential uses are permitted. Opportunities for housing are principally planned in the area bounded by Whipple, El Camino Real, Woodside Road, and Veterans Boulevard as set forth in the Downtown Area Plan. In addition, programs to provide additional opportunities for housing - density bonuses, “in-law” units, duplex parcels with reduced lot width requirements, rezoned mixed-use districts and increased densities for transit-oriented housing – are described in Appendix E-1. While existing public services will likely accommodate new development, existing public facilities/ infrastructure improvements may need to be augmented depending on the size of development. Necessary public facilities/ infrastructure enhancements are determined on a case by case basis at the time of plan submittal. The following paragraphs describe the zones where opportunities exist for additional housing.

### RESIDENTIALLY ZONED PROPERTY

This section describes the residential zones and their respective housing opportunities. Although the zoning ordinance has six zoning districts where the permitted use is primarily residential, vacant/ infill land is located in the RH, R-1 and R-2 districts, which are described in the following paragraphs. These vacant/infill sites are in these three districts and can accommodate approximately 68 units. While some of these sites are located within the RH and R-1 single-family residential districts, most of the 68 unit sites are located in the R-2 district. This would include underutilized duplex sites that currently only contain a single-family residence and underutilized triplex sites that only contain single-family or duplex units. In-law units are permitted in all residentially zoned (RH through R-5) properties that contain single-family homes.

#### **RH Residential Hillside District**

The purpose of the district is to provide a place in which the hilly land in Redwood City can be developed for residential densities commensurate with the natural topography of the area and with the type of semi-rural living best suited to relatively low density family living in the hills. The minimum lot size is 10,000 sq. ft. depending on slope. Housing built in this district is expected to be market rate because construction on hillside land is more costly than on flat land and because larger minimum lot sizes are needed to accommodate development. The planning tool, Planned Development, is available to cluster housing to respond to land constraints and to increase the feasibility of development.

#### **R-1 Single Family Residential District (Low Density)**

The purpose of the district is to stabilize and protect the residential character of the district and to promote and encourage a suitable environment for family life on a neighborhood basis. The minimum lot size is 6,000 sq. ft., which results in 7 units an acre. Homes (not including in-law units) built on vacant land in this district are expected to be market rate housing. The planning tool, Planned Development, is available to cluster housing to respond to land constraints and to increase the feasibility of development.



**R-2 Residential Duplex District**

The purpose of the district is to stabilize and maintain the residential character of the district and permit a suitable environment for family living on a smaller scale by permitting a higher density with two to three families to the lot while maintaining individual privacy, open space, and facilities. The minimum lot sizes are: 5,000 sq. ft. for a single-family house; 7,500 sq. ft. for a duplex; and 10,000 sq. ft. for a triplex. The minimum lot sizes translate into the following maximum densities: single family – 8.7 units per acre; duplex – 11.6 units per acre; and triplex 12.9 units per acre. Multifamily units built on infill sites in this district are expected to be primarily moderate-income, rental units with some lower income units depending on the location/neighborhood. The planning tool, Planned Development, is available to cluster housing to respond to land constraints and to increase the feasibility of development.

The City also created additional two-unit housing opportunities within duplex parcels. This was accomplished by reducing the minimum lot width standard from 60 to 50 feet. As a result of this rezoning, opportunities for 134 additional housing units have been created.

**DOWNTOWN AREA PLAN IMPLEMENTATION**

In 2001, the City also prepared a Downtown Area Plan that encompasses 479 acres and is virtually coterminous with one of the City's redevelopment areas. The Plan was circulated and reviewed in the fourth quarter of 2001. A housing symposium for the Downtown Plan was also conducted in 2002. The Plan is expected to be adopted in 2003. The Plan, which allows from 2,710 to 3,410 additional housing units, emphasizes the importance of introducing a lot of housing into the downtown area as its top priority. Many people living downtown will enliven the area, creating an 18-hour environment.

While much of the downtown district zoning already permits residential and mixed-use development, the Downtown Area Plan will provide new residential zoning districts and higher residential densities. It is expected that approximately 892 housing units can be developed within the three Downtown Plan's identified "catalyst sites" during the period 2001 – 2007. While these catalyst sites are currently zoned to allow residential development, the higher densities proposed will be achieved through Precise Plan rezonings. The necessary zoning measures will be adopted by the end of 2003. Redevelopment area requirements will result in a total of 209 units for very low-income households and 311 units for moderate-income households for these catalyst sites.

**COMMERCIAL ZONED PROPERTY**

Several mixed use and commercial zoning districts allow residential units as a permitted use. The following section will describe these zoning districts and the multi-family housing units that are permitted. The development of housing units in these districts is not required, but housing incentives have been provided to encourage residential development. Redwood City also has roughly a 37% commercial office vacancy rate that will likely not be reabsorbed for five to seven years. As such, residential development is very feasible within the various mixed-use zoning districts outlined below.

**CG-R General Commercial Combined With High Density Residential**

In 1993 the City zoned most of the land along El Camino Real and Woodside Road west of El Camino (roughly 42-acres) for mixed use (commercial and high density residential), creating roughly 1,800 new housing opportunities at 36 to 43 units/acre, depending upon the lot size. The CG-R mixed-use designation allowed for various types of development: exclusive high-density residential, exclusive commercial, or a mixture of residential and commercial.

The city anticipates that these properties will be developed primarily as rental housing due to their location along the city's major transit corridors. Because affordable housing is more easily achieved through rentals rather than through for-sale housing, these properties will likely provide units for moderate-income households. The low and very-low-income units will be on land either acquired by the City, through application of the redevelopment area's 15% affordability requirement and/or through such housing programs as the City's Density Bonus Program, flexible (Mixed-Use) parking standards and similar affordable housing incentive programs. For example, the recently built Franklin Project (Phase I) received approval for reduced parking standards and contains 31 affordable (6% very-low and 9% moderate-income) housing units per the redevelopment area's 15% affordability requirement. The El

Camino/ Vera Street site, purchased through the use of landbanking and other funds, will apply the City's Density Bonus Program to achieve up to 60 affordable housing units.

In 2001 the City provided significant incentives for housing to be built along the El Camino Real and Woodside Road transit corridors by setting one floor area ratio for exclusively commercial development, and a higher floor area ratio for commercial development when it is combined with a minimum number of residential units. The only route to a higher floor area ratio is to include housing as a mixed-use development because variances and other waivers of the floor area ratio are not possible. This housing-jobs balance incentive program has resulted in the approval of 11 additional housing units on two small parcels (at 885 Woodside Road and 150 El Camino Real) that might not have otherwise been built. It is anticipated that this housing-jobs incentive program will result in additional units along these two transit corridors during the current Housing Element planning period.

An 11-acre (Pete's Harbor) site located outside of the downtown redevelopment area along Bair Island Road (which is east of Highway 101) is also zoned CG-R (mixed use). This property can accommodate roughly 475 housing units at 43 units/acre.

The City has received an application for a 44-acre development referred to as Marina Shores Village. The project includes the 11-acre (Pete's Harbor) site referenced above. As proposed, roughly 33-acres of the Marina Village project would be dedicated to residential development. This will involve rezoning land adjacent to the 11-acre site (above) from commercial to residential. The City has recently certified an Environmental Impact Report (EIR) and is currently preparing a Precise Plan for the Marina Shores Village project. The developer has agreed to provide 15% affordable units for low and moderate income households in this otherwise high-end, for-sale condo project. The ultimate number of housing units and affordability of the units is currently under discussion.

#### **CBR Central Business Retail**

In 2001 the City amended its General Plan to extend the Mixed Use zoning designation to additional land. The residential density is currently 36 to 43 units/acre, depending on the size of the parcel. Implementation of the Downtown Area Plan would result in higher residential densities of 40 to 60 units/acre or 144 and 145 new housing units within the El Camino/Caltrain Station and Downtown Core sites. The CBR District is entirely located with a redevelopment area so very low, low and moderate-income units will result as housing is developed.

#### **CB Central Business**

In 2001 the City amended its zoning ordinance to permit residential units by right on the ground floor, which enabled a new housing type, the free standing building of high density, multifamily units. (Previously residential units were not permitted on the ground floor.). The residential density is currently 36 to 43 units/acre, depending on the size of the parcel. Implementation of the Downtown Area Plan would result in higher residential densities, from 35 to 55 units/acre or 308, 533 and 438 new housing units within the Broadway/Walnut, North El Camino and South Broadway Corridor sites. The CB District is entirely located with a redevelopment area so very low, low and moderate units will result as housing is developed.

#### **CA Central Administrative**

In 2001 the City also amended its zoning ordinance to allow residential units as a matter of right, when within 1,500 feet of the Caltrain Station. This change enabled high density, multifamily units and promotes transit-oriented development. (Previously residential units were not permitted in CA districts.) The amendment has added opportunities for 240 units in the Brewster, Winslow, Arguello, Marshall Street area. The residential density is 36 to 43 units/acre, depending on the size of the parcel.

Implementation of the Downtown Area Plan would result in additional units at a residential density of 45 to 55 units/acre or 308 new housing units within the Downtown Area Plan's "CA" -Broadway/ Walnut site. The CA District is entirely located with a redevelopment area so very low, low and moderate units will result as housing is developed.

## ADDITIONAL LIVING UNITS

### Second Units

The zoning ordinance also allows the development of accessory dwellings in single-family areas in the six residential zoning districts while respecting the character of the residential neighbors. Such units are permitted in the RH, R-1, R-2, R-3, R-4 and R-5 districts. The purpose of permitting additional living units is to allow more efficient use of land and existing infrastructure. The opportunity for the development of small, rental-housing units designed to meet the special housing needs of senior citizens and small households while preserving the integrity of single-family neighborhoods can also be realized. The units have a maximum of one bedroom and thus tend to be affordable to low and moderate-income households because the limited size limits the potential market rent. City staff estimates that one-third of these smaller rental units will be available to low-income households and two-thirds will be available to moderate-income households depending on their location/ neighborhood.

The Accessory (Secondary Unit) Dwelling Ordinance created opportunities for 1,834 additional units. City staff estimates that roughly 16 to 17 units/year or 132 units will be added between 1999 and 2007.

### Density Bonus Laws/ Other Housing Opportunities

The City grants a density bonus of at least 25 percent and at least one of the incentives referenced in Government Code 65915 (h) or provide incentives of equivalent financial value for developments of five units or more when a developer of housing agrees or proposes to construct at least:

- 20 percent of the total dwelling units of a housing development for lower income households; or
- 10 percent of the total units of a housing development for very low income households; or
- 50 percent of the total dwelling units of a housing development for senior citizens.

If an incentive is granted, then affordable dwelling units shall be restricted to use as affordable dwelling units for a minimum period of 30 years. If no incentives are granted, then the affordable dwelling units shall be restricted to use as affordable dwelling units for a minimum period of 10 years.

On the inventory of adequate sites (Appendix E-2), property owners could qualify for at least an additional 680 units using the City's density bonus program.

## FINANCIAL ASSISTANCE

### Redevelopment Funds

The City makes use of housing set-aside funds from the redevelopment plan area. The total projected revenue from the redevelopment plan area for fiscal years 1999-00 through 2027-28 is \$388,076,873. Of the total projected revenue, it is estimated that \$126,499,343 will be spent on affordable housing. For the period, fiscal years 1999-00 through 2005-06, revenues for housing are expected to be \$14,021,971 out of a total of \$44,891,017. It is the intention of the City that those funds be used to support the development of affordable housing.

**Figure 5-1 Redevelopment Revenue, Funds Required for Affordable Housing, and Funds To Be Spent on Affordable Housing - actual and projected**

Fiscal Year	Redevelopment Revenue, Total	Twenty Percent Required to be Set-aside for Affordable Housing	Redevelopment Revenue Spent on Affordable Housing
1999-00	\$4,549,017	\$909,803	\$1,378,971
2000-01	\$5,283,000	\$1,056,600	\$1,673,000
2001-02	\$5,983,000	\$1,196,600	\$1,881,000
2002-03	\$6,431,000	\$1,286,200	\$2,040,000
2003-04	\$6,971,000	\$1,394,200	\$2,222,000

2004-05	\$7,574,000	\$1,514,800	\$2,420,000
2005-06	\$8,100,000	\$1,620,000	\$2,606,000
2006-07	\$8,652,000	\$1,730,400	\$2,801,000
Source: Michael Church, Redevelopment Director, August 2001			

Most very low-income housing cannot be developed without financing and other subsidies required to write down the cost of land or other development incentives necessary to reduce construction costs. Subsidized housing projects within the City's Redevelopment District (which require 15% affordable units), combined with allowing higher densities within the Redevelopment Area, can create housing for very-low income groups.

It is the City's intention, when funds are available, to provide subsidies to residential developers in order to ensure the continued production of very low-income units. The City has, and continues to subsidize and offers density bonuses for residential projects designed for lower income households (e.g. the Wyndham Place, Lincoln Habitat, City Center Plaza, Rolison Road and El Camino/Vera Street projects).

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

Forty percent of the City's annual Community Development Block Grant (CDBG) entitlement funds are targeted for affordable housing. This targeting is projected to yield approximately \$360,000 annually from CDBG funds for land acquisition, acquisition/rehabilitation, and land banking activities that can be used to subsidize new affordable housing units. These funds are used to leverage other money to acquire land, for example, to support the Landbanking Program.

#### **HOME Investment Partnership Act Funds**

Ninety-five percent of the annual HOME entitlements are targeted for housing activities. In the past, approximately \$300,000 in HOME funds were allocated to the acquisition of land for affordable housing during each program year for the express purpose of supporting low and very low income housing production.

#### **INVESTMENT CLIMATE**

Redwood City fully recognizes the importance of creating a favorable investment climate in the city. The housing needs of Redwood City residents cannot be met solely by the public and non-profit sectors. The private sector developer plays a primary role in meeting the housing needs of the residents. As a result, Redwood City seeks to create an investment climate in the community that balances regulatory programs with the needs of private developers to enable projects to come to fruition in a profitable format.

Mandates to create affordable housing must be supported with incentives capable of allowing profits for private developers. These incentives must be carefully crafted to maintain Redwood City's aesthetic and quality of life standards. Redwood City is committed to working with housing advocacy groups and private developers to create an investment environment that encourages and assists the development of housing, particularly affordable housing.



As described in Chapter 5, the city has a number of zoning districts that allow or conditionally permit residential development. When used judiciously, land use and site development controls serve to regulate private sector development of housing to produce a safe, pleasant living environment for households of all income levels. Used improperly, these controls can form a barrier to the development of particular types of housing and exclude particular income groups from living in the community.

An analysis of the requirements indicates that overall these requirements are no more restrictive than those used in other communities and in many instances are less restrictive. The requirements of the zoning ordinance for residential districts, shown in Figure 6-1, are fairly typical. The lot sizes for each zone are reasonable for the zone. The lot frontages and setbacks required in each zone balance the need for privacy with the need to allow the maximum possible density on each site. The city's height standards are: reasonable for the RH through the R-4 zoning districts, very permissive for parcels over one acre in the R-5 district, and excessive in some locations in the R-5 district.

**Figure 6-1 Site Improvement Standards, as amended from time to time**

Zoning District	Min. Lot Size (area)	Street Frontage	Min. Setbacks*			Max. Lot Coverage	Max. Height
			Front	Side	Rear		
RH	10,000 sq. ft. Area will differ for sloping sites	35 ft.	25 ft.	7 ft. & 8 ft. or 15 ft. min. total, both sides	25 ft.	40%	30 ft. or 2 1/2 stories
R1	6,000 sq. ft.	35 ft.	15 ft. (20 ft. for garages)	5 - 6 ft.	20 ft.	40%	30 ft. or 2 1/2 stories
R2	Single-Family: 5,000 sq. ft.	35 ft.	15 ft. (20 ft. for garages)	5- 6 ft.	20 ft.	40%	30 ft. or 2 1/2 stories
	Duplex: 7,500 sq. ft.	50 ft.					
	Triplex: 10,000 sq. ft.	50 ft.					
R-3	Single-Family: 5,000 sq. ft.	35 ft.	15 ft. (20 ft. for garages)	5- 6 ft.	20 ft.	60%	35 ft.
	Duplex: 7,500 sq. ft.	50 ft.					
	Triplex: 10,000 sq. ft.	50 ft.					
	More than 3 units: 2,000 sq. ft. for each unit in excess of the first 3 units	50 ft.					
R-4	Single-Family: 5,000 sq. ft.	35 ft.	15 ft. (20 ft. for garages)	5- 6 ft.	20 ft.	60%	45 ft.
	Duplex: 7,500 sq. ft.	50 ft.					
	Triplex: 10,000 sq. ft.	50 ft.					
	More than 3 units: 1,500 sq. ft. for each unit in excess of the first 3 units	50 ft.					
R-5	Single-Family: 5,000 sq. ft.	35 ft.	15 ft. (20 ft. for garages)	5- 6 ft.	20 ft.	60%	75 ft. - no limit

	Duplex: 7,500 sq. ft.	50 ft.					
	Triplex: 10,000 sq. ft.						
	More than 3 units: 1,000 sq. ft. for each unit in excess of the first 3 units	50 ft.					

\* Setbacks can vary for situations such as corner lots, certain shaped lots, such as narrow lots, the number of entrances opening to an interior side yard, and so forth.

### Open Space

In the RH and R-1 districts, setback and lot coverage requirements ensure adequate open space. In the R-2 through R-5 districts, 300 square feet of usable open space are required for every studio apartment and for every one-bedroom dwelling unit. Where there is more than one bedroom, an additional 100 square feet of usable open space is required for each additional bedroom within the unit. Comparison of open space requirements among various cities can be estimated by looking at standards for maximum building coverage and subtracting these coverages from lot area. Mountain View has a 35 percent maximum building coverage, Palo Alto and Sunnyvale have a 40 percent maximum building coverage and Redwood City has a 60 maximum building coverage. Parking requirements in Sunnyvale, Mountain View and Palo Alto are similar (or lower for efficiency and one-bedroom units) to those of Redwood City, so the maximum paving would be roughly the same. Thus, of the four cities, Redwood City has the lowest open space requirements for multiple family housing. In addition, some cities have parkland dedication ordinances which gain open space for the community by requiring developers to dedicate land, pay a fee in lieu of, or both for park and recreation purposes. Mountain View, Sunnyvale, and San Jose have such ordinances while Redwood City and Palo Alto do not. Cities with these requirements can retrofit parks into areas where the land is redeveloped from commercial to residential use. For example in the proposed Downtown Area Plan in Redwood City, another 6,550 to 8,384 people are expected to reside in an area originally planned primarily for commercial and institutional use, and will have need for open space.

### Parking

Parking requirements for single-family dwellings containing four bedrooms or less is two spaces. Parking requirements for multifamily dwellings are two spaces per unit plus one space for every four units for guest or visitor parking. This is a reasonable requirement given the number of cars per household has steadily increased over the last several decades, while the parking requirements have not increased. In addition, the lack of an adequate public transportation system necessitates the requirement in most outlying residential areas that are not proximate to transit.

### Mixed-Use Parking Ordinance

The city's mixed-use parking ordinance currently allows reduced and shared parking opportunities when residential uses are combined with commercial uses, fully utilizing parking during day and night. The ordinance requires one parking space for studio and one-bedroom units, one and one-half parking spaces for two plus bedroom units; plus a minimum of 75% of the normally required commercial parking as otherwise required for commercial uses and is a very successful and popular parking option.

One area under study for a possible further reduction in parking requirements is downtown, much of which is within an easy walk of the Caltrain Station. As Redwood City prepares to review and implement the new Downtown Area Plan, which has a goal of adding a lot of housing at an urban density near the downtown core, ways to attract housing will be identified. In particular, parking requirements related to affordable housing in the downtown, transit-oriented development, and mixed-use development will be examined during 2002-3.

It is important to note that the city's planned development zoning designation encourages flexibility of design and promotes innovative projects by allowing variations in the usual development standards, such as maximum height for structures, maximum lot coverage, minimum front, side, and rear yard setback

requirements, and sign regulations. This flexibility allows for efficient use of a site by allowing clustered development on smaller lots to encourage multi-unit rentals, townhouses, condos, and single-family developments.

#### CONSTRAINTS IN THE REDEVELOPMENT AREA

##### Relocation Costs/One for One Replacement

Much of the remaining land available for housing is located within the City's Redevelopment Area and consists of infill properties and property to be redeveloped. Certain federal and state laws relating to relocation limit the City's ability to promote and facilitate housing for lower-income groups within the City's remaining infill sites. For the City to acquire and assemble infill parcels for new development, it is required under state or federal law, depending on which source of funds would be used for acquisition, to relocate existing households to comparable replacement units. The average cost typically adds \$50,000-\$75,000 per unit to acquisition costs.

Additionally, units removed from the housing stock must be replaced on a bedroom for bedroom basis. While this constraint impacts cost related to suitable infill housing, an advantage is that replacement housing can be built to reflect unit size needed (e.g. the Rolison Road project will replace existing studio apartments with two and three bedroom units).

##### Labor Costs

The Prevailing Wage requirement for new residential construction within the Redevelopment Area also impacts developers' ability to create affordable units. Prevailing wages can increase development costs by 20 to 30 percent.

#### THE DEVELOPMENT APPROVAL PROCESS

The development approval process has the potential to be a major constraint on the production of housing due to the increased carrying costs associated with a long review process. In general, the time required for development review increases with the complexity of the project and the number of agencies involved in the review. Simple projects, such as individual single-family units on previously subdivided parcels or apartment developments of fewer than four units typically require one or one and a half months to obtain final Planning and Building Permit approvals. Multifamily projects with more than four units often require one to three months. Projects that require an environmental impact report often take six months to a year or more for full review and approval depending on the complexity of the issue involved with the project.

City policies require time for review and processing of development applications. However, permit processing and review times are not at the sole discretion of the City. State and federally mandated procedures determine time required for portions of the process. In addition, review by special agencies whose jurisdiction overlaps the city can add time to the review process. The City/County Association of Governments (C/CAG), Redwood City School District, the Regional Water Quality Control Board, Army Corps of Engineers, Bay Conservation Development Commission, and the Bay Area Air Quality Management District are some of the special purpose agencies concerned with land use in Redwood City. The City strives to achieve concurrent review with these agencies to the maximum extent possible.

Redwood City further minimizes the cost of permit processing by implementing a 'Continuous Improvement Program' involving the participation and reorganization of all City Departments. This program is customer service based. Its purpose is to streamline permit process procedures including reducing governmental constraints upon the development, maintenance and improvement of housing for all income levels. Outlined below are a few of the City's permit and processing procedure improvements:

- Counter Team Cross-Training - All employees that work the front counter are cross-trained to provide better service to customers with questions related to Planning, Engineering, Fire and Building codes and to facilitate permit processing. The Counter Team is also trained to promote and provide to the public housing program handouts that promote new housing development. Backup senior staff from each department are also available for questions and to facilitate/expedite permit and processing procedures.



- One Stop Permit Shop – Every Wednesday smaller projects, including residential additions and secondary (in-law) units that meet state and city standards are approved over the counter or within 24 hours;
- Expedited Permit Review Procedures – A concentrated, interdepartmental team approach has also resulted in faster and more coordinated permit processing for larger development projects;
- Plan Review Committee - This Committee, comprised of Planning, Engineering, Traffic Engineering, Fire and Building Department staff, provides Project Team Coordination and Predevelopment Plan Review to streamline and expedite the permit process and expedite customer service;
- Simplified Building and Planning Codes – The City simplified Building and Planning codes to streamline the permit process and improve customer service;
- Eliminated Several Building and Planning Codes - The City reduced the number of Building and Planning codes to streamline the permit process.
- Eliminated Fees - The City does not charge Architectural Permit fees for single-story residential additions and other minor approvals.
- Combined Building and Engineering Inspections – The City combined Building and Engineering Inspections to streamline the permit process and improve customer service;
- Standardized Building Permit Forms/Procedures and Developed Standard Construction Handbook – The City took a lead role to standardize Building Permit forms and procedures within San Mateo County and developed a Standard Construction Handbook to streamline the permit process and improve customer service;
- Developed and Improved Public Information Handouts - This effort, which includes, among other improvements, the provision of forms in both English and Spanish, has also improved customer service,
- Extended Hours of Operation - Extended hours include early morning, evenings (after work hours) and weekend hours for improved customer service.
- Provide Services and Public Information by 24-Hour Voice Mail, Fax, E-Mail, and Internet Web Site (includes on-line information about housing programs, resources available, application forms, etc.)- These services are also intended to improve customer service.

#### BUILDING CODES

Residential construction is subject to numerous code requirements that can add substantially to the cost of development. These include the Uniform Building Code, related trade codes, the California Energy Code and State Title 24 regulations, and the state seismic safety requirements. These codes and regulations are used in jurisdictions throughout California. Redwood City works with other cities in the region toward standardizing the procedures for administering these codes to facilitate development in all jurisdictions.

Redwood City follows the 1997 Uniform Building Code. Local amendments to the code involve construction on Bay Mud. All of the Redwood Shores area was required to meet the more stringent requirements related to strengthening the foundation of buildings. This safety factor added to the cost of dwellings built on Bay Mud, but was necessary.

Requests for inspections are responded to promptly. When the call for an inspection is made by 7 AM, the inspection occurs on the same day. When the call is made after 7 AM, the inspection occurs within 24 hours.

## DEVELOPMENT FEES

Redwood City's Planning permit fees are currently the lowest in San Mateo County. Developer fees cover costs associated with connection to sewer facilities, water mains, and storm drains. Multi-family residential buildings are required to provide sprinkler systems for safety in times of fire. These costs, shown in Figure 6-2 are passed on to the consumer of housing.

Redwood City also has fewer land use impact fees, such as park dedication fees and parking in-lieu fees, than other Bay Area cities. The City does, however, have a transportation impact fee of \$1,501.59 for single family residential uses, which are defined as 1 to 15 units per acre regardless of whether units are attached or detached. Similarly, the fee for multifamily units is \$1,021.08, where multifamily is defined as a residential density of 16 or more units per acre regardless of whether the units are attached or detached. Affordable housing is charged a reduced fee of \$795.84 per dwelling unit. Transit-oriented housing is charged \$855.90 per unit, and senior/congregate care is charged \$172.31 per unit. The reduction for affordable housing helps to keep housing costs in the affordable range while paying for roadway improvements necessary to keep traffic moving. In addition, in September of 2002 the City established a moratorium on traffic impact fees within the Downtown District for all land uses except office development in order to further encourage new housing and retail uses within in the Downtown. As such, housing development will be exempt from this fee up until July of 2006.

<b>Figure 6-2 Permit Fees: 2001</b>			
<b>Fee Description</b>	<b>Single Family (1,920 sq. ft.)</b>	<b>Multi-family (50 units @ 900 sq. ft. /unit</b>	<b>Multi-Family (100 units @ 900 sq. ft./unit</b>
Building Permit	1,047.25	11,914.75	21,567.25
Plan Check	733.08	8,340.33	15,097.08
Construction Tax	n/a	n/a	n/a
Plumbing, Mechanical, and Electrical	837.80	9,531.80	17,253.80
Other	128.40	2,614.81	4,700.78
<b>Building Permit Subtotal</b>	<b>\$2,746.53</b>	<b>\$32,401.69</b>	<b>\$58,618.91</b>
School Impact	3,075.00	92,250.00	184,500.00
Transportation Impact Fee - City	1,501.59	51,054.00	102,108.00
County Congestion Mngt. Program Fee Applies to projects generating a net 100 peak period trips			
Right-of-way Permit	1.00	1.00	1.00
Water Connection	150.00	40,000.00	50,000.00
Wastewater Treatment Capacity	715.50	7,150.00	71,550.00
Sewer Fee (Facility Fee)	960.00	48,000.00	96,000.00
Engineering and Construction: Map checking fee, not including a map filing fee Final Subdivision Map Final Parcel Map Construction Permit	0.00	5,000.00	5,000.00
Plan Check and Inspection Civil Improvement Plan Grading Permit	1,000.00	30,000.00	50,000.00

Dirt Hauling Permit	0.00	1,800.00	3,800.00
<b>Off-site and Engineering Costs Subtotal</b>	<b>\$7,403.09</b>	<b>\$275,255.00</b>	<b>\$562,959.00</b>
Planning and Redevelopment:			
Architectural Permit	50.00	1,500.00	2,750.00
Planned Development Permit	n/a	n/a	n/a
Other fees likely for a 100-unit, multifamily rental building	n/a	n/a	n/a
Negative Declaration	n/a	n/a	1,500.00
Landscaping	n/a	150.00	200.00
<b>Planning Costs Subtotal</b>	<b>\$50.00</b>	<b>\$1,650.00</b>	<b>\$4,450.00</b>
<b>TOTAL FEES</b>	<b>\$10,199.62</b>	<b>\$309,306.69</b>	<b>\$626,027.91</b>
Assumptions:			
Single family residential is defined as a residential density of 1-15 units per acre regardless of whether units are attached or detached.			
Multi-family residential is defined as a residential density of 16+ units per acre regardless of whether units are attached or detached.			
Fees for Multi-Family units are based on construction costs of \$80/sq. ft.			

## GOVERNMENTAL CONSTRAINTS UPON DEVELOPMENT, MAINTENANCE AND IMPROVEMENT OF HOUSING FOR PERSONS WITH DISABILITIES

With respect to federal, state and local zoning law and codes, disability issues fall into one or more of the following groups: affordability, structural accessibility and permit processing.

### Affordability

Census data reveals that significant numbers of people who have chronic, long-term physical and mental disabilities have very-low incomes, low incomes or low-moderate incomes. This population typically depends on family resources and on Social Security income grants, rental vouchers, subsidized housing and homeless shelters to meet their housing needs.

The Health and Safety Code applies Median Income to the definition of affordability being 30 or 35% of income for housing costs. The most recent regulatory constraint has presented itself in the form of a significant increase in median income. The median income for moderate households earning up to 120% of median results in a housing cost, which is greater than the local market rent. While the average income of households in San Mateo has increased, those increases are not reflected in actual incomes of low to moderate-income households. Accordingly, setaside units, which should be rented at "below market rate", would in fact be renting at market rate.

The City uses State and Federal formulas to calculate "affordable housing costs" to assure affordability of housing developments in contractual documents. The Redevelopment Agency will use Development and Disposition Agreements (DDA) and Owner's Participation Agreements (OPA) to deed restrict the long term affordability of the developments through recording Affordable Housing Covenants on the property. These Covenants prevent properties from selling and converting prior to the end of the 55-year affordability term.

The following affordable housing programs are also available to accommodate persons with disabilities: Under California Redevelopment Law, 15% of the units developed within the boundaries of Redwood City's Redevelopment Area must be dedicated to very-low, low and moderate-income housing. In addition, Redwood City has a Secondary Dwelling Unit Ordinance that has increased affordable housing opportunities throughout the City including housing for persons with disabilities.

In addition to the housing programs outlined above that can be used to help increase the supply of affordable housing units for persons with disabilities within otherwise market rate housing developments, the City's Density Bonus Program can also be applied to congregate care facilities for persons with disabilities. Under the City's Density Bonus Program congregate care facility developers would be allowed to increase the number of very-low, low, and moderate income units since this Ordinance allows at least a 25% density bonus and other incentives for such units.

The City's Traffic Impact Fee Ordinance provides a reduced fee for affordable housing developments. The City has discussed the possibility of creating a program to help affordable housing developers pay this fee from Redevelopment Housing Funds. This is a housing policy that the City will pursue during the term of this Housing Element. As previously described, in September of 2002 the City also established a moratorium on traffic impact fees within the Downtown District for all land uses except office development in order to further encourage new housing and retail uses within in the Downtown. As such, housing development will be exempt from this fee up until July of 2006.

#### Structural Accessibility

The City complies with Federal and State mandated structural accessibility laws. When housing development is assisted with federal funds, 5% of the units must be designed as accessible and 2% must be adaptable for the vision and hearing impaired and these units are affirmatively marketed to persons with the respective disabilities.

The City also complies with the American Disability Act (ADA) laws that have helped to remove structural accessibility issues in housing construction for persons with disabilities. When there is a conflict between an ADA requirement and a Zoning Ordinance requirement, the project planner (for small residential developments) and the City's Plan Review Committee (for larger residential projects) identifies the conflict early in the review process and resolves it with priority given to ADA requirements.

However, the California Disabled Access Guidelines exempt townhouse style developments from including units designed for people with disabilities. While this mandate prohibits people with physical disabilities from occupying these units, it should not preclude persons with other types of disabilities. As such, the City will encourage townhouse developers through housing incentives to affirmatively market affordable units to people with non-physical disabilities. This is a housing policy that the City will pursue during the term of this Housing Element.

The City's Variance process also allows, under special circumstances, exceptions to such zoning standards as minimum lot size, lot coverage, setbacks and parking. As such, developers for persons with disabilities could apply for structural modifications to housing units, including secondary (in-law) dwelling units, for such items as ramps that may need to encroach within required setbacks, but that would provide greater accessibility to residential entrances and exits for persons with disabilities. Developers for persons with disabilities can also apply for reduced parking for special needs housing providing it can be demonstrated that the occupants will have fewer cars.

In addition, the City's Planning Department does not require Architectural Permits and does not charge a fee for first-story additions to single-family residences, including bedroom additions that could be used to accommodate caretakers for persons with disabilities. While an Architectural Permit is required for second-story additions to single and multi-family residential buildings, this permit nonetheless also allows bedroom and other types of residential additions that could be used to accommodate in-home caretakers for persons with disabilities.

#### Permit Processing

The City is currently undertaking an analysis of governmental constraints affecting access to housing and supportive services and affordability for housing for persons with disabilities based on guidelines prepared by the California Department of Housing and Community Development (SB 520). The analysis

will address the City's permit process, zoning and other regulatory standards, code enforcement, access to public participatory processes, and other relevant topics relating to access for persons with disabilities. Should any constraints be identified, the City will adopt appropriate programs that will mitigate the impediments to housing for persons with disabilities.

Notwithstanding this ongoing analysis, in 2001, Redwood City housed the second largest number of group home and community care facilities in San Mateo County, as shown in Appendix C. State law permits (without any discretionary city approvals) facilities with six or fewer residents in all zoning districts throughout the city.

Unlike other cities that confine larger sized (greater than six residents) community care and group home facilities to one or two designated areas within their city, Redwood City permits these and other quasi-public uses, in most commercial and industrial zoning districts. Larger sized, community care and group home facilities are also potentially allowed with a Use Permit in all residential districts. The Zoning Administrator (rather than the Planning Commission) approves use permits. This improves the processing time for these developments since the Zoning Administrator holds weekly hearings, whereas the Planning Commission hearings are held bi-monthly.

In 2001, the City also expanded Housing Program C.4 to allow "quasi-public uses" by right (i.e. without the need for a Use Permit) within the City's "CP" (Commercial Park) and "IR" (Industrial Restricted) zoning districts, thus further facilitating the development of larger congregate care facilities for persons with disabilities.

In accordance with State law, the City has also removed the term "family" from the zoning ordinance so that there is no longer a legal definition of a family that would restrict occupancy of a housing unit to people who are related.

#### Housing Maintenance/ Improvement Programs for Disabled Persons

The City has facilitated the following housing and housing maintenance programs for persons with disabilities:

1. The City's Home Improvement Loan Program, Minor Home Repair & Weatherization Program and the Housing Accessibility Modifications Program - provide deferred loans for disabled persons.
2. For City sponsored rental housing where the housing development is owned by a non-profit, the non-profit holds the responsibility for ongoing building maintenance.
3. Where people with disabilities have been placed in City sponsored ownership condominium units, the Homeowners Association maintains the property.

#### AVAILABILITY OF LAND

**Lack of Available Land** - Redwood City has been primarily built out since year 2001. With the completion of 11,000 housing units in Redwood Shores in 2001, all large vacant residential parcels were fully developed. Most new residential development will occur on re-used land, which can be costly to acquire because developed land will need to be purchased for reuse, rather than vacant land. It is costly to develop re-used property because the high density housing and accompanying uses such as parks and schools will need to be retrofitted into an urban environment originally planned for commercial activities or for low-density residential uses. One economy associated with the reuse-urbanized land is the existence of public utilities, streets, and sidewalks that do not need to be built.

New residential development will occur on sites identified for housing, listed in Appendices E-1 and E-2, and on land to be rezoned or planned precisely (with Precise Plans) during 1999-2007.

**Environmental Constraints:** Some environmentally sensitive land has been designated for preservation, and other land is constrained due to wetlands issues, or lack of public services, facilities, or utilities.

- Land Converted to Open Space - 1,600 acres of land within Redwood City (South Shores & Bair Island) was transferred to National Fish & Wildlife Services for open space preservation purposes.
- Land Subject to Corps of Engineers' Jurisdictional Approval – 85 acres of land within Redwood City's Area H (Redwood Shores) was previously planned for 420 residential units. Area H is currently zoned "TP (Tidal Plain) District and will likely not receive authorization from the Corps of Engineers for residential development due to wetland and traffic capacity issues.
- The Cargill salt ponds (300+/- acres) is constrained and currently lacks infrastructure, public facilities, and services.

**Other** - Citizen protest over the perceived impact of higher density housing projects on existing single-family residential property values.

#### AVAILABILITY OF INFRASTRUCTURE AND PUBLIC FACILITIES

Because most of Redwood City is built, there are few off-site improvements necessary for new residential construction in residential zoning districts. The primary improvements are for new curb, gutters, and sidewalks, which are in need of repair. Occasionally, when streets are abandoned, utilities may have to be relocated; however, the cost of the improvements is usually offset by the value of the land being returned to the developer.

In 2000, Redwood City's sole wholesale water supplier was the San Francisco Public Utilities Commission (SFPUC) through the Hetch Hetchy regional water system. The amount of water available to the SFPUC's retail and wholesale customers is constrained by hydrology, physical facilities, and institutional parameters that allocate the water supply of the Tuolumne River. Due to these constraints, the SFPUC is very dependent on reservoir storage to manage its water supplies. Reservoir storage provides the SFPUC with year-to-year water supply carry over capability, enabling the SFPUC to carry-over water supply from wet years to dry years.

In 2001 and several prior years, Redwood City used more water than its contractual supply assurance from the San Francisco Public Utilities Commission. It can do so because the SFPUC system currently has an aggregate supply surplus during normal water supply conditions. The City intends to continue to purchase available water to meet its demand; however, it is important to consider the larger picture of water supply. The population of the Bay Area climbed from 6,020,147 in 1990 to 6,783,000 in 2000, and is projected <sup>1</sup> to reach 8,026,900 by 2020, resulting in an increasing number of residential and commercial water users. The State and the region's water supply are not increasing resulting in an increasing gap between projected supplies and demands. The SFPUC's *Water Supply Master Plan* projects that demand and aggregate supply assurance will reach parity in approximately 2006-2008.

In addition, there is the recurring situation of drought conditions. In 2000, there were 15% more SFPUC water customers using 10% less water than before the last drought of the late 1980s. When the next drought occurs, it will be far more difficult to attain use reductions of 20-25% (as occurred in 1988-1990), since users are more conserving in their patterns of current water use. As a party to a regional "Interim Water Supply Allocation Plan," adopted in May 2001, Redwood City will be required to reduce water demand by 31% if there is a SFPUC system-wide shortage /drought of 20 percent.

In the future the City can expect to:

- seek alternative/new sources of water supply (such as recycled water) and the means to finance it, and/or
- require new development to bring water supply with it from other agencies in the SFPUC regional service area that may be willing to sell unneeded supply, and/or
- implement conservation measures.

#### CONGESTION MANAGEMENT PROGRAM

In 1999, the San Mateo City/County Association of Governments (C/CAG) amended the Congestion Management Program (CMP) to require local jurisdictions to ensure that traffic impacts of the CMP roadway network are fully mitigated. Projects that will generate a net 100 or more trips on the network during peak periods, and which are subject to CEQA, trigger the requirements for mitigation. If mitigation measures do not completely mitigate the impact, an impact fee is charged. The fee is not lowered for affordable housing. The impact fees impose additional costs to affordable housing projects and therefore make the attainment of affordable housing even more difficult than before the fees were instituted. Program E.3 (Chapter 8) was added to this housing element to require the City to review proposed programs of regional entities for impacts on the affordability of housing and to seek waivers and/or reductions of such fees for affordable housing. The City should consider proposing an amendment to the CMP to provide a credit of one peak hour trip for each affordable housing unit in a multifamily development.

#### CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA)

With the focus on transit-oriented development, the City is increasing development potential for residential and non-residential development along the Caltrain tracks. Mitigation for noise and vibrations require more expensive construction, for example more expensive foundations and triple glazed windows, and outdoor play yards for childcare centers far away from the tracks, which in turn raise the cost of housing in some of the area designated for transit oriented development. On one hand, construction costs are higher near the railroad tracks, and on the other hand, a residential project is considered to be fully mitigated if it is within ¼ mile of a fixed rail passenger station, thus qualifying for a waiver of the high fees of the Congestion Management Program.

#### NONGOVERNMENTAL CONSTRAINTS

Non-governmental constraints upon the maintenance, improvement and development of housing for all income levels include the cost of land, construction costs, the cost of financing, and just about anything beyond the control of government that negatively impacts the production of housing. Although the list of constraints is quite long, this section will focus on some of the key components of housing costs.

##### Land Costs, Demand for Housing, and Market Conditions

Land costs are dependent upon the jurisdiction, location within a jurisdiction, long term supply and demand for land, and the timing of the business cycle. High land costs in the Bay Area hamper the City's and developers' ability to create affordable housing. Although land prices are very volatile and fluctuate with the business cycle, they remain higher in the Bay Area than elsewhere in the United States. With the continuing growth in jobs, there is a continuing demand for housing. Land in Redwood City is mostly developed and there are no opportunities to annex undeveloped land. Therefore, the continuing demand for land for industrial, commercial and residential uses leads to higher land prices over time.

In the second quarter of 2001, the median price of a detached, single family house in Redwood City was \$570,000, compared with \$550,000 during the second quarter of 2000, up 3.6 percent. If we apply two assumptions: the average lot size is 5,500 or 6,000 sq. ft., and an allocation measure that 50 percent of the price is attributable to the land, we arrive at a land price of \$47 to \$52 per sq. ft. in 2001. Applying the same assumptions in 2000, yields a land price of \$46 to \$50 per sq. ft.

Median home prices in selected zip codes in San Mateo County are shown in Figure 6-3. The range of prices in Redwood City reflects a variety of for-sale housing - condominiums and single family detached - as well as location. Clearly, Redwood City has housing that is more affordable than in many other areas in the County.

Figure 6-3		Median House Prices in selected zip codes in San Mateo County through August 15, 2001				
(Numbers are for resale single family residences/condos and new construction houses. Percentage change is from the same previous four weeks in 2000)						
City	Zip code	Median Price			Sales Volume	
		8/15/01	Change from '00	Price sq. ft.	8/15/01	Change from '00
Atherton	94027	\$1,607,500	7.2%	\$714	6	500.0%
Belmont	94002	\$584,500	-10.1%	\$394	20	42.9%
Brisbane	94005	\$485,000	32.6%	n/a	5	-64.3%
Burlingame	94010	\$1,112,500	35.3%	\$500	42	-16.0%
Daly City	94014	\$400,000	10.8%	\$341	25	-19.4%
Daly City	94015	\$400,000	2.8%	\$326	43	-23.2%
Half Moon Bay	94019	\$600,000	11.1%	\$381	21	16.7%
Menlo Park	94025	\$690,000	-1.3%	\$440	35	-18.6%
Millbrae	94030	\$622,500	15.4%	\$383	18	28.6%
Moss Beach	94038	\$594,000	-44.5%	\$366	7	250.0%
Pacifica	94044	\$460,000	13.6%	\$329	41	-18.0%
Redwood City	94061	\$561,000	16.9%	\$440	26	-29.7%
Redwood City	94062	\$650,000	-3.3%	\$386	25	4.2%
Redwood City	94063	\$430,000	13.3%	\$381	11	-26.7%
Redwood City	94065	\$472,500	-29.5%	\$392	32	166.7%
San Bruno	94066	\$370,000	10.4%	\$383	44	0.0%
San Carlos	94070	\$607,500	-0.4%	\$425	40	48.1%
San Mateo	94401	\$456,000	7.3%	\$379	19	-20.8%
San Mateo	94402	\$711,500	5.4%	\$475	30	-21.1%
San Mateo	94403	\$479,000	-10.5%	\$407	32	-37.3%
San Mateo	94404	\$580,000	13.4%	\$346	45	-16.7%
S. San Francisco	94080	\$435,000	8.7%	\$353	49	4.3%
All Houses		\$510,000	9.7%	\$386	638	-12.5%
Total resale houses		\$555,000	8.6%	\$393	502	-11.6%
Total condominiums		\$356,000	11.2%	\$310	117	4.5%
Total new homes		\$702,500	57.2%		19	-61.2%
Source: DataQuick Information Systems, Published in the San Jose Mercury News, September 8, 2001						

Land prices for commercial land appear to be in the \$50 to \$60 per square foot range in 2001. Some examples of land prices in Redwood City in 2000 (at the height of the business cycle) were \$55 per square foot for industrial land and \$80 for office land. In comparison, land costs in Mountain View in the first half of 2001 were estimated to be \$45 to \$85 per square foot, with the wide range reflecting both location and density (e.g., a prime Downtown location could be \$85 or even higher).<sup>3</sup>

#### Construction Costs

Construction costs are high in San Mateo and the Bay Area reflecting the high demand for housing and other types of development. The cost of construction, made up of two factors – the cost of materials and



the cost of labor combined with the rental of equipment - , is a constraint to the production of affordable housing. A comparison of construction costs from city to city is published for 719 U.S. and Canadian cities as a city index by the RS Means Company.<sup>4</sup> The City Cost index is a percentage ratio of a specific city's cost to the national average of the same item at a stated time period – in this case July 1, 2000. The index figures represent the relative construction factors (or multipliers) for Material and Installation costs, as well as the weighted average for Total In-Place costs. Installation costs include both labor and equipment rental costs. On July 1, 2000, the following indices for the Redwood City area (a part of the San Mateo market), and other selected cities were calculated, as shown in Figure 6-5. As would be expected, construction costs in the Bay Area are substantially higher than the U.S. average. Costs in the San Mateo area are in line with the regional average. They are lower than those in San Jose and San Francisco, and similar to those in Palo Alto and Richmond.

**Figure 6-4 Selected Construction Markets in California, July 1, 2000**

Area	Labor Index	Materials Index	Total Index
<b>San Mateo</b>	<b>108.7</b>	<b>126.1</b>	<b>117.2</b>
Palo Alto	105.5	129.2	117.0
Richmond	110.0	124.3	116.9
San Francisco	111.9	133.9	122.6
San Jose	110.2	129.7	119.7
San Rafael	111.9	127.2	119.3
Santa Cruz	110.9	116.3	113.6

Source: RS Means 2001 Construction Cost Indexes, page 619

Note: The average index for the USA is 100.

The cost of construction varies with the type of construction and is related to site factors, such as a location on a hillside or on Bay Mud. According to the *Statewide Housing Plan*<sup>5</sup>, construction costs were \$95 per square foot in nearby Santa Clara County in 1997. Added to the \$95 per sq. ft. construction costs are 30 percent for “soft costs.” If 70 percent of the total costs are construction costs and 30 percent are soft costs, the application of these costs to a 2,000 sq. ft. house results in \$271,429 for construction alone (\$95 per sq. ft. x 2,000 = 70 percent of the total plus \$81,429 = 30 percent of the total), not including the land in 1997.

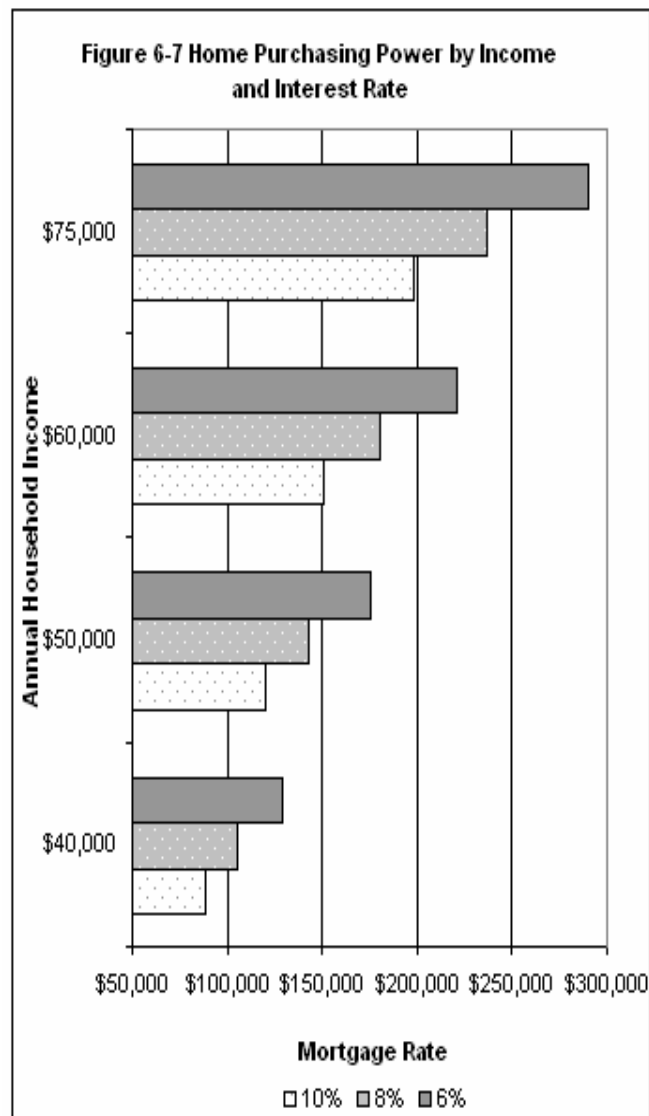
The Association of Bay Area Governments (ABAG) states that generally, wood frame construction at 20 to 40 units per acre is the most cost-efficient method of residential development. These densities are considered by the State Department of Housing & Community Development (HCD) to be the minimum level that could have the potential to deliver lower and moderate income units. ABAG goes on to state that medium density residential ranges should allow at least 18 units to the acre, and high-density ranges should allow at least 30 units to the acre. These density thresholds may be higher in jurisdictions where land costs are higher than the regional average.

#### Supply and Availability of Mortgage Credit For Home Ownership

*The Statewide Housing Plan 2000* foresees that mortgage money should remain plentiful and inexpensive as long as inflation remains under control, and as long as there are no significant increases in mortgage default rates. In the 1990s, home mortgage credit has been readily available at attractive rates throughout the United States. “Borrowing costs on fixed rate mortgages during the first quarter of 1999 were at their lowest point in 25 years.” The beneficial effects of lower mortgage interest rates translate directly into more affordable home ownership. For example, with mortgage interest rates at 10 percent, and assuming a 15 percent down payment, a family with an annual income of \$60,000 can qualify to purchase a \$151,041 home. With interest rates at 8 percent, the same household with the same \$60,000 income qualifies to purchase a \$180,642 home. Were interest rates to fall to 6 percent, the same household could qualify for a \$221,081 home (see Figure 6-6). The benefits of low mortgage rates to households in

the \$40,000 to \$50,000 category are even more profound.”<sup>5</sup> The opposite is true also - as interest rates rise the opportunity for home ownership quickly evaporates, particularly for lower income households. Finally, saving adequate amounts of money to meet down payment requirements can be difficult for moderate-, low-, and very low-income residents in the city.

<b>Figure 6-6 Home Purchasing Power for Selected Household Incomes, at 6%, 8%, and 10% Mortgage Rates</b>			
Income	Annual Interest Rate	Amount one can borrow	Maximum Home Purchase Price
\$40,000	6	\$110,082	\$129,508
\$40,000	8	\$89,947	\$105,820
\$40,000	10	\$75,207	\$88,479
\$50,000	6	\$149,001	\$175,295
\$50,000	8	\$121,747	\$143,232
\$50,000	10	\$101,796	\$119,760
\$60,000	6	\$187,919	\$221,081
\$60,000	8	\$153,546	\$180,642
\$60,000	10	\$128,385	\$151,041
\$75,000	6	\$246,295	\$289,759
\$75,000	8	\$201,245	\$236,759
\$75,000	10	\$168,267	\$197,961
Assumptions:			
30 year loan			
15% down payment			
Annual Real Estate Taxes			\$2,500
Annual Homeowners Insurance			\$300
Annual Mortgage Insurance			\$480
Qualification was based on the industry standard 28/36 ratio, meaning that no more than 28% of gross monthly income can go toward total housing expenses (loan payment, taxes, insurance and assessments) and no more than 36% of gross monthly income can go toward total monthly debt expenses (including housing).			



The Federal Reserve Board has successively cut interest rates in 2001. The federal funds rate was 3.70 percent and the prime rate was 6.50 percent as of September 4, 2001. These rates indicate the overall cost of capital. Some average mortgage rates as of September 4, 2001 were: a 30-year, fixed rate mortgage rate was 6.884 percent; a 15-year, fixed rate mortgage rate was 6.444 percent; a 1-year adjustable rate mortgage was 5.88 percent.

The financing of single- and multifamily residential development projects also represents a constraint to development. Financial institutional institutions must see clear potential for return on financing. Projects must represent low risk to lenders. When investors perceive a high level of risk, they may refuse to finance, require large premiums over and above other types of real estate investments, or require the loan to be a recourse loan. This problem is particularly difficult in achieving financing for affordable housing projects. In the past, Redwood City has had to step in and provide “bridge” financing for projects that private lending institutions would not support.

In the past, a former banking practice known as “redlining” was a constraint to the development of housing in some communities. Redlining is a discriminatory financial practice whereby lenders refuse to make loans to people with property in certain areas or to people of certain income levels, despite their ability to be able to afford a home. There is no reported evidence of “redlining” described in the section on Barriers to Affordable Housing in the City’s *Consolidated Plan 2000 – 2005*. (The U.S. Department of Housing and Urban Development requires disclosure of any evidence of unfair local lending patterns such as higher mortgage interest rates or lesser availability of mortgage credit in certain areas of a city, as an impediment to fair housing in a city’s Consolidated Plan.)

#### Other Non-governmental Constraints

One of the key routes to enabling residents, who are, or will be, in the labor force to afford housing is to create enough jobs that pay a living wage and to provide opportunities for residents to obtain the education and job training to obtain those jobs. This is why it is important to maintain a sufficient amount of land for uses that generate living wage employment. The City seeks to provide the opportunity for both living wage employment and housing within the city to reduce the gap between wages and housing affordability. The approach of balancing jobs and housing and matching employment creation with the skills of residents also helps residents to avoid long commutes and the attendant costs, which are prevalent in the Bay Area.

The following is an example of how the City maintained a balance of land use, and therefore a balance of potential employment opportunities, during a time of extraordinary market pressure to become one-sided. In 2000, office development was much more profitable than most other type of development and was rapidly replacing other land uses with offices, and in the aggregate outstripping other commercial, industrial, and multifamily development. The City studied the phenomena and recognized the benefit of a certain amount of new office development, but also decided to retain a balance of land uses. The City amended the zoning ordinance to: limit office development; create incentives to construct mixed use (commercial and housing) projects; provided additional opportunities for high density residential development; and retained some of its industrial land to balance its employment base.

At the same time, other residents, such as seniors and some of the disabled, are not part of the labor force and cannot take advantage of these opportunities. The government can provide for, and cause to be constructed, some below-market-rate, affordable housing; however, it cannot build enough affordable (below-market-rate housing) housing, or set requirements on the private sector to cause enough construction of affordable housing to satisfy the housing needs of everyone who needs below market rate housing. (Housing should be reserved for 20 to 30 years as below market rate in order to be classified as affordable.)

Finally, as previously noted, housing needs in Redwood City cannot be met exclusively through the efforts of the public and non-profit sectors. The for-profit development community must play a significant role. Also, Redwood City will need to be vigilant in evaluating its and other agencies’ development regulations, including impact fees, to ensure the proper balance between requiring what is needed to

maintain health and safety standards and quality of life and the impact those requirements have on the cost of development. Constraints imposed by agencies and groups other than the City of Redwood City will need to be proactively resolved to reduce their impact on the housing market in Redwood City.

- 
1. Urban Water Management Plan 2000, City of Redwood City, Public Works Services Department, December 2000
  2. San Francisco Chronicle, July 31, 2001, pages A11 and A12.
  3. City of Mountain View staff report to the Environmental Planning Commission, July 11, 2001, page 4.
  4. RS Means Company, Building Construction Cost Data 2001, page 619.
  5. State of California Department of Housing & Community Development, Statewide Housing Plan 2000, page 119.
  6. *Ibid.*, State of California Department of Housing & Community Development, page

## 7 HOUSING NEEDS

### INTRODUCTION AND BACKGROUND

The California housing element law requires that housing elements clearly identify the housing needs of the community and develop specific, quantifiable policies and programs to meet those needs. Housing needs represent the extent to which the housing units available do not match up with the type of housing required by the residents.

The previous chapters of the housing element have presented an overview of population and housing related characteristics of Redwood City and discussed potential problem areas. This chapter is intended to synthesize the community's housing needs to establish a basis for the formulation of housing goals, policies and programs. In many categories the need far exceeds the capability of the City to address the need. In those areas the City is committed to establishing policies and programs addressing at least some portion of the need. It is the intention of the City that these programs be established as a foundation from which to build. In addition the City will be seeking assistance and cooperative relationships in meeting these needs from the private, non-profit and public sectors including all levels of government.

### ADEQUATE SITES TO MEET IDENTIFIED HOUSING NEED

One of the key provisions of California housing element law is that each jurisdiction has the responsibility to provide the opportunity for housing affordable to all income groups to be built. State law also recognizes the providing the opportunity for housing affordable to all income groups is not a process that can be accomplished by each jurisdiction in isolation.

One of the purposes of a regional housing needs plan is to avoid a concentration of particular income groups in one area. If, for instance, low-income residents account for 40 percent of all households in a region but only 20 percent of households in a particular city, then that city will be required to provide more low-income housing. At the same time, a city which consists of 60 percent low-income households would be required to provide zoned land for moderate- and above moderate-income housing. The Regional Housing Needs Plan seeks to ensure that people of all income groups are not limited by their income to live in one particular city or another.

It is important that cities with a higher percentage of low-income households than the regional average are permitted to direct their primary energies to accomplishing low- and very low- income units, while ensuring that adequate opportunity exists for moderate and above-moderate income housing.

#### **Need: Adequate sites to accommodate the Regional Housing Needs through 2006.**

The State of California requires each community to identify adequate sites to meet its share of the regional housing need. ABAG defined the need in Redwood City to be 2,544 units from January 1, 1999 through June 30, 2006 (Regional Housing Needs Allocation 1999-2006). Allocation of the units among various income groups is distributed as follows:

- |                         |       |       |
|-------------------------|-------|-------|
| • Very low income       | 534   | (21%) |
| • Low income            | 256   | (10%) |
| • Moderate income       | 660   | (26%) |
| • Above moderate income | 1,094 | (43%) |

Redwood City has adequate sites to meet the housing need identified by ABAG through 2006. The Adequate Sites Inventory (2001) discussed under Housing Opportunities in Redwood City and included as Appendix A includes sites for 1,825 residential units. In addition, the City has finalized building permits for 318 units from January 1999 through July 2001. In addition, the City has completed a draft of the Downtown Plan (7-31-01), which calls for at least an additional 2,000 housing units, and will review the plan during the fourth quarter of 2001. The Downtown Plan will be implemented through specific rezonings, most likely during 2002. At a minimum, the plan is expected to produce an additional 500 sites

for housing in the Downtown Redevelopment area between 2001 and 2006. Production of 500 units in the downtown redevelopment area will in turn trigger a requirement for affordable housing - 30 units for very low-income households and 45 units for a combination of low- and moderate income households.

The housing produced between 1999 and July 31, 2001 coupled with the housing sites currently available and implementation of one-quarter of the Downtown Plan indicates an existing new construction and potential construction capability of 2,643 units, which is 99 units in excess of the ABAG identified need.

Capacity above this level is available through the application of the City's, and state's density bonus laws. If developers desire to take advantage of the density bonus, at least an additional 417 units can be built and 208 very low income, or 416 lower income, or 1,042 units for seniors can result. The number and timing, of units that would result from these programs during the 1999-2006 planning period depends on market conditions which activate the creation of these housing units. At the writing of the housing element in mid 2001, the demand for housing is strong and market conditions are favorable because the market for commercial buildings has declined sharply and land owners are motivated to invest in non-office developments, such as housing. In addition, City staff anticipates that the City's density bonus ordinance, which implements the requirements of the State, will be used as construction of housing accelerates with the adoption of the Downtown Plan and with increased developer interest in multi-family housing during 2001-2006.

Between 1/1/99 and 7/31/01, 54 very low-income and 19 moderate-income units were added to the affordable housing stock in Redwood City. These units were added through new construction. Of those 73 units, 73 are new units and an additional 2 units are classified as group quarters. The remaining need for affordable housing includes 480 very low-income units, 256 low-income units, and 641 moderate-income units. The affordable housing requirement in the redevelopment area, requiring 15 percent of the units within redevelopment boundaries to be affordable, will go far in assuring that will be built affordable units to meet the designated need, assuming adequate private sector capability to build. The City's major planning initiative during 2001-2006, the Downtown Plan, is located completely within the boundary of a redevelopment area.

To expand the supply of small housing units intended to be occupied by one or two people, the City amended the zoning ordinance to provide for secondary housing units for rent in single-family residential areas while respecting the character of residential neighbors. This change created 1,900 sites for second living units. City staff estimates that 20 second units will be built each year as prospective homeowners look for ways to generate cash to pay for mortgages, and as homeowners chose to move into a smaller unit on land they own so they can enhance their income by renting the larger house on the same property. These units will be affordable to low and moderate income households due to their limited size and limited rent potential.

Redwood City approves in-law units over the counter or within 24 hours of plan submittal. Architectural Permits and permit fees are no longer required for these units. The City's Counter Team is trained to inform property owners about this code change and to encourage in-law unit development. Also, the City prepared handouts to increase awareness of this program to increase the density of housing.

In addition, other funding resources and incentives will contribute to accomplishing units in the proper affordability range. Funds from the redevelopment district 20 percent set aside will also support these efforts. In response to the City's larger very-low income need, and the greater difficulty in achieving these units, the City should gear the use of these funds to accomplishing the ABAG very-low income need prior to making them available to meet other needs. Figure 8-1 describing how these needs will be met is included in Chapter 8, Goals, Policies and Programs.

*Programs: A.1 through A.5, B.1 through B.6, C.1, C.2, C.5, C.6, C.8, and F.6 address this need. Other programs also provide support addressing these needs.*

## AFFORDABLE HOUSING

### **Need: A strong, diversified Redwood City economy and job training.**

A diversified economy provides jobs for all skill levels and job training and educational achievement helps to close the gap between wages and housing affordability. The City helps people who have micro-businesses. For example, in fiscal year 2001/2002, the City provided \$120,000 of CDBG funds for training and incubator space to small micro-business enterprises at the Downtown Education and Technology Center of Canada College.

### **Need: Development of affordable housing in Redwood City and the mitigation of constraints to the development of affordable housing.**

It should be noted that 73 units of affordable housing (very low and moderate income units) were added to the Redwood City housing stock between 1999 and 2001. These projects were developed through a variety of City and non-profit ventures. City and redevelopment funding and the use of favorable provisions of the City zoning ordinance were combined to produce these successful projects. The accomplishment of these units clearly demonstrates the viability of affordable housing in Redwood City.

New opportunities to encourage affordable housing in Redwood City include: rezonings to allow housing in areas which were previously exclusively commercial, particularly those commercial areas that lie within a redevelopment boundary, use of redevelopment funds and other funds to acquire sites for affordable housing (El Camino/Vera St. and City Center Plaza projects), use of redevelopment powers to assemble parcels thereby creating large parcels appropriate for high density housing (Franklin Projects), implementation of the City/state density bonus law, a periodic public education newsletter to gain public acceptance of affordable housing, negotiation of affordable units in development agreements, and provision for in-law units.

Impact fees, such as C/CAG's impact fee, which apply to affordable housing at the same level as market rate housing effectively make affordable housing more difficult to achieve by raising the development costs. Local agencies literally are raising the cost of producing affordable housing and then trying to fund the higher cost of producing the affordable housing. In addition, the transaction costs of this process are very high. Program E.3 is intended to influence the structure of impact fees and other charges by waiving or lessening fees for affordable housing.

*Programs A.1, A.2, A.3, A.5, B.1, B.2, B.3, B.4 B.5, B.6, C.1, C.5, C.6, C.8, and E.3 address these needs. Other programs also provide support addressing these needs.*

## SPECIAL NEEDS HOUSING

### **LARGE HOUSEHOLDS AND OVERCROWDING**

**Need: Eight percent of the rental housing stock for large families affordable to very low- and low-income households. These units would have three or more bedrooms.**

**Need: An additional 11 percent of the rental housing stock in two and three bedroom units to address overcrowding in households of four or fewer persons. These units should be affordable to very low- and low-income households.**

**Need: Construction of additional bedrooms on owner-occupied housing units to ease overcrowding.**

Since 1980, households increased in size in Redwood City, due to increases in births as well as to related and unrelated families and individuals doubling-up. Eleven percent of all households consisted of five or more persons in 1990 and therefore are defined as large households. These households require units with three, four, and five bedrooms. Overcrowding impacts 17 percent of all rental households and 6

percent of all owner households in Redwood City in 1990. Most of the overcrowded units are located in the Downtown and the Central/Palm areas. As housing is built in redevelopment areas, the Agency will continue its practice of negotiating some larger, three and four bedroom rental and for-sale units. In addition, as the City develops specific plans and negotiates development agreements which include housing, the City shall continue its practice of negotiating to provide some larger three and four bedroom rental units. There is a need to give priority to the creation of three and four bedroom rental units to solve problems of overcrowding and large families in small units.

Obstacles specific to providing units primarily relate to issues of affordability. While no definitive information is yet available relating large families and income, it is anticipated that significant portions of families requiring large units also fall into low and very low affordability ranges. In addition, larger units occupy greater portions of the developable floor area on any project, therefore reducing the overall unit numerical yield. Since land and construction costs must be covered by the sale or rental of the units, the decrease in unit yield increases the costs allotted to each unit and results in increased sale prices or rents on a per unit basis. Programs to offset this impact should be developed.

Small units, as well as larger units, are an important part of the housing stock because smaller affordable units will allow smaller families and individuals to live independently, thereby easing overcrowding by decreasing the need for families and individuals to double-up in units.

*Programs: A.5, B.2, B.3, and C.1 address the needs of large families and B.4 and C.6 address the needs of small families. Other programs also provide support addressing these needs.*

#### SINGLE-HEADED HOUSEHOLDS

**Need: Affordable housing meeting the income needs of single-headed households.**

**Need: Childcare and job and living skill training to meet the needs of single-headed households.**

As described previously, 24 percent of all families with children are headed by a single head of household in Redwood City in 2000. Seventy-three percent of those are headed by women and twenty-seven percent are headed by men. Approximately 34 percent of the total number of female headed households are receiving California Work Opportunities and Responsibility to Kids (CalWORKs – a successor program to Aid for Dependent Children (AFDC)). Less than 0.1 percent of the single-male headed households are receiving CalWORKs.

Single-headed households with children imply several special needs. Housing units must include adequate living and bedroom areas and outdoor play areas. Housing should be located near schools and playgrounds. Childcare to meet the needs of children not yet school age, before and after school care for school age children, and care for children when they are sick and are not able to go to school are all needed by single heads of household. As indicated by the participation rates of these households in the CalWORKs program, this housing must be developed within affordability guidelines. Job skill and living skill assistance and training are also needed.

*Programs: B.2, B.3, B.4, C.2, C.8, C.9, address these needs. Other programs also provide support addressing these needs.*

#### ELDERLEY Households

**Need: Studio, efficiency units and one-bedroom units to meet the needs of the elderly population.**

**Need: Retention of “Units at Risk” as assisted housing.**

Although the 2000 Census data on income of elderly households is not yet available for Redwood City, many elderly residents live on fixed incomes. Twenty percent of the households in Redwood City



included individuals 65 years and over in 2000. In eight percent of the households, the householder (the household member who owns or rents the living quarters ) is a person 65 years and older.

The San Mateo County Housing Authority indicates that most requests for vouchers for Section 8 rental housing for studios and one-bedrooms are from elderly persons. The Housing Authority expects that the next opportunity to apply for Section 8 vouchers will be in 2002.

The provision of affordable studio, efficiency units and one-bedroom units specially geared toward seniors and individuals employed by local businesses would appear to address the need in the community. In 2002 the City intends to provide for a new housing type, the efficiency unit, which is smaller than a studio apartment, but also lower priced. It is anticipated that efficiency units will be included developments with a variety of unit sizes.

The City adopted a second unit ordinance, which permits development of one-bedroom units and studios in single family residential areas. This program can allow for the larger main residence to be freed up for larger families. In addition, the provision of market rate senior housing may allow individuals currently living alone in larger homes to move to senior facilities that better suit their needs freeing up larger homes for families. It is understood that there are seniors living alone who have no interest in leaving their homes.

The program to preserve existing assisted units, which are at risk of converting to market rate units and which are a valuable source of housing units for seniors has been strengthened in this housing element.

*Programs A.2, A.3, B.4, C.6, F.6 address this need. Other programs also provide support addressing these needs.*

#### THE HOMELESS AND THOSE IN TRANSITION

**Need: Temporary housing assistance at little or no cost to the recipient.**

**Need: Programs for job training and job development supplemented by training in life skills such as financing and budgeting.**

**Need: Maintain zoning that enables facilities for the homeless and those in transition to be built and expanded.**

**Need: Continue to support programs for the homeless.**

As housing costs continue to increase, more people are expected to become homeless in the future.

There are several agencies that estimate the homeless population. The homeless population in San Mateo County in 2000 was 4,663, according to a survey conducted by San Mateo County. The homeless population in Redwood City is 497, assuming the homeless population in Redwood City is the same percentage as the general population of the City is to the County – 10.66 percent. This amounts to seven tenths of a percent of the total city population.

Another measure of homelessness and “at risk for becoming homeless” is people living in “other” non-institutionalized group quarters. The 2000 Census reported that 446 people lived in non-institutionalized group quarters in Redwood City. “Group quarters” are defined as a place where people live or stay other than the usual house, apartment, or mobile home. Two general types of group quarters are recognized: institutional (for example, nursing homes, mental hospitals or wards, hospitals or wards for chronically ill patients, hospices, and prison wards) and non-institutional (for example, college or university dormitories, military barracks, group homes, shelters, missions, and flophouses. Redwood City does not have any college or university dormitories or military barracks. The 446 people are listed in the subcategory, Other Non-institutionalized Group Quarters, which includes the homeless.

In San Mateo County the trend has been toward maximizing delivery of services at existing homeless facilities to serve residents on a regional basis and away from designating sites for homeless activities. By sharing resources regionally, the cost of operation is more effective and delivery of services is coordinated by the County's Homeless Coordinator enabling the services at certain locations to be tailored to the needs of individual special needs groups.

Also, Redwood City shall continue to work with public and non-profit community agencies to address this need, particularly the need of families. The City allows through its zoning single-room occupancy facilities providing housing opportunities for single, homeless individuals. The City will continue to address transitioning homeless persons into jobs and permanent living situations.

*Programs: C.2, C.3, and C.4 address these needs. Other programs also provide support addressing these needs.*

## THE DISABLED

**Need: Rental housing designed to meet the needs of the physically disabled in both the affordable and market rate ranges.**

**Need: Housing to meet the needs of the mentally disabled.**

As described in Chapter 2, Community Profile, seven percent of Redwood City residents reported work disabilities in 1990 and 3.5 percent reported a public transportation disability. It is unknown at this time what portion of Redwood City's housing supply is "accessible" to the physically disabled. Since 2000 State law requires that new housing be barrier free. Under State law any development over three units must be accessible to physically disabled persons. Federally subsidized housing projects must also contain units with features that provide for the needs of the disabled. At present one in five units must be accessible to physically disabled persons.

Current treatment and support services can enable most persons with mental disabilities to manage their disabilities and their lives. However, treatment and support services are ineffective when the person who is mentally disabled is homeless or living in an inappropriate situation. The mentally disabled have three major, basic, housing needs. First, the housing must be affordable to very-low income individuals, since most of the mental disabilities fall into that category. Second, support service must be available to help provide for meaningful daytime activities for the mentally disabled. Third, there should be opportunities for mentally disabled to socialize and form friendships with their neighbors or other people they encounter frequently.

The San Mateo County Health Services Agency, Mental Health Services Division recognizes that some mental disabilities people in San Mateo County are either without housing or have a serious need for more appropriate housing. Many are included in the special needs group, homeless and people in need of transitional housing.

*Programs: All affordable housing programs, plus C.2, C.3, C.4, C.11, C12 and G.1. Other programs provide additional support.*

## CONSERVATION AND IMPROVEMENT OF THE EXISTING HOUSING STOCK

**Need: Repair and rehabilitation of the existing housing stock in need of repair.**

**Need: Conservation of existing affordable units in need of repair.**

**Need: Preservation of affordable units eligible for market rate conversion. Fifty-eight units at Redwood Commons when the City receives a notice of intention to convert the housing to non-low-income housing.**

**Need: Preservation of housing units of historic significance and of non-historical significance.**

**Need: Conservation of the existing rental housing stock by limiting condominium conversions.**

For a number of years the City has had an aggressive rehabilitation program for both renter and owner households. Although a large number of units have been rehabilitated, the need continues to exist. The City plans to continue and expand, as funding allows, this highly effective program. The City has also actively pursued the conservation and rehabilitation of aging units; these efforts should continue in order to meet the ongoing need (refer to Chapter 3).

There are four federally assisted developments in the city and nine developments assisted by the Redevelopment Agency since 1989. Two of the four federally assisted developments are owned by nonprofits and are prohibited from prepaying their mortgages within the period 1999-2009. The remaining Redwood Commons is owned by a for-profit developer and the tenants are assisted by Section 8 contracts and the owner continues to renew them annually. The contracts can be renewed annually on the developments in which case no risk exists. The “units at risk” program, described in Chapter 8, has been strengthened to prepare the City to act quickly to find and support a nonprofit owner in the event the City is notified of intent to convert to market rate status.

The housing units assisted by the City’s Redevelopment Agency are not at risk because they contain long-term affordability and resale restrictions, which will not expire during the planning period 1999-2009.

Preservation or replacement of existing affordable housing helps to assure that the stock of existing affordable housing in the community will continue to meet the needs of the community. The costs of replacing these units compared to preserving them will indicate the most cost effective path. It is difficult to estimate the costs of preserving assisted units until the participants are known because there is a significant variation in the types of cooperative efforts available to preserve assisted units.

The city’s aging housing stock includes a number of historically and architecturally significant buildings that represent the cultural history of the city as well as an important housing resource. The following resources are available to assist in preserving these houses. The Mills Act Contract Program is available to provide limited tax relief to owners of locally designated properties. For low and moderate income owners of housing, the City has an agreement with HUD to allow a greater proportion (than normally allowed) of a rehabilitation loan to be spent on the exterior of a building to help preserve its historic character. Proposed changes to houses on the City’s historic inventory are reviewed by staff to assess the significance of the impact and recommendations are made for preservation of the historic integrity of the house. In addition, as a result of major rezonings from commercial to mixed-use district, the city helped to preserve many existing (previously non-conforming) rental apartments and condominiums located in the Downtown District and along El Camino Real and Woodside Road.

Rental housing provides the majority of affordable housing in Redwood City. The conversion of rental to ownership housing reduces the mobility of renter households and may increase the cost of rental housing if the conversions reduce the supply of the rental housing stock. However, it should be recognized that a change in tenure from renter to owner for lower-income households is beneficial to that household and the community at large, as long as lower income rental units are not converted to moderate- or above-income ownership units. The City should continue measures to restrict the conversion of housing from rental to ownership status unless the market demand for rental housing drops below a reasonable threshold.

*Programs: F.1, F.2, F.3, F.4 F.5 F.6 address these needs. Other programs also provide support addressing these needs.*

## PROMOTION OF EQUAL HOUSING OPPORTUNITY

**Need: Programs to promote equal housing opportunity for all Redwood City residents.**

The promotion of equal housing opportunity or accessibility is an important area of focus in a community's housing element. The ability of any community to establish and maintain high standards for fair housing practices is dependent upon strong policy direction.

In Redwood City, there is evidence to suggest some discriminatory housing practices. The number of complaints resulting in intensive fact finding and investigation ranged from 11 to 25 per year over the past five years. Few cases have been filed in court against landlords or property owners regarding alleged acts of housing discrimination. In view of the foregoing, Redwood City should firmly commit itself to carry out the purposes and intent of state and federal fair housing laws and continue to educate tenants and landlords regarding their rights and compliance with fair housing laws. *Programs: G.1, G.2, and G.3 address this need. Other programs also provide support addressing this need.*

## PROMOTION OF ENERGY CONSERVATION IN HOUSING DEVELOPMENT

**Need: Energy conservation by promoting energy efficient residential building design and orientation.****Need: Energy conservation in existing housing as a part of the City's rehabilitation efforts.**

The City requires compliance with Title 24 energy requirements as part of its building review process. The City should require energy efficient design features in all housing developments. The City should continue these efforts and provide incentives or requirements for energy efficient site orientation and use of solar heating systems.

Also, the City provides for insulation and other energy-saving weatherization measures as part of the housing rehabilitation program. Redwood City has a Minor Home Repair and Weatherization Program which provides a maximum assistance level of \$2,000 per household for minor repairs and which focuses on energy related improvements. The assistance is a grant, which is provided to low income and disabled homeowners. In addition, the City provides the following loans to reduce energy costs:

- Energy Loans up to \$20,000 at 3 percent interest with payments under \$150 per month. These loans are available to low income households;
- Emergency Repair Loan Program of \$4,000 at 0 percent interest, deferred for five years or amortized over five years depending on the owner's ability to pay. Emergency repairs include roof repairs, water heater repair or replacement, heater repair or replacement, plumbing and electrical repairs, and structural items and accessibility issues;
- Roof Program with loans up to \$10,000 at 3 percent interest and payable over 10 years.

*Programs: H.1 and H.2 address these needs. Other programs also provide support addressing these needs.*

## **8 GOALS, POLICIES, AND PROGRAMS (AS REVISED)**

### **INTRODUCTION AND BACKGROUND**

This chapter of the Redwood City Housing Element contains the action plan for meeting the housing needs described in the previous sections. The 1999-2007 eight-year program builds upon the previous and ongoing activities the City has employed in the 1988-1999 Housing Element to protect and improve housing and adds programs to meet newly identified needs. Programs are added to address areas where previous goals were not met, and quantified objectives were increased where possible to better reflect previous accomplishments and encourage those continued good efforts.

The overall goal for housing is supported and defined by a set of housing policies. Policies are the adopted legislative position of City Council of Redwood City. These policies will be implemented by the administrative positions of the City staff, the conditions of project approval established by the Planning Commission or Zoning Administrator for the programs described in this chapter.

The City will continue to use its land use and housing development authority to facilitate housing production for persons at all economic levels. At the same time, it is recognized that affordable housing must be provided within a suitable living environment. The creation of the suitable living environment requires that the overall character of the community be preserved and enhanced.

Redwood City's commitment to housing is strong. In 2000, the City implemented an interim urgency ordinance to protect residential/mixed use, retail and industrial lands from the rapid proliferation of office growth. The ordinance enabled Redwood City to retain housing opportunities on land previously zoned from commercial to residential/mixed-use, and to maintain a balanced, healthy economic base. During the interim urgency period in 2000-2001, the City enacted new programs to expand and encourage the number of opportunities for housing to be built. In addition, it strengthened programs related to affordability, units at risk, and energy. In 2001, the City also planned for more housing through the preparation of a Downtown Area Plan.

The City has a Housing and Human Concerns Committee that provides guidance on housing policies and programs and a Housing Coordinator who manages a staff that implement many of the City's housing programs.

Redwood City recognizes its responsibility to provide for the housing needs of its residents beyond 2007. Therefore, programs to achieve an adequate land inventory for housing after 2007 are included. Redwood City further recognizes that housing does not occur in a vacuum. The most critical element in accomplishing housing that meets the needs of the residents is a strong economy with adequate living wage employment to support the needs of its labor force. Closing the gap between wages and housing costs is critical. Therefore, improvement of the skill level of the labor force in Redwood City is suggested in the economic policy in Appendix 1 to the General Plan. An implementation matrix outlining all the housing programs and policies with timelines (Figure 8-2) is provided at the end of this chapter.

### **HOUSING GOALS**

Chapter 7 of the Housing Element characterizes and quantifies the city's current and projected housing needs. The city's housing programs set forth appropriate responses to those identified housing needs. The initial step in this process is the establishment of goals and policies that reflect the community's commitment to creating an attractive, balanced, and equitable housing environment.

#### **Goal 1 Provision of Housing**

Develop, improve, conserve, and preserve safe, affordable housing to meet the needs of all residents of Redwood City.

#### **Goal 2 Well-Balanced Economy**

Promote and retain a balanced, healthy economy in Redwood City that includes a diversity of jobs, while promoting the development of new housing within a satisfactory urban environment.

**Goal 3 Special Needs Housing**

Provide housing to meet the special needs of the disabled, elderly, large families, homeless, and single-headed households.

**HOUSING NEEDS IDENTIFIED BY STATE LAW**

Achievement of the housing goals requires the formulation of, and commitment to, specific housing policies and programs. The following policies and programs are designed to meet the needs described in earlier sections and attain the goals listed above. As required by State law, each program includes a quantified objective, agency responsible for implementation and time frames. The policies address the six basic housing needs identified by State law:

1. Identify adequate sites to meet identified housing needs.
2. Assist development of low- and moderate-income housing.
3. Address governmental and non-governmental constraints.
4. Conserve and improve the existing housing stock and preserve assisted housing at risk of converting to market rate status.
5. Promote equal housing opportunities.
6. Provide programs to meet other identified housing needs.

It is important to recognize that all of the policies work together to address the total housing need in Redwood City. Policies may further efforts in more than one area, but are not repeated. For instance, programs for ensuring adequate land for housing address physical land needs, but also work to offset constraints that impact affordability through increased housing opportunities. Similarly, programs may work in conjunction with each other to produce affordable housing. A program to use funds collected by the Redevelopment Agency to assist in the development of affordable housing may be combined with other housing programs (such as landbanking and/or density bonus programs) to produce affordable housing. Therefore, the quantified objectives for each program simply cannot be summarized to determine the total number of housing units that result from the implementation of all of the programs. Instead, the overlapping use of housing programs must be taken into consideration when determining the number of units that may result from implementation of the programs.

**Adequate Sites to Meet Identified Housing Needs**

**Policy A:** The City shall provide opportunities for Redwood City's share of regional housing needs for all income groups and encourage a variety of housing types.

**Program A.1: Fair Share of Regional Need**

The City will continue to evaluate the adequacy of its supply of land suitable for residential development and strive to provide sufficient land to allow the market to freely create all types of housing needed in the current and future planning periods. In the planning period 1999-2007, 2,544 sites suitable to accommodate residential development should be made available for the development of at least 534 very-low-income units, 256 low-income units, 660 moderate-income units, and 1,094 above-moderate income units. In 2001, there continues to exist in the city more than adequate sites zoned to meet the housing needs through 2007 as outlined in the Housing Element section on housing opportunities and Appendices E-1 and E-2. In August of 2003, the City Council also approved a water-recycling program to help ensure that an adequate water supply is available for, among other things, the City's determined regional housing need described in this Housing Element. The definition of income ranges is based on estimates made by the U.S. Department of Housing and Urban Development (HUD).<sup>1</sup>

*Responsible Bodies:*

*Redwood City Planning & Redevelopment Services, lead department*

<sup>1</sup> In 2001 the income categories for a family of four persons are defined as: Very Low Income - \$0-42,500. Low income - \$42,500-\$68,000. Moderate Income - \$68,000 - \$96,100, and Above-Moderate \$96,100+.)

*City Council of Redwood City  
Planning Commission of Redwood City  
Redwood City Redevelopment Agency  
Quantified Objective:*

*Sites zoned for at least 2,544 units through December 31, 2006, divided as follows - 534 very-low-income units, 256 low-income units, 660 moderate-income units, and 1,094 above-moderate income units.*

**Program A.2: Downtown Area Plan** – The City, with the assistance of a citizen task force and the City's urban design consultant, has prepared a Downtown Area Plan that identifies residential, retail and commercial sites for development and redevelopment within the Downtown District. This major planning program/effort is expected to yield opportunities for up to 3,410 additional housing units within the City's Downtown District starting with three "catalyst sites". As described in the Downtown Area Plan, the catalyst sites "have the potential for far reaching positive impacts beyond their localized area" and are considered a necessary precursor to initiate future housing development in the downtown. The catalyst sites were chosen for their downtown core locations, proximity to jobs, services and transportation (Caltrain/ Samtrans Station) and because of their size, since they would accommodate a sufficient number of housing units to create a critical mass. Conceptual site plan layouts for these properties are illustrated within the Downtown Area Plan. Housing Element Appendices E-1, E-2 and Map A (Site locations 1-3) also identify these properties.

*Responsible Bodies:*

*Redwood City Planning & Redevelopment Services, lead department  
City Council of Redwood City  
Redwood City Redevelopment Agency  
Planning Commission of Redwood City*

*Quantified Objective:*

*Downtown Area Plan sites are primarily developed with underutilized one and two-story commercial and industrial buildings and/or surface parking lots that are ripe for development intensification. Of the roughly 70-acres proposed for residential development and redevelopment in the Downtown Plan area, approximately 30-acres, located in the R-4, R-5, CB, CBR and CG-R districts, already permit residential development at 36-43 units/acre (roughly 1,199 housing units), while roughly 40-acres located in the CG and IR districts, must be rezoned to allow residential development. The Precise Plan will establish new residential density criteria (35-60 units/acre) and will rezone identified commercial and industrial (CG and IR Districts) sites that are not currently zoned for residential use.*

*The City conducted a housing symposium to obtain early citizen input on housing programs envisioned in the Downtown Area Plan. In addition, the City is currently undertaking the preparation of the Environmental Impact Report (EIR), per the California Environmental Quality Act (CEQA), for the Housing Element-Downtown Area Plan EIR and is preparing the Downtown Area Plan Precise Plan. These planning efforts/tools will help to reduce residential developer costs and time by facilitating the development review process. Once completed, the Precise Plan will become the implementing tool of the Downtown Area Plan (similar to zoning or a Specific Plan). Adoption of the Area Plan, EIR and Precise Plan is expected in 2004.*

*The existing zoning of the Downtown Area Plan's catalyst sites permits residential development. The City intends to foster residential development of these and other Downtown Area Plan sites by allowing reduced parking standards (many of the Downtown Area Plan sites, including the three catalyst sites, are within walking distance to the City's Caltrain/ Samtrans Station), where appropriate, increasing residential densities and allowing flexible zoning standards to foster good urban design. In addition, the Redevelopment Agency is willing to utilize its Redevelopment powers, if necessary, and will target Redevelopment funds, if available, towards the catalyst sites in order to jump-start downtown residential development.*

*Since all of the Downtown Area Plan sites are located within the City's Redevelopment Area, 15% of the units produced will be affordable to very low, low and/or moderate-income households. (See Appendices E-1 and E-2 and associated Map A, Sites 1-8).*

**Program A.3: New Housing Opportunities within easy walking distance of the City's Downtown Caltrain/Samtrans Transit Center – Transit -Oriented Development**

In the 1990s and in 2001, the City revised its Zoning Ordinance and General Plan in three downtown commercial districts to allow new housing opportunities near the City's Caltrain Station. The following mixed-use districts are all located within the boundary of the redevelopment area, which triggers a requirement that 15 percent of all redevelopment area housing be affordable.

**a. Mixed Use CBR (Central Business Retail) Housing Program**

In 2001, the City amended its General Plan to further expand the area designated mixed use, resulting in increased opportunities for housing. Prior to 2001, the City rezoned the Downtown retail core, which is located within walking distance to the City's multi-modal Sequoia Station transit center (Caltrain/Samtrans) to allow multi-family, high-density *residential development above ground floor retail as a permitted use*. Previously residential units were not allowed in the CBR zoning District.

**b. Residential Use in the CA (Central Administrative) District**

In 2001, the City amended the zoning ordinance to add residential uses as a permitted use in the Central Administrative (CA) zoning district. The amended zoning ordinance allows residential units on the ground floor and /or above ground floor commercial uses as a *permitted use* when located within 1,500 feet of the Sequoia Station- Caltrain/Samtrans transit hub. Previously residential units were not allowed in the CA zoning District.

**c. Residential Use in the CB (Central Business) District**

In 2001, the City amended its zoning ordinance to permit residential uses on the ground floor, as well as above the ground floor, enabling buildings to be completely residential in the CB District. The rezoned land lies adjacent to the downtown retail core and is located within walking distance to Redwood City's Caltrain/Samtrans transit hub. Previously, residential units were not allowed on the ground floor in the CB District.

It is expected that the more permissive zoning will promote housing development because it provides an option for another residential housing type – the all-residential building – in the CA and CB districts identified above, as well as providing more land for housing.

*Responsible Bodies:*

*Redwood City Planning & Redevelopment Services, lead department  
City Council of Redwood City  
Planning Commission of Redwood City*

*Quantified Objective:*

*The CB, CBR and CA sites are primarily developed with underutilized, one and two-story commercial buildings and/or surface parking lots. Residential development within these zoning districts is currently permitted at 36-43 units/acre. Implementation of the Downtown Area Plan will result in higher densities than currently allowed for those CBR and CB district sites identified in the Downtown Area Plan.*

*The CA District is primarily an office district that is proximate to both ownership and rental housing. Redwood City currently has roughly a 37% office vacancy rate that will likely not be reabsorbed for 5-7 years. Therefore, the likelihood of these CA District sites redeveloping from office into residential is very feasible. Unlike sites proposed for housing within the Downtown Area Plan, the recently rezoned CA District sites did not contemplate higher residential densities than currently allowed under the existing zoning (36-43 units/acre). As such, the City will promote its Density Bonus Program of at least 25% in order to garner higher residential densities and greater affordability for very-low, low and moderate-income units.*



*Because the CBR, CB and CA district properties are located within walking distance to the City's downtown Caltrain/Samtrans Station and employment and service centers, the City will also offer reduced parking requirements, where appropriate, in order to help achieve greater affordability. Because all of the CBR, CB and CA properties are located within the redevelopment area, at least 15% of the units built will be affordable to very low, low and/or moderate-income households.*

*The award winning City Center Plaza Project, an 81-unit, very low and low-income, mixed-use housing project was completed in 1997 and is located on Main Street within the City's CBR (Central Business Retail) District. In 2003, the City also approved The Flats, a 15-unit condominium development located in the CB (Central Business) District on Walnut Street. (See Appendices E-1 and associated Map A, Sites 12, 13 & 22).*

#### **Program A.4: Mixed Use Programs for land not in downtown**

##### **a. Residential Only and Mixed Use "CG-R" (General Commercial- Residential Overlay)- Bair Island Road**

In 1989, the City rezoned a 20-acre portion of the Bair Island Road area, located east of Highway 101, from "CG" (General Commercial) to "CG-R" (General Commercial with a Residential Overlay or Mixed Use) District. All of the properties have been developed with residential units except for one 11-acre under-utilized (Pete's Harbor) site. A 44-acre Marina Shores Village project, which incorporates the 11-acre (Pete's Harbor) site, is currently proposed for, among other things, additional housing within the Bair Island Road area.

##### **b. Residential Only and Mixed Use "CG-R" (General Commercial- Residential Overlay) - El Camino Real and Woodside Road**

In 1993, the City also rezoned most of State Routes 82 and 84, the El Camino Real and Woodside Road State transit corridors, from "CG" (General Commercial) to "CG-R" (General Commercial with a Residential Overlay or Mixed Use) zoning district (roughly 42-acres). The CG-R zoning district ***allows multi-family, high-density residential only and residential in combination with commercial at 36 to 43 units/acre*** where units were not previously allowed.

##### **c. Housing Incentive -Housing-Jobs Balance Program- El Camino Real and Woodside Road**

In 2001, the City further amended its Zoning Ordinance to provide an incentive (additional commercial floor area) to property owners who choose to include residential units in addition to commercial space on land zoned CG-R (mixed use) along the two State transit corridors – El Camino Real and Woodside Road. This housing-jobs balance incentive program includes additional floor area for the commercial portion of a project when housing is included in a mixed-use project. In addition, this housing program established a minimum number of residential units that must be built in order to qualify for the additional floor area incentive.

#### **Responsible Bodies:**

*Redwood City Planning & Redevelopment Services, lead department  
City Council of Redwood City  
Planning Commission of Redwood City*

#### **Quantified Objective:**

*The rezoning of Bair Island Road properties to CG-R District, (properties located outside of the Redevelopment Area, east of Highway 101), in the previous planning period, resulted in the development of 126 rental units by Irvine Apartment Communities and 43 townhouse units by Kaufman and Broad.*

*The Bair Island Road CG-R District properties located within the proposed 44-acre Marina Shores Village project identified above are currently developed with low-density commercial, warehouse and marina-related uses and surface parking lots. The developer of this project has proposed for-sale condo units. An*

*EIR for the Marina Shores Village project has been prepared and a Precise Plan is underway. As proposed, roughly 33-acres of the Marina Shores Village project would accommodate new residential development. Currently only the 11-acre Pete's Harbor site (a portion of the Marina Village project) is zoned to accommodate residential development (475 units). The City is currently working with the developer to garner at least 15% lower and moderate-income affordable units. This for-sale condo project is still being studied and so the final residential unit-count and number of affordable units have yet to be determined. The City anticipates that the Marina Shores Village Precise Plan, which will implement the residential rezoning of this property, will be completed in year 2004.*

*The CG-R sites identified above that are located along El Camino Real and Woodside Road are currently zoned to allow approximately 1800 housing units (within roughly 42-acres). Properties along these two transit corridors are currently developed with underutilized, one and two-story commercial developments.*

*With the City's new housing-jobs balance incentive program (outlined above), it is anticipated that additional housing units along El Camino Real and Woodside Road will occur during this planning period. Due to the location of these properties, on transit corridors near the Caltrain Station and along Samtrans bus line, it is highly likely that the properties will be developed with rental rather than for-sale housing. Affordable housing for lower-income households can be more easily achieved with rental housing.*

*The City will require future projects to provide 15% affordable units and/or promote its Density Bonus Program of at least 25% for these sites in order to garner higher residential densities and affordable units. Because the El Camino and Woodside properties are located within walking distance to transit and/or Downtown District employment and services, the City will also explore reduced parking requirements, where appropriate, in order to help achieve greater affordability. Most of the transit corridor sites outlined above are also located within the redevelopment area; as such, at least 15% of the units developed will be made affordable to very low, low and/or moderate-income households.*

*During this planning period, 217 new housing units have been built and approved for construction along the El Camino and Woodside Road transit corridors. The Franklin Project (206-rental units of which 15% are affordable) was completed in 2001. In 2003, the City also approved eleven additional housing units within two projects located at 150 El Camino Real and 885 Woodside Road. Sixty-units will also be developed within very-low, low and moderate-income units during this planning period on the city-owned El Camino/Vera site. (See Appendices E-1, E-2 and Maps A-D and F).*

#### **Program A.5: High Density Housing Zoning Districts**

As previously described, the Downtown Area Plan parcels can currently be developed at 36 to 43 units/acre depending on parcel size (1,199 housing units). The Downtown Area Plan will create higher residential densities (of 35- 60 units/acre, including 3-bedroom affordable units) for up to 2,710 to 3,410 units within the Downtown District.

##### *Responsible Bodies:*

*Redwood City Planning & Redevelopment Services, lead department  
City Council of Redwood City  
Planning Commission of Redwood City*

##### *Quantified Objective:*

*Adoption of the higher zoning densities will occur with adoption of the Downtown Area Plan's Precise Plan in 2004. Because the housing sites are located within the redevelopment area, at least 15% of the units built will be affordable to very low, low and/or moderate-income households. (See Program A.1 and Appendices E-1 & E-2, Map A).*

#### **Program A.6: Transition between Single Family Residential and High Density Residential land uses**

The City shall promote compatibility between single-family residential and high-density residential land uses by preparing development standards that address the transition between these land uses. These

standards shall be added to the zoning ordinance. The adjacency of appropriate zoning districts and mitigations for impacts, such as shadows and maintenance of privacy, shall be addressed.

*Responsible Bodies:*

*Redwood City Planning & Redevelopment Services, lead department*

*City Council of Redwood City*

*Planning Commission of Redwood City*

*Quantified Objective:*

*Standards to promote compatibility of the single-family residential district with districts permitting high-density residential uses shall be considered for addition to the zoning ordinance in 2003.*

**Affordable Housing – Assistance for the Development of Housing Affordable to Lower and Moderate-Income Households**

**Policy B** The City will provide housing opportunity for Redwood City's share of the regional housing need for all income groups, with priority given to very low- and low-income households.

**Program B.1: Educational Outreach**

The City will continue to publish a bi-annual Housing Programs Newsletter to: 1) inform Redwood City citizens about available housing opportunities/programs within the City and San Mateo County, 2) educate the public about the myths and benefits of affordable housing, 3) help build consensus within neighborhoods where affordable housing is proposed and 4) minimize resident concerns about affordable projects by providing visual examples (photos) of well designed affordable housing projects. The City's new housing web site will also provide updated housing program information.

*Responsible Bodies:*

*Redwood City Housing Coordinator, lead official*

*Quantified Objective:*

*Bi-annual newsletters are distributed citywide that focusing on housing opportunities and accomplishments during the 2001-2006 planning period. The new housing web site that provides housing program information has been on line since February 2002.*

**Program B.2: Redevelopment Agency/City Funded /Assisted Programs**

The City shall provide subsidies, when funds are available, and the projects are appropriate, to residential developers in order to ensure the continued production of very low-income units. The Redevelopment Agency shall continue its practice of negotiating to provide some larger three- and four-bedroom units for affordable rental housing.

Discussion: Redevelopment Agency funds and requirements for construction of affordable housing will be the primary impetus for new construction of affordable units over the next five years. Redwood City has a large (1,173-acres approximately) redevelopment area encompassing its downtown and surrounding area, as well as areas outside of the downtown. The location and size of this area coupled with the city's initiative to plan its downtown and surrounding area to include much more housing than exists today will result in new affordable housing units.

**Low and Moderate Income Housing:** Under California Redevelopment Law, over the life of the Redevelopment Plan (2028), 15 percent of all residential development within the Redevelopment Area must be made affordable to very low to moderate income households, unless the project is built by the Redevelopment Agency in which case the requirement is 30 percent. In addition, relocation assistance must be provided to lower and moderate-income households that are displaced as a result of new construction within the Redevelopment Area.

**Very Low-Income Housing:** Most *very low-income housing* cannot be developed without financing and other subsidies required to write down the cost of land or other development incentives necessary to reduce construction costs. *Subsidized housing* projects within the City's Redevelopment District,

combined with an allowance for higher densities (density bonus ordinance), can create housing for very-low income groups. California Redevelopment Law requires that 40 percent of the 15 percent described above be affordable to households with very low income. This translates to 6 percent of the total number of units.

The Franklin Project, a private/Redevelopment Agency-sponsored mixed-use development, is currently planned and zoned to allow *506 new residential units*. Phase I was completed in November of 2002 with *206 rental units*. Three hundred (300) additional homes are currently zoned for residential units within the 2001 -2006 planning period for the balance of the project site, although the city has increased this total to 360- 440 units in response to recommendations contained in the Downtown Area Plan. Fifteen percent of these housing units will be affordable to very-low, low, and moderate- income households.

The Redevelopment Agency also purchased the 1) Rolison Road site to develop 36 very-low income ownership-housing units and 2) three properties along El Camino Real/Vera Street to develop 60 *very-low, low and moderate income* ownership housing units. This affordable housing program is ongoing and has been strengthened through the Downtown Area Plan to increase housing production.

*Responsible Bodies:*

*Redwood City Planning & Redevelopment Services, lead department*  
*Redevelopment Agency of Redwood City*  
*Planning Commission of Redwood City*

*Quantified Objective:*

	<u>Number of Units</u>	<u>Moderate Income</u>	<u>Low Income</u>	<u>Very Low Income</u>	<u>Years</u>
<i>Franklin Project (I&amp;II)</i>	566-646	51-58	0	34-39	2002&2007
<i>El Camino/Vera</i>	60	28	25	7	2004-5
<i>Rolison Road</i>	36	0	0	36	2001-3
<b>Total</b>	<b>662- 742</b>	<b>79-86</b>	<b>25</b>	<b>76-81</b>	

*Financing:*

*Redevelopment funds, CDBG and HOME funds, Private sector funds, Staff time*

**Program B.3: Affordable Housing Required**

The City shall continue to require affordable housing units when appropriate. The City requires affordable housing units in several situations: inclusionary requirements applied to the City's sizable redevelopment area, requirements negotiated through development agreements, and requirements resulting from approval of tailored plans such as specific plans and precise plans.

**Discussion:** Redwood City's three redevelopment areas encompass 1,173-acres. The largest redevelopment area is within the Downtown District and surrounding downtown area, which is proximate to public transit, downtown services and employment centers. Pursuant to California Redevelopment Law, it is the City's policy to require 15% of the units to be affordable when housing is built in a redevelopment area, regardless of whether or not the developer requests Redevelopment Agency assistance for such things as land acquisition and eminent domain.

The Redwood Shores Lido Neighborhood (located outside of the Redevelopment area) Specific Plan produced 20 very-low income units. Redevelopment Agency-sponsored projects have produced from 15% to 100% below market rate units within all Agency-sponsored residential projects between 1989 and 2006. There is a need for affordable three-bedroom rental units, which the City/Redevelopment Agency can (and has) negotiate/require as conditions of development agreements and/or precise plans.

*Responsible Bodies:*

*Redwood City Planning & Redevelopment Services, lead department*  
*City Council of Redwood City*  
*Planning Commission of Redwood City*

*Redevelopment Agency**Quantified Objective:*

*Fifteen percent of the 2,710- 3,410 housing units built within the boundary of the Downtown Area Plan Redevelopment Area are required to be for very low-, low- and moderate-income housing. The City also promotes its Density Bonus Program and provide other incentives such as its mixed-use parking ordinance that allows reduced/flexible parking, where appropriate, in order to facilitate the development of affordable units. Refer to Appendix E-2*

**Program B.4: In-law Unit Ordinance**

The City revised the in-law unit ordinance to increase infill residential development within existing single-family residential properties. The limited size of the units (one bedroom) helps to control affordability. The City anticipates these units will accommodate moderate and lower-income seniors, students, workforce singles and two-person households.

Discussion: Staff identified roughly 1,900 *in-law unit sites* that can be built throughout the City. This housing program produced 66 new housing units during the previous planning period, leaving 1,834 sites remaining. In 2003, the City revised its In-law Unit Ordinance, commensurate with Government Code 65852.2. This new state legislation requires cities to approve in-law units ministerially.

*Responsible Bodies:*

*Redwood City Planning & Redevelopment Services, lead department  
City Council of Redwood City of Redwood City  
Planning Commission of Redwood City*

*Quantified Objective:*

*Sites exist for 1,834 units in the planning period 1999- 2007. City staff anticipates that the number of secondary units will double during this planning period (for a total of 132 units or roughly 16-17 units/year), given the new State legislation that facilitates the development of these units and given the City's more aggressive marketing of secondary units (new planning counter information handouts and the City's Housing Website that offer information about secondary units). These small rental units will likely be affordable to moderate and low-income households depending on their location/neighborhood. The number of these units will likely increase as new homebuyers try to find ways to defray high mortgage costs and as the growing senior population try to find ways to supplement their retirement incomes. The In-Law Unit Ordinance is an ongoing affordable housing program.*

**Program B.5: State of California Density Bonus Ordinance**

The City shall promote development of affordable units by publicizing the availability of higher residential densities (using existing density bonus ordinance), land donations, and subsidies for land, infrastructure and other economic incentives. The City will publicize these incentives on its new application forms for development, which will be available on the internet and over the counter at city hall.

Discussion: All multi-unit-housing developers can qualify for this affordable housing incentive program. To date, the incentive program has been used in some housing developments sponsored by public and non-profit entities, such as in City Center Plaza, but not by private sector developers. The City will raise the visibility of this on-going program by adding it on its development application forms and through advertising in the City's bi-annual Housing Newsletter (which is available to the public on the internet and through citywide mailings). This program, when combined with other housing incentives, such as flexible parking standards, will assist the City in meeting its regional fair-share affordable housing needs.

*Responsible Body:*

*Redwood City Planning & Redevelopment Services, lead department*

*Quantified Objectives:*

*The revised application forms and Housing Newsletter with notice of the density bonus program will be available by the third quarter of 2002.*

**Program B.6: Landbanking Fund Program:**

The City will continue to landbank funds to directly facilitate the development and continuation of affordable housing opportunities and assist in the development of affordable housing projects during the 2001 –2006 planning period. The City will consider applying for state and federal funds that may become available during 2001-2006.

**Community Development Block Grant Program**

The City's Consolidated Planning Strategy continues to **target 40% of the City's annual CDBG entitlement for affordable housing during the 2001-2006 planning period.** This targeting would yield approximately \$360,000 annually from CDBG funds for land acquisition, acquisition/rehabilitation, and land banking activities that can be used to subsidize new affordable housing units. These funds are used to support the Landbanking Program.

**HOME Investment Partnership Act Program:**

The City's Consolidated Planning Strategy continues to **target 95% of annual HOME entitlements for housing activities during the 2001-2006 planning period** for the express purpose of supporting low and very low-income housing production.

**Redevelopment Housing Set-aside funds:**

Redevelopment Housing Set-aside funds can be used to leverage other funds to increase the landbanking program.

*Responsible Bodies:*

*Redwood City Housing Coordinator and Redwood City Redevelopment Agency, lead departments  
Redwood City Planning & Redevelopment Services,  
City Council of Redwood City  
Planning Commission of Redwood City  
Housing and Human Concerns Committee*

*Quantified Objective: This program will use CDBG and HOME funds and operates in conjunction with other programs. In 2001-2007 at least 100 units will be produced within the planning period (i.e. 36 Rolison Road, 60 El Camino /Vera and 4 Main Stambaugh units).*

**Program B.7: Density Bonus and Condo Conversion** – The City shall strive to maintain the supply of multi-family, rental housing by setting standards and providing incentives related to the conversion of rental units to ownership units. Under City law, when an applicant for a condo conversion agrees to provide at least 33 percent of the total units to households with low or moderate income, or 15 percent to households with lower income, the City shall grant at least a 25 percent density bonus or other incentives of equivalent financial value.

Discussion: Over the years the city has improved its standards for multiple family housing. These requirements, together with additional requirements for converting rental apartments to condominiums, help the city maintain its stock of multi-family, rental units.

*Responsible Bodies:*

*Redwood City Planning & Redevelopment Services, lead department*

*Quantified Objective: Based on current stringent conversion requirements, the City does not expect that there will be condominium conversions during the 1999 -2006 planning period.*

**Special Needs Groups**

**Policy C:** The City will provide opportunity for, and encourage, the development of adequate housing for the city's special needs groups, including large families, single-parent-headed

households, the elderly, the disabled, and those in need of emergency shelter and transitional housing.

**Program C.1: New Ownership Housing**

The City shall seek opportunities to assist in the acquisition of land/buildings for construction of new ownership housing with the use of *Redevelopment Agency Housing Set-Aside funds, HOME funds and CDBG funds*.

*Responsible Bodies:*

*Redwood City Redevelopment Agency  
Redwood City Planning & Redevelopment Services, lead department  
City Council of Redwood City  
Planning Commission of Redwood City  
Redwood City Housing and Human Concerns Committee*

*Quantified Objective: The Rolison Road and El Camino /Vera Projects will produce 43 very low- income and 25 low-income units by 2003 & 2005.*

**Program C.2: Emergency Shelter / Transitional Housing Sites and Programs:**

All residential, commercial and industrial zoning districts either out-right permit or conditionally permit, subject to a Use Permit, quasi-public uses such as emergency shelters and transitional housing for homeless populations.

- a. **Emergency Shelter Program** One trend in emergency housing is the move toward *larger facilities* located in *industrial areas* for night stay when neighboring businesses are closed. Another trend in the provision of meeting emergency shelter needs has been a "*rotating sleeping churches*" concept, whereby churches in a jurisdiction rotate responsibility for using the church sites as overnight shelter for up to 30 days per church.
- b. **Transitional Housing** The trend for transitional housing is to use *smaller facilities* serving six or fewer persons *within residentially zoned parcels*. This trend is the result of neighborhood resistance to the approval of larger facilities within single family and multifamily residential zones. A Use Permit is not required for group facilities serving six or fewer persons. Theoretically, more available sites can be provided, however, operating transitional housing for six persons is not always cost effective.
- c. **Cooperative Funding Agreements** Funding agreements are approved by the City to increase the number of shelter beds on a countywide basis. The City has historically allocated funding annually from its Community Development Block Grant entitlement for the operation and acquisition or rehabilitation of sites used for emergency shelter and transitional housing.

Redwood City supports the delivery of sites for emergency shelter and transitional housing through a **countywide regional approach** with the objective of locating facilities at the northern, central and southern portion of San Mateo County and contracts with the **County Shelter Network** operator. Based on the County's desire to provide centralized locations countywide for homeless facilities, there is an emerging trend for local jurisdictions to support countywide facilities near their jurisdiction. Access and referrals are made according to supply and demand (for example, a homeless family with physical disabilities might be served in Menlo Park or Daly City where the facilities are wheelchair accessible). A non-disabled homeless family from Daly City or Menlo Park might be served at **Redwood Family House** in Redwood City. The most current **south county facility**, located in Menlo Park, is being **financially supported by Redwood City** for Redwood City clients because the high cost in delivery of homeless programs is operation, not capital facilities.

The trend in San Mateo County moves away from designating sites for homeless activities and focuses on maximizing delivery of services, such as childcare and job training, at the existing facilities to serve residents on a countywide basis. Redwood City participated in funding the newest shelter located in South San Francisco (North County). By **sharing resources**

**countywide**, the cost of operation is more effective and delivery of services is coordinated by the County's Homeless Coordinator allowing cities within the county, therefore, to focus more resources toward the development of affordable housing and job training as long term solutions to homelessness.

*Responsible Bodies:*

*Redwood City Housing Coordinator, lead official*

*City Council of Redwood City*

*Planning Commission of Redwood City*

*Redwood City Housing and Human Concerns Committee*

*Quantified Objective: Continue to support the emergency shelter and transitional housing programs with the use of CDBG funds and the City's general fund. The Conditional Use permit is a vehicle used by the City to facilitate homeless shelters and transitional facilities since most shelters are operated by not-for-profit organizations. The City's Zoning Administrator can grant Conditional Use Permits to allow homeless facilities to exist in areas not zoned for housing. This improves the processing time for these developments since the Zoning Administrator holds weekly hearings, whereas the Planning Commission hearings are held bi-monthly. By considering that the facility will provide a public benefit carried out by a non-profit organization, the Zoning Administrator can determine that the activity meets requirements for Quasi-Public Use and can grant the Conditional Use Permit subject to California Environmental Quality Act findings. An example of this is the Maple Street Shelter, which is located in an IR zone. The community acceptance of this project was maximized because this particular use was not placed in a residential neighborhood, where the project may have failed. In 2001 the City rezoned the CP and IR zoning districts such that quasi-public uses are now permitted by right (i.e. without the need for a Conditional Use Permit).*

**Program C.3: Small group homes**

The City shall seek opportunities to assist non-profit operators to acquire and/or rehabilitate residential group housing to serve six or fewer special needs populations with the use of *CDBG funds, HOME funds and Redevelopment Agency Housing Set Aside funds*. In accordance with State law, the City permits, without any discretionary city approvals, facilities with six or fewer residents in all zoning districts throughout the city.

*Responsible Bodies:*

*Redwood City Planning & Redevelopment Services, lead department*

*City Council of Redwood City of Redwood City*

*Planning Commission of Redwood City*

*Redwood City Housing and Human Concerns Committee*

*Quantified Objective:*

*The City anticipated one small residential group home each year from 1999-2007.*

**Program C.4: Community Care Facilities/Group Homes**

Unlike other cities that confine larger sized (greater than six residents) community care and group home facilities to one or two designated areas within their city, Redwood City permits these and other quasi-public uses, in most commercial and industrial zoning districts. Larger sized, community care and group home facilities are also potentially allowed with a Use Permit in all residential districts.

In 2001, Redwood City housed the second largest number of group home and community care facilities in San Mateo County, as shown in Appendix C. State law permits (without any discretionary city approvals) facilities with six or fewer residents in all zoning districts throughout the city. The City expects these programs to continue.

*Responsible Bodies:*

*Redwood City Planning & Redevelopment Services, lead department*

*City Council of Redwood City*



*Planning Commission of Redwood City  
Redwood City Housing and Human Concerns Committee*

*Quantified Objective:*

*Maintain the ability of the current zoning to permit community care and group homes (refer to Quantitative Objective C.2 & C.3). Five affordable units per year in 1999-2007.*

**Program C.5: First Time Home Buyer Program**

The City will assist with homeownership opportunities through a First Time Home Buyer Program revolving fund. Sources of funds include the following:

- a. **Secondary Financing and Down Payment Assistance Program** - Review program guidelines for secondary financing and down payment assistance to eligible homebuyers who purchase housing in Redwood City. Funds are currently budgeted for this program.
- b. **Mortgage Credit Certificate Program** - Continue to renew a Cooperative Agreement with San Mateo County to administer Mortgage Credit Certificates for low and moderate -income Redwood City residents.
- c. **Homeownership Programs** are funded by the following sources:
  - California Housing Finance Agency (CHFA) funds
  - Federal HOME Funds
  - Mortgage participation agreements with private lenders who sell the loans to the Federal National Mortgage Association (FNMA)
  - Mortgage Credit Certificates used to increase spending income and
  - FHA 203k acquisition/rehabilitation loans for homebuyers purchasing existing housing in need of rehabilitation
  - Redevelopment Set-aside Housing Funds and Federal Block Grant Funds used to leverage other funding in the form of silent second mortgages or down payment assistance loans.
- d. **Resale Restriction Guidelines** – Sets forth terms and conditions for resale of ownership units developed by the City or Redevelopment Agency. This program assures that the City or Agency has First Right of Refusal for Resale units, that turnover units are made available to eligible qualified buyers, and that the resale units remain affordable for the longest period of time (30-55 years).

*Responsible Bodies:*

*Housing Coordinator, lead official  
Redwood City Planning & Redevelopment Services  
City Council of Redwood City  
Planning Commission of Redwood City  
Redwood City Housing and Human Concerns Committee*

*Quantified Objective: 10 – 15 first time homebuyers per year during the planning period 2001 - 2007.*

**Program C.6: Efficiency Unit Affordable Housing Program**

The City shall encourage efficiency units in rental housing to accommodate seniors and individuals who work in Redwood City. The program could utilize *Redevelopment Agency Housing Set-Aside funds* to facilitate an inventory of subsidized and market-rate units in private developments.

*Responsible Bodies:*

*Redwood City Housing and Human Concerns Committee, lead entity  
Redwood City Planning & Redevelopment Services  
City Council of Redwood City  
Planning Commission of Redwood City*

*Quantified Objective:*

*Efficiency units are currently permitted in higher-density residential and mixed-use zoning districts.*

**Program C.7: Incentive Program to Allocate Units to Service Occupations**

Develop a program to offer incentives for developers of market rate housing when they agree to set aside affordable units within private developments. This program can be used to increase the number of low and very low units in Redwood City and to target units to service occupations - i.e., public safety workers, school teachers, hospital workers, workers in service industries, etc.).

**Responsible Bodies:**

*Redwood City Planning & Redevelopment Services, lead department*  
*City Council of Redwood City*  
*Planning Commission of Redwood City*  
*Redwood City Housing and Human Concerns Committee*

*Quantified Objective: An incentive program, including appropriate findings, by 2003*

**Program C.8: Acquisition of Land for Construction of New Affordable Rental Housing**

The City will consider a land subsidy for a mixed unit project which could include unit sizes ranging from efficiency units to multiple bedrooms to accommodate housing needs of various populations, including individuals, families, seniors and special needs populations.

**Responsible Bodies:**

*Redwood City Planning & Redevelopment Services, lead department*  
*City Council of Redwood City*  
*Planning Commission of Redwood City*  
*Redwood City Redevelopment Agency*  
*Housing and Human Concerns Committee*

**Quantified Objective:**

*At least 100 affordable units in the 2001-2007 planning period. This program would utilize CDBG Funds, HOME funds, Redevelopment Agency and Housing Set Aside funds and operates in conjunction with other programs.*

**Program C.9: Childcare**

The City shall assess the potential demand for child care generated by proposed, large residential developments and facilitate the development and acquisition of space for child care centers and family child care homes.

**Responsible Bodies:**

*Housing Coordinator, lead official*  
*Childcare Coordinator*  
*Redwood City Planning & Redevelopment Services*  
*City Council of Redwood City*  
*Planning Commission of Redwood City*  
*Redwood City Redevelopment Agency*  
*Housing and Human Concerns Committee*

*Quantified Objective: Space for child care and child care services for residents of housing developments, with emphasis on residents of affordable units using CDBG Funds.*

**Program C.10: Elder Care**

The City shall continue to contract with service providers for elder care for Redwood City residents.

**Responsible Bodies:**

*Housing Coordinator, lead official*  
*Redwood City Planning & Redevelopment Services*  
*City Council of Redwood City*  
*Housing and Human Concerns Committee*  
*Senior Affairs Commission*

*Quantified Objective:*

*Elder care services provided for approximately 65 elderly Redwood City residents per year using CDBG Funds.*

**Program C.11 Independent Living**

The City shall continue to provide housing rehabilitation assistance and accessibility modification to existing residential structures for persons with disabilities and for frail and elderly persons by contracting with appropriate providers.

*Responsible Bodies:*

*Housing Coordinator, lead official  
Redwood City Planning & Redevelopment Services  
City Council of Redwood City  
Housing and Human Concerns Committee*

*Quantified Objective:*

Continue to provide CDBG funds for the Housing Accessibility Modification program operated by the Center for Independence of the Disabled (CID).

**Program C.12 Disabled Persons**

The City is currently undertaking an analysis of governmental constraints affecting access to housing and supportive services and affordability for housing for persons with disabilities based on guidelines prepared by the California Department of Housing and Community Development (SB 520). The analysis will address the City's permit process, zoning and other regulatory standards, code enforcement, access to public participatory processes, and other relevant topics relating to access for persons with disabilities. Should any constraints be identified, the City will adopt appropriate programs that will mitigate the impediments to housing for persons with disabilities.

*Responsible Bodies:*

*Housing Coordinator, lead official  
Redwood City Planning & Building Services  
City Council of Redwood City  
Housing and Human Concerns Committee*

*Quantified Objective:*

Complete analysis in the fall of 2003 and adopt programs to mitigate impediments in the spring of 2004.

**Removal of Governmental and Non-governmental Constraints on the Development, Conservation, and Rehabilitation of Housing**

**Policy D Redwood city will continue to evaluate whether the city's, county's, regional agencies', and state's site improvement standards, development review procedures, and development fees form a constraint to the development, conservation, and rehabilitation of housing and will seek opportunities to reduce or eliminate governmental and non-governmental constraints.**

**Program D.1:** The City will seek opportunities to reduce constraints through Program E.3 and has removed government constraints through the following programs:

- a. The City reduced development requirements for duplexes in four zoning districts (R-2 through R-5) through amendments to the zoning ordinance. Required lot widths were reduced from 60 feet to 50 feet for duplexes. The revision increased the number of duplex housing sites for moderate to lower-income families. These units will tend to be smaller rental units which should help to control affordability.

Discussion: This housing program produces opportunities for 134 new housing units for moderate to lower- income households. This housing program is ongoing.

*Responsible Bodies:*

*Redwood City Planning & Redevelopment Services, lead department*

*City Council of Redwood City of Redwood City*

*Planning Commission of Redwood City*

*Quantified Objective:*

*Approximately five units per year during the planning period 1999 - 2007.*

- b. Revised "In-law" Unit Ordinance to facilitate infill development as described in Program B.4.
- c. Expanded the list of allowable uses to include residential uses along Woodside Road, El Camino Real and Bair Island Road and provided a housing-jobs balance incentive program or bonuses to the maximum floor area ratio when housing is built. Accomplished through amendments to the Zoning Ordinance.
- d. Expanded the list of allowable uses to include residential uses in the following zoning districts: CB- Central Business, CBR- Central Business Retail, and CA- Central Administrative. Accomplished through amendments to the Zoning Ordinance and General Plan.
- e. Implemented the Planned Development Ordinance that allows flexible zoning standards.
- f. Implemented the State Density Bonus Program for affordable units.
- g. Implemented the State Manufactured Housing law for affordable units.
- h. Created the "Mobil Home Park" District to protect and preserve existing very low- and low-income mobile homes.
- i. Adopted a "Mixed-Use" Parking Ordinance standard that allows for reduced parking.
- j. Implemented the State's "burn down" code, which preserves the number of destroyed nonconforming units involuntarily destroyed by allowing the same number of units to be rebuilt instead of requiring the site to conform to the standards for lower density, which may have been adopted subsequent to the original construction. As a City with an older housing stock, Redwood City has an extensive number of these nonconforming units.
- k. Expedited permit processing – All City departments have been reorganized and participate in a "Continuous Improvement Program," which is based on customer service. Improvements (are described in the section on government constraints) include:
  - Counter Team Cross-Training
  - One Stop Permit Shop – for over the counter and 24 hour project approvals
  - Expedited Permit Review Procedures
  - Plan Review Committee provides coordination, predevelopment plan review, and expedites the permit process and customer service
  - Simplified Building and Planning Codes and elimination of some Building and Planning Codes
  - Elimination of Architectural Permit fees for single story residential additions
  - Ministerial approval of In-Law Units that meet new State legislation and City codes/guidelines
  - Combined Building and Engineering Inspections
  - Creation of standardized building permit forms and procedures and development of a Standards Construction Handbook
  - Developed and improved public information handouts and website housing information
  - Provided extended hours of operation including evening and weekend hours, and
  - Provided services via 24-hour voice mail, Fax, E-Mail, and on line at the City's web site, for example application forms are available at the City's web site.

#### **Program D.2: State Manufactured Housing Law**

The City complies with the State Manufactured Housing Law, which allows affordable type construction on all residentially zoned (R-1 through R-5) properties.

Discussion: The City approved *eight manufactured housing* applications within the 1988-99 planning period. Manufactured housing is affordable because it is a low cost type of construction.

*Responsible Bodies:**Redwood City Planning & Redevelopment Services, lead department**City Council of Redwood City of Redwood City**Planning Commission of Redwood City**Quantified Objective:**Five affordable units per year in 1999-2007.***Program D.3: Planned Development (PD) and Precise Plan Ordinance Housing Program**

Allows clustered development on smaller lots (including zero-lot line development) to encourage multi-unit rental and for-sale units. The PD and Precise Plan Ordinances also allow exceptions to height limitations, setbacks, lot coverage, parking and other requirements for residential development.

Discussion: The PD and Precise Plan Ordinances are a very popular, well-used, on-going housing incentive program, which the City encourages. All multi-unit-housing developers can qualify for the PD housing incentive program.

*Responsible Bodies:**Redwood City Planning & Redevelopment Services, lead department**Planning Commission of Redwood City**Quantified Objective:*

*A Precise Plan for the Downtown Area Plan units is currently underway and will likely be completed in 2003. All multi-family residential developments of five or more units are eligible for the flexible development standards allowed under the City's PD Ordinance.*

**Program D.4: Flexible, Shared Parking Mixed-Use (Residential/Commercial) -** Zoning Ordinance mixed-use parking requirements for residential uses are 1 space for studios and 1 bedroom and 2 spaces for 2 or more bedrooms plus 75 percent of the normally required parking for commercial development. The shared parking provision reduces project costs and increases the number of units that can be built.

*Responsible Bodies:**Redwood City Planning & Redevelopment Services, lead department**City Council of Redwood City of Redwood City**Planning Commission of Redwood City*

*Quantified Objective: This program is in existence and applies to all mixed-use projects.*

*Not quantifiable.*

**Program D.5: The City addresses the reduction of non-government constraints (the high cost of land and development, the shortage of water supply, wastewater treatment, and the city's status as nearly built out) through programs A.1-A.5, B.1-B.8, C.1-C.10, E.1-E.3, F.1-F.6 and I.1.**

**Policy E. The City shall ensure the availability of adequate public facilities, water supply, parks and open space for the expected housing and residents in the city.**

**Program E.1:** The City shall plan for the adequate provision of water, wastewater treatment, solid waste disposal capacity, parks and open space to meet the needs of expected population growth through 2020.

Discussion: In 2001, the City is using more water than its contractual supply assurance from the San Francisco Public Utilities Commission (SFPUC). If the City is unable to continue to purchase excess water beyond its supply assurance, it will need to reduce demand to the contractual assurance level of 10.93 million gallons per day (annualized average). In addition, as a party to a regional "Interim Water Supply Allocation Plan," Redwood City will be required to reduce water demand by 31 percent if there is a SFPUC system-wide shortage /drought of 20 percent. Accordingly, in 2003, the City approved a water-recycling program that will increase water capacity by 2000 acre-feet. The water-recycling program provides sufficient water supply for future development within the City. The City can expect to develop

this alternative source of water supply and a means to finance it and/or require new development to bring water supply with them from other agencies in the SFPUC regional service area that may be willing to sell unneeded supply.

*Responsible Bodies:*

*Redwood City Public Works Services Department, lead department*  
*City Council of Redwood City of Redwood City*  
*Planning Commission of Redwood City*  
*Parks and Recreation Department*  
*Parks and Recreation Commission*

*Quantified Objective:*

*Plans to provide an adequate supply of water, wastewater treatment, solid waste disposal capacity, parks and open space to meet the needs of expected population growth through 2020*

**Program E.2:** The City shall require water conservation measures such as low flow plumbing fixtures in all new developments and shall implement its adopted Water Conservation Policy and Guidelines to promote efficient water use through proper landscape design and management in all new developments. Emphasis will be not only on conserving water in new developments, but also reducing the demand for water in existing developments. The recently adopted water recycling program should also help to provide for future residential growth and development.

*Responsible Bodies:*

*Redwood City Building Department, lead department*  
*City Council of Redwood City*  
*Planning Commission of Redwood City*  
*Redwood City Planning & Redevelopment Services*

*Quantified Objective:*

*Reduction in per household water demand for all new units constructed.*

**Program E.3:** Redwood City shall carefully review all plans and proposed policies of the City/County Association of Governments (CCAG), Bay Area Air Management Board, Metropolitan Transportation Commission, the San Francisco Public Utilities Commission, the Association of Bay Area Governments, and City's impact fees and will work with those agencies and departments to negotiate standards that do not unnecessarily constrain Redwood City's ability to meet its existing and future affordable housing need. The City shall work with the County to initiate an amendment to the Congestion Management Program to provide as an example, a credit of one peak period trip for each affordable housing unit in a multifamily development.

*Responsible Bodies:*

*Redwood City Planning and Redevelopment Services, lead department*  
*Redwood City Housing Coordinator*  
*Redwood City Public Works Services Department*  
*Redwood City Engineering Department*  
*City Council of Redwood City*  
*Redwood City Economic Development Coordinator*

*Quantified Objective:*

*Not quantifiable.*

**Conservation and Improvement of the Housing Stock and  
 Preservation of Assisted Housing**

**Policy F:** The City will continue rehabilitation programs to upgrade housing units throughout the city and will continue to preserve units at risk.

**Program F.1: Acquisition and Rehabilitation of Existing Housing** - Assist non-profit organizations to acquire and operate multifamily housing for families, individuals, and seniors. Facilitate the acquisition or rehabilitation of existing housing for low-income and special needs populations.

*Responsible Bodies:*

*Redwood City Housing Coordinator, lead official*

*City Council of Redwood City*

*Planning Commission of Redwood City*

*Redwood City Home Improvement Loan Committee*

*Quantified Objective: 130 units in the 2001-2006 planning period using CDBG funds.*

**Program F.2: Home Improvement Loan Program** – To maintain the quality and affordability of older neighborhoods, the City shall continue to implement its Home Loan Improvement Program and participate in the Community Development Block Grant and Rental Rehabilitation programs. Since 1977, the City has rehabilitated approximately 725 housing units under these programs. Over the term of the 1989-99 Housing Element, approximately 472 units have been rehabilitated from seriously substandard/uninhabitable to current health and safety code standards. In addition, the City shall promote the use of energy conservation measures in the rehabilitation of low and moderate income housing as part of this program.

*Responsible Bodies:*

*Redwood City Housing Coordinator, lead official*

*City Council of Redwood City*

*Redwood City Home Improvement Loan Committee*

*Quantified Objective: 25 rental and 20 owner-occupied units per year using CDBG and Redevelopment Housing funds.*

**Program F.3: Code Enforcement & Home Improvement Loan Program:**

The City also encourages the *maintenance* and *improvement* of housing for all income levels through its **Code Enforcement Program**. Code enforcement is the vehicle used to identify the City's existing housing stock built prior to 1940. The goal of code enforcement is to minimize and retard deferred maintenance, which creates health and safety problems, or causes blighted conditions in neighborhoods. Those properties cited for serious violations, which are occupied by low-income households, are referred to the **Home Improvement Loan Program** for assistance. The Home Improvement Loan Program is the vehicle used to maintain decent safe and sanitary housing owned and or occupied by low income households.

*Responsible Bodies:*

*Redwood City Housing Coordinator and /or Building Department, lead official/ department*

*City Council of Redwood City*

*Planning Commission of Redwood City*

*Redwood City Home Improvement Loan Committee*

*Quantified Objective:*

*Included in Program F.2 above.*

**Program F.4: Revolving Fund Programs** The City shall continue to use Home Improvement Loan payments to maintain a revolving fund for future rehabilitation projects. The City encourages the *maintenance* and *improvement* of housing for all income levels through its Revolving Fund Programs. These programs (outlined below) are self-supporting and administrative costs are paid from annual Community Development Block Grant entitlements and operate on an ongoing basis.

- a. Home Improvement Loan Program** - provides low interest loans to low income homeowners, and landlords of single family rentals and duplexes (20 units/ year).

- b. Rental Rehabilitation Loan Program** - funds rehabilitation for rentals containing three or more multifamily units of two bedroom or larger for housing large families (25 units/ year).
- c. Bedroom Addition Loan Program** - provides *incentives* for homeowners and landlords whose properties can accommodate additional bedrooms to build additional rooms to relieve overcrowding and to increase the supply of affordable housing for large family households of five or more persons.
- d. Historic Preservation Residential Loan Program** - funds rehabilitation of historic residences for rental by low-income households and non-low income owner occupants (as requested by eligible properties).
- e. Studio and One Bedroom Rehabilitation Program** - funds rehabilitation of studios and one-bedroom units for small family households (funds included in rental rehab count listed above).
- f. Mobile Home Emergency Loan Program** - funds emergency repair loans for mobile homes on fixed foundations (new program anticipates 10 units per year).

*Responsible Bodies:*

*Redwood City Housing Coordinator, lead official*  
*City Council of Redwood City*  
*Planning Commission of Redwood City*  
*Redwood City Home Improvement Loan Committee*

*Quantified Objective:*

*At least 55 units per year using CDBG funds.*

**Program F.5: Implement Government Code 65852.2 / Destroyed Nonconforming Units**

The City complies with the State's "burn-down" code. This code seeks to preserve destroyed, legal, nonconforming units (i.e. those units involuntarily destroyed 100% or less by fire, earthquake or some other calamity) by allowing the same number of units to be rebuilt instead of down zoning these site to meet current (lower density) zoning standards.

*Responsible Bodies:*

*Redwood City Planning Department, lead department*  
*City Council of Redwood City*  
*Planning Commission of Redwood City*  
*Redwood City Housing and Human Concerns Committee*

*Quantified Objective:*

*Not quantifiable.*

**Program F.6: Units at Risk – Preserve Assisted Housing**

The City recognizes that retention of assisted housing is a critical part of maintaining the supply of affordable housing. In the event a Notice of Intent to Sell or a Notice of Intent to Convert to Market Rate Housing is received for any federally or locally subsidized housing located anywhere in Redwood City and when the sale or conversion will have an adverse impact on the residents of the housing development, the City shall consider taking all of the following actions to help preserve the units that are at risk of converting to market rate units.

- Hold public hearings upon receipt of any Notice of Intent to Sell or Notice of Intent to Convert to Market Rate Housing, pursuant to Section 65863.10 of the Government Code.
- Identify a qualified, eligible buyer to purchase and hold the units as long term affordable housing.
- Seek to provide "financing necessary to assist a qualified, eligible buyer" to purchase the units at risk of being converted to market rate.

A "qualified, eligible buyer" is defined by this policy as a private or non-profit entity who enters into agreement with the City to preserve the affordability of the housing development for a term not less than 30 years and as long as 55 years when possible.



“Financing necessary to assist a qualified, eligible buyer to purchase the units” means providing the gap subsidy necessary to maintain affordable rents in the units after purchase. For example, a qualified, eligible buyer may be able to obtain private financing to purchase the subject property, but such financing alone will not preserve the affordability of the units. Private loan underwriting may be based on market rates and would not yield affordable rents for the households residing in the development.

In addition, to further the preservation of Redwood Commons, the City and/or the Redevelopment Agency shall:

- Establish a list of qualified, community-based organizations, such as Mid-Peninsula Housing Coalition, to be ready to step in and assume ownership and management of the units.
- In the event of future loss of Section 8 subsidies for rental assistance, the City and/or the Redevelopment Agency shall consider appropriating HOME funds, Redevelopment Tax Increment funds, and shall seek other local, state and federal dollars that could be used to reduce operating costs payments on these units as a short term solution. Consider using funds from any source available at the time, up to and including CDBG/HOME funds, Redevelopment Housing Funds, General Funds, loan guarantees, bond funds, or any other source of funds immediately available to the City.

Discussion: There are four projects containing a total of 325 federally assisted housing units in Redwood City. The list of Federally Assisted Housing in Appendix D-1 identifies the projects, the date when federally insured assistance matures, and the status of each development. Two of the four federally assisted projects, Casa de Redwood and Heron Court are owned or controlled by non-profit organizations and are prohibited by law from prepaying their federally insured mortgages prior to their maturity dates. These projects are not at risk and existing Section 8 contracts in these projects are renewed by HUD annually in one to 5 year contracts.

Since non-profit organizations have limited options and must hold their mortgages for the entire period, representatives of *Casa de Redwood* and *Heron Court* have stated an intention to continue the affordability of these units with Section 8 contracts renewed annually. A representative of *Redwood City Commons* has indicated they are renewing their leases annually with HUD to maintain affordability for existing and future occupants.

The Redwood Court project held a 20 year HUD insured mortgage with Section 8 project based subsidies. These 27 very-low income housing units were previously at risk of being converted to market rate housing on July 28, 2003. At the time of intervention by the City, these units were fully occupied and affordable to low and very low income households. The City's assistance imposes new affordability and occupancy restrictions for a term of 55 years. Redevelopment Agency Housing funds and local Preservation Program funds were used to retain these 27 rentals units for very-low income households by providing funding necessary to make improvements that sustain the life of the project and reduce operating expenses.

Locally assisted housing developments are also presented in Appendix D-2. Since many of these projects have been built within the last 5 years and contain long-term affordability and resale restrictions, they are not at risk of conversion to market-rate housing within the period of 2001-2011.

Main /Stambaugh Streets - At the time of rehabilitation these four units were not in service as housing and were dilapidated to the point of being boarded up and determined uninhabitable by the City's Building Official since the 1950s. Home Improvement Loans were used to substantially restore these units to habitable use and involved 30-year agreements tied to the term of financing. These units are in service as exclusive affordable housing to four very-low income households. Since tenants in these units lease via Section 8 contracts, annual re-certification documents the continued AB438 compliance of these units.

Hallmark House Apartments - This 72-unit multifamily rental development has been converted from non-affordable to affordable units through a negotiated acquisition. The City has authorized the expenditure of Redevelopment Housing Set-aside funds to convert this apartment complex to affordable housing for

very low and low-income house-holds. The City has provided \$650,000 in financing for the acquisition/rehabilitation of this 72-unit apartment complex with occupancy restrictions for 22 very-low income and 49 low-income units for a 55 year affordability term. The acquisition price yielded a per unit cost of approximately \$116,000 per unit. Current proformas being reviewed by the City confirms a per unit cost of approximately \$200,000 per unit. The acquisition price, therefore, is well under the median price of housing within Redwood City.

Prior to the conversion, only one unit was occupied by a low income tenant who could support the market rent only because the tenant has a Section 8 voucher to pay a portion of the rent. The conversion of these units results in a net gain of 71 affordable housing units to the City's affordable housing stock. The acquisition required the developer to make improvements estimated at \$800,000 to improve the livability and structural and mechanical integrity of the property to support the 55 year affordability term, rendering the units as more decent, safe and sanitary.

*Responsible Bodies:*

*Redwood City Housing Coordinator, lead official*  
*City Council of Redwood City*  
*Planning Commission of Redwood City*  
*Redwood City Housing and Human Concerns Committee*  
*Redwood City Redevelopment Agency*

**Quantified Objective:**

*In 2003, the City helped to ensure the preservation of Redwood Court, a 27-unit very-low income affordable housing development that was at risk of being converted to market rate housing. The City's participation with the California Housing Finance Agency made it possible for a non-profit to purchase and rehabilitate these units and continue affordability to very low income households for 55 years. A Program in the Housing Element called Preservation Program was utilized by the City to grant funding to this project. A Public Hearing was held by the Housing and Human Concerns Committee on September 23, 2003 making the finding that public funds will be used to prevent the units from converting to market rate because of termination of previous subsidies allocated to the development.*

**Equal Opportunity In Housing**

**Policy G** The City will support efforts to prevent housing discrimination on the basis of race, color, ancestry, national origin, sex, sexual orientation, religion, age, marital status, children, or disability.

**Program G.1: Fair Housing Services**

The City shall continue to affirmatively further fair housing and support fair housing organizations that seek to eliminate housing discrimination and refer all alleged cases of housing discrimination to them. The City will continue to support equal opportunity lending programs and to certify that non-discriminatory practices will be followed in the selection of residents for participation in housing programs.

*Responsible Bodies:*

*Redwood City Housing Coordinator, lead official*  
*City Council of Redwood City*  
*Planning Commission of Redwood City*  
*Redwood City Housing and Human Concerns Committee*

*Quantified Objective:*

*Continuing contracts of approximately \$40,000 per year with service providers using CDBG funds.*

**Program G.2: Enforcement of Fair Housing Laws**

The City shall work with appropriate state and federal agencies to ensure that fair housing laws are enforced.

*Responsible Bodies:*

*Redwood City Housing Coordinator, lead official*  
*City Attorney*

*Quantified Objective:*

*The work with state and federal agencies occurs on an as needed basis.*

**Program G.3:** The City will continue to provide information on housing discrimination and the resources available to victims of discrimination, in both English and Spanish, as requested.

*Responsible Bodies:*

*Redwood City Housing Coordinator, lead official*  
*Redwood City Economic Development Coordinator*

*Quantified Objective:*

*Printed material, in both English and Spanish, to be available at city hall and the public library using CDBD funds.*

**Energy Conservation**

**Policy H:** The City will promote energy efficiency in existing and new housing in Redwood City.

**Program H.1: Energy efficiency** The Building Department will continue to require compliance with Title 24 energy measures. In addition the City shall encourage energy efficiency as a design feature in all new housing developments. The use of: landscaping to provide passive solar benefits, highly rated energy efficient appliances, energy efficient site orientation, and the use of solar heating systems will be encouraged. The City will continue to offer Energy Loans, Emergency Repair Loans, and Roof Loans when funds are available. In addition, the City offers rebates to residents who purchase Energy Star-label energy efficient appliances beginning July 1, 2001. These rebates are in addition to those offered by the Pacific Gas & Electric Company.

*Responsible Bodies:*

*Redwood City Building Department, lead department*  
*Redwood City Planning Department*  
*Redwood City Housing Coordinator*  
*Redwood City Public Works Services Department*  
*Planning Commission of Redwood City*  
*Architectural Review Committee*

*Quantified Objectives: Guidelines for energy efficient design for consideration by the City Council by 2002. Incentives for use of energy efficient appliances in 2001.*

**Program H.2: Density bonus for energy efficiency** The new, high-density zoning districts shall include a density bonus for active or passive solar water heating, which is provided to all units.

*Responsible Bodies:*

*Redwood City Planning Department, lead department*  
*City Council of Redwood City*  
*Planning Commission of Redwood City*  
*Redwood City Building Department*

*Quantified Objective: Preparation of new and/or revised zoning district(s), which offer incentives for energy efficiency, for consideration by the Council in 2002-3.*