

# Housing Element

## 5.1 Introduction

The Housing Element plays a critical role in identifying housing needs which maintain the “balance” that exists in the type, tenure and affordability of housing in the City. This Housing Element is an update of the City’s current Housing Element, which was approved by the California Department of Housing and Community Development (HCD) and adopted by the City Council in November, 1998.

As required by State law, housing elements must address housing conditions and needs of all economic segments in the community. The City’s approach to housing issues is expressed in four ways. The first is in the form of housing goals sought by the community. Second are Quantified Objectives, or short-range targets to achieve the goals. The third, and more specific aspect of the Housing Element, are Housing Policies.

The fourth and most dynamic part of the Housing Element are Implementing Programs, which are specific actions that the City or other identified entities will undertake to address policy issues and move closer to the community’s goals. The City’s housing goals, quantified objectives, policies and implementing actions are presented in sections 5.11 through 5.14 of this element.

## 5.2 Housing Element Requirements

All cities and counties in California are required to have a housing element as part of their general plan.



**Table 5-1: Summary of Key Housing Element Issues**

The Housing Element establishes programs to address housing needs and to maintain and protect existing housing and community character. The intent is to:

### Maintain the Existing Quality of Life

- (1) Assure property maintenance.
- (2) Protect aesthetics and assure quality architecture and site planning.
- (3) Maintain residential quality of life and services, and the integrity and high quality living environment of the City’s residential neighborhoods.
- (4) Protect and assure long-term maintenance of existing affordable housing.
- (5) Monitor housing conditions.

### Plan for Long-Term Community Needs

- (1) Respond to changing housing needs by considering housing in potential mixed use commercial/residential sites or potential re-use sites.
- (2) Continue to address state law requirements for Housing Elements.
- (3) Make a good faith effort to meet ABAG’s Regional Housing Needs Determinations (RHND) targets.
- (4) Provide housing within the Redevelopment Area.
- (5) Respond to changing economic conditions.
- (6) Provide for special housing needs (homeless, elderly, large families, etc.).

The substantive requirements for a housing element are set forth in Article 10.6 and §65583 of the California Government Code.

*"The housing element shall consist of an identification and analysis of existing and projected housing needs and a statement of goals, policies, quantified objectives, and scheduled programs for the preservation, improvement, and development of housing. The housing element shall identify adequate sites for housing, including rental housing, factory-built housing, and mobilehomes, and shall make adequate provision for the existing and projected needs of all economic segments of the community."*

While jurisdictions must review and revise all elements of their General Plan on a regular basis to ensure that they remain up to date (approximately every ten years), State law requires that Housing Elements be reviewed and updated at least every five years. The process of updating housing elements is initiated through the ‘regional housing needs’ process, as described later.

**Table 5-2: Definition of Housing Terms**

**Senior Housing:** Defined by California Housing Element law as projects developed for, and put to use as, housing for senior citizens. Senior citizens are defined as persons at least 62 years of age.

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

**Accessible Housing:** Units accessible and adaptable to the needs of the physically disabled.

**Housing Affordability:** The generally accepted measure for determining whether a person can afford housing means spending no more than 30% of one's gross household income on housing costs, including utilities, principle and interest. For example, a beginning school teacher earning \$40,000 per year can afford \$1,000 per month for housing. A beginning policeman or fire fighter earning \$60,000 can afford up to \$1,500.

**Median Household Income:** The middle point at which half of the City's households earn more and half earn less.

**Lower Income Households:** Defined by California Housing Element law as households earning less than 80% of the median income.

**Income Limits:** Income limits are updated annually by the U.S. Department of Housing and Urban Development (HUD) for San Mateo County. For many State and local programs, State Department of Housing and

Community Development (HCD) income eligibility limits are used. HCD income limits regulations are similar to those used by HUD. In 2005, the HUD median household income for a family of four in San Mateo County as used for the City of Millbrae was \$95,000. As of January, 2002 the income limits are:

- **Very Low Income Households:** Defined by California Housing Element law as households earning less than 50% of the median household income. A family of four earning less than \$56,550/year is considered very low income.
- **Low Income Households:** Defined by California Housing Element law as households earning 50-80% of the median household income. A family of four earning between \$56,550-\$90,000/year is considered low income.
- **Moderate Income Households:** Defined by California Housing Element law as households earning 80-120% of the median household income. As of 2005, a family of four earning between \$90,000-\$114,000/year would be considered moderate income.
- **Above Moderate Income Households:** Defined by California Housing Element law as households earning over 120% of the median household income. As of 2005, a family of four earning above \$114,000/year would be considered above moderate income.

The California Department of Housing and Community Development (HCD) is responsible for reviewing the housing elements of all cities in California for their compliance with State law requirements. When reviewing housing elements, HCD evaluates their effectiveness based on the sufficiency of the element for the following:

- (1) Identification and analysis of existing and projected housing needs and providing an inventory of resources and constraints relevant to meeting those needs.
- (2) Identification of goals, policies, quantified objectives, and scheduled programs for preserving, improving and developing housing.

### **5.3 Relationship to Other Elements**

The goals and policies of all general plan elements must be internally consistent. Internal consistency of Millbrae's General Plan has occurred by providing a common database for analysis and by assuring that the goals, quantified objectives, policies and implementing actions of all elements are mutually supportive.

#### *Preparation of the 2005 Housing Element*

A local government must "make a diligent effort" to involve all economic segments of its population in developing its housing element. Efforts to involve the general public in this update of Millbrae's Housing Element include open public meetings and workshops with the Planning Commission and City Council.

Opportunities for written and oral comments occur at public hearings, and with the distribution of the housing element draft for agency and public review.

Outreach and publicity has involved all economic segments of the community and included sending notices of the availability of products and announcements of work sessions and public hearings to the news media and groups or organizations involved in providing affordable housing or meeting special housing needs as well as the public in general.

Planning Commission and City Council agendas and meeting minutes are posted on the City's website and provide an effective means of disseminating information and inviting participation from all economic sectors of the public, including low- and moderate-income residents and their representatives and advocates. In addition, the City posted information regarding the housing element update process and meeting notification in several public places throughout the city, including City Hall, the Millbrae Library, and the Park and Recreation Department Community Center. Finally, the City advertised meetings in Millbrae's community newspaper, *The Independent*. The local media provided news coverage of the City's Housing Element update, further generating public awareness and interest in the proposed policies and programs of the draft housing element.

#### *Consistency With Other General Plan Elements*

The Housing Element addresses all State requirements. It contains information on housing constraints and actions to deal with those constraints. Since the most recent update of the Housing Element occurred only four years ago, and was done in coordination with the update of the entire City of Millbrae General Plan, this update of the Housing Element reflects common base population, housing, land use, environmental and employment data.

The Housing Element includes information on the number of units required to meet Millbrae's housing need and its share of the regional need. Sites with development potential in accordance with the City's

housing needs are evaluated. The entire General Plan, including this revised Housing Element, reaffirms the following goals of the City by:

- (1) Acting as a guide for municipal decisions which effect the quality and quantity of housing.
- (2) Maintaining housing growth within limits of available services.
- (3) Maintaining Millbrae's present quality of life by balancing the availability of housing with other environmental considerations.

The adoption of the 2005 Millbrae Housing Element update will be processed as an amendment to the Millbrae General Plan. Because the General Plan must be internally consistent, it is important that the policies in the other elements, including Land Use, Circulation, Open Space, Conservation, Safety, and Noise are compatible with the goals, policies, and programs developed in the draft Housing Element. As part of the Housing Element update, the City has reviewed the other elements of the General Plan to assess the need for housing-related policy changes. No changes were found to be necessary.

## **5.4 Future Trends and Projections**

According to the Association of Bay Area Governments (ABAG), by 2015 San Mateo County is expected to have 274,640 households, an increase of 20,537 households over 2000. ABAG predicts that if the shortage of affordable housing is not met it could seriously affect the overall regional economy.

Millbrae's housing conditions and needs are reflective of many area-wide and nation-wide trends. With the City almost at "build-out", there are limited development opportunities and suitable sites remaining to address the City's housing issues.

#### *Growth Projections*

The 2000 Census shows there were 20,718 people, 8,113 housing units and 7,956 households in the City of Millbrae. Growth in population and households is expected to be fairly moderate as the City approaches build-out due to the limited availability of vacant land in the City. At build-out, the City is expected to have

**Table 5-3: San Mateo County and City of Millbrae**

| Location                       | 1990     | 2000      | 2005      | 2010      | 2015      | 2020      | Change<br>2000-2020 |
|--------------------------------|----------|-----------|-----------|-----------|-----------|-----------|---------------------|
| <b>San Mateo County</b>        |          |           |           |           |           |           |                     |
| Population                     | 649,623  | 707,161   | 734,100   | 754,600   | 775,900   | 795,100   | +87,939             |
| Households                     | 241,914  | 254,103   | 260,960   | 267,110   | 274,640   | 281,670   | +27,567             |
| Average Household Size         | 2.64     | 2.74      | 2.77      | 2.78      | 2.78      | 2.78      | 0.04                |
| Employed Residents             | 353,676  | 403,083   | 415,800   | 430,900   | 446,100   | 458,000   | +54,917             |
| Jobs                           | 326,670  | 395,890   | 411,630   | 433,820   | 458,050   | 480,970   | +85,080             |
| Employed Residents/Job         | 1.08     | 1.02      | 1.01      | 0.99      | 0.97      | 0.95      | -0.07               |
| Percent of Bay Area Population | 10.8%    | 10.4%     | 10.2%     | 10.0%     | 10.0%     | 9.9%      | -0.5%               |
| Percent of Bay Area Jobs       | 10.2%    | 10.5%     | 10.5%     | 10.3%     | 10.2%     | 10.2%     | -0.3%               |
| Jobs/Household                 | 1.35     | 1.56      | 1.58      | 1.62      | 1.67      | 1.71      | +0.15               |
| <b>Millbrae Planning Area</b>  |          |           |           |           |           |           |                     |
| Population                     | 20,476   | 20,718    | 21,400    | 21,900    | 22,300    | 22,600    | +1,882              |
| Households                     | 7,947    | 7,956     | 8,140     | 8,280     | 8,450     | 8,580     | +624                |
| Average Household Size         | 2.53     | 2.56      | 2.58      | 2.60      | 2.59      | 2.59      | +0.03               |
| Mean Household Income          | \$80,900 | \$102,600 | \$106,000 | \$110,200 | \$115,300 | \$119,800 | +\$17,200           |
| Employed Residents             | 10,168   | 10,787    | 11,100    | 11,400    | 11,700    | 11,900    | +1,113              |
| Jobs                           | 5,960    | 6,030     | 6,210     | 6,620     | 6,970     | 7,110     | +1,080              |
| Jobs/Household                 | 0.75     | 0.76      | 0.76      | 0.80      | 0.82      | 0.83      | +0.07               |
| Employed Residents/Job         | 1.71     | 1.79      | 1.79      | 1.72      | 1.68      | 1.67      | -0.12               |
| Percent of County Population   | 3.2%     | 2.9%      | 2.9%      | 2.9%      | 2.9%      | 2.8%      | -0.1%               |
| Percent of County Jobs         | 1.8%     | 1.5%      | 1.5%      | 1.5%      | 1.5%      | 1.5%      | 0.0%                |

Source: Association of Bay Area Governments, "Projections 2002"

24,860 people (19.9% more than in 2000) and 9,170 households (+15.2%). Office and hotel development in the Millbrae Station Area Specific Plan area is expected to result in the most significant change, with a significant increase in local jobs—from 6,350 in 2000 to about 12,000 local jobs in 2015 (+89%).

### *Employment and Education Trends*

Employment of Millbrae residents is high. Work force employment has remained steady at about 97% since 1970. There currently are about one-third as many employed residents as jobs in Millbrae. Many work outside of Millbrae. Jobs within the City are expected to increase by 15.6% between 2000 and 2015, from 6,030 jobs to 6,970. The number of employed residents in Millbrae is expected to increase from 10,787 in 2000 to 11,700 by the year 2015.

Millbrae residents are becoming better educated. In 1990 the percentage of high school graduates among the residents increased to 84%, up from 75% in 1970 and 82% in 1980. In 1990, 24% of the population had four or more years of college compared with 14% in 1970 and 20% in 1980.

The average Millbrae household earns about 8% less than the average of County households. The estimated 2000 mean household income in Millbrae

was \$102,600, while it was \$110,500 for the county as a whole. The 2005 median income for various size households is shown below. These income limits provide the basis for housing programs.

### *Population Age*

Millbrae's population is aging. The percentage of residents 65 or older has grown from 8% in 1970, to 13% in 1980, 20% in 1990, and 21% in 2000. The median age is 42 years (2000 Census). Between 1970 and 1980 there was a significant decrease in the number of children under five. However,

the number of children under age five is about the same in 2000 as it was in 1970. In 2000, about 16% of the City's population was under 17 years of age.

When compared to San Mateo County as a whole, Millbrae has fewer children under 17 and more elderly residents 65 or older. About one-quarter of the City's population is between 45 and 65. Twenty-year forecasts for the Bay Area show a continuing increase in the proportion of persons over 45 and a leveling off in the children and teenager population. Nevertheless, the Millbrae School District has projected an increase of slightly more than 100 children in grades K-8 between 1996-2002 (2,311 to 2,434).

**Table 5-4: San Mateo County Income Limits (2005)**

| Family Size | Very Low and Low Income<br>(Less than 80% of Median) |          |           | Moderate Income<br>(80%-120% of Median) |           |
|-------------|--|----------|-----------|---|-----------|
|             | 35%  | 50%      | 80%       | Median                                  | 120%      |
| 1           | \$23,750   | \$39,600 | \$63,350  | \$66,500                                | \$79,800  |
| 2           | \$27,150   | \$45,250 | \$72,400  | \$76,000                                | \$91,200  |
| 3           | \$30,550   | \$50,900 | \$81,450  | \$85,500                                | \$102,600 |
| 4           | \$33,950   | \$56,550 | \$90,500  | \$95,000                                | \$114,000 |
| 5           | \$36,650   | \$61,050 | \$97,700  | \$102,600                               | \$123,120 |
| 6           | \$39,350   | \$65,600 | \$104,950 | \$110,200                               | \$132,240 |
| 7           | \$42,050   | \$70,100 | \$112,200 | \$117,800                               | \$141,360 |
| 8           | \$44,800   | \$74,650 | \$119,450 | \$125,400                               | \$150,480 |

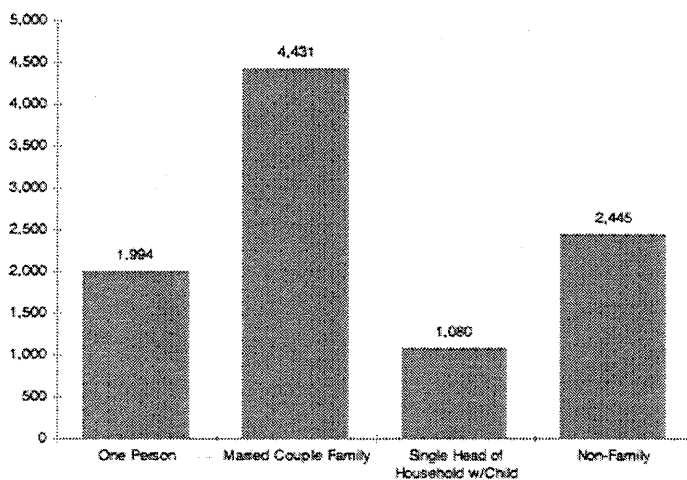
Source: California Department of Housing and Community Development, 2005

### Household Trends

Average household size in Millbrae has decreased since 1970 from 3.01 to 2.56 persons in 2000. According to ABAG projections, by the year 2015 the average Millbrae dwelling will house 2.59 persons, slightly less than the projected County average of 2.78.

According to the 2000 Census, the distribution of owners and renters is 5,092 households who own their home (64%) and 2,864 households who are renters (36%). The income distribution of owners and renters is shown below.

**Table 5-5: City of Millbrae Household Types (2000)**



A measure of housing availability is the vacancy rate. The generally accepted ideal vacancy rate is 4.5% to 5.0%, which indicates a good balance between supply and demand in the housing market to allow normal turnover among households. The City's vacancy rate according to the 2000 U.S. Census is 1.9%. The City's vacancy rate has held at about 2.7% or less for the last 15 years.

**Table 5-6: City of Millbrae Renter and Owner Income (2001)**

| Tenure                   | Very Low Income | Low Income | Moderate Income | Above Moderate | Total |
|--------------------------|-----------------|------------|-----------------|----------------|-------|
| Owners                   | 21%             | 14%        | 21%             | 44%            | 100%  |
| Renters                  | 34%             | 28%        | 18%             | 21%            | 100%  |
| Total                    | 25%             | 19%        | 20%             | 36%            | 100%  |
| Source: 2000 U.S. Census |                 |            |                 |                |       |

Rents and sales price affordability are expected to be impacted by increasing demand for Millbrae housing from the anticipated increase in local jobs.

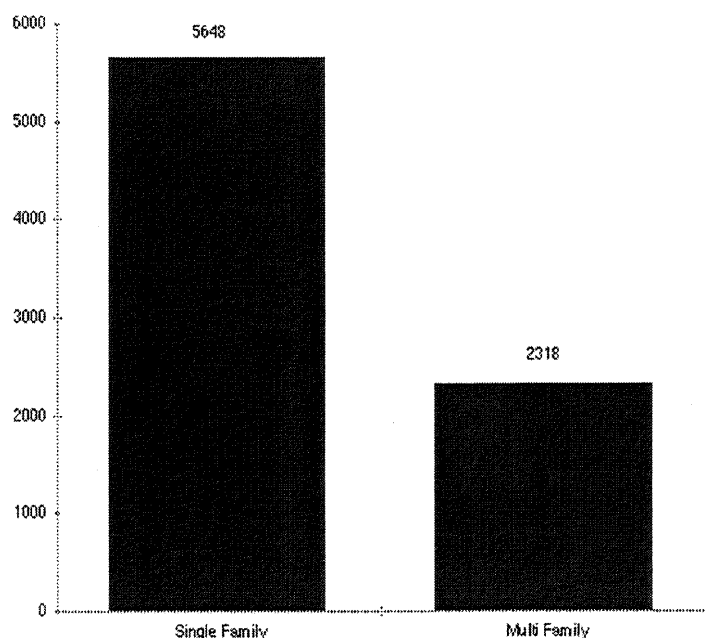
In general, overcrowding and discrimination are more likely to occur when the rental vacancy rate is very low because property owners can be very or even unfairly selective in choosing potential tenants. Discrimination is difficult to quantify, although it is most likely to occur against families with children or on the basis of race or ethnic origin. The City's Community Development Department and Redevelopment Agency, and the San Mateo County Human Resources and Fair Housing Commission, are the designated departments to provide housing information and referral services regarding fair housing laws.

A common standard for overcrowding is one or more occupants per room. The incidence of overcrowding has more than tripled since 1990, when the U.S. Census counted 191 overcrowded units. According to the 2000 U.S. Census, there are 628 overcrowded units. Of these, 222 are owner-occupied units with 39 of these reported as severely overcrowded (2 or more occupants per room). There are 406 overcrowded rental units; 86 of these are identified as severely overcrowded. The regional goal for vacant units (4.5%) would reduce this overcrowding and enhance consumer freedom in the marketplace. It is important to note that not all overcrowding is due to scarcity of housing; some overcrowding is related to a lack of affordable housing.

### Housing Types and Conditions

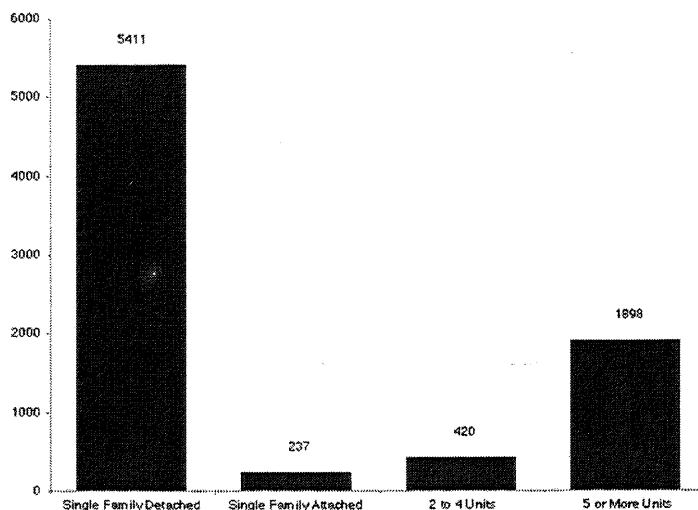
As shown below, the diversity of housing types and sizes in the City provides a mix and range of choices. Single family detached housing comprise the largest single type of housing in the City with 64% of all units. Multi-family comprises 34% of the housing in Millbrae, including townhouses, condominiums and apartments. About two out of five units added between 1980 and 2000 were multi-family units.

The City's housing stock is in good condition. In recent years there has been emphasis on repairing and remodeling older units. According to the 2000 U.S.

**Table 5-7: City of Millbrae Housing Types (2000)**

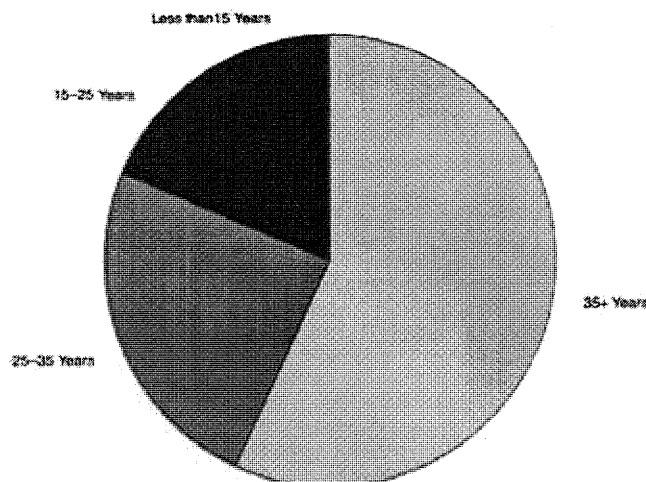
Census, 33 units lack complete plumbing facilities. About 52% of the City's housing units were built in the fifties through the sixties. Only 624 units were built before 1939. A windshield survey in 1985 indicated that 60 housing units needed rehabilitation and an additional 5 units needed replacement. A current assessment of the City's housing stock indicates that less than 50 units need major rehabilitation.

For the past five years, the City Council has authorized the funding of a fulltime Community Preservation Specialist to help maintain standards. Over the next 15 years the City will take a more active role in monitoring housing conditions and assisting property owners in correcting serious deficiencies. Such a program may be especially important for the City's lower-income residents. Periodically, there are specialized rehabilitation needs in the community for lower income or elderly households. In those cases, the City refers people to the County, where the City participates in the County's small cities CDBG rehabilitation program, and to the Human Investment Project for homesharing, rehabilitation assistance loans, and services. In addition, the Center for Independent Living assists disabled individuals and frail seniors who wish to live independently.

**Table 5-8: City of Millbrae Housing Types (2000)**

### *Housing Prices and Affordability*

The scarcity of affordable housing in Millbrae continues to be a problem and homeownership for low and moderate income residents is almost an impossibility. The median price for a single-family home in San Mateo County in 2001 was \$590,000, and the median priced townhouse or condominium in 2001 was over \$385,000. Households with an income under \$103,300 (120% of median income for a household of four) can barely qualify for lower priced condominiums or townhomes, and they cannot afford to own a single family home unless they are able to increase their downpayment above the 20% level or participate in some municipal or state-funded subsidy program.

**Table 5-9: Age of the Housing Stock City of Millbrae (2001)**

It is estimated that as of January, 2000, 44% of all households in the City were considered lower income (earning less than 80% of median income) and 56% of all lower income households were considered "overpaying" households - devoting more than 30% of their income to housing expenses.

This impact of higher housing prices is more severe for lower income households since they have less disposable income or savings. The exclusion of low-income families from the ownership market increases demand for rental housing, causing rents to rise. Current rental rates are barely affordable for households earning 100% of median income. As with many Bay Area communities, the problem in Millbrae is twofold: affordability for lower income households and the supply (availability) of units.

## 5.5 Special Housing Needs

Special need groups evaluated as part of the Housing Element include the elderly, female-head of households, large families, and the homeless. In general terms, Millbrae will experience a slight increase in total households, but there will be a disproportionately larger increase in households

**Table 5-10: Estimated Lower Income Households Overpaying for Housing in the City of Millbrae (2000)**

| Type of Household  | Number |
|--|--------|
| Lower Income Renters   |        |
| Total Number   | 1,754  |
| Percent Overpaying   | 68%    |
| Total Overpaying   | 1,193  |
| Lower Income Owners  |        |
| Total Number   | 1,785  |
| Percent Overpaying   | 44%    |
| Total Overpaying   | 785    |
| Total Lower Income Households  |        |
| Total Number   | 3,539  |
| Percent Overpaying   | 56%    |
| Total Overpaying   | 1,978  |
| Source: 2000 U.S. Census   |        |
| Note: Lower income households earn less than 80% of median household income. |        |

**Table 5-11 Rental Affordability (2002)**

| Household Size/Income  | Income   | Rent @ 30% of Income | Expected Unit Type |
|--|----------|----------------------|--------------------|
| One Person   |          |                      |                    |
| Extremely Low  | \$18,075 | \$452                | 1-2 BR             |
| Very Low/Income  | \$30,125 | \$753                | 1-2 BR             |
| Lower Income   | \$48,200 | \$1,205              | 1-2 BR             |
| Median Income  | \$60,250 | \$1,506              | 1-2 BR             |
| Moderate Income  | \$72,300 | \$1,808              | 1-2 BR             |
| Two Persons  |          |                      |                    |
| Extremely Low  | \$20,670 | \$517                | 1-2 BR             |
| Very Low/Income  | \$34,450 | \$861                | 2-3 BR             |
| Lower Income   | \$55,120 | \$1,378              | 2-3 BR             |
| Median Income  | \$68,900 | \$1,723              | 2-3 BR             |
| Moderate Income  | \$82,680 | \$2,067              | 2-3 BR             |
| Source: Income Limits, 2002; Baird + Driskell Community Planning |          |                      |                    |

**Table 5-12: Owner Affordability (2002)**

| Household Size/Income  | Income    | Monthly Payment | Mortgage  | Down Payment | Home Price |
|--|-----------|-----------------|-----------|--------------|------------|
| Two Persons  |           |                 |           |              |            |
| Extremely Low  | \$20,670  | \$568           | \$75,790  | \$8,421      | \$94,211   |
| Very Low/Income  | \$34,450  | \$947           | \$126,317 | \$14,035     | \$140,352  |
| Lower Income   | \$55,120  | \$1,516         | \$202,107 | \$22,456     | \$224,563  |
| Median Income  | \$68,900  | \$1,895         | \$252,633 | \$28,070     | \$280,704  |
| Moderate Income  | \$82,680  | \$2,274         | \$303,160 | \$33,684     | \$336,844  |
| Four Persons   |           |                 |           |              |            |
| Extremely Low  | \$25,830  | \$710           | \$94,710  | \$10,523     | \$105,233  |
| Very Low/Income  | \$43,050  | \$1,184         | \$157,850 | \$17,539     | \$175,389  |
| Lower Income   | \$68,880  | \$1,894         | \$252,560 | \$28,062     | \$280,622  |
| Median Income  | \$86,100  | \$2,368         | \$315,700 | \$35,078     | \$350,778  |
| Moderate Income  | \$103,320 | \$2,841         | \$378,840 | \$42,093     | \$420,933  |
| Source: Income Limits, 2002; Baird + Driskell Community Planning |           |                 |           |              |            |

with fewer children and more older people. On the average, future households probably will have higher incomes. As the population ages there will be an increasing number of persons reaching the age where either their income or health, or both, generate the need for assistance in obtaining appropriate shelter.

The table below summarizes special housing needs in the City of Millbrae based on 2000 Census data.

### Senior Housing

Millbrae has historically had a higher percentage of seniors than the County as a whole. This trend is expected to continue as the population throughout the county continues to age. While 20% of population is age 65 or older, more than 30% of all households are headed by someone over 65. Of these senior households, 39% are very low income, 16% are low

**Table 5-13: Summary of Special Needs Housing**

|   | Owner<br>Households | Renter<br>Households | Total<br>Households<br>or Persons |
|---|---------------------|----------------------|-----------------------------------|
| Households  |                     |                      |                                   |
| Overcrowded Households  | 222                 | 206                  | 428                               |
| Senior Headed Households  | 1,974               | 624                  | 2,598                             |
| Female Headed Households  | 1,199               | 1,114                | 2,313                             |
| Large Households  | 554                 | 194                  | 748                               |
| Persons   |                     |                      |                                   |
| Persons Living with Disabilities                                  |                     |                      | 3,196                             |
| Farmworkers   |                     |                      | 8                                 |
| Millbrae's "Share" of Estimated<br>Countywide Homeless Population |                     |                      | 143                               |

Source: U.S. Census, 2000; Sustainable San Mateo (2001)

income, 15% are moderate income, and 29% are above moderate income.

It is anticipated that at least one-third of the new households added between 2000 and 2015 will be senior households. Elderly households are generally smaller in size. According to a private study conducted by Haran Hall Limited, the average senior unit in the Bay Area houses 1.2 persons as compared to the current average household size in Millbrae in 2000 of 2.56. The City has already assisted with the development of Green Hills Retirement Center and Magnolia of Millbrae, a 158-unit senior assisted-living development.

The increasing longevity of people and the increasing number of seniors in the population in San Mateo County and Millbrae will create some additional need for affordable housing and specialized housing for older residents. This has the following implications:

- (1) Senior households on fixed incomes have limited resources for home improvements to maintain their homes, which underscores the importance of programs such as Homesharing and Reverse Annuity Mortgages, provided through the contract with the Human Investment Project.
- (2) Many seniors become "trapped" in large houses, due to property tax and house payment increases which would result from moving into smaller housing units. City or Redevelopment Agency-sponsored affordable housing opportunities, such as homesharing, help address this problem.

- (3) Seniors are often limited to fixed incomes, although many have considerable equity in their homes, which can present an underutilized source of income for meeting living expenses.
- (4) There is a greater need to adapt units to the physical needs of seniors.

### *Female-Head of Household*

Since 1970, the number of households headed by women has increased significantly. In 2000, about 29% (2,313 of 7,956 households) of the City's households were headed by women, with 34% of those headed by women with children, and 56% of those being women living alone. Female-headed households are equally divided between renters and owners. Women in the housing market, especially the elderly, low and moderate income and single-parents, face significant difficulties finding housing, as follows:

- (1) Both ownership and rental units are extremely expensive relative to the incomes of many people in these population categories.
- (2) Generally, throughout the Bay Area, there is the greatest incidence of discrimination by landlords against women with children, according to the Legal Aid Society.
- (3) Elderly women are often "trapped" in a house that is too large for their needs and too expensive to maintain.
- (4) There is a need for specialized services to assist women, such as transportation for the elderly, child care for working mothers with young children and special security needs.
- (5) Tapping the unused housing stock of larger homes through shared housing programs is a way to provide flexibility in the housing available.

### *Housing for People with Physical Disabilities*

Almost 6% or 830 of Millbrae's non-institutionalized population aged 16-64 has a work disability; 39% of the disabled are prevented from working. Of the 13,833 persons in the 16-64 age group, 170 have a

public transportation disability. This is a term used in the U.S. Census to describe those who are unable to use normal public transportation facilities. Of the 2,414 persons over 65 years of age, 281 have such a disability.

Persons with a disability quite often need special housing facilities, and those unable to work may need financial assistance for housing. Chapter 11 of the California Building Code requires new multi-family units to be accessible and adaptable for use by people with disabilities. Based on available data, it is estimated that about 2% of the new units constructed in the City should be available for the physically disabled. Two considerations related to housing for physically disabled people are:

- (1) As the proportion of seniors in the City's population increases, handicapped accessible housing will become even more needed.
- (2) Consideration should be routinely given to handicapped dwelling conversion (or adaptability) and site design in new or renovated construction.

Chapter 671, Statutes of 2001 (Senate Bill 520) requires localities to analyze potential and actual constraints upon the development, maintenance, and improvement of housing for persons with disabilities and to demonstrate local efforts to remove governmental constraints that hinder the locality from meeting the need for housing for persons with disabilities. In addition, as part of the required constraints program, the element must include programs that remove constraints or provide reasonable accommodations for housing designed for persons with disabilities.

The City of Millbrae has reviewed all of its zoning laws, policies and practices for compliance with fair housing laws and has found them to be in compliance with the Americans With Disabilities Act (ADA). While the City has not developed formal housing policies or programs for the disabled population, Millbrae does provide reasonable accommodation for persons with disabilities with respect to zoning, permit

processing, and building laws. Most publicly owned facilities in the City, including City Hall, have been retrofitted so that they are fully accessible to disabled residents. Where accessibility may impede a disabled person's ability to participate in a public meeting, the City provides reasonable accommodation with 48-hour notice. In addition, the City conducts a lot of business over the phone and by e-mail and accepts faxed applications for many types of requests, rather than requiring in-person contact.

The Planning and Building Departments of Millbrae provide personalized service to each resident. Requests to modify homes to meet the needs of the disabled are handled on a case by case basis, with staff working closely with applicants to accommodate their needs. The City has had one request for reasonable accommodation in the past nine years, and that request was granted. Applications for wheelchair ramps, lifts, and elevators are reviewed ministerially by the Community Development Department staff, and the City has demonstrated its willingness to reduce setback requirements in order to accommodate the construction of these projects. Millbrae does not have separate parking standards for projects accommodating the needs of disabled persons other than those mandated by the ADA. The City Council has the authority to modify parking standards to accommodate the needs of the disabled on a case-by-case basis and would interpret applicable zoning codes as favorably as possible to the applicant.

Group homes with under seven occupants are permitted by right in all residential zoning districts. The City does not restrict the siting of group homes nor require a minimum distance between group homes, and the City does not have any occupancy standards in the zoning code that apply specifically to unrelated adults. If a group home contains more than six clients or is located in a non-residential zone, Planning Commission approval of a Use Permit is required. A group home requiring Planning Commission approval of a Use Permit is evaluated in at least two separate public meetings. All property owners within 300 feet of the site are notified of both meetings and citywide notification occurs

in accordance with state law. Group homes for which a Use Permit is not required receive no prior public input. By comparison, all other residential development, except ground floor additions, requires Planning Commission approval. All Planning Commission decisions are appealable to the City Council.

The Building Department administers Title 24 provisions consistently for all disabilities-related construction and responds to complaints regarding any violations. The City adopted the Uniform Building Code in November 2002 and has not adopted any amendments to the code which conflict with the ADA. There are no restrictions on lowered countertops, widened doorways, adjustable showerheads, or other adaptations that meet the needs of the disabled.

While Millbrae has consistently demonstrated its ability and willingness to comply with the ADA and to provide reasonable accommodation for the disabled, the City should consider formally adopting a policy that ensures reasonable accommodation and equal access to housing for people with disabilities in the City's zoning, permit processing and building codes. In implementation of this policy, the City should adopt a program to designate an ADA Coordinator to carry out the City's compliance with the provisions of the ADA and to serve as the primary contact for disabled residents with questions, concerns, and requests regarding reasonable accommodation procedures and practices.

### *Family Housing*

Family housing encompasses a wide range of housing need. These needs include female-headed households (discussed previously), single persons, married couples, large families (with five or more persons), families with children and non-family households.

It has generally been the policy of the City to maintain a balance of household types and to meet the housing needs of its diverse population. Family housing, especially for low- and moderate-income families, is a need in Millbrae. Specific needs include young adults and single parents, who generally have lower earnings

which can exclude them from the ownership housing market. It is estimated that in 2000, the number of younger householders (ages 25 to 44) in Millbrae encompassed 33% of the households, compared to 43% Countywide. Of these younger households, 10% are very low income, 11% are low income, 22% are moderate income, and 57% are above moderate income.

Large families, with five or more persons, also have special housing needs. There were 748 households (9%) with five or more persons in Millbrae in 2000. Discussions with County Housing Authority staff indicate a need for large family affordable units.

### *Housing Needs of Farmworkers*

State law requires that housing elements evaluate the need for farmworker housing in the local jurisdiction. The general conclusion of the ABAG Housing Needs Determinations study in 1988 is that there is no additional need for farmworker housing in the Bay Area. In Millbrae, the 2000 U.S. Census showed that eight Millbrae residents were employed in farming, forestry and fishing occupations. ABAG estimates 70 people employed in agriculture and mining jobs and projects no increase in this population through 2015. This low number and the fact that many of these people are employed in wholesale and horticulture businesses indicate that there are no localized needs for seasonal or other types of farmworker housing.

### *Homeless Individuals and Families*

There are few, if any, homeless individuals in Millbrae in need of emergency shelter. The Sustainable San Mateo County's Annual Report 2001 estimates that in 1998 there were 4,545 homeless persons in San Mateo County. Of these homeless, 3,694 were adults and 851 were children. The total number of homeless has not increased significantly since the 1994 count, which totaled 4,499 persons. However, this count does not include "doubled-up" households: those where potentially homeless persons are living with family or friends. The report indicates that the number of doubled-up households in San Mateo County has increased from 613 persons in 1996 to 18,769 persons in 1998.

A new north county temporary seasonal shelter for single homeless persons operates from December through March in South San Francisco, approximately 2.0 miles to the north of Millbrae. The new facility opened in 2001 and is located on the grounds of the San Francisco International Airport and can accommodate 90 homeless individuals a night.

A network of public and private organizations provide emergency housing assistance to residents of central San Mateo County (Millbrae, San Mateo, Belmont, Burlingame, and surrounding areas). Public funds for emergency aid for housing are dispersed principally through the San Mateo County Human Services Department. Private organizations which dispense emergency assistance for housing include: (1) Catholic Social Services, a church-supported assistance organization; (2) Interface Networks for Community Help (INCH), a social services program sponsored by 75 San Mateo County churches; (3) The Salvation Army, which operates several emergency assistance programs in the central County area; (4) The Emergency Housing Consortium, which operates a small family shelter in Menlo Park; (5) Shelter Network, Inc., which operates three shelters in the county; (6) Samaritan House, which operates a family kitchen, clothes closet and the San Mateo Armory Shelter (winter only); and (7) Human Investment Project, which builds and operates very low income shared homes and provides homesharing opportunities countywide.

The directors of the various emergency assistance programs in San Mateo County gave the following priorities for unmet emergency housing need:

- (1) An overnight facility for single adults in central San Mateo County. The Director of INCH believes that such a facility would be used almost exclusively by San Mateo County residents due to the unmet demand in central San Mateo County.
- (2) A seasonal facility to house indigent single adults.
- (3) A community facility or half-way house to temporarily orient individuals released from state or community mental institutions.

- (4) A community facility or half-way house to temporarily orient individuals released from correctional facilities.
- (5) An emergency/temporary shelter for homeless elderly and disabled residents to allow these individuals an opportunity to apply for government assistance.
- (6) An information center for the residents of Millbrae, San Mateo, and surrounding communities.

Emergency and transitional housing are permitted in the C-1 Downtown Improvement Area with a conditional use permit. Shelters and transitional housing are subject to the same requirements that apply elsewhere in the zoning district, and procedures for applying for a conditional use permit are the same as for other uses requiring a CUP. No special permit findings or requirements have been established.

#### *Potential Loss of Assisted "At-Risk" Units*

Section 65583 (a)(8) of the State Government Code requires the analysis and a program for preserving assisted housing developments that are eligible to change to non-low-income housing during the next ten years and to adequately plan for preventing or minimizing tenant displacement and reduction in the local affordable housing stock. The section further defines assisted housing and describes the analysis to be undertaken. The California Housing Partnership Corporation has published the Inventory of Federally Subsidized Low-Income Rental Units and Risk of Conversion, March 1, 1989. Review of this publication reveals that there are no "at-risk" units in the City of Millbrae. City staff conducted an evaluation of existing units and found that no units were at-risk through the year 2011.

## **5.6 ABAG Housing Needs Determinations, Recent Construction Activity and Future Housing Development Potential**

### *ABAG Housing Needs Determinations*

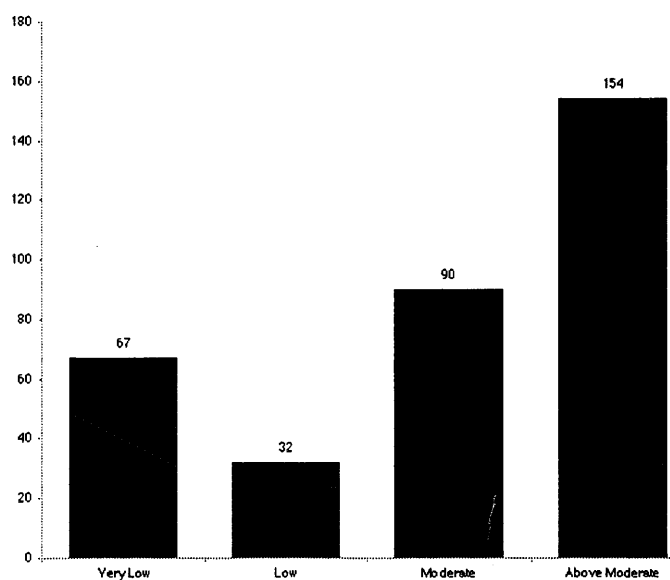
One unique aspect of State Housing Element law is the idea of 'regional fair share.' Every city and county

in the State of California has a legal obligation to respond to its 'fair share' of the projected future housing need in the region in which it is located. For Millbrae and other Bay Area jurisdictions, the regional housing need is determined by the Association of Bay Area Governments (ABAG), based upon an overall regional housing need number established by the State. In accordance with State law, ABAG has determined the fair share of the regional housing need that must be planned for by each jurisdiction during the 1999 to 2009 planning period. That need is divided into the four income categories of housing affordability described earlier (in accordance with State law). ABAG's allocations are based on analysis of:

- The vacancy rate in each city and the existing need for housing it implies;
- The projected growth in the number of households;
- The local and regional distribution of income; and
- The need for housing generated by local job growth.

The graph below summarizes the housing need determinations for Millbrae. Millbrae's 'fair share' of the regional housing need is a total of 343 units between January, 1999 and June, 2007, with the following income breakdown: 67 units affordable to *very low income* households (19.5 percent of the total);

**Table 5-14: City of Millbrae ABAG Housing Needs Determinations**



32 units affordable to *low income* households (9.3 percent of the total); 90 units affordable to *moderate income* households (26.2 percent of the total); and 154 units affordable to *above moderate income* households (44.9 percent of the total). A breakdown of the income distribution for Millbrae, San Mateo County, and the Bay Area are shown in Table 5-15, below.

Every Housing Element must demonstrate that the local jurisdiction has made adequate provision to support the development of housing at various income levels (very low, low, moderate and above moderate) to meet its 'fair share' of the existing and projected regional housing need. The ABAG Regional Housing Needs Determination figures for all jurisdictions in the Bay Area can be found on the ABAG website at <http://www.abag.ca.gov>. The most recent HCD income limits, by county and size of household, can be accessed online at <http://www.hcd.ca.gov>. Income limits are updated annually by the US Department of Housing and Urban Development (HUD) for each county. For many State and local programs, the State Department of Housing and Community Development (HCD) income eligibility limits are used. HCD income limits are similar to those used by HUD.

Because local jurisdictions are rarely involved in the actual construction of housing units, the fair share numbers establish goals that should be used to guide planning and development decision making. Specifically, the numbers establish a gauge to determine whether the City is allocating adequate sites for the development of housing (particularly

**Table 5-15: Distribution of ABAG Housing Needs**

| Jurisdiction   | Very Low Income | Low Income | Moderate Income | Above Moderate |
|--|-----------------|------------|-----------------|----------------|
| City of Millbrae                                       | 19.5%           | 9.3%       | 26.2%           | 44.9%          |
| San Mateo County                                       | 19.7%           | 9.6%       | 26.4%           | 44.3%          |
| Bay Area   | 20.4%           | 10.9%      | 26.4%           | 42.3%          |
| Source: ABAG Housing Needs Determinations (June, 2001) |                 |            |                 |                |

housing at higher densities to achieve the housing goals for lower income households). Beyond this basic evaluation of sites (which must be serviced by necessary infrastructure facilities), the City must review its land use and development policies, regulations and procedures to determine if any of them are creating unreasonable constraints on housing development to meet its fair share need. Furthermore, the City must demonstrate that it is actively supporting and facilitating the development of housing affordable to lower income households.

The table below provides a summary of the City's progress to date (since January, 1999) in meeting

the 1999-2009\*\* regional housing needs and those anticipated units by income category as a result of implementing Housing Element programs during the planning period (January, 1999 to July, 2009\*\*).

#### *Recent Construction Activity*

Over the past three years (1999-2002), 395 housing units were built or approved in the City. In addition, there have been 202 units removed from Garden Lane as a result of the BART extension to San Francisco Airport. BART has provided relocation assistance for displaced residents. To the extent possible within existing constraints, units lost will be replaced in the Millbrae Station Area Plan.

**Table 5-16: ABAG Housing Needs Compared to Units Constructed, Approved or Possible in the Housing Element Programs (1999-2009\*\*)**

| Category   | Very Low<br>Income | Low<br>Income | Moderate<br>Income | Above<br>Moderate | Total      |
|--|--------------------|---------------|--------------------|-------------------|------------|
| ABAG 1999-2006 Need  | 67                 | 32            | 90                 | 154               | 343        |
| Percent  | 20%                | 9%            | 26%                | 45%               | 100%       |
| Units Built or Approved<br>1999-present                            |                    |               |                    |                   |            |
| Glenborough Project*   | 0                  | 0             | 10                 | 89                | 99         |
| Millbrae Garden Plaza  | 7                  | 0             | 23                 | 80                | 110        |
| Millbrae Theatre Parking Lot                                       | 8                  | 0             | 12                 | 113               | 133        |
| Downtown Area Mixed Use  | 0                  | 5             | 0                  | 0                 | 5          |
| Senior Housing   | 10                 | 13            | 38                 | 97                | 158        |
| Duplexes   | 0                  | 0             | 8                  | 0                 | 8          |
| Single Family Houses   | 0                  | 0             | 0                  | 11                | 11         |
| <b>Subtotal</b>  | <b>25</b>          | <b>18</b>     | <b>91</b>          | <b>390</b>        | <b>524</b> |
| Maximum Units Possible 2005-2006<br>Under Housing Element Programs |                    |               |                    |                   |            |
| HIP-20 Second Units  | 0                  | 3             | 3                  | 0                 | 6          |
| HIP-22 Smaller Units   | 0                  | 5             | 15                 | 0                 | 20         |
| HIP-23 New Housing   | 0                  | 0             | 0                  | 0                 | 0          |
| Downtown Mixed Use   | 0                  | 10            | 10                 | 0                 | 20         |
| Millbrae Station Area  | 3                  | 0             | 5                  | 42                | 50         |
| HIP-39 City-Owned Land   | 36                 | 15            | 14                 | 0                 | 65         |
| <b>Subtotal</b>  | <b>39</b>          | <b>33</b>     | <b>47</b>          | <b>42</b>         | <b>161</b> |
| <b>TOTAL</b>   | <b>64</b>          | <b>51</b>     | <b>138</b>         | <b>432</b>        | <b>685</b> |
| Over ABAG Need (+)   | -3                 | 19            | 48                 | 278               | 342        |
| Percent of Need Met  | 95.5%              | 159.4%        | 153.3%             | 280.5%            | 199.7%     |

\* This project paid in-lieu fees for 6 very low units which will be built on City-owned land at 1761 El Cam. The very low units have been credited to the HIP-39 category.

Source: ABAG Housing Needs Determinations (June 2001) and the City of Millbrae Community Development Department (2004).

*\*\*Note: On September 29, 2005 HCD extended the planning period for the Housing Element for all Bay Area jurisdictions until July, 2009. The end of the planning period was originally established as July, 2006 when the Regional Housing Needs Determinations were first issued by ABAG in 2001.*

In 1999, a project for 158 senior units was completed at the Chadbourne School site. In order to facilitate development, the City increased the development potential on the site from 84 to 158 units, extended its approval repeatedly, and sponsored bond financing for development to provide low and moderate income housing.

**Glenborough Project.** This approximately 2.38 acre site on El Camino Real (the former King's Bowl site) is approved for a 300,000 square foot mixed use development containing 105 condominium units, 6,500 square feet of ground floor retail, and two levels of concealed parking. Construction began in September of 2003. Sixteen affordable units will result from the project. The Millbrae Redevelopment Agency (RDA) has options to purchase ten units for resale to persons up to 120% of the median income. The RDA will provide non-amortizing second mortgages to achieve those sales, and retain an option to purchase the unit upon sale by the moderate income buyer in perpetuity. The developer is retaining one unit on site for the housing of a caretaker, who will be categorized as a very low income household. The developer also will pay a contribution of \$775,000 to the RDA Housing Fund to partially finance the development of an apartment building at an alternative site in the City, in conjunction with the similar obligation of other developers, to provide Glenborough's remaining five very low income units. The RDA will turn the building over to a non-profit housing developer for ownership and maintenance of benefit for 55 years.

### *Housing Development Potential*

One of the primary features of the housing element is the identification of lands suitable for residential development. This identification should include review of vacant sites and sites that potentially could be reused for a different or more intense residential use. Also to be reviewed are the relationships of the sites to zoning, public facilities and services. State law requires that local governments zone sufficient vacant land for residential use at standards and densities appropriate to meet housing needs of all economic segments, as identified in the general plan.



The City has been exceptionally proactive in the redevelopment of Millbrae. In anticipation of a new BART/Caltrain station, the City began a lengthy, exhaustive, and highly public planning process in 1993 for the redevelopment of the 116-acre area surrounding the proposed station. The Millbrae Station Area Specific Plan was developed and adopted in 1998. It encompasses a comprehensive plan for the redevelopment of specific sites, comprising a total of 82 parcels, for the entire area. The guiding land use goal of the plan has been to transform the area from an underutilized, low-intensity commercial and service area to a pedestrian-oriented, mixed-use district that capitalizes on the proximity to mass transit.

The BART station opened in June of 2003, one year past the scheduled completion date. As a result, redevelopment of the area has been slower than anticipated. To date, three applications for development in the Millbrae Station Area have been submitted to the City, two have been approved, and one project is currently under construction. The BART station is currently operating at 25% of capacity, well below projections. However, it is projected that ridership levels will increase and build-out of the Millbrae Station Area will continue throughout and beyond the planning period. The future rate of development of the Millbrae Station Area is largely conditional upon economic factors beyond the control of the City.

The Millbrae Station Area Specific Plan forms an integrated approach to the redevelopment of the area and provides for adequate housing opportunities to meet a significant portion of Millbrae's regional housing needs. Mixed-use development is emphasized, with densities of up to 60 units per acre; additional density is possible provided there is sufficient traffic capacity. All housing development is subject to the City's inclusionary housing policy, which calls for the development of 15% of the total number of units as deed-restricted affordable units. The City will require developers to provide 60% of the affordable units as moderate income units on-site, and the remaining 40% as very low units, to be developed off-site through the payment of in-lieu fees.

Within the Millbrae Station Area, the Glenborough project, a 105 unit mixed use development, is currently under construction. The Millbrae Theater parking lot, an 87,000 square foot site, is likely to be developed with about 130 condominium units in a mixed-use setting within the planning period. Other sites, comprising approximately 9.9 acres of land, have been designated for high-density, multi-family and service commercial uses. The City estimates that 50 units will be developed in these areas within the planning period.

Outside of the Millbrae Station Area, there is additional mixed-use development potential in the downtown area. This three-block area on Broadway is characterized by a majority of one- and two-story commercial buildings. Approximately 77 apartments currently exist in the area, and the downtown is considered to be a viable area for more housing. Market-rate rental units are typically affordable to low and moderate income households, depending upon unit size, amenities, and location. The downtown encompasses approximately 8 acres. With lots averaging about 5,000 square feet, there are about 55 lots in the area. The City estimates that 40% of the downtown area sites, or 22 lots, could be reasonably developed with four units on second and/or third stories, for a total development capacity of 168 units. A five-unit project over an existing restaurant has been approved by the City but is not yet under construction. The City expects an additional 40 units

to be developed within the planning period if general economic conditions improve as forecasted.

The following sites have potential for housing:

- (1) **Downtown Area (Broadway-El Camino).** Recent City approvals have been given to mixed use projects in this area for one or two levels of apartments over retail stores. In 2002, 16 Mile House was approved for five new units on a new second floor. Existing zero setbacks make on-site parking infeasible. This problem has been mitigated by requiring a one-time payment to the City's Parking Fund. Potential exists in this area for an undetermined number of additional units on 25' x 100' or 50' x 100' lots. It is reasonable to assume under current zoning that an additional 20 units would be possible in this area within the next five years.
- (2) **Millbrae Theater Parking Lot, between El Camino Real and Broadway, north of Millbrae Avenue.** This site is approximately 70,000 square feet in area, zoned half R-3 and half C-1. It is located within the Millbrae Avenue Station Area Specific Plan study area and is subject to MSPD development regulations. Allowable density within the MSPD is 60 units per acre, but higher density may be approved if the applicant can demonstrate that the increased density does not have an adverse impact on traffic in the area. The potential exists for mixed use which would include ground-floor retail and apartments on perhaps two or three upper floors. Depending on design and parking arrangements, the potential may exist for 133 units. The development application is currently in the development review process.
- (3) **Millbrae Station Area Specific Plan.** The Millbrae Station Area Specific Plan was adopted in November of 1998, and the Millbrae Zoning Code was amended in 1999 to include a Millbrae Station Area Planned Development (MSPD) District that codified the zoning regulations set forth in the Specific Plan. The station planning area is comprised of

approximately 116 acres of land at the southern edge of the city, and is generally bounded by the Burlingame city limits on the south; U.S. 101 on the east; Broadway on the west; and, Victoria Avenue and the Highline Canal on the north. The Plan was developed in response to a planned extension of the San Francisco Bay Area Rapid Transit District (BART) passenger service to San Francisco International Airport with a cross-platform transfer with Caltrain in the City of Millbrae. Construction of the BART/Caltrain Station was completed in June of 2003.

The guiding land use goal of the Millbrae Station Area Specific Plan has been to transform the area from a low-intensity commercial and service district to a pedestrian-oriented, mixed-use district that capitalizes on the proximity to the transit system. Higher intensity office uses are concentrated in the immediate vicinity of the station, while residential and mixed-use are encouraged in the area to the west of the station, primarily due to the proximity to the downtown and adjoining residential areas and the lower noise levels.

Within the specific planning area, several sites have been identified as being large enough to develop higher-density, multi-family housing, including a large parking lot that once served the Millbrae Theater and other sites along El Camino Real. This area is referred to as the El Camino Corridor and it comprises four sites and approximately 9.9 acres of land. Allowable uses in this area are multi-family residential, service commercial, retail, and restaurant businesses up to 5,000 gross square feet each. There is a maximum height limit of 55 feet. Residential uses are permitted as conditional uses in other areas of the specific planning area. These is a 5 acre site known as the Westside Properties and two sites, approximately 9.7 acres in size, that comprise the Millbrae Avenue Gateway. Densities of up to 60 units per acre are allowed, with the possibility of additional density if there is sufficient traffic capacity that can be demonstrated by the applicant. Sufficient

traffic capacity means that the level of service at intersections adjacent to a project site will not be significantly degraded by the additional housing density. The City estimates that 50 units will be developed in these areas during the planning period.

All development in the Millbrae Station Area will be subject to the City's 15% affordable housing requirement. It is expected that 60% of the deed-restricted units will be developed on-site and will be affordable to moderate income households. The remaining 40% will be affordable to very low income households and will be financed through in-lieu housing fees.

There are no specific site or zone constraints on residential and mixed use development in this area, but economic and market conditions have slowed construction activity in recent years. The BART station is currently operating at 25% of capacity, well below projections, and continued underutilization of the transit system may impact development in the area.

- (4) **"Millbrae Bowl" Site.** This approximately 2.7 acre site on El Camino Real is approved for a 200,00 square foot mixed use development containing 105 condominium units, 6,500 square feet of ground floor retail, and two levels of concealed parking. Construction is expected to begin in the spring of 2003.
- (5) **Millbrae Garden Plaza.** In 2000, the Millbrae Garden Plaza project, located on a 1.6 acre lot at 1355 El Camino Real, was approved as a residential project with 97 condominium units and 13 live-work units. Fifteen percent of the units, or 17 units, will be developed as deed-restricted affordable housing. The City expects to require the developer to pay in-lieu fees to develop seven very-low income rental units off-site and to provide for 10 moderate income ownership units within the development. The live-work units are expected to be affordable to moderate income households at prevailing market rates.

Millbrae's RHND for the period of 1999 to 2007 is for 343 units, of which 189 units must be affordable to moderate and lower-income households. As of year end 2003, the City had met all of its above moderate-income need, 88% of its moderate-income need, 56% of its low-income need, and 34% of its very low-income need. The City's Housing Element identifies housing sites and outlines housing programs to meet the remaining regional housing need of 44 very low-income units, 14 low-income units, and 11 moderate-income units. These sites are more fully described in the Housing Opportunity Site Inventory. As the inventory shows, the City has identified 12 housing sites in three areas: (1) the Millbrae Station Area; (2) the Downtown Area, and (3) City-Owned Land. These sites are shown on the tables on the next three pages.

**Millbrae Station Area.** As detailed in the Millbrae Station Area Specific Plan, the Millbrae Station Area contains seven sites with housing development potential. Four of these sites (2, 3, 11, and 12) have been zoned for multi-family development use by-right, and three of the sites (1, 4, and 5) permit residential development as a conditional use. A 105-unit development (88 S. Broadway) is under construction on Site 3, and a 133-unit development (Belamor) has recently been approved on Site 2. Additional housing potential exists on the remaining sites as follows: Site 1 (300 units); Site 4 (438 units); Site 5 (144 units); Site 11 (264 units); and Site 12 (78 units). While not all of these sites will be developed during the planning period, it is highly likely that at least one site will be developed, and the City has conservatively projected that 50 additional units will be approved within the planning period. Current inclusionary housing policy requires 15% of the total number of units to be developed as deed-restricted affordable units, with 60% of these units developed as moderate-income units on-site, and 40% as very low-income units, typically developed off-site through the payment of in-lieu fees. In order to increase development of units affordable to lower-income households, Program HIP.36 codifies current inclusionary policy and encourages the development of affordable units on-site.

The major constraint to development in the Millbrae Station Area is the need to consolidate several independently-owned parcels in order to facilitate the type of large-scale development that has been envisioned in the Millbrae Station Area Specific Plan. In order to alleviate this constraint, Program HIP.37 directs the City to identify owners of small lots within potential housing sites in the Station Area and provide information to them on the housing development potential of consolidated lots in the Station Area. The Redevelopment Agency will consider using eminent domain to facilitate the consolidation of lots, and has already entered into an Exclusive Negotiation Rights Agreement with a developer to assist in site assemblage.

**Downtown Area.** Outside of the Millbrae Station Area, there is additional residential development potential in the downtown area. This three-block area along Broadway is characterized by a majority of one- and two-story commercial buildings. Approximately 77 apartments currently exist in the area, and the downtown is considered to be a viable area for more housing. Market-rate rental units are affordable to low and moderate income households, depending upon unit size, amenities, and location. The downtown area encompasses approximately 8 acres and is comprised of about 55 lots averaging 5,000 square feet in size. As shown in the Housing Opportunity Site Inventory, approximately 40% of the downtown area sites, or 22 lots, could be reasonably developed with four units on second and/or third stories, for a total development capacity of 168 units. A five-unit project over an existing restaurant has been approved by the City but is not yet under construction. The City conservatively expects an additional 20 units to be developed within the planning period, half of which will be affordable, at prevailing market rates, to low-income households and half affordable to moderate-income households.

Program HIP-32 directs the City to establish mixed use development standards that will encourage further residential development in the downtown area. The most significant governmental constraint to downtown residential development is a parking requirement of 1½ spaces per unit. In order to alleviate this

**Table 5-17: Potential Housing Sites****Housing Opportunity Site Inventory**

| Site   | Size      | Zoning   | Density<br>units/acre | Present Use  | New<br>Housing<br>Units<br>Capacity | Affordable<br>Units | Constraints  | Programs to Remove Constraints and<br>Facilitate Residential Development   | Likelihood of Development within<br>Current Planning Period   |
|--|-----------|--|-----------------------|--|-------------------------------------|---------------------|--|--|---|
| <b>Millbrae Station Area</b>   |           |  |                       |  |                                     |                     |  |  |   |
| <b>Site #1</b><br>Bordered by El Camino Real<br>(W); Victoria Ave. (S);<br>Millbrae Station (E); and E.<br>Millbrae Ave. (S) | 5 acres   | MSPD/ Office and<br>retail with multi-<br>family residential as a<br>conditional use.                            | 60                    | One-story commercial on El<br>Camino Real, including<br>restaurants, medical, and<br>automotive service, and a lumber<br>yard. One story convalescent<br>facility on eastern border of site.               | 300                                 | 45                  | Several parcels need<br>to be consolidated in<br>order to facilitate large<br>scale development. | 1) Encourage lot consolidation among<br>property owners (HIP.37); 2) Conduct<br>developer outreach (HIP.34); 3) Codify<br>inclusionary requirements. (HIP.36). | Under current zoning, land is not being utilized<br>at highest and best use. Large scale residential<br>projects across street at 88 S Broadway (105<br>units; under construction) and Millbrae Theater<br>parking lot (135 units; in planning approval<br>process) will encourage redevelopment. |
| <b>Site #2</b><br>Bordered by Broadway (W);<br>Victoria (S); El Camino Real<br>(E); and Chadbourne (S)                       | 2 acres   | MSPD/ Multi-family<br>and service<br>commercial, retail,<br>and restaurant up to<br>5,000 sq. ft. gross<br>each. | 60                    | 1.67 acre former Millbrae Theater<br>parking lot; realty office at SE<br>corner; apartment buildings and<br>town houses along Broadway.  | 133                                 | 20                  | None   | None   | 1.67 acre Millbrae Theater parking lot in<br>development review with 133 planned<br>residential units. Additional residential<br>development unlikely due to small lot sizes.   |
| <b>Site #3</b><br>Bordered by S. Broadway (W);<br>E. Millbrae Ave. (S); El<br>Camino Real (E)                                | 2.5 acres | MSPD/ Multi-family<br>and service<br>commercial, retail,<br>and restaurant up to<br>5,000 sq. ft. gross<br>each. | 60                    | 105-unit project with 6,500 sq.<br>ft. commercial currently under<br>construction. Lot at north end<br>of site contains a restaurant.  | 105                                 | 16                  | None   | None   | Project under construction expected to be<br>completed mid-2005. Restaurant unlikely to<br>be redeveloped.  |
| <b>Site #4</b><br>Bordered by BART tracks<br>(W); E. Millbrae Ave. (S);<br>Rollings Road (E); Adrian Rd.<br>(W)              | 7.3 acres | MSPD/ Office and<br>retail with multi-<br>family residential as a<br>conditional use.                            | 60                    | One and two story light<br>industrial uses including two<br>vacant buildings on 50% of site;<br>a food distributor, a self-storage<br>facility, and an office building<br>with suites available for lease. | 438                                 | 66                  | Several parcels need<br>to be consolidated in<br>order to facilitate large<br>scale development. | 1) Encourage lot consolidation among<br>property owners (HIP.37); 2) Conduct<br>developer outreach (HIP.34); 3) Codify<br>inclusionary requirements. (HIP.36). | Under current zoning, land is not being utilized<br>at highest and best use. Majority of industrial<br>space is currently vacant. High likelihood of<br>development of some of the lots on the site.  |
| <b>Site #5</b><br>Bordered by BART tracks<br>(W); BART station (S);<br>Rollins Rd. (E); E. Millbrae<br>Ave (S)               | 2.4 acres | MSPD/ Office and<br>retail with multi-<br>family residential as a<br>conditional use.                            | 60                    | BART/CalTrans Parking Lot  | 144                                 | 22                  | New parking lot  | None   | Unlikely to be redeveloped.   |

**Table 5-17: Potential Housing Sites (continued)**

Housing Opportunity Site Inventory, page 2

| Site   | Size   | Zoning   | Density<br>units/acre | Present Use   | New<br>Housing<br>Units<br>Capacity | Affordable<br>Units | Constraints   | Programs to Remove Constraints and<br>Facilitate Residential Development  | Likelihood of Development within Current<br>Planning Period   |
|--|--|--|-----------------------|---|-------------------------------------|---------------------|---|---|---|
| <b>Millbrae Station Area</b>   |  |  |                       |   |                                     |                     |   |   |   |
| Site #11<br>Bordered by El Camino Real<br>(W); Rollins Rd. (S); BART<br>tracks (E); Murchison Rd (S) | 4.4 acres  | MSPD/ Multi-family<br>and service<br>commercial, retail,<br>and restaurant up to<br>5,000 sq. ft. gross<br>each. | 60                    | Several large one, two, and three-<br>story commercial buildings<br>including Great Western Savings<br>Bank, Travelodge, Wendy's, a title<br>company, a real estate company,<br>and a restaurant.     | 264                                 | 40                  | Several parcels need to<br>be consolidated in<br>order to facilitate large-<br>scale development.   | 1) Encourage lot consolidation among<br>property owners (HIP.37); 2) Conduct<br>developer outreach (HIP.34); 3) Codify<br>inclusionary requirements. (HIP.36).                          | Under current zoning, land is not being<br>utilized at highest and best use. Large scale<br>residential projects across street at 88<br>S. Broadway (105 units; under construction)<br>and Millbrae Theater Parking lot (133 units; in<br>planning approval process) will encourage<br>redevelopment.   |
| Site #12<br>Bordered by Chadbourne (N);<br>El Camino Real (E); E.<br>Millbrae Ave. (S)               | 1.3 acres  | MSPD/ Multi-family<br>and service<br>commercial, retail,<br>and restaurant up to<br>5,000 sq. ft. gross<br>each. | 60                    | Fronting El Camino Real, the<br>former Millbrae Theatre<br>converted to retail uses (one<br>vacancy); a one-story commercial<br>building with 4 storefronts and 2<br>vacancies; a gas station.        | 78                                  | 12                  | Parcels need to be<br>consolidated to<br>facilitate large-scale<br>development.   | 1) Encourage lot consolidation among<br>property owners (HIP.37); 2) Conduct<br>developer outreach (HIP.34); 3) Codify<br>inclusionary requirements. (HIP.36).                          | Commercial buildings are outdated and likely<br>candidates for redevelopment. Site lies in<br>between large scale residential projects at 88<br>S. Broadway (105 units; under construction)<br>and Millbrae Theater Parking lot (133 units; in<br>planning approval process) which should<br>encourage redevelopment. Gas station is<br>unlikely to be redeveloped. |
| <b>Downtown</b>  |  |  |                       |   |                                     |                     |   |   |   |
| 200-298 Broadway<br>Between Victoria and La Cruz   | 21 lots. Many lots<br>have been<br>consolidated. All<br>lots are 50' deep.<br>Block is 400' long.  | C-1  | 60                    | 300' of one-story commercial.<br>Four lots have second-story<br>commercial; 2 lots have second<br>story residential; 5 lots have<br>second and third story<br>residential. Total of 38<br>apartments. | 48                                  | 16                  | Development<br>standards are not<br>clearly defined.<br>Parking requirement<br>of 1 1/2 spaces for a<br>one-bedroom unit are<br>unduly restrictive. | 1) Establish mixed use development<br>standards that encourage residential<br>development in the downtown area<br>(HIP.32); 2) Reduce parking requirement in<br>downtown area (HIP.38). | Commercial buildings are outdated and good<br>candidates for remodel. Neighboring<br>apartment buildings reinforce downtown<br>residential use.   |
| 300-365 Broadway<br>Between La Cruz and Hillcrest  | 14 lots. Many lots<br>have been<br>consolidated. All<br>lots are 100' deep.<br>Block is 300' long. | C-1  | 60                    | 425' of one-story<br>commercial. Four lots have<br>second-story commercial. No<br>apartments.   | 68                                  | 14                  | Development<br>standards are not<br>clearly defined.<br>Parking requirement<br>of 1 1/2 spaces for a<br>one-bedroom unit are<br>unduly restrictive. | 1) Establish mixed use development<br>standards that encourage residential<br>development in the downtown area<br>(HIP.32); 2) Reduce parking requirement in<br>downtown area (HIP.38). | Commercial buildings are outdated and good<br>candidates for remodel. Neighboring<br>apartment buildings reinforce downtown<br>residential use. Bank and Kiuko's unlikely to be<br>redeveloped.   |

**Table 5-17: Potential Housing Sites (continued)**

Housing Opportunity Site Inventory, Page 3

| Site   | Size   | Zoning | Density<br>units/acre | Present Use   | New<br>Housing<br>Units<br>Capacity | Affordable<br>Units | Constraints   | Programs to Remove Constraints and<br>Facilitate Residential Development   | Likelihood of Development within Current<br>Planning Period   |
|--|--|--------|-----------------------|---|-------------------------------------|---------------------|---|--|---|
| <b>Downtown</b>  |  |        |                       |   |                                     |                     |   |  |   |
| 400-490 Broadway<br>Between Hillcrest and Taylor           | 20 lots. Many lots<br>have been<br>consolidated. All<br>lots are 100' deep.<br>Block is 150' long. | C-1    | 60                    | 325' of one-story commercial.<br>Five lots have second and third<br>story residential. One lot has<br>has second story residential.<br>One lot has second story<br>commercial. One lot has five<br>units approved for second story.<br>Total of 39 existing apartments. | 52                                  | 10                  | Development<br>standards are not<br>clearly defined.<br>Parking requirement<br>of 1 1/2 spaces for a<br>one-bedroom unit are<br>unduly restrictive. | 1) Establish mixed use development<br>standards that encourage residential<br>development in the downtown area<br>(HIP-32). 2) Reduce parking requirement in<br>downtown area (HIP-38).  | Commercial buildings are outdated and good<br>candidates for remodel. Neighboring<br>apartment buildings reinforce downtown<br>residential use. Bank and parking lot unlikely to<br>be redeveloped. |
|  |  |        |                       |   |                                     |                     |   |  |   |
| <b>City-Owned Land</b>                                     |  |        |                       |   |                                     |                     |   |  |   |
| Magnolia Ave. Parking Lot<br>Between La Cruz and Hillcrest | .75 acre;<br>325' x 100'   | C-1    | 60                    | Parking Lot   | 45                                  | 9                   | Parking must be<br>undergrounded or<br>development occur<br>above lot.  | 1) Partner with non-profit developer to<br>develop land exclusively for very low and<br>low income units (HIP-39). 2) Encourage<br>innovative housing approaches and<br>designate redevelopment housing funds for<br>affordable housing development on this lot<br>(HIP-33). 3) Conduct outreach to affordable<br>housing developers (HIP-34). | Housing Set-Aside funds are available.<br>Development is likely.  |
| El Camino Real Parking Lot                                 | 10,000 sq. ft.   | C-1    | 60                    | Parking Lot   | 14                                  | 14                  | Parking must be<br>undergrounded or<br>development occur<br>above lot.  | 1) Partner with non-profit developer to<br>develop land exclusively for very low and<br>low income units (HIP-39). 2) Encourage<br>innovative housing approaches and<br>designate redevelopment housing funds for<br>affordable housing development on this lot<br>(HIP-33). 3) Conduct outreach to affordable<br>housing developers (HIP-34). | Housing Set-Aside funds are available.<br>Development is likely.  |

constraint, Program HIP-38 directs the City to modify the parking requirement to one space for a one-bedroom unit. Program HIP-32 further stipulates that the City will provide flexibility in applying parking standards based on the development's location and the type and size of the housing units, and allow commercial and residential users to 'share' parking requirements. Allowances for tandem parking or off site parking leases will also be provided.

**City-Owned Land.** The City of Millbrae owns two parking lots that can be developed with affordable housing. The 1761 El Camino Real parking lot has been sold by the City to the Redevelopment Agency for the development of up to 20 very low income units mandated by the Agency's inclusionary housing requirement. The City will partner with a regional non-profit housing agency to develop, own, and operate these units. The Magnolia lot is approximately .75 acre and has housing capacity for 45 units on three stories. Both of these lots would have to be developed in a manner that preserves available parking. In order to develop these lots, the City will partner with a non-profit developer and encourage the development of units affordable to moderate and lower-income households. The development capacity on these two lots total 65 units. The City will encourage affordability requirements that enable the City to meet its regional housing needs. Program HIP.39 outlines the steps the City will take to encourage development of affordable housing on these City-owned lots.

***Conclusions About the Ability of the City of Millbrae to Meet the 1999-2009 Regional Housing Needs***

The conclusions of this analysis are that the City has adequate sites to meet ABAG's 1999-2009 Housing Needs Determinations, including sufficient sites zoned at higher densities and with adequate services and utilities to allow higher density, more affordable housing can be developed.

The City offers the potential through allowable densities and the planned district zoning to meet its total housing need and its affordable housing need for low and moderate income housing as identified in ABAG's 1999-2009 Regional Housing Needs

Determinations. The primary obstacle to providing more affordable housing is the lack of land in a built-out city. Programs in the Housing Element include the actions of the Redevelopment Agency to establish ways to address this issue.

In addition, lower priced market rents are affordable to moderate income households. Therefore, any market rate rental project has the potential to help meet the City's need for moderate income housing. In addition, a significant number of townhome and condominium units are rented. Thus, even though a particular site is developed for "ownership" housing, there will be a significant number of rental units which would be available at moderate income-affordable prices.

The most difficult segment of the housing need to satisfy will be the very low income units. The greatest potential for meeting very low income needs is with the assistance of the Redevelopment Agency Housing Set Aside Fund. The City expects to accrue approximately \$4.2 million in the Redevelopment Housing Fund during the current planning period. Two-thirds of these funds will be used to finance affordable housing projects in collaboration with Bay Area non-profits. While affordable units will be targeted to very low income households, the City does not expect to accrue sufficient funds to satisfy all of the housing need for very low income units. The City has initiated discussions with Bay Area non-profits to explore means to meet the very low income requirement with RDA funding. The City also plans to use one third of the RDA Housing Fund to meet its obligation to the school districts to provide designated monies for the benefit of school district employees. The two goals may be mutually pursued by allowing district employees to purchase some of the new moderate-income units that are developed as part of the affordable housing developments in the redevelopment district.

It is apparent that the City will be able to meet its overall housing needs if present trends continue. It will be more difficult for the City to meet its very low and low income housing needs. Specific implications include:

- (1) With such need for low and moderate income Below Market Rate (BMR) units, the City needs to continue to pursue funding for affordable housing, such as CDBG, Redevelopment Agency, federal and state programs, etc.
- (2) With limited new construction programs, rental subsidy programs applied to existing units, such as the Section 8 program, are ways to provide an opportunity for low- and moderate-income households to find needed housing in the marketplace.
- (3) Future workers holding jobs in projects surrounding the BART Station will create an additional demand for local housing at all income levels.

## 5.7 Potential Non-Governmental Housing Constraints

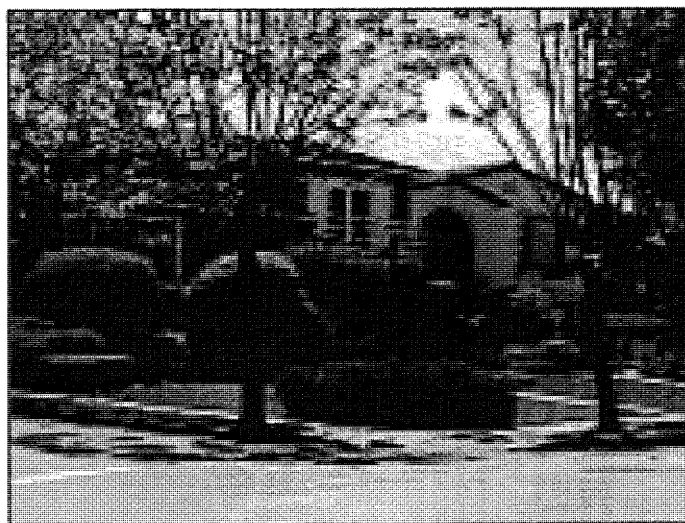
State law requires an analysis of potential and actual governmental and non-governmental constraints to the maintenance, improvement and development of housing for all income levels. The Housing Element must identify ways, if any, to reduce or overcome these constraints in order to meet the City's housing needs.

### *Environmental Constraints*

The upper slopes of Millbrae are vulnerable to sliding in some locations, unless care is taken to investigate the site and design proper precautions. This is a constraint that increases the cost of housing in these areas. Some of the lower areas of Millbrae are subject to periodic, short term flooding. This problem also increases the cost of site preparation and construction in these areas.

### *Land and Construction Costs*

The price of housing has risen since the late seventies at a much faster rate than household income. Contributing factors are the costs of land, materials, labor, financing, fees and associated development requirements, sales commissions and profits. Another factor is the increasing perception of housing as a commodity for speculation.



Lots for single-family dwellings are scarce and the few that are available are priced at about \$400,000 fully improved. Building construction costs are estimated to be about \$175 per square foot. Using these figures, a 1,500 square foot dwelling would cost \$662,500 for house and lot. With profit and commission the selling price would be at least \$750,000.

Rental construction has become increasingly costly due to the same factors as single family houses. For these reasons and the fear of rent control, many developers prefer to use scarce land to build units for sale in order to realize an early profit and minimize risk. Units for sale also are easier to finance during construction.

### *Financing*

Financing for above moderate or market rate housing is readily available for those who can qualify. It is difficult, however, for first-time buyers without capital or equity to qualify for financing without incomes near \$100,000. Financing is difficult for senior housing and apartments unless there is governmental or non-profit subsidy. This issue has not been fully explored due to the limited number of sites for development and corresponding lack of developer interest.

The table below shows an example of housing costs. Each \$50,000 financed with a 30-year mortgage at 7.5% would cost \$349.61 per month. So a \$400,000 mortgage, for example, would require monthly payments of \$2,796.86 and an annual income of about \$101,700.

**Table 5-18: Financing Costs**

| Loan Rate   | \$500,000 Home Price |               |
|---|----------------------|---------------|
|   | Monthly Payment      | Needed Income |
| 5%  | \$2,702              | \$98,255      |
| 6%  | \$2,984              | \$108,509     |
| 7%  | \$3,280              | \$119,273     |
| 8%  | \$3,588              | \$130,473     |
| 9%  | \$3,907              | \$142,073     |
| 10%   | \$4,235              | \$154,000     |
| Source: Baird + Driskell (10% down payment; includes taxes and insurance) |                      |               |

## 5.8 Potential Governmental Housing Constraints

As with other cities, Millbrae's development standards and requirements are intended to protect the long-term health, safety and welfare of the community. In general, Millbrae's development standards and requirements are comparable to many other communities in the Bay Area.

### *Land Use Regulations*

There are many locally imposed land use and building requirements that can affect the type, appearance, and cost of housing built in Millbrae. These local requirements include zoning design standards, development fees, parking requirements, subdivision design standards, and architectural review. Other building and design requirements imposed by Millbrae follow the state laws, the UBC, Subdivision Map Act, energy conservation requirements, etc.

Millbrae's land use regulations, by Peninsula standards, are not unduly restrictive. A single family lot minimum size is 5,000 square feet, which yields a maximum density of about 7 units per net acre. Multi-family densities range from 29 to 60 units per acre. Residential density of 60 units/acre is approved for in-fill projects in the Station Area and along the El Camino Real. These density ranges are consistent with high-density multi-family zoning, and, as such are consistent with typical densities in neighboring

communities. The development standards, including height, setbacks, and lot coverage, in these zoning districts do not present a constraint to development since the standards are sufficient to permit adequate development to meet the regional housing needs of Millbrae. There is some local concern that apartment density is too high. In addition, the zoning districts are cumulative, allowing residential as a conditional use in commercial districts. Senior housing developments, such as congregate care facilities, licensed facilities, and skilled nursing homes, are allowed in all districts, except R-1 and R-2 residential districts, with a use permit.

In Millbrae, mixed use development standards are determined through the use permit process on a case-by-case basis. In the downtown area, all development, including mixed-use, is subject to a 40' height limitation. The City could establish mixed use development standards in the downtown commercial district in order to provide clear expectations for project applications.

A mixed use project may also fall under the regulations governing two planned development districts, the Millbrae Station Area Planned Development ("MSPD") District and the Planned Unit Development ("PD") District. Zoning regulations within these two districts are deliberately flexible in order to encourage development that is best suited to the site.

**The MSPD District.** The 116-acre MSPD District was created in 1998 under the guidelines of the Millbrae Station Area Specific Plan and in anticipation of construction of a new Bay Area Rapid Transit (BART) station with passenger service to San Francisco International Area and a cross-platform transfer with Caltrain. The BART station opened in June of 2003, creating the region's most intensive intermodal transportation center and presenting an unusual opportunity for businesses across a broad spectrum of industries. A great majority of developers have been aware of the development opportunities in this district for the past five years. Mixed use is specifically required for several sites in this district and is conditionally permitted in others.

**Table 5-19: City of Millbrae Residential Zoning Requirements (2002)**

| Zone   | Permitted Use               | Minimum Lot Requirements |            |            | Minimum Setbacks |           |                     |                 | Lot Coverage | Density Units/Acre | Covered Parking Requirements             |
|--------|-----------------------------|--------------------------|------------|------------|------------------|-----------|---------------------|-----------------|--------------|--------------------|--|
|        |                             | Area (sf)                | Width (ft) | Depth (ft) | Front (ft)       | Side (ft) | Rear (ft)           | Height (ft)     |              |                    |  |
| R-1-LD | Single Family Low Intensity | 10,000                   | 50         | 80         | 20               | 5         | 10                  | 30              | 40%          | 4                  | 2  |
| R-1    | Single Family               | 5,000                    | 50         | 80         | 20               | 5         | 10                  | 30              | 50%          | 7                  | 2  |
| R-2    | Duplex                      | 5,000 (triplex-7,500)    | 50         | 80         | 20               | 5         | 10 (15 for triplex) | 30              | 50%          | 14                 | 2/unit                                   |
| R-3    | Multi-Family                | 5,000                    | 50         | 80         | 20               | 5         | 5                   | 40' or 3 floors | 75%          | 43                 | Studio-1; One Bedroom-1.5; Two Bedroom-2 |
| R-G    | Multi-Family                | 6,000                    | 60         | 80         | 20               | 5         | 15                  | 35              | 60%          | 29                 | 1.5/unit                                 |
| R-M    | Multi-Family                | 15,000                   | 50         | 80         | 20               | 10        | 15                  | 75' or 6 floors | 50%          | 60                 | 1.5/unit                                 |

Source: City of Millbrae Community Development Department (2003)

Within the MSPD District, 13 sites around the new BART station have been designated for various land uses. Six of these sites have been identified for commercial and light industrial uses. Of the seven remaining sites, higher intensity office uses are concentrated in the immediate vicinity of the station, while residential and mixed-use are encouraged in the area to the west of the station, primarily due to the proximity to the downtown and adjoining residential areas and the lower noise levels. Permitted uses and zoning regulations within the areas suitable for residential development are as follows:

#### **The El Camino Corridor (Sites 2, 3, 11, and 12)**

*Allowable Uses:* Multi-family residential, service commercial, retail and restaurant businesses up to 5,000 gross square feet each.

*Required Ground-Level Uses:* Along El Camino Real north of Chadbourne Avenue, 75 percent of the street frontage must be in active public-oriented

uses, including retail, restaurant, and other uses that are determined to contribute to the pedestrian and retailing vitality of the street. Along Broadway north of Chadbourne Avenue, residential townhouses and/or flats are to be oriented to the street, with porches and stoops providing a transition to the street.

*Maximum Height:* 55 feet with the following exceptions: (1) Along Broadway north of Chadbourne Avenue, development shall step down to 30 feet; (2) Along Broadway south of Millbrae Avenue, development shall step down to 45 feet.

*Residential Open Space:* A minimum of 50 feet of private open space and a minimum of 80 square feet of common open space per dwelling unit.

*Building Setbacks:* Along El Camino Real, front setbacks are 40 feet. Along Broadway, residential buildings must be setback 10 feet, although entry stairs, porches and stoops are permitted within the setback. On all other streets, setbacks are 15 feet.

*Parking:* Structured parking should be encapsulated and concealed within the building envelopes and architecturally integrated within the overall design.

### **Millbrae Avenue Gateway (Sites 4 and 5)**

*Allowable Uses:* Office and hotel, and retail and restaurant establishments that do not exceed 5,000 gross square feet.

*Required Ground-Level Uses:* Active public-oriented uses such as retail shops and financial and personal service businesses are required along 75 percent of the ground-level frontage facing the bus platform area on the BART parking lot.

*Conditional Uses:* Residential apartments or condominiums, if it can be demonstrated that such development is not in conflict with transit operations in the area and that it can meet the City's noise criteria.

*Development Intensity:* North of Adrian Road, not to exceed a FAR of 2.0. South of Adrian Road, not to exceed a FAR of .5.

*Maximum Height:* North of Adrian Road, 70 feet; south of Adrian Road, 45 feet.

*Open Space:* Residential uses must provide a minimum of 50 feet of private open space and a minimum of 80 square feet of common open space per dwelling unit.

*Building Setbacks:* Along Rollins Road, Adrian Road, and the Millbrae Avenue bridge structure, 25 feet. Across from the BART bus platforms, 20 feet. Adjacent to the Highline Canal, 35 feet.

*Parking:* Podium and freestanding structures up to 30 feet in height.

### **The West Side Properties (Site 1)**

*Allowable Uses:* Office, hotel, retail, restaurant, entertainment.

*Required Ground-Level Uses:* Retail, restaurant, theaters and cinemas are required along 75 percent of the street frontages and within 200 feet of the BART/Caltrain station entry.

*Conditional Uses:* Residential apartments or condominiums, if it can be demonstrated that such development does not compromise the public nature of Station Square.

*Development Intensity:* Not to exceed a FAR of 2.0.

*Maximum Height:* 75 feet.

*Building Setbacks:* Along Station Square frontages, 15 feet. Along El Camino Real, 40 feet. Along Millbrae Avenue, buildings must be set back to maintain a 20-foot-wide sidewalk. Along California Drive and Victoria Avenue, buildings must be setback to maintain a 15-foot-wide sidewalk.

*Parking:* Structure parking is to be encapsulated within development and concealed from public view.

**The PD District.** A planned unit development can only be established in areas of at least two acres in size. There are no established requirements for uses, density, or development standards within this district. Instead, the applicant is encouraged to propose development standards, densities, and building intensities for the project. Specific requirements are determined through the planning approval process based upon the development context of each site.

There are a few factors, however, that may discourage or increase the cost of residential development. These are described below:

- (1) Some of the few remaining potential housing sites contain physical problems that could be resolved more easily through the use of flexible zoning regulations. Millbrae's zoning ordinance does permit a planned development; however, the procedure is hampered by the requirement for a minimum 2 acre site size. In order to encourage more development, the PD parcel size could be reduced to 20,000 square feet.

- (2) In December, 1984, the City Council adopted findings and Ordinance 489 pursuant to Government Code Section 65852.2 (c) precluding second units in R-1 districts.
- (3) The City amended its zoning regulations to facilitate housing for seniors which, under certain circumstances, could allow smaller units, less parking and correspondingly higher densities than conventional units. It is appropriate to develop and consider special regulations for housing for seniors.
- (4) Millbrae has not adopted regulations regarding the placement of factory-built housing on foundations on residential lots. However, such units are not precluded and at least one exists.

State law limits the extent to which cities and counties can regulate the installation of manufactured homes, including mobilehomes. Pursuant to State law, any site that can be developed for site-built residential development must also be available for the development of manufactured housing and mobilehomes. Government Code section 65852.3 requires that cities allow installation of certified manufactured homes on foundation systems on lots zoned for conventional single-family residences. This section and Government Code section 65852.4 generally require that manufactured homes be subject to the same land use regulations as conventional homes. In accordance with State law, the City of Millbrae permits manufactured and factory-built housing in all residential zoning districts. According to the U.S. Census, there were 11 manufactured housing units in Millbrae in 2000. There are no mobilehome parks. There are no specific restrictions upon the development of manufactured housing within the Millbrae Municipal Code or General Plan.

### ***Building Code***

Millbrae uses the Uniform Building Code (UBC) which sets minimum standards for residential and all other structures. The standards may add material and labor costs but are felt to be necessary minimums

for the safety of those occupying the structures. Modification of the code in order to reduce the cost of housing would not be appropriate if it reduced safety or adversely impacted neighboring properties.

The City does enforce energy conservation standards enacted by the State. The standards may increase initial construction costs but over time will result in reduced energy costs.

Building Code enforcement practices can have an impact on affordable housing stock. Millbrae's enforcement is complaint-driven, as are those of 70% of the local governments surveyed by the State Department of Housing and Community Development. As an alternative, the City could be more alert to early stages of deterioration and proactively direct owners to remedial programs.

### ***Environmental Requirements***

Environmental protection requirements, including protection of endangered species, may add time to the development process and additional cost where it is necessary to evaluate the effects of the project and mitigate effects which are adverse. Millbrae follows the procedures set forth in the California Environmental Quality Act (CEQA) and Guidelines. Fees charged for CEQA processing barely cover costs involved.

In general, sites with significant environmental problems are not recommended for consideration for affordable housing. Sites on the upper slopes of Millbrae that may be available for housing would be more expensive to develop due to known geotechnical problems.

### ***Dedications and Fees***

Local fees add to the cost of development; however, particularly after Proposition 13, cities are concerned with the need to recover processing costs. A review of other San Mateo County cities, as shown in Table 5-20 below, concludes that Millbrae's fees are comparable by Peninsula standards, with no specific infrastructure development fees since the City's infrastructure is essentially built out. Line item fees related to

processing, inspections and installation services are limited by California law to the cost to the agencies of performing these services.

Table 5-21 on the next page details planning fees in Millbrae. Table 5-22, also on the next page, details representative planning and building fees for typical single-family and multi-family development in Millbrae in 2004.

There are few specific impact fees in Millbrae. Both residential and commercial developments may be

infrastructure in the Millbrae Station Area, including water and sewer service, storm drains, and roads and circulation improvements.

Fees for a newly-constructed, 2,000 square foot single-family house total \$36,671. The multi-family unit is assumed to be part of a hypothetical 1100,000 square foot mixed-use development with 10,000 square feet of commercial space and 100 housing units. Fees for a 1,000 square foot unit total \$18,862.

**Table 5-20: Comparison of Fees (2002)**

| Jurisdiction        | Design Review   | Variance               | Conditional Uses              | Initial Study             | Negative Declaration  |
|---------------------|---|------------------------|-------------------------------|---------------------------|---|
| Belmont             | \$2,537   | \$2,536                | \$2,536                       | \$2,097                   | \$795 (mitigated 130% of cost of contract)                    |
| Burlingame          | \$200 + \$500 deposit   | \$100                  | \$200                         | \$50                      | \$100   |
| Daly City           | \$800   | \$300 + \$100 per acre | \$300 + \$100 per acre        | \$145                     | \$350 or actual cost + 25% overhead                           |
| Foster City         | \$150 + fee based upon scope of work  | \$200                  | \$200                         | \$125                     | \$125 or actual cost  |
| Millbrae            | new constr \$750 + supplemental cost (min \$321.50) room add \$540 + supplemental cost (min of \$230) | \$335                  | \$335                         | \$87                      | \$332 + 105% of actual cost/<br>\$2,150 + 105% of actual cost |
| Redwood City        | \$50 (1-3 units) + \$25/unit  | \$250                  | \$400 new res.; \$200 res alt | N/A                       | \$1,500   |
| San Bruno           | \$425   | \$600                  | \$500                         | \$18.75                   | \$400   |
| San Carlos          | \$545 new construction; \$55 minor alt  | \$545                  | \$630                         | N/A                       | \$1,135   |
| San Mateo           | \$1,909   | \$218                  | \$218                         | \$1,909 + consultant fees | \$1,909 + consultant fees                                     |
| South San Francisco | \$215   | \$385                  | \$350                         | \$100 + consultant fees   | \$75 + consultant fees  |

Source: Jurisdictions, 2001

charged an in-lieu recreation fee of \$8,353 per lot or \$1,980 per condominium unit, depending upon the development proposal. Applications for multi-family projects in the Millbrae Station Area Specific Plan District are required to pay a fee of \$8,305 per unit. This fee funds ongoing plans and improvements of

### *Service and Capacity Constraints*

Water is supplied to Millbrae by contract with the San Francisco Water Department. While a water system is in place and can adequately service the housing sites identified in this Element, many of the water mains in the older parts of the city, such as the Millbrae

**Table 5-21: Planning Fees in Millbrae**

|   |   |
|---|---|
| Departmental Review Fee                     | \$303                                   |
| Amendment - General Plan or Zoning          | \$2,295                                 |
| Parcel Map                                  | \$760                                   |
| Subdivision Map                             | \$1,357                                 |
| Planned Development (PD)                    | \$2,375                                 |
| Millbrae Station Area Specific Plan         | \$8,305 per multi-family unit           |
| In-Lieu Recreation Fee                      | \$8,353 per lot                         |
| In-Lieu Parking Fee                         | \$11,322 per space                      |
| Condominium Park Fee                        | \$1,980 per unit                        |
| Variance                                    |   |
| Single Family                               | \$350                                   |
| Other                                       | \$700                                   |
| Design Review                               |   |
| Preliminary                                 | \$285 + additional supplemental costs   |
| New Construction                            | \$1,118 + additional supplemental costs |
| Exterior Remodel                            | \$707 + additional supplemental costs   |
| Residential Addition                        | \$800 + additional supplemental costs   |
| Environmental Impact Determination & Report |   |
| Categorical Exemption                       | \$91                                    |
| Negative Declaration                        |   |
| No potential for adverse impact             | \$800 + 105% preparation costs          |
| Potential for adverse impact                | \$4,040 + 105% preparation costs        |

*Source: City of Millbrae Community Development Department, 2004. Fees are subject to change.*

as construction proceeds in order to provide water service reliably. All improvements to the water distribution systems will be sized and designed to accommodate full buildout of the planning area, expected to occur in 2009.

The City of Millbrae provides wastewater collection and treatment services. Wastewater is collected in gravity flow lines, supplemented by lift stations and connected to force mains where necessary, and then conveyed to the Millbrae Wastewater Treatment Plant. The plant is designed for 3.0 mgd. and current dry weather flow is about

**Table 5-22: Fees for Single Family and Multifamily Units in Millbrae**

|                                     | Single<br>Family<br>Unit | Multifamily<br>Unit |
|-------------------------------------|--------------------------|---------------------|
| Valuation                           |                          |                     |
| Square Feet                         | 2,000                    | 1,000               |
| # Bedrooms                          | 4                        | 2                   |
| Planning Application Fee            | 1,500                    | 91                  |
| In-Lieu Parks & Recreation Fee      | 8,353                    | 76                  |
| Condominium Fee                     | 0                        | 1,768               |
| Millbrae Station Area Specific Plan | 0                        | 8,305               |
| Soils/Geologic Review               | 5,000                    | 46                  |
| Traffic Study                       | 0                        | 91                  |
| Building Permit                     | 2,200                    | 2,530               |
| Plan Check                          | 1,400                    | 1,647               |
| Strong Motion Fee                   | 22                       | 182                 |
| Departmental Review Fee             | 325                      | 382                 |
| Document Imaging                    | 150                      | 23                  |
| Plumbing, Electrical, Mechanical    | 600                      | 360                 |
| Fire Plan Check and Permit Fee      | 1,621                    | 2,223               |
| Encroachment Permit                 | 1,000                    | 91                  |
| Water Connection                    | 3,500                    | 91                  |
| Sanitary Sewer Connection           | 3,500                    | 319                 |
| Grading/Hauling/Recycling Permit    | 6,500                    | 455                 |
| NPDES/SWPPP                         | 1,000                    | 182                 |
| <b>Total Fees and Exactions</b>     | <b>\$36,671</b>          | <b>\$18,862</b>     |

*Source: City of Millbrae Community Development Department*

2 mgd. Future development, particularly in the Millbrae Station Planning Area, is expected to increase flow to approximately 2.7 mgd. Thus, the plant has adequate capacity to meet the needs of the ultimate buildout of the city. However, many of the existing pipes that comprise the collection system are old and may suffer from excessive inflow and infiltration. Within the Millbrae Station Planning Area, a master plan for the replacement of sewer mains and lines is implemented as construction proceeds and is funded by development impact fees. In other parts of the City, replacement of sewer mains and lines occurs as required for each project.

The existing roadway and storm drainage systems are adequate to meet the development needs of the City. Upgrades are made as conditions warrant. No new roads are planned for the City, but certain roads may be widened and intersections improved if specific development projects warrant such improvements to maintain adequate levels of traffic service.

### Processing

Processing time for housing approvals is average. General Plan amendments, subdivisions and rezonings take at least six months. Use Permits and Variances are processed concurrently. Building permit applications

Station Planning Area, are worn out and need to be replaced. Within the Millbrae Station Planning Area, new water mains will be extended along new streets

are processed in one to three weeks for 1-3 units and usually within six weeks for larger developments.

Single-family and multi-family project applications requiring Conditional Use Permits, Variances, and Design Review are submitted to the Community Development Department for review and consideration by the Planning Commission. Prior to Planning Commission review, an approximate four to six week minimum lead-time is necessary for the application review period.

Applications for planned developments (i.e., new commercial developments, Millbrae Station Area) and zoning amendments (i.e., changes to the zoning code or zoning map) are submitted to the Community Development Department for review by the Planning Commission and City Council. An approximate six to eight week minimum lead-time is necessary for the application review period prior to review by the Commission.

The Planning Division staff initially reviews applications for Design Review and frequently meets with the applicant to review project plans and architectural drawings for both commercial and residential projects. Discussions with the applicant or property owner concerning design issues help to facilitate and accelerate the approval process. Criteria for review of projects includes whether the general appearance of the site and proposed structures, and their arrangement and relationship to one another and to other structures in the vicinity is harmonious, orderly, and based on good standards of architectural design. Design review includes the adequacy and design of proposed signs, parking area, landscaping, drainage, fencing, and lighting.

The Building Division staff examines plans for compliance with adopted codes and regulations. Building permit applications require a minimum of 2 to 4 weeks for initial plan check activities, depending on the complexity of the project. Over-the-counter plan checks are routinely provided for basic repair and replacement work such as termite repair, re-roofing, residential seismic strengthening, minor demolition work, etc. Over-the-counter plan checks are not



typically provided for new construction work or for projects involving building additions, alterations, and remodels.

The City of Millbrae processes all planning applications for single family and multi-family projects within reasonable time periods. Lengthy processing times are most likely to be associated with incomplete submittals or projects that do not meet the City's Design Guidelines. While the Design Review process does add another level of developmental review, clear guidelines help to facilitate the overall approval process. The City's approval procedures are similar to other communities in the region and are not considered to pose a significant constraint on the supply and affordability of housing.

The City's Community Preservation ordinance requires owners and occupants to maintain all properties and buildings in a manner that avoids "visual blight," including abandoned, deteriorated and infested buildings, the accumulation of overgrown and noxious vegetation, and the accumulation of broken-down or discarded personal property in front yards. The ordinance is concerned with maintaining the visual appearance of the community through minimum levels of property and building maintenance. As such, it is considered to have little, if any, impact on the supply or availability of housing.

#### *Off-site Improvements*

Off-site improvements are generally not required unless there is a need to upgrade a facility, such as a

storm drain, sewer line, or sidewalks and streets, in direct relationship to the impact of development.

### 5.9 Energy Conservation Needs

Housing Elements are required to identify opportunities for energy conservation. Since the nationwide deregulation of energy companies in 1998, the price of energy has skyrocketed. With such an increase in prices, energy costs can be a substantial portion of housing costs. Effective energy conservation measures built into or added to existing housing can help residents manage their housing costs over time and keep lower income households' operating costs affordable. There are a number of programs offered locally, through the local energy provider (PG&E) and through the State of California, which provide cost-effective energy saving programs. Due to deregulation in California, utility costs have soared. State budget cuts could negatively affect some of these programs as a result.

The City has made information regarding energy conservation available to the public. There are several significant other areas in which the City of Millbrae is encouraging energy conservation in new and existing housing:

- (1) Through application of State residential building standards that establish energy performance criteria for new residential buildings (Title 24 of the California Administrative Code).
- (2) Through the San Mateo County Housing Rehabilitation Loan Program that assists in the rehabilitation of older housing units, which can include energy efficiency improvements.
- (3) Through appropriate land use policies and development standards that reduce energy consumption, such as promoting more compact, walkable neighborhoods, with housing close to transit, jobs, community facilities and shopping; encouraging in-fill development; planning and zoning for multi-use and higher density development; permitting common walls and cluster development; and promoting passive and active solar design elements and systems in new and rehabilitated housing.

Energy conservation programs are also operated by private utilities and State and Federal agencies. For example, State and federal appliance standards now require manufacturers to produce and sell appliances according to specified energy-consumption performance criteria, and the Energy Crisis Intervention Program, funded by the State Department of Economic Opportunity, helps low income residents pay delinquent energy bills to avoid interruption of service.

PG&E also sponsors programs such as the Project Help/Direct Weatherization program that provides free attic insulation, weather stripping and caulking, water heater blankets and low flow shower heads for low income households. The PG&E "walk-through audit" provides a comprehensive assessment of energy conservation needs and costs related to home appliances, structural design and insulation.

Through these and other conservation measures the City seeks to help minimize the percentage of household income that must be dedicated to energy costs as well as minimize the use of nonrenewable resources.

### 5.10 Housing Element Achievements

State Housing Element law requires an evaluation of the achievements of the City's existing housing goals, policies and programs. There are many factors which affect the success or apparent failure of a policy or program. Current Housing Element goals, quantified



objectives, policies, and implementing programs should be evaluated in light of what the City has done and what other agencies or groups have done to implement the program. Other factors affecting program success include the effects of the economy in general, decreasing availability of state and federal funding for new below market rate housing or lack of opportunity to implement the program.

The evaluation below covers both recent accomplishments, under the 1998 Housing Element and historical accomplishments under the 1986 Element. This is intended to provide a context for assumptions of the current Housing Element.

### *Overview of Accomplishments*

In general, the goals, policies and programs in the 1986 and 1998 Housing Element have provided a comprehensive set of actions to meet the City's affordable housing needs and provide a diversity of housing types.

In regard to low and moderate income housing, ABAG's Regional Housing Needs Determinations called for the development of 189 units affordable to very low, low and moderate income households between 1999-2006. Higher density projects offer the potential for a significant number of units, well above the remaining units needed. Specifically, the Magnolia of Millbrae project includes 23 low income units, and projects proposed in the Redevelopment area will require 15% low and moderate income units.

The Millbrae Redevelopment Agency has funded a homebuyer program for School District employees and expects to provide loans for 20 households below 120% of median income.

In 1998, the City adopted the Millbrae Station Area Specific Plan to capitalize on the opportunity presented by construction of the new Millbrae BART/CalTrain intermodal station to enhance the City's economic development and implement the Millbrae Station Area Specific Plan. It is the intent of the City to promote the creation of a transit-oriented district, to reinforce transit ridership, and to create a vibrant activity center and gateway to the City. The City is

encouraging mixed-use housing in and nearby the station area.

The Housing Element establishes policies and programs to address unmet needs. In addition, The City of Millbrae is a member of the San Mateo County HOME Consortium, whose Comprehensive Housing Affordability Strategy (CHAS) was adopted by the San Mateo County Board of Supervisors in December, 1993. As a member of the Consortium, Millbrae is eligible to apply for HOME funds available to a group of smaller cities within San Mateo County.

The accomplishments of the City's Redevelopment Agency are a significant factor in achieving the City's housing goals. State redevelopment law requires that 20% of the tax increment generated in the Project Area be used for the purposes of increasing or improving the community's supply of very low, low and moderate income housing. State law also mandates that redevelopment agencies use housing set-aside monies in a timely manner, or otherwise forfeit these funds to other public agencies with housing responsibilities.

California Redevelopment Law incorporates inclusionary housing requirements which mandate the dwelling units for low and moderate income households. When the Agency does not directly develop or substantially rehabilitate units, at least 15% of all new or substantially rehabilitated units in a Project Area must be affordable to low and moderate income households. Of the 15% reserved, 40% must be restricted to very low income households. The Agency's 10-year program calls for about 200 units of multi-family housing. Of these, about 100 units are planned for the timeframe of this Housing Element. If 200 units are developed in the Agency's Projects, the Agency's inclusionary responsibility will total 30 units, of which 12 must be affordable to very low income households.

There are sufficient sites in Millbrae with potential for meeting the City's housing needs to 2009. There is a strong possibility that the very low and low income needs will be more than satisfied as well. To a great extent the housing needs will be satisfied by the construction of apartment developments, both free-



standing and combined with commercial development (mixed use).

The current Housing Element was adopted in November of 1998. A majority of the goals, policies, and programs of the 1998 housing element remain relevant and are recommended to continue without change. Some programs have fallen short of targeted quantified objectives, but, in most cases, this was due to business and economic conditions beyond the control of the City. Construction of the new BART station was delayed, resulting in slower redevelopment of the station area than anticipated. Station area projects were expected to contribute a significant amount of housing units, in all income categories, for Millbrae. Poor economic conditions, resulting from a recession in the technology industry, have continued to negatively impact the City's expectations for redevelopment and rehabilitation of housing units. In addition, the local government's fiscal condition has suffered in recent years, straining the staffing and financial resources available for housing programs. The City expects economic conditions to improve over the next planning period and anticipates meeting the housing objectives detailed in this Housing Element. Policies and programs which have been modified are described below:

**HIP-9 Rehabilitation Loans.** This program, administered through San Mateo County, provides low-interest loans for rehabilitation of units that house very low and low income households. The City's

goal was to encourage increased participation in the program so that 2 very low and 8 low income units were rehabilitated with government assistance during the planning period. Between 1993 and 2003, San Mateo County has provided government assistance, totaling \$299,000, to rehabilitate 14 lower-income units in Millbrae. Two new loans were approved since 1999. The City could better publicize the County's rehabilitation loan program through mailings to residents and handouts at the Building Department counter.

**HIP-12 Noise Attenuation Program.** Funding for this program was discontinued. The program will be omitted.

**HIP-14 Rental Housing Assistance.** Through this program, the City's objective was to encourage landlords, tenants, and developers to participate in the San Mateo County Housing Authority Section 8 Rent Subsidy Program. The goal was to provide 5 very low and 5 low income households with Section 8 assistance each year. Currently, 66 Millbrae families receive Section 8 assistance. The wait list is currently closed and future additional funding for the program is uncertain.

**HIP-18 Homesharing.** This program, administered by the Human Investment Program (HIP), seeks to facilitate homesharing for lower and moderate income households. The City's goal was to match 20 very low, 15 low and 5 moderate income households. Between 1999 and 2003, the Human Investment Project has found homeshare partners for 17 very low, 7 low, and 3 moderate income households. In addition, HIP finds homesharing opportunities for approximately 9 Millbrae residents each year. Total assisted households average about 16 per year. The Human Investment Project reports that the City is very cooperative in helping the agency educate the community about its services through outreach presentations and distribution of material on an ongoing basis. HIP considers the program to be highly successful in Millbrae. The program should be continued with a reasonable target of 16 households each year (10 very low, 5 low, and 1 moderate).

**HIP-21 Smaller Units.** Millbrae's Zoning Ordinance has been amended and the minimum Planned Development parcel size has been reduced from 5 acres to 2 acres. Nonetheless, few Planned Development projects have been proposed, and Staff believes that a further reduction of the PD parcel size to 20,000 square feet could encourage more development.

**HIP-30 RDA Homebuyer's Program.** This program provides loans for School District employees. The City's goal was to provide 20 loans, with 5 for low income and 15 for moderate income households. Currently, a total of \$764,000 is invested in nine outstanding loans, for an average of \$85,000 per loan. The program is funded through the City's RDA Housing Set Aside Fund; one-third of the fund is designated for the benefit of school district employees. Currently, there is a \$3.2 million balance in the set-aside fund, and it is growing at a rate of about \$375,000 per year. Approximately \$500,000 of the existing fund remains for the benefit of school district employees, and \$150,000 will accumulate by the end of the planning period, providing potential funding for an additional eight loans at current financing levels. The program should be continued and, if additional funding becomes available, could be expanded.

### *Redevelopment Agency*

In 1986, the City of Millbrae established a Redevelopment Agency which adopted a Redevelopment Plan in 1988. The significance to the Housing Element is that Section 33334.2 of the State Health and Safety Code requires that not less than 20% of all taxes allocated to the Agency (tax increment funds) be used by the Agency for the purposes of increasing and improving the supply of low and moderate income housing.

### *Protect Neighborhoods*

Since 1985, general improvements to drainage, streets and sewer systems have been made in residential areas. No incompatible uses have been allowed. Residential permit parking was instituted in one neighborhood where commercial parking was intruding.



### *Promote Maintenance and Rehabilitation*

Since 1985, 21 low and moderate income units were rehabilitated; the objective was 25 units. Repair and remodeling permits in the City totalled \$30.6 million over the five-year period. With 2748 permits, the average was \$11,120.

### *Upgrade Units Lacking Kitchens and Plumbing*

Objective for this policy was 25 units; however, the achievement is unknown. Units in this category were not identified; however, it is probable that the 12 duplexes constructed replaced 10 substandard units in this category.

### *Conserve Rental Units*

Since 1985 no rentals have been converted to condominiums.

### *Balance of Type, Tenure, Affordability*

Of the 42 low income units needed under the 1986 element, 32 units were constructed. With 37 moderate income units needed, 65 units were constructed. Above moderate units needed were 43, and 220 units were developed. Of the 51 very low income units needed, none were developed.

### *Permit Construction of Mixed Uses*

Extensive dialogue on this issue resulted in a policy permitting mixed commercial/residential. Three small projects have been approved but not yet constructed.

*Encourage Affordable Housing for Elderly Persons*

Since 1985, three projects for the elderly have been approved, and two have been constructed with a total of 184 units.

*Utilize Available Programs*

Programs that have been utilized include Section 8 Certificates administered through the County Housing Authority, the City's zoning and permitting process, and the HUD Block Grant Program administered by the San Mateo County Department of Housing and Community Development.

*Promote Conservation in Construction*

Title 24 energy requirements have been enforced in all new residential construction.

*Encourage Conservation in Rehabilitation*

The weatherization program of PG&E has been promulgated, Title 24 has been implemented for additions. One additional program unknown at the time of the 1985 element is noise insulation. With Federal Aviation Administration (80%) and San Francisco Airport (20%) Funds, 100 moderate income dwellings have been insulated from aircraft noise with incidental energy-saving benefits. New windows, doors and insulation upgrade the residences and increase livability.

*Equal Housing Opportunity*

The policy is in effect but no problems have been pointed out in this area.

### 5.11 Housing Goals

The primary challenge of the Housing Element is to accommodate local housing needs brought on by the disproportionate rise in housing costs relative to household income. Questions to be considered in this housing element update include:

- (1) Where in the City can additional residential units be accommodated?
- (2) Are the City's current service capacities (water, sewer, streets, schools, etc.) adequate for additional housing units?
- (3) What would be the effect of growth on Millbrae's physical environment?
- (4) What can the City do to encourage the construction of needed low and moderate income housing?
- (5) What can be done to facilitate needed maintenance and upgrading?
- (6) What can be done to assist those with special needs such as the elderly, handicapped and single parents?

The challenge in addressing housing needs is intensified by the limited amount of land in Millbrae that is suitable for housing and by the community's long-standing commitment to maintaining its primarily single-family residential character. In responding to all of these housing needs, City goals, policies and programs are grouped as follows:

#### *Housing Goals*

**H1**

#### **Reinforce the City's Commitment to Meeting Housing Needs**

Establish and monitor goals, policies and programs to address housing needs, encourage public participation in housing matters and promote equal housing opportunities.

**H2**

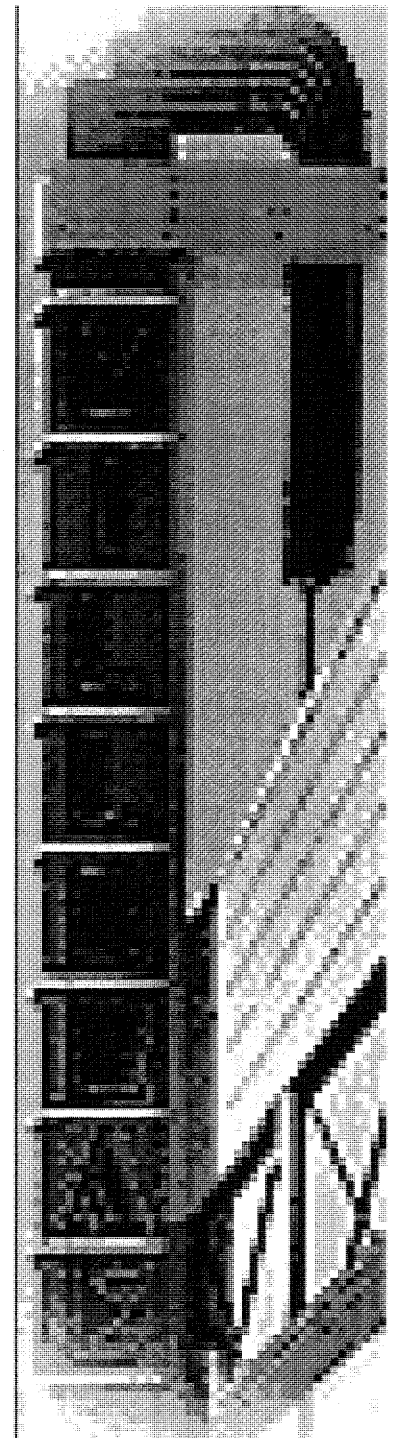
#### **Protect and Enhance Existing Housing, Community Character and Resources**

Maintain the high quality of existing housing and community character and assure energy efficiency in new and existing housing.

**H3**

#### **Provide New Housing and Address Affordable Housing and Other Special Needs**

Assure excellence in architecture and site planning in all new projects, provide a variety of housing types and tenure and meet the City's "fair share" of very low, low and moderate income housing need and the needs of special groups, including the elderly, handicapped, small and large families, single parents and local workers.



### 5.12 Quantified Housing Objectives

State law requires that housing elements include quantified objectives for the maximum number of units that can be rehabilitated, conserved or constructed. The quantified objectives for specific programs are summarized in the Housing Programs section and are based on past program performance, construction trends, land availability (capacity) and future program funding. The table on the next page summarizes the quantified objectives for Millbrae and the City's capability to meet the ABAG Regional Housing Needs Determinations.

**Table 5-23: Summary of Housing Element Objectives (1999-2009\*\*)**

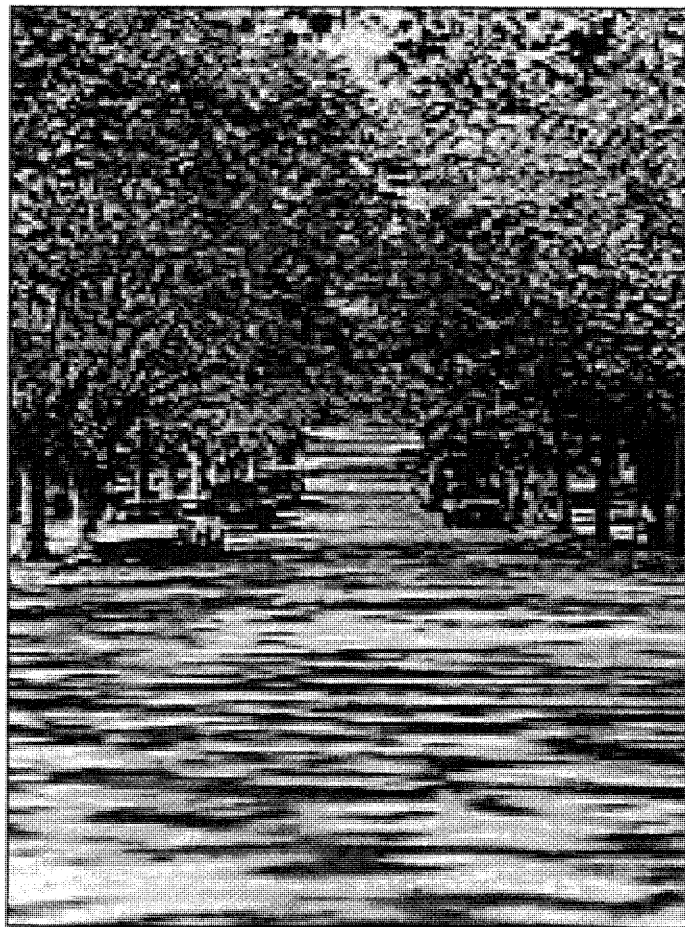
|  |   |           |
|--|---|-----------|
| <b>Number of Units to be Conserved:</b>      |   |           |
| (a)  | All Below Market Rate (BMR) units preserved under development agreement (both existing and future units anticipated): | 120       |
| (b)  | Section 8 and Shared Housing Units:   | 50        |
| (c)  | All housing units are subject to the City's Community Preservation Ordinance  | All Units |
| <b>Number of Units to be Rehabilitated:</b>  |   |           |
| (a)  | Rehabilitation Loan Programs:   | 20        |
| (b)  | Energy Conservation Programs  | 20        |
| <b>Total Number of Units Capacity:</b>       |   |           |
|  | ABAG Total Housing Need   | 343       |
|  | Units Built, Approved or Under Construction 1999-Present  | 524       |
|  | Estimated New Units Possible from Housing Programs  | 161       |
| <b>Very Low Income Units Capacity:</b>       |   |           |
|  | ABAG Very Low Income Housing Need   | 67        |
|  | Units Built, Approved or Under Construction 1999-Present  | 25        |
|  | Estimated New Units Possible from Housing Programs  | 39        |
| <b>Low Income Units Capacity:</b>            |   |           |
|  | ABAG Low Income Housing Need  | 32        |
|  | Units Built, Approved or Under Construction 1999-Present  | 18        |
|  | Estimated New Units Possible from Housing Programs  | 33        |
| <b>Moderate Income Units Capacity:</b>       |   |           |
|  | ABAG Moderate Income Housing Need   | 90        |
|  | Units Built, Approved or Under Construction 1999-Present  | 91        |
|  | Estimated New Units Possible from Housing Programs  | 47        |
| <b>Above Moderate Income Units Capacity:</b> |   |           |
|  | ABAG Above Moderate Income Housing Need   | 154       |
|  | Units Built, Approved or Under Construction 1999-Present  | 390       |
|  | Estimated New Units Possible from Housing Programs  | 42        |

*\*\*Note: On September 29, 2005 HCD extended the planning period for the Housing Element for all Bay Area jurisdictions until July, 2009. The end of the planning period was originally established as July, 2006 when the Regional Housing Needs Determinations were first issued by ABAG in 2001.*

## 5.13 Housing Policies

### *Goal H1 — Reinforce the City's Commitment to Meeting Housing Needs*

- H1.1 **City Leadership.** Provide an active leadership role in helping to attain the objectives of the City's Housing Element by following through on the actions prescribed in the Housing Element in a timely manner and monitoring progress annually to review housing goals and target achievements.
- H1.2 **Public Participation.** Encourage and support public participation in the formulation and review of the City's housing policy, including encouraging neighborhood level planning and working with community groups and the building and real estate industry to advocate programs which will increase affordable housing supply and opportunities.
- H1.3 **Cooperation with Other Public Agencies and Non-Profits.** Continue participation in County-wide housing assistance programs and coordinate with other public agencies and non-profit housing sponsors in the use of available programs to provide lower-cost housing in Millbrae.
- H1.4 **Redevelopment Agency.** Promote residential opportunities in the redevelopment area, where appropriate, through the unique powers of the Redevelopment Agency. At least 15% of all homes constructed in the Redevelopment Project Area should be below market rate (BMR).
- H1.5 **Equal Housing Opportunity.** Promote equal housing opportunities for all Millbrae residents and ensure provision of housing opportunities for all people. The City will take appropriate actions when necessary to ensure that the sale, rental, or financing of housing is not denied to any individual on the basis of race, sex, national origin, religion, age or other arbitrary factors.



### *Goal H2 — Protect and Enhance Existing Housing, Community Character and Resources*

- H2.1 **Regulation of Conversions.** The City will conserve rental housing stock by minimizing condominium conversions in order to avoid depleting the already inadequate number of rental units.

- H2.2 **Maintenance and Rehabilitation of Existing Housing.** Promote maintenance and rehabilitation of structures in poor condition and upgrade units lacking adequate kitchen and plumbing facilities. Encourage property maintenance measures designed to maintain the existing housing stock in its overall good condition and encourage rehabilitation to the extent possible and when necessary for low and moderate income homeowners and rental property owners with lower income tenants.
- H2.3 **Energy Conservation in Existing Housing.** Encourage energy conservation measures in rehabilitation projects. Encourage owners of existing residences to adopt energy conservation measures and promote energy conservation programs which provide assistance for energy conservation improvements.
- H2.4 **Energy Conservation in New Housing.** Promote the use of energy conservation in residential construction by incorporating energy conservation in all new residential development. New homes shall meet State standards for energy conservation.
- H2.5 **Rental Assistance Programs.** Continue to publicize and participate in federal rental assistance programs such as Section 8 and the Housing Voucher programs.
- H2.6 **Protection of the Rental Housing Stock.** Promote the retention of rental units and encourage rental subsidy programs which can be applied to existing housing.
- H2.7 **Community Preservation.** Assure the retention of the single family character of older residential areas. Protect residents and maintain the housing stock by enforcing the housing and other codes for all types of residential units. As neighborhoods age, the City should provide all possible assistance for housing rehabilitation and maintenance measures through aggressive code enforcement and community preservation.
- H2.8 **Homesharing.** Encourage and facilitate house sharing in appropriate locations where it would provide housing for low and moderate income residents and not significantly impact the neighborhood (parking, access, etc.).
- H2.9 **Housing Design.** Protect the character of existing residential neighborhoods and provide stable, safe and attractive neighborhoods by ensuring excellence in project design consistent with existing community character (architecture, site planning, amenities).
- H2.10 **Application of Existing Regulations and Guidelines.** Provide and apply regulations and guidelines to promote the maintenance and protection of existing residential areas.

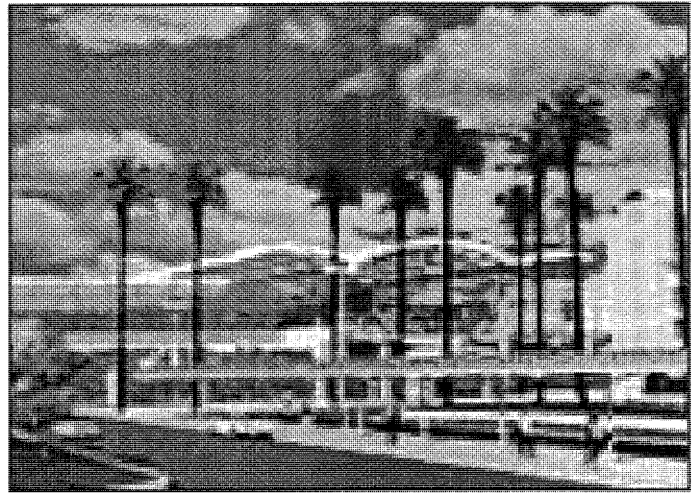
*Goal H3 — Provide New Housing and Address Affordable Housing and Other Special Needs*

- H3.1 **Housing for New Employees and their Families.** Given the increase in commercial and retail development expected through build-out of the City, encourage an adequate supply and variety of rental and ownership housing that meets the needs of new employees and their families.
- H3.2 **Planned Development Process.** Encourage the use of the planned development process to achieve a diversity of housing types and tenure and to provide greater choice for residents and workers in Millbrae.

- H3.3 **Mixed Use Development.** Encourage mixed residential/commercial uses on those parcels where a mix is feasible and appropriate, consistent with the General Plan, through the following and other means: (1) increased densities; (2) reduced unit sizes; (3) use of redevelopment funds; and (4) allowances for required ground-floor retail.
- H3.4 **Second Units.** Under controlled conditions, such as no or limited exterior alterations, satisfying parking needs and owner-occupancy of the principal unit, permit accessory living units in selected areas without affecting neighborhood character.
- H3.5 **Affordable Housing.** Improve the balance of housing type, tenure and affordability by encouraging development of housing at appropriate sites/locations to serve various income levels, and utilize available programs to achieve affordable housing.
- H3.6 **Incentives for Affordable Housing.** Continue to approve housing at higher densities when affordable units are provided, consistent with environmental constraints, surrounding development patterns and design excellence (architecture, site planning, amenities, etc.). To the extent they are available and workable at a given location, the City will offer a density bonus and other incentives, such as reduced fees, cost-saving site design techniques, reduced parking requirements, smaller unit sizes, fast-track project review, and other methods of reducing the total cost of internal roads and utilities serving the development.
- H3.7 **Density Bonuses for Affordable Housing Projects Consistent with State Density Bonus Law.** The City will offer density bonuses of at least 25% and at least one other incentive, consistent with the State Density Bonus Law (Government Code Section 65915), for projects which include at least: (a) 20% of the units for lower-income households; or (b) 10% of the units for very low income households; or (c) 50% of the units for senior citizens.
- H3.8 **Resale Controls on Owner-Occupied BMR Units.** Require resale controls on owner-occupied BMR units to ensure that affordable units provided through public assistance or public action are retained for 55 years as affordable housing stock.
- H3.9 **Rent and Income Restrictions on Rental BMR Units.** Require rent and income restrictions on rental BMR units to ensure that affordable units provided through public assistance or public action are retained for 55 years as affordable housing stock.
- H3.10 **BMR Eligibility Priorities.** In order to meet a portion of the City's local housing need, consistent with Association of Bay Area Governments (ABAG) Housing Need Determinations, and as a traffic mitigation measure, the City will, to the extent consistent with applicable law, consider offering a portion of the BMR units in a project for City employees, school district employees, and other people working in the City of Millbrae.
- H3.11 **Innovative Housing Approaches.** Encourage innovative housing approaches in financing and design of units to increase the availability of low and moderate income housing, including encouraging cooperative and joint ventures between owners, developers and non-profit groups in the provision of BMR housing.

- H3.12 **New Housing Eligible for Subsidy.** Encourage new projects to pursue subsidies to reduce the cost of the units, such as Section 8, homesharing, first time homebuyer, or similar programs which provide very low, low and moderate income housing.
- H3.13 **Housing Opportunity Areas.** Given the diminishing availability of developable land, the City will identify housing opportunity areas and sites where a special effort will be made to provide affordable housing consistent with other General Plan policies. Housing Opportunity Areas should have the following characteristics:
- a. The site has the potential to deliver sales or rental units at low or below market rate prices or rents.
  - b. The site has the potential to meet special housing needs for local workers, single parents, seniors, small families or large families.
  - c. The City has opportunities, through ownership or special development agreement, to facilitate provision of housing units to meet its housing objectives.
  - d. The City will use the following criteria in selecting Housing Opportunity sites or areas:
    - (1) Adequate vehicular and pedestrian access.
    - (2) Convenient access to transit (or the project must be able to provide transit to meet the needs of the project's prospective residents).
    - (3) Convenient access to neighborhood services and facilities as needed by the prospective residents.
    - (4) Convenient access to neighborhood recreation facilities, or designed to provide adequate recreation facilities on site.
    - (5) Cost effective mitigation of physical site constraints (including geologic hazards, flooding, drainage, soils constraints, wetland limitations, etc.).
    - (6) Cost effective provision of adequate services and utilities to the site.
    - (7) Ability to meet applicable noise requirements.
    - (8) Adequate site size to provide adequate parking; parking requirements should be flexible based on the needs of the project's prospective residents.
    - (9) Finding that development of a specific project on the site will not result in significant adverse cumulative effects, unless the City adopts a statement of overriding considerations.
- H3.14 **Adaptable Units for the Physically Disabled.** The City will ensure that new housing includes units that can be adapted for use by disabled residents.
- H3.15 **Density Bonuses for Handicapped Access Features.** The City may allow a up to a one-for-one density bonus, up to 25% of the number of units otherwise allowed, in projects where handicapped accessible features and fixtures are incorporated in dwelling units.
- H3.16 **Special Needs.** Encourage affordable housing designed for elderly persons and encourage a mix of housing units throughout the City including those for families with children, single parents, young families, lower income seniors and the disabled.

**H3.17 Neighborhood Mix of Residential Care Facilities and Emergency Shelters.** The City of Millbrae recognizes the need for and desirability of residential care facilities. The City shall encourage a dispersion of facilities, and avoid an over concentration of residential care facilities and shelters for the homeless in any one geographic area. The City of Millbrae believes that an over concentration of such facilities may negatively impact the neighborhood in which they are located and interfere with the "normalization process" for clients residing in such facilities. Over concentration cannot be numerically defined because of the Fair Housing Act Amendment, but placement must be considered by staff, decision-making bodies and applicants in light of the above.



**H3.18 Neighborhood Relations Involving Emergency Shelters and Residential Care Facilities.** The City of Millbrae shall encourage positive relations between neighborhoods and providers of emergency shelters and residential care facilities. Providers or sponsors of emergency shelters, transitional housing programs and community care facilities shall be encouraged to establish outreach programs with their neighborhoods. It is recommended that a staff person from the provider agency be designated as a contact person with the community to review questions or comments from the neighborhood. Outreach programs may also designate a member of the local neighborhood to their Board of Directors. Neighbors of emergency shelters, transitional housing programs and community care facilities shall be encouraged to provide a neighborly and hospitable environment for such facilities and their residents.

**H3.19 Housing for the Homeless.** The City of Millbrae recognizes the need for and desirability of emergency shelter housing for the homeless and will allow emergency shelters in commercial, industrial and mixed use areas based on the following considerations:

- a. Development standards for emergency shelters for the homeless located in Millbrae shall ensure that shelters would be developed in a manner which protects the health, safety and general welfare of nearby residents and businesses, while providing for the needs of a segment of the population as required by State law. Development standards will include consideration of the following:
  - (1) All exterior lighting shall be sufficient to establish a sense of well-being to the pedestrian and one that is sufficient to facilitate recognition of persons at a reasonable distance. Type and placement of lighting shall also be subject to the satisfaction of the Police Department.
  - (2) Landscaping shall be maintained in healthy and thriving condition consistent with City standards.
  - (3) The shelter shall provide laundry facilities adequate for the number of residents.
  - (4) The shelter shall provide shower facilities adequate for the number of residents.

- (5) The development shall provide a safe or locked vault for securing money and jewelry. The provider shall manage the safe or vault and maintain an accounting procedure.
  - (6) The development may provide one or more of the following specific common facilities for the exclusive use of the residents: (a) dining room; (b) recreation room; (c) mini-library; (d) mini-playroom.
  - (7) Convenient access to public transit.
- b. The agency or organization operating the shelter shall comply with the following rules and requirements, among others:
- (1) Staff and services shall be provided to assist residents to obtain permanent shelter and income, and to refer to appropriate social service agencies and organizations as needed. The agency or organization operating the shelter must demonstrate familiarity with available community resources.
  - (2) All client screening shall be administered by staff at the subject location as well as at other designated locations. Initial client screening shall include an assessment of other social services or health services which may be needed by the client.
  - (3) All clients shall be given a copy of the rules and regulations to read and agree to prior to admittance into the facility. Clients that are turned away shall be informed that street loitering is prohibited. The provider shall submit a plan with specific admission and check-out times.



**H3.20 Reasonable Accommodations for the Disabled.** To ensure equal access to housing for people with disabilities and to provide reasonable accommodation for people with disabilities in the City's rules, policies, practices, and procedures related to zoning, permit processing, and building codes.

## 5.14 Housing Implementing Programs

### *Goal H1 — Reinforce the City's Commitment to Meeting Housing Needs*

- HIP-1     **Future Housing Element Updates.** The City will update its Housing Element consistent with State Law requirements. Target: Next update by July, 2009. Responsible Agency: Community Development Department.
- HIP-2     **Technical Assistance to Non-Profits.** The City will provide technical assistance to both profit and non-profit groups organized to encourage provision of affordable housing and sponsors of affordable housing projects and programs. The City will facilitate provision of affordable housing by providing technical assistance in accessing various funding sources, replicating successful affordable housing models, and streamlining the review process for proposed projects. The Community Development Director will act as a liaison role to housing groups. Target: Ongoing. Responsible Agency: Community Development Department and Redevelopment Agency.
- HIP-3     **Tracking of Housing Activity.** The City will provide a statistical summary of residential building activity tied to various types of housing, household need, income and Housing Element program targets. Target: Annually. Responsible Agency: Community Development Department.
- HIP-4     **Rental Unit Monitoring.** The City will monitor the availability and cost of rental units in Millbrae. The purpose of this reporting is to establish a monitoring system to determine the extent of rent increases occurring within the City, to compare with other adjacent municipalities, and to determine the need for rental housing programs. Target: 2006. Responsible Agency: Community Development Department.
- HIP-5     **Community Outreach.** The City will improve citizen awareness of rehabilitation and disaster assistance loan subsidy programs, code enforcement, energy conservation programs, fair housing laws and affordable housing programs by: (a) providing information pamphlets on the programs at City Hall and the library and with water bill inserts; (b) contacting neighborhood groups and associations; (c) providing special presentations to community groups periodically; and (d) providing public information through articles in the local newspaper and with cable TV public service announcements. In addition, the City will contact community service clubs and organizations to determine their interest in establishing a volunteer labor-assistance housing improvement program for homeowners physically or financially unable to maintain their properties. Target: 2006. Responsible Agency: Redevelopment Agency and Code Enforcement.
- HIP-6     **Non-Discrimination.** Increase public awareness of anti-discrimination laws and policies through informational handouts, inform the public of equal housing laws and of recourse available in case of violation. To ensure that the sale, rental, or financing of housing is not denied to any individual on the basis of race, sex, national origin, religion, age, or other arbitrary factors, Millbrae will ensure that state and federal laws are adhered to regarding fair housing. The City, through its Community Development Department, will refer discrimination complaints to the appropriate legal service, county, or state agency. The City will assist local non-profit organizations, as appropriate, to provide public information and education services. Target: Ongoing. Responsible Agency: Community Development Department.

- HIP-7 Redevelopment Agency.** The Redevelopment Agency will use its unique powers to reduce the costs and expedite the construction of 15% of the units within the redevelopment project area for very low, low and moderate income households. Redevelopment Agency funds will be set aside each year for development of housing affordable to low income households. The City will target two-thirds of RDA funds to finance affordable housing projects for very low income households in collaboration with non-profit agencies and one-third to benefit school district employees. Target: Ongoing. Projected Funding Level: \$4.2 million through 2007. Responsible Agency: Redevelopment Agency.

*Goal H2 — Protect and Enhance Existing Housing, Community Character and Resources*

- HIP-8 Continue and Improve Code Enforcement.** Continue the existing code enforcement program and consider expansion of the City's building code enforcement program to assure compliance with basic health and safety building standards and appropriate permits, including: (1) resale inspections of single family homes; (2) rental housing inspections; and (3) public outreach and education. In addition, continue the mandatory fire code inspection program. Target: Ongoing. Responsible Agency: Community Development Department, Fire Marshall.
- HIP-9 Rehabilitation Loans.** The City will encourage rehabilitation loan and disaster assistance programs to the extent possible given program funding criteria and local need and will facilitate greater participation in the program by advertising in City mailings and by providing information at the Building Department counter. Target: 2 new loans to lower-income households per year. Responsible Agency: San Mateo County Housing Authority, San Mateo County Department of Housing and Redevelopment and the Community Development Department.
- HIP-10 Contact Property Owners of Substandard Units.** Within current staffing limits, establish a program of contacting owners of structures that appear to be in declining or substandard condition, offer inspection services, advertise and promote programs that will assist in funding needed work. Target: Improvement of 4 very low, 4 low and 12 moderate income units to current health and safety standards (average 5 units per year) by 2009. Responsible Agency: Community Development Department.
- HIP-11 Energy Conservation Assistance.** Publicize energy conservation programs and weatherization services that are available to provide subsidized or at cost inspection and corrective action. The City will use Redevelopment or other funds, as available, to assist lower-income residents to weatherize their homes or make other energy-conservation home repairs. Target: Weatherization of 10 very low and 10 low income units by 2009. Responsible Agency: PG&E, North Peninsula Neighborhood Service Center, San Mateo County Department of Housing and Redevelopment and Redevelopment Agency.
- HIP-12 Increased Energy Conservation.** Apply Title 24 energy conservation requirements, and, where possible, require structural and landscaping design to make use of natural heating and cooling. Target: Ongoing. Responsible Agency: Community Development Department.
- HIP-13 Rental Housing Assistance.** Encourage landlords, tenants and developers to participate in the Housing Authority Section 8 Rent Subsidy Program; encourage developers and potential buyers to participate in the count reduced home mortgage program and in available Federal and State assistance programs. Maintain descriptions of current programs and contacts at City Hall to hand

out to interested persons. Provide opportunities for 10 low and moderate income families to rent or purchase housing. Target: 5 very low and 5 low income households provided assistance per year with Section 8 Certificates and Vouchers (assumes continued funding at about the same rate as present levels). Responsible Agencies: San Mateo County Housing Authority.

- HIP-14 **Condominium Conversion Regulation.** Continue the existing controls on conversions of rental units to condominium. There have not been any conversions within the past five years. Target: Ongoing. Responsible Agency: Community Development Department.
- HIP-15 **Neighborhood Conservation.** Continue the maintenance and enhancement of public facilities, such as streets, water supply, and drainage, in residential neighborhoods by allocations from the general fund, gas tax revenues, Block Grant funds and, where appropriate, through assessment districts, or as conditions of development. First priority areas are areas east of El Camino and the area north of San Jose Avenue. Target: 2006. Responsible Agencies: Community Development Department and Public Works Department.
- HIP-16 **Home Equity Conversion.** The San Mateo County Legal Aid Society and the County's Department of Housing and Community Development cooperatively established the Reverse Annuity Mortgage Program (RAM) to enable elderly homeowners to use the equity on their home for needed money. Participants can obtain a loan which is dispersed on a monthly basis, as needed for a fixed period, when the loan is due. To qualify, loan recipients must be 62 years or older, must own their own dwelling with little or no mortgage balance, have modest assets, and be in the low or moderate income category. Applicants should contact the County. Target: Ongoing. Responsible Agency: San Mateo County Housing Authority, Human Investment Project, and non-profit housing sponsors.
- HIP-17 **Homesharing.** Continue the City's relationship with the Human Investment Project in implementing the homesharing program. Target: 10 very low income, 5 low income and 1 moderate income households (16 households per year). Responsible Agency: Human Investment Project.

*Goal H3 — Provide New Housing and Address Affordable Housing and Other Special Needs*

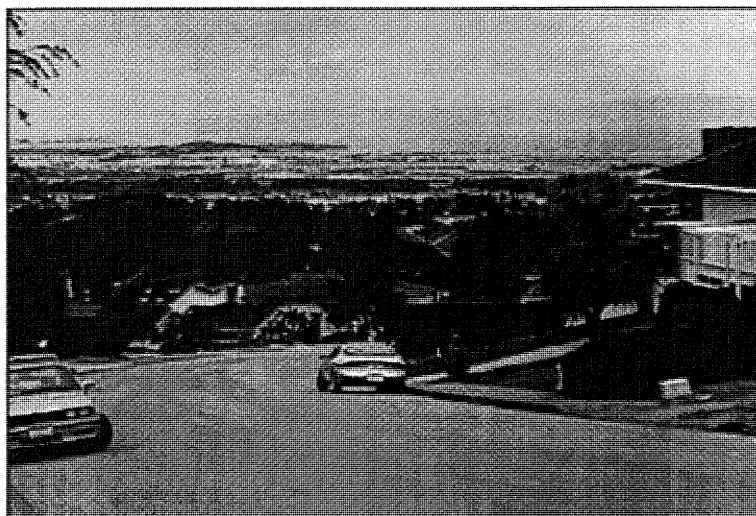
- HIP-18 **Continue to Implement the Millbrae Station Area Specific Plan.** The City will continue to implement the specific plan for the Millbrae BART Station Area which identifies potential housing sites. The City will encourage developers to submit applications that meet the objectives and development policies of the Specific Plan. As development applications are received, the City will continue to apply development standards and incentives as described in the Specific Plan. Target: Ongoing. Responsible Agency: Community Development Department.
- HIP-19 **Adopt Requirements for Second Units.** Consistent with new State legislation for second units (AB 1866) adopt requirements to allow second units under controlled conditions, such as no, or limited exterior alterations, satisfying parking needs and owner-occupancy of one unit, it would be possible to permit a few accessory living units without affecting neighborhood character. Target: 3 very low income and 3 moderate income units. Timeframe: Conduct public hearings to adopt new second unit development regulations by June 2007. Responsible Agency: Community Development Department and City Council.

- HIP-20 **R-2 Zoning Districts.** Survey R-2 zones to determine which parcels would be appropriate for additional development without affecting existing neighborhood character. Use results of the survey to supplement the list of available sites. Target: 2006. Responsible Agency: Community Development Department.
- HIP-21 **Smaller Units.** Permit the development of small residential units. The City could encourage development of small units by offering density bonuses and by requiring fewer on-site amenities than otherwise would be required. For example, less parking as is normally required for senior-only developments or near to the transit station area. A reduction in other requirements such as landscaping, recreation and built-ins could also be considered. Construction of a few small units should expand housing opportunities at lower cost without significantly altering community character. Specific actions include:
- a. Revise zoning regulations to permit subjective review (Use Permit) of proposals to develop housing designed specifically for elderly persons.
  - c. Reduce the PD parcel size from 2 acres to 20,000 square feet.
- Target: 20 units. Zoning code amendments by June 2007. Responsible Agency: Community Development Department.
- HIP-22 **Potential New Housing Opportunity Sites.** Encourage housing development, including a below-market allocation that maximizes production of very low income units, at the following sites:
- a. Downtown Area Smaller Mixed Use Sites (20 units): 10 low and 10 moderate income apartments.
  - b. Millbrae Theater Parking Lot (133 units): 11 very low, 16 moderate, and 106 above moderate income.
  - c. Millbrae Station Area (50 units): 3 very low, 5 moderate, and 42 above moderate income.
- Responsible Agency: Community Development Department.
- HIP-23 **Mortgage Subsidy Programs.** San Mateo County offers below market rate home mortgages to qualified first time home buyers for purchasing units built by developers who participate in the program. Millbrae will encourage developers to participate in this program and will then publicize these projects and the Mortgage Subsidy Program through the City's communication channels, including handouts, the city newsletter, and the city website. By coordinating with San Mateo County, Millbrae may be able to facilitate the development of low and moderate income housing. The City will encourage project sponsors to apply for available federal, state and locally subsidized new housing construction programs for their project by providing technical assistance on available programs and supporting data, structuring development agreements and other requirements to match program funding criteria, as appropriate and possible, and leveraging tax increment financing when possible. The City will also lobby Federal and State elected officials for housing legislation that includes appropriations for low and moderate income housing programs. Examples of programs include Mortgage Revenue Bonds, Mortgage Credit Certificates and Redevelopment Agency Tax Increment Financing. Target: Ongoing. Responsible Agency: Redevelopment Agency.

**HIP-24 BMR Resale and Rental Controls.** Implement resale and rental regulations for low and moderate income units and assure that these units remain at an affordable price level. Target: Ongoing. Responsible Agency: Community Development Department and City Council.

**HIP-25 BMR Eligibility Guidelines.**

Implement BMR selection guidelines based on the BMR Eligibility policy (see Housing Element Policy H3.10). Target: Ongoing. Responsible Agency: Community Development Department.



**HIP-26 Emergency Housing Assistance.** Participate and allocate funds, as appropriate, for County and non-profit programs providing emergency shelter and related counseling services. Target: Annual participation, if feasible. Responsible Agency: Community Development Department and City Council.

**HIP-27 Residential Care Facilities Monitoring.** Track and review proposals for residential care facilities through the State Department of Community Care Licensing and to avoid over concentration and negative impacts on residential neighborhoods. Target: Ongoing. Responsible Agency: Community Development Department and City Council.

**HIP-28 Emergency Shelter Uses.** The City will contribute a portion of the Housing Set Aside fund to non-profit agencies involved in providing housing for the homeless in San Mateo County. The City will also review proposals for emergency shelter uses based on the policies in the General Plan and other City development standards and requirements. Target: Ongoing. Responsible Agency: Community Development Department; Redevelopment Agency.

**HIP-29 Adaptable Units for the Disabled.** The City will ensure that new housing includes units that can be adapted for use by disabled residents. Target: 2% of the units built by 2009. Responsible Agency: Community Development Department.

**HIP-30 RDA Homebuyers Program.** Continue and expand the Redevelopment Agency's homebuyers program for School District employees. Explore expansion of the program to City employees and other local workers. Target: 40 loans by 2009, with 10 for low income and 30 for moderate income households. Responsible Agency: Community Development Department; Redevelopment Agency.

- HIP-31 Designate an ADA Coordinator and Provide Information on Reasonable Accommodation.** Designate the Building Official as the City's ADA Coordinator to coordinate and carry out the City's compliance with the nondiscrimination requirements of Title IIA of the Americans with Disabilities Act (ADA). Direct questions, concerns, complaints, and requests regarding accessibility for people with disabilities to the City's ADA Coordinator. Provide information to the public regarding reasonable accommodations related to zoning, permit processing and building codes on the City's website and in City handouts. Target: 2006. Responsible Agency: Community Development Department.
- HIP-32 Establish Mixed Use Development Standards.** Assess impediments and create incentives for mixed-use housing development, including changes to zoning and development code standards, to encourage mixed-use development in the downtown commercial district. Provide the following incentives:
- Provide flexibility in applying parking standards based on the development's location and the type and size of the housing units, and allow commercial and residential users to 'share' parking requirements.
  - Allow for height limit exceptions for dwelling units.
  - Allow flexibility in applying development standards (FAR, lot coverage) based on the location, type, and size of the units, and the design of the development.
  - Encourage housing by allowing the residential component of a mixed use development to be 'additive' rather than within the established FAR for that zone.
  - Allowances for tandem parking or off site parking leases.
  - Review Public Works, Building, Housing and Fire standards to reduce or eliminate impediments to mixed-use development where it is possible and appropriate.
- Target: July 2006. Responsible Agency: Planning Division; Planning Commission; City Council.
- HIP-33 Encourage Innovative Housing Approaches.** Encourage cooperative and joint ventures between owners, developers, and non-profit groups in the development of below-market rate housing. Assist in identifying financing sources, including redevelopment housing funds, for housing projects. Target: Ongoing. Responsible Agency: Community Development Department.
- HIP-34 Housing Developer Outreach.** Develop informational materials on housing programs for distribution to local non-profit and private developers. Provide information on: 1) newly adopted development standards for mixed-use and planned development districts; 2) incentives for the development of deed-restricted and market-rate affordable housing; 3) appropriate areas for high density housing; and 4) available financing and funding sources, including the City's Redevelopment Agency, for affordable housing projects. Target: Ongoing. Responsible Agency: Community Development Department.
- HIP-35 Encourage Special Needs Housing.** Encourage non-profit developers to target housing projects for identified special needs groups in Millbrae, including seniors, families with children, single parents, young families, lower income households, and the disabled. Encourage housing developers to design units that meet the needs of these special needs groups, such as rental units, accessibility features for the disabled and the elderly, additional bedrooms for large families, and playgrounds and on-site day care facilities for families with children. Target: Ongoing. Responsible Agency: Community Development Department; Planning Commission; City Council.

- HIP-36 Inclusionary Housing Requirements.** The Redevelopment Agency will meet the inclusionary housing requirements of the Health and Safety Code (Section 33413(b)) to provide a minimum of 15% of the units for below market rate (BMR) housing. Forty percent of the units must be affordable to very low income households and 60% of the units must be affordable to moderate income households. The City and Agency will require units to remain affordable for at least 55 years. The City will encourage the construction of units on-site. The units should be of a similar mix and type to the whole development, and dispersed throughout the development. If development of units on site is not practical, the City will consider alternatives of equal value, such as payment of in-lieu fees commensurate to the cost of producing actual units, construction of units off-site, donation of a portion of the property for future non-profit housing development, etc. The Agency has already entered into such an agreement with Glenborough-Pauls, LLC for the inclusionary requirement at 88 S. Broadway. Glenborough-Pauls will pay \$658,000 to the Agency Housing Fund for development of very low income units at 1761 El Camino Real. Target: 2006. Responsible Agency: Community Development Department; Planning Commission; City Council.
- HIP-37 Lot Consolidation within the Millbrae Station Area.** Consistent with the goals and policies of the Millbrae Station Area Specific Plan, the City will encourage lot consolidation among property owners of lots within Sites 1, 4, 11 and 12 of the Millbrae Station Area Specific Plan. The City will identify owners and distribute information to them regarding development potential, development standards, affordable housing incentives and density bonuses, and the development review and approval process. The city will consider using eminent domain to facilitate lot consolidation. Target: 2006. Responsible Agency: Community Development Department; Planning Commission; City Council.
- HIP-38 Parking Requirements in Downtown Area.** The City will reduce the parking requirement for one-bedroom units in the downtown area along Broadway between La Cruz and Hillcrest to one parking space per one-bedroom unit. Payment of an in-lieu parking fee will continue to be an option for developers. In-lieu parking fees will be used to build a parking garage on City-owned property. Target: 2006. Responsible Agency: Community Development Department; Planning Commission; City Council.
- HIP-39 Affordable Housing Development on City-Owned Land.** The City will take the following actions to promote the development of affordable housing on two City-owned parking lots on Magnolia Avenue and El Camino Real:
- Utilize flexible zoning standards that facilitate the development of the maximum number of affordable units. Require no more than one uncovered, off-street parking space per unit and consider off-site parking in fulfillment of the parking requirement.
  - Seek partnerships with non-profit organizations to develop and maintain the units.
  - Provide financing from funds raised through the City's in-lieu affordable housing fees and redevelopment funds.
  - Seek additional funding through state and federal programs, community foundations, and local housing trust funds.

- c. Maintain the units as affordable rental housing for moderate, low and very low income households, utilizing income eligibility requirements and affordability standards as published annually by HCD. Encourage affordability requirements that will enable the City to meet its regional housing needs.

Target: 65 units affordable to moderate, low, and very low-income households by July, 2009.

Responsible Agency: Community Development Department.