

IV. Housing

A. INTRODUCTION

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

B. SAN MATEO'S HOUSING OBJECTIVES

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

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

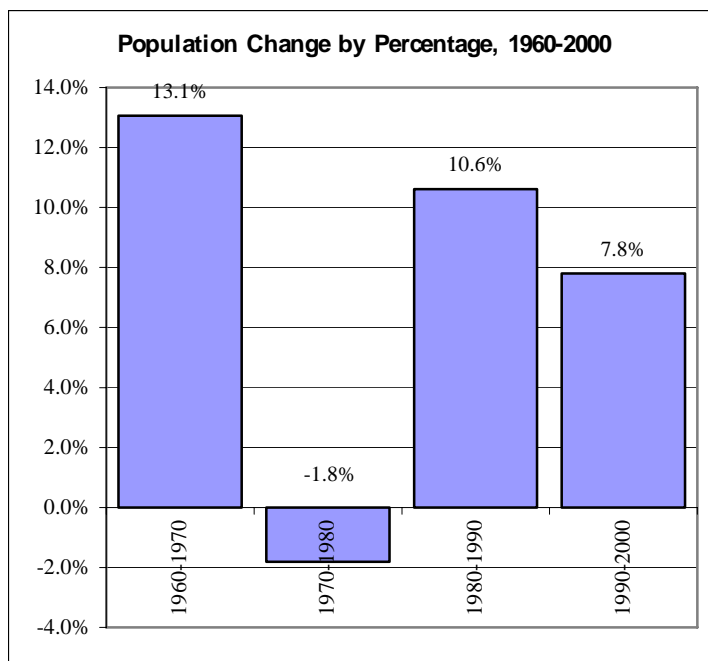
Third, San Mateo will need to **increase its housing supply to meet the housing demand caused by future job growth**. The types of new housing created should accommodate the income levels associated with new employment in the City.

C. BACKGROUND INFORMATION

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

POPULATION, AGE AND ETHNIC CHARACTERISTICS

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



growth rate), declined to 77,561 in 1980 (a 1.8% reduction), and increased to 85,790 in 1989 (a 10.6% increase). Recent limited releases of 2000 Census data show that the population grew an additional 7.8% between 1990 and 2000, to 92,482 people.

During the period 1980 to 1990, the total number of housing units in the City of San Mateo rose from 37,010 to 37,719, representing only a 1.9% change. By 2000, the number of units had increased just 1.4% in ten years, to 38,249 units. The disparity in the increase of total number of population and number of housing units has resulted in the increase in number of persons per unit from 2.10 in 1980 to 2.27 in 1990, a change of 8.5%. By 2000, this figure had increased to 2.42 persons per unit.

AGE DISTRIBUTION

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

Changes in Age Distribution, 1990 - 2000

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

RACIAL/ETHNIC COMPOSITION

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

Recently released data on race and ethnicity from the 2000 Census show that almost 21% of the population identifies as Hispanic/Latino. Whites make up about 57% of the population, while Asians and Pacific Islanders together account for approximately 17% of the population. Because of the new categories of race/ethnicity used in the 2000 Census, it is not possible to make a direct correlation with data from the 1990 Census.

Race/Ethnicity, 2000 Census

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

HOUSEHOLDS

Significant changes have occurred in household composition during the past three decades. Household size declined from 3.2 to 2.41 persons per household from 1960 to 1990. New Census data show that this figure has increased to 2.48 persons per household. In 1990, there were 35,559 households in San Mateo (with a total of 36,938 in the unincorporated sphere of influence). The 2000 Census shows that there are 37,338 households, an increase of 5.0% since 1990.

INCOME

Typical incomes in San Mateo are higher than the rest of the Bay Area. In 1970 the mean household income was \$14,703. This nearly doubled to \$30,108 in 1980, and increased to \$58,934 in 1995. According to US Department of Housing and Urban Development, the median family household income (MFI) for the San Mateo County Metropolitan Statistical Area for 2000 was \$74,900. This income figure was lower than the Santa Clara County median income of \$87,000, but still significantly higher than the U.S. median family income of \$50,200. Currently, the median income for a family of four is \$80,100. For purposes of this Element, the following definitions of income for 2001 apply:

2001 Median Family Income: \$80,100

Number of Persons in Household	Extremely Low Income (30% MFI)	Very Low Income (50% MFI)	Low Income (80% MFI)	Median Income (100% of MFI)	Moderate Income (120% of MFI)
1	\$17,850	\$29,750	\$47,600	\$56,000	\$67,250
2	\$20,400	\$34,000	\$54,400	\$64,100	\$76,900
3	\$22,950	\$38,250	\$61,200	\$72,100	\$86,500
4	\$25,500	\$42,500	\$68,000	\$80,100	\$96,100
5	\$27,550	\$45,900	\$73,450	\$86,500	\$103,800
6	\$29,600	\$49,300	\$78,900	\$92,900	\$111,500

Although San Mateo is considered an affluent community, the City has its share of low- and moderate-income households. The State and federal governments define "lower-income" households as those earning less than 80% of the countywide median income level, and "moderate-income" as earning between 80% and 120% of the county median. These definitions are used to determine eligibility for housing subsidies and to measure the extent of housing affordability problems. In 1990, 27% (9,450 households) were considered to be in the lower income category, and an additional 26% (9,401 households) were in the moderate-income category.

In 1990, 18%, or 6,409 family households were considered to be low- income; 9% or 3,041 family households were considered to be moderate-income; and 8% or 2,987 family households were considered to be middle-income.¹

Of the families classified as being moderate-income, 71% or 2,157 were considered Non-Hispanic White, 14% or 422 were Hispanic, 12% or 350 were considered Asian/Pacific Islander, 3% or 105 were Black, and less than 1% were considered Native American.

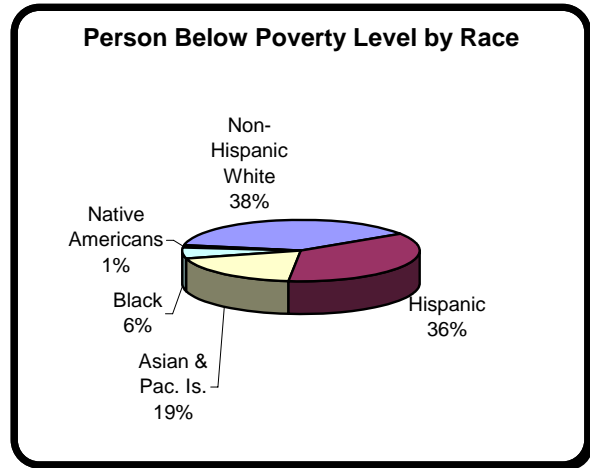
Of the family households considered to be middle-income, 67% or 2,014 persons were Non-Hispanic White, 14% or 420 persons were considered Hispanic, 12% or 357 were considered Asian/Pacific Islander, 6% or 167 were considered Black, and less than 1% or 20 were Native American.

¹Middle-income (MI) households are defined by HUD as those households whose incomes are between 81 to 95% of HUD's adjusted median family income.

POVERTY LEVEL

In 1990 the number of persons below the poverty level, as defined by the 1990 U.S. Census² made up 6% of the total population, or 4,508 persons. Thirty-eight percent were Non-Hispanic White, 36% were Hispanic, 19% were Asian/Pacific Islander, 6% were Black, and 1% were other.

Since 1980, the Asian and Hispanic groups have experienced the largest increase in the number of persons living below the poverty level (an 11 and 21-percentage point increase respectively). Non-Hispanic Whites and Blacks have experienced the most noticeable reduction in the number of persons below the poverty level, having decreased by 28 and 45 percentage points respectively.



EMPLOYMENT AND JOBS PER EMPLOYED PERSON RATIO

The level of employment in a community, and on a subregional level such as the San Francisco Peninsula, has a significant effect on housing demand. Although many factors affect the choice of housing location, it is desirable to have a balance between the number of jobs and the number of employed residents, particularly on a subregional level.

In 1990 36% of the work force was employed in specialty, technical, sales and administrative support; 31% was employed in managerial and professional positions; 12% in service occupations; 10% in precision production, craft and repair; 9% as operators, fabricators and laborers; and 2% in farming, fishing and forestry.

Between 1980 and 1990, the percentage of managerial and professional persons increased by 3% and technical, sales and administrative persons decreased by 3%. When compared to Citywide averages the Central neighborhood had a disproportionately lower percentage of persons employed in managerial and professional fields and a higher percentage of persons employed in service occupations, 14% and 25% respectfully.

In the City of San Mateo and its sphere of influence in 1990, the jobs/employed person ratio was nearly balanced, with an employment level of 52,160 jobs and a labor force of 50,633 employed residents, representing 1.03 jobs per employed resident as indicated by ABAG. The level of employment compared to the number of jobs has declined slightly since 1990, with ABAG projections showing that there are 1.02 jobs per employed person in 2000. From this information, one can infer that the jobs-housing ratio is relatively in balance.

²The U.S. census established the poverty level by poverty thresholds, which are reviewed annually according to changes in the cost of living as reflected in the Consumer Price Index. The average poverty threshold for a family of four persons was \$12,674 in 1989, and is adjusted based on the number of persons in a family. Poverty thresholds are applied on a national basis and are not adjusted for regional, state or local variation in the cost of living.

D. HOUSING SUPPLY AND NEEDS

HOUSING SUPPLY AND TYPE

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

Housing Types, 2000

Total	Single	Multifamily		Mobile Homes
	Family	2-4 Units	5+ Units	
38,154	20,801	2,647	14,692	14
	54.5%	6.9%	38.5%	0.0%

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

declining size of households and the high costs of single-family homes. The proportion of single-family versus multi-family housing has decreased from 78% in 1960 to nearly 55% in 2000, according to the Department of Finance.

San Mateo changed from an owner-dominated housing market in the 1960s (two-thirds owner occupied) to a renter-dominated market in the 1970s due to increases in apartment construction. During the 1980s, condominium construction and the conversion of apartments to condominiums reversed this trend, with the proportion of homeowners and renters now nearly equal (49 and 51% respectively).

HOUSING STOCK INVENTORY, 1990

Category		Total	Vacancy Rate	0 and 1 bedrooms	2 bedrooms	3 or more bedrooms
1.	Total Year-Round Housing	36,928		10,541	11,419	14,968
2.	Total Occupied Units	35,480		10,009	10,909	14,562
3.	Renter	16,615		8,146	5,848	2,621
4.	Owner	18,865		1,863	5,061	11,941
5.	Total Vacant Units	1,448		532	510	406
6.	For Rent	744	4.29%	371	230	143
7.	For Sale	333	1.73%	55	125	153
8.	Other	371		106	155	110

Vacancy rates provide a quantifiable measurement of housing supply and demand. A vacancy rate of 5 or 6% is considered to reflect a well-balanced housing market, where those seeking housing have adequate choices and building owners have sufficient demand. Vacancy rates in San Mateo have returned to the lows of the 1980's with the vacancy rate in February 2000 at 1.0%. In June 2001, the rate had risen to 3%, indicating an improving but still tight market.

HOUSING AFFORDABILITY

The cost of housing in the Bay Area has risen dramatically in the past years, making it difficult for lower income people to find housing that is affordable to them. The National Association of Home-builders reports that California cities have the lowest homeowner affordability rates in the country, defined as the percentage of homes affordable to the median income family. Despite the high median incomes, especially in the Bay Area, few can afford the cost to purchase a home. The San Francisco PMSA, of which San Mateo is a part, was the least affordable area nationally in 2000, ranking 177th of 177 MSAs studied. The following table illustrates these rankings for selected MSAs in California.

Housing Affordability Index, Selected California MSAs, 2000

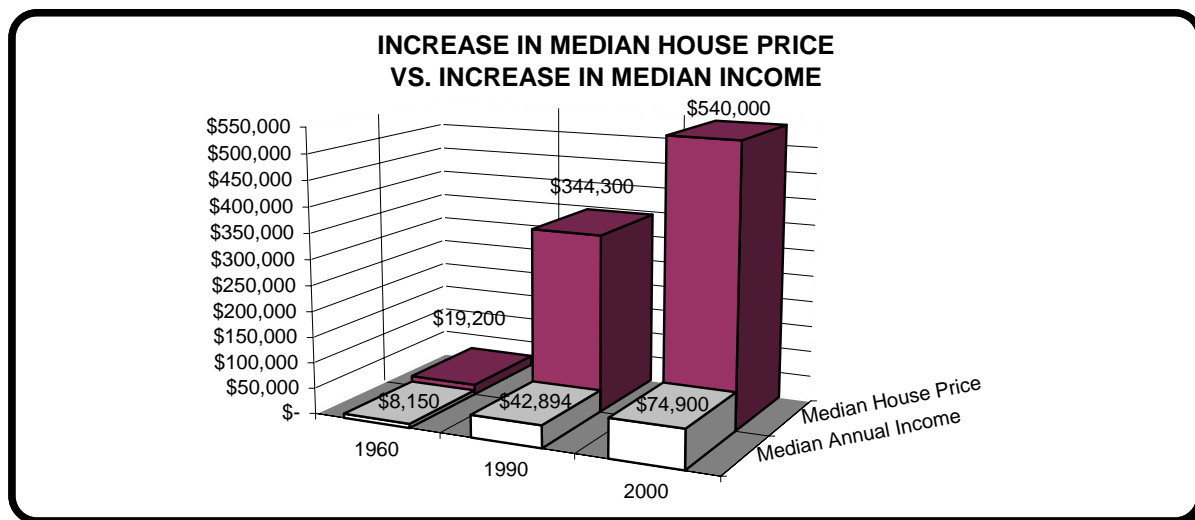
Location	% of Homes Affordable to Median Income	2000 Median Income	Median Sales Price	National Affordability Rank
SAN FRANCISCO	5.7%	\$74,900	\$505,000	177
Santa Cruz-Watsonville*	8.7%	\$61,700	\$371,000	176
SAN JOSE	13.0%	\$87,000	\$448,000	174
Santa Rosa+	13.8%	\$58,100	\$287,000	173
OAKLAND	23.5%	\$67,600	\$310,000	171
SAN DIEGO	24.6%	\$53,700	\$235,000	169
Vallejo-Fairfield-Napa+	24.9%	\$53,300	\$220,000	168
Stockton-Lodi-Tracy+	30.2%	\$45,400	\$182,000	161
LOS ANGELES-LONG BEACH	34.8%	\$52,100	\$205,000	156
ORANGE COUNTY	36.1%	\$69,600	\$267,000	155
SACRAMENTO	46.7%	\$52,900	\$175,000	140
Modesto+	47.7%	\$43,900	\$142,000	138
Yolo*	48.3%	\$54,900	\$179,000	136
RIVERSIDE-SAN BERNARDINO	50.8%	\$47,400	\$148,000	129
Fresno+	51.7%	\$37,600	\$114,000	128
NATIONAL	58.4%	\$50,200	\$147,000	

Source: National Association of Homebuilders, 2000

Note: *Denotes population below 250,000; +denotes population of 250,000 to 1 million; capital letters denotes population over 1 million.

Ownership Housing

Since 1960, property values have risen astronomically, with median prices increasing from \$19,200 in 1960 to \$344,300 in 1990 to almost \$540,000 in 2000. In 2000, the San Mateo County Association of Realtors has reported a median home price of \$305,000 for condominiums and a median home price of \$535,000 for single-family homes. The greatest inflation in property values occurred in the mid-1970s and again in the late 1980's, although since 1997 there has also been significant inflation in property values. During the same period, household median income rose from \$8,150 in 1960 to \$74,900 in 2000. The difference in the inflation of home values and household income levels has resulted in critical housing affordability gap. In 1989, only 17% of San Mateo households could afford to purchase a median priced home and it is assumed that this trend has continued over the last 10 years. The affordability gap is expected to continue increasing as employment in the lower paying service sectors of the economy becomes more dominant.



Rental Housing

The high demand for housing has also affected the rental market over the last few years such that there is a growing affordability gap for rental housing as well. According to the Tri-County Apartment Association, the average contract rent in the City in late 1999 was \$1,414³. This includes an average rent of \$968 for a studio, \$1,284 for a one-bedroom, \$1,550 for a two bedroom, and \$2,142 for 3 or more bedrooms. These numbers are somewhat inflated because the Tri-County Apartment Association represents owners of apartment complexes with 50 or more units which corresponds to the highest end rental housing.

More accurate are the Fair Market Rents (FMR) for various unit sizes of rental units as described in the table below. Fair Market Rents (FMRs) are estimates, prepared by the US Department of Housing and Urban Development, of the rent plus utilities that would be required to rent privately owned, decent, safe, and sanitary rental housing of a modest nature with suitable amenities. The calculation of FMRs is based on information from the 1990 Census, housing surveys, and the CPI for housing. The rent figures do not necessarily reflect current asking rents, but rather the upper limits of rents that can be used in the negotiations for Section 8 contracts and other similar rent subsidy programs. The difference between FMRs and market rents illustrates the ongoing problem of the need for increased housing subsidies. As the gap between HUD FMRs and rents in the County widen, there are fewer and fewer landlords who will accept Section 8 vouchers and certificates.

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

³It is important to note that these numbers reflect asking street rents. No in-place rents are included in the survey, so that the average rents will be higher than were the universe of rental units included in the survey.

FMR versus Affordable Rents, 2001

Unit Size	Fair Market Rent	Affordable Rents at 50% MFI as		Affordable Rents at 80% MFI as	
		Affordable Rents at 50% MFI	Percent of FMR	Affordable Rents at 80% MFI	Percent of FMR
No Bedroom	\$891	\$740	83.1%	\$1,190	133.6%
One Bedroom	\$1,154	\$850	73.7%	\$1,360	117.9%
Two Bedroom	\$1,459	\$960	65.8%	\$1,530	104.9%
Three + Bedrooms	\$2,001	\$1,060	53.0%	\$1,700	85.0%

HOUSING CONDITION

In determining the condition of the existing housing stock and the need for its preservation and improvement, the 1990 Census information is not sufficient, because the Census defined unsound buildings as those without plumbing or without kitchens. The Census therefore does not provide the level of specificity needed to accurately gauge the housing rehabilitation needs of the community.

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

Approximately 74% of the housing units in San Mateo are over twenty-five years old, and more than 57% were built before 1960. Similar to the rise in property values, the cost of housing maintenance also increased in the 1980's. As housing structures grow older so does the demand for regular maintenance. Property maintenance, however, is often deferred as residents are frequently unable to afford the rising cost.

Age of Housing Stock and Estimate of Units Needing Rehabilitation or Replacement, 1990

Year Built	Owner Occupied		Renter Occupied		Total	
	#	%	#	%	#	%
1980 to March, 1990	1,846	14.6%	9,8%	2,210	4,056	11.4%
1970 to 1979	2,283	15.4%	12.1%	2,445	4,728	13.3%
1960 to 1969	1,836	16.4%	9.7%	3,858	5,694	16.0%
1950 to 1959	5,534	18.5%	29.3%	3,799	9,333	26.3%
1940 to 1949	4,441	12.1%	23.5%	2,914	7,355	20.7%
1939 or earlier	2,925	23.0%	15.5%	1,389	4,314	12.2%
TOTAL	18,865	100.0%	100.0%	16,615	35,480	100.0%
Units needing to be rehabilitated					4,169	12%
Units that can be repaired					4,127	99%
Units that must be replaced					42	1%

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

The table below shows the results of a housing survey conducted in these neighborhoods in the summer of 1993. The City's survey found 562 housing units in substandard condition needing rehabilitation, all of which were deemed suitable for rehabilitation rather than demolition.

As another indicator to determine substandard housing, the U.S. census uses "lack of plumbing, a kitchen or heating." The 1990 census reported 417 housing units that lack plumbing, a kitchen, or heating, representing less than 1% of the City's housing stock. The majority of these units were located in the same neighborhoods as those identified by the housing survey.

Census Tract	Number of Substandard Units	Percentage of Units Suitable for Rehabilitation
6060	134	100%
6061	161	100%
6062	203	100%
6063	64	100%
TOTAL	562	

UNITS AT RISK OF CONVERSION TO MARKET RATE

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

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

Project-Based Section 8

Flores Gardens has 72 one-bedroom senior units. The project was built with federal 221(d)(4) financing and affordability is maintained through Section 8 project based assistance. Six of the units are fully accessible for persons with disabilities. The 72 units are at-risk of being lost from the affordable housing stock in December 2003 when the Section 8 rental certificates are scheduled to expire. Goldrich and Kest, a private management agency that owns Flores Gardens, has not decided its future intentions for the project. The City will continue its discussions with the owner, and is prepared to offer assistance as necessary to ensure the affordability of the units. Vacancies in this development are rare and are quickly filled by persons on a waiting list.

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

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

200 S. Delaware. In November 1999, the City entered into an agreement with the nonprofit organization Human Investment Project (HIP Housing) to acquire and conduct minor rehabilitation on the 16-unit apartment building at 200 S. Delaware. The City contributed \$391,600 in RDA Housing Set-Aside funds and \$774,000 in HOME funds to ensure the affordability of all 16 units. The building consists of 4 studio, 4 one-bedroom, and 8 two-bedroom units. HIP Housing has secured Section 8 assistance for many of the units in the project.

Tenant-Based Section 8

Of the 475 Section 8 certificates and vouchers allocated to the City 40 are used by households renting studios, 247 by households renting 1-bedroom units, 127 by families renting 2-bedroom units, 81 by families renting 3-bedroom units and 19 by families renting 4 or more bedroom units. The units are dispersed throughout the city.

Assisted Rental Housing

The following table contains an inventory of assisted rental projects and other rental units that are affordable. Because of the high demand for subsidized housing in San Mateo, vacancies are limited to brief transitional periods from one occupant to the next. Occupancy waiting lists exist for every subsidized development.

City of San Mateo Assisted Rental Housing

Project and Year Completed	Type of Development	Total Units	Total Aff. Units	30% AMI	50% AMI	65% AMI	80% AMI	120% AMI	studio	1BR	2BR	3BR	4 BR	Afford. Expir.	Owner	Financial Assistance
Pilgrim Plaza 1961	Senior Rental, New Construct	56	56				56			56				2011	NP	Low-interest loan from HUD Section 202 Elderly Program
Park Towers 1965	Senior Rental, New Construct	200	200				200			200				2015	NP	Low-interest loan from HUD Section 202 Elderly Program
Flores Gardens 1984	Senior Rental, New Construct	72	72				72			72				2003	Private	Sec 221 (d)(4); Lease agmt. for air rights over city parking lot
Edgewater Isle 1986	Senior Rental, New Construct	92	92		25		67			92				Refinanced in 1998 (see below)	NP	0% 15 yr \$950,000 RDA loan; CHFA loan \$5,000,000
Rotary Haciendas 1988-89	Senior Rental, New Construct	82	82		81		1		17	64				2044	NP	Bought land w/RDA 8.75% deferred loan (\$968,000); LIHTC (\$3,668,000); Private (\$2,100,000)
Belmont Bldg. 1993-94	Family Rental, Conversion	6	6		6					6				2032	Private	0% Deferred Loans CDBG (\$600,000) & RDA (\$200,000)
12 N. Idaho 1994	Family Rental/ Acq./Rehab	6	6		1	4	1			4	2			2024	NP	0% Deferred Loans RDA (\$100,000) & HOME (\$10,436); SM Co. HOME (\$307,000); Private Loan(\$130,000)
Darcy Bldg. 1994-95	Family Rental/ Conversion	8	8		8					6	2			2034	NP	0% Deferred Loan RDA (\$935,436); HOME (\$564,564); Hsg Auth. (\$150,000)
106 N. Eldorado 1996	Family Rental/ Acq./ Rehab	6	6		1	4	1			1	5			2036	NP	0% Deferred Loan HOME (\$450,000); Private Loan (\$175,000)

Hotel St. Matthew 1996	SRO - Acq./Rehab	56	56		56				56					2036 (tax credits require 2051)	NP	0% Deferred Loan HOME (\$614,250) & 0-3% Deferred RDA (\$1,385,750); LIHTC (\$2,118,000), Private (\$247,000)
St. James Mt. Zion Duplex 1997	Family Rental/ Rehab	2	2				2			1	1			2017	NP	5% 20 yr CDBG Rehab loan (\$80,000); private (\$10,000)
Edgewater Isle 1998	Senior Rental/ Acq./ Rehab	92	92		25	66		1		92				2048 Renewal option for add'l 50	NP	3% Deferred loans HOME (\$492,750) & RDA (\$1,507,250); rollover of exist. RDA loan 3% Deferred (\$725,270); CHFA Loan (\$4,780,000)
Bridgepointe Condominiums 1999	Family Rental/ New Construct	396	59		24			35		27	30	2		2021	Private	Project in Redevelopment Area/BMR units
200 S. Delaware 1999	Family Rental/ Acq./Rehab	16	16	2	2		5	7	4	4	8			2049	NP	3% Deferred loans RDA (\$441,600) and HOME (\$774,400)
The Madrid 2000	Family Rental/ New Construct	13	1				1				1			Life of property	Private	BMR units
Humboldt House 2000	Mental Disabled/ Rehab	9	9		9						9			2020 Renewal option for add'l 20	NP	3% simple int. deferred, renewable in 20 yrs RDA (\$135,000) and HOME (\$365,000)

<i>Under Construction</i>																
Jefferson at the Bay 2001-02	Family Rental/ New Construct	575	58				58			31	23	4		Life of property	Private	BMR units
Santa Inez Apartments 2001	Family Rental/ New Construct	44	44	0	42	2					25	15	4	2055	Private	RDA deferred loan (\$3,270,500), LIHTC (\$2,977,786), Private Loan (\$2,682,701), Investor capital (\$435,500) (Spring 2001)
TOTAL # OF UNITS		1,687	821	2	238	74	464	43	77	656	81	6				

Flores Gardens is the only development at-risk of losing its affordability during the next five years. A private management corporation, Goldrich and Kest owns Flores Gardens. The City is currently investigating if Goldrich and Kest will be maintaining the affordability of the units or if the City needs to assist in maintaining the affordability at Flores Gardens.

Assisted Ownership Housing

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

City of San Mateo Assisted Ownership Housing

Project and Year Completed	Total Units	Total Aff. Units	30% AMI	50% AMI	65% AMI	80% AMI	120% AMI	studio	1BR	2BR	3BR	4 BR	Affordability Expiration	Financial Assistance
Meadow Court 1987-88	78	70					70		9	33	24		30-40 years/ rolls over with each new buyer	Bought and contributed land w/ CDBG (\$500,000); CHFA mortgages for buyers
Gateway Commons 1989	96	93				16	77		46	41	6		30-40 years/ rolls over with each new buyer	Bought land w/ CDBG (\$426,000) & RDA (\$975,000); CHFA mortgages for buyers
Summerhill I 1996	54	6					6			6			30 years/ rolls over with each new buyer	BMR units
Summerhill II 1997	70	6					6			6			30 years/ rolls over with each new buyer	BMR units
Rushmore Townhomes 1998	13	1					1				1		30 years/ rolls over with each new buyer	BMR units
Humboldt Square 1998	26	8					8				8		30 years/ rolls over with each new buyer	Land acq./ Sold to private dev. below market. RDA subsidy (\$1,170,000) Private construct. loan (\$6,330,000), Developer capital (\$200,000)

Project and Year Completed	Total Units	Total Aff. Units	30% AMI	50% AMI	65% AMI	80% AMI	120% AMI	studio	1BR	2BR	3BR	4 BR	Affordability Expiration	Financial Assistance
St. Matthews Place	34	5		2			3			4	1		30 years/ rolls over with each new buyer	Project in Redevelopment Area
Ryland Homes 2001	153	15					15			9	3	3	30 years/ rolls over with each new buyer	BMR units
<i>Under construction</i>														
Norfolk Properties	67	7		5			2		2	5			30 years/ rolls over with each new buyer	BMR units
TOTAL	591	211	0	7	0	16	188	0	57	104	43	3		

HOUSING NEEDS OF LOWER-INCOME HOUSEHOLDS

The purpose of this section is to discuss the needs for housing assistance separately for various income groups by tenure type (renter/owner) and for different family categories (large/small families, elderly). This section also discusses the extent to which housing problems affect very low-, low- and moderate-income renters and owners when compared to the jurisdiction as a whole; and to what extent any racial or ethnic group has disproportionately a greater need for housing assistance based on income category, family type, or tenure type when compared to housing needs for the jurisdiction as a whole. Data for this section has been provided by HUD and is based on 1990 U.S. census. For the most part, no new information is available to update the 1990 data. For the purposes of this report, the following definitions shall apply:

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

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

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

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

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

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

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

Housing Assistance Needs for All Households

In San Mateo a total of 7,786 renter households and 6,825 owner households have reported housing problems and need some type of assistance. According to information supplied by HUD, 13,224 (37%) of all households reported a cost burden or severe cost burden; 6,796 (51%) of these households were renter-occupied; and 6428 (49%) were owner-occupied. U.S. census data from 1990 indicates that 2,357 (7%) of all housing units in San Mateo were overcrowded; 60% were renter occupied.

HOUSEHOLDS WITH HOUSING PROBLEMS

	Renters	%	Owners	%	Total	%
Total Households	16,615		18,865		35,480	
W/ Housing Problems	7,786	47%	6,825	36%	14,611	41%
W/Cost Burden	6,796	41%	6,428	34%	13,224	37%
W/Overcrowding	1,414	9%	943	5%	2,357	7%

Large Related Households: Large related households, particularly those which rent may require housing assistance due to increased household expenses and the need for larger living quarters that typically have higher rents. Since most of these families must compete for the limited amount of larger units (3 + bedrooms) that tend to be more expensive than smaller units, many of these families, especially those with small children may experience overcrowding. HUD data indicated that 1,219 (87%) of all large related renter households reported a housing problem, 889 (63%) reported overcrowding as one of their housing problems.

Small Related Households: Data suggests that small related households when compared to the population as a whole do not experience as significant a housing problem. However, small related renter households headed by single parents may require housing assistance. According to the 1990 Census, there were 413 single parent households that lived below the poverty line and probably have a housing problem.

Elderly Related Households: Elderly related households, particularly renters may require special housing assistance when compared to other family, age and tenure groups in the City. Many of these renters live on limited incomes and in substandard rental housing. Out of the 3,107 elderly renter households in the City, 1,966 (63%) reported a housing problem; and 1,001 (32%) reported a severe cost burden.

Female Head of Households: In 1990, approximately 10% of households in the City and sphere of influence were headed by women with children under the age of 18. The proportion of female head of households has been increasing somewhat since the 1970s. Households headed by women are frequently in need of housing assistance due to the single-wage earner and added costs of child rearing.

The City has no current estimates of the number of households with a female head who are currently in need of housing assistance. However, in 1990, 41% of the 256 households occupying recent subsidized projects are headed by women. A number of other City programs are also particularly geared toward the needs of female-headed households: Section 8 rental assistance; housing rehabilitation loans (52% to female heads of household); first- and last-months rent program; shared housing; and funding of a women's shelter. However, it is clear that a major unmet need remains.

Other Households: Other households, which include primarily single persons, do not have greater housing problems as a group as compared to the whole population. Like the population as a whole, affordability of housing is a significant difficulty since 2,258 (38%) out of 5,882 households reported a cost burden.

Very Low-Income and Extremely Low-Income Households

Very low-income (VLI) household) are defined as those households whose incomes do not exceed 50% of HUD's adjusted median family income and extremely low-income households are defined as those whose incomes do not exceed 30% of the median income. For purposes of this section, these categories will be discussed together since the needs of these groups are virtually the same. Approximately 18% or 6,409 of all householders in San Mateo were considered to be low-income in 1990. Renters constituted 3,783 (59%) of all VLI households and owners constituted 2,626 (41%) of all VLI households.

Renters

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

Housing Problem: Data provided by HUD indicates that 3,306 households, 87% of all VLI households reported a housing problem. The most severe housing problems associated with this group are overpaying or overcrowding.

VERY LOW-INCOME RENTERS BY HOUSEHOLD TYPE

	Elderly	%	Small	%	Large	%	Others	%	Total	%
Total Households	3,107		5,488		1,219		5,882		15,696	
W/Housing Problems	1,975	63%	2,415	44%	1,061	87%	2,353	40%	7,785	50%
VLI Households	1,560		834		393		996		3,783	
W/Housing Problems	1,264	81%	749	90%	393	100%	900	90%	3,306	87%
Cost Burden >30%	351	23%	210	25%	184	47%	208	21%	953	25%
Cost Burden > 50%	884	57%	522	63%	158	40%	672	67%	2,236	59%

Cost Burden: In San Mateo, 3,189 (84%) of VLI renters pay over 30% of their gross income toward rent, 70% of which pay over half of their income toward rent. Households with high cost burden demonstrate the greatest need for rental assistance or rental subsidies. Elderly, small,

large and other household types all demonstrate a great need for rent subsidies and as such cannot be separated or classified as a priority group for rental assistance.

Overcrowding: Overcrowding has increasingly become a problem for low-income renter households, particularly for large related families in identified low-income areas. The 1990 census reported overcrowded living conditions for 652, or 17% of all VLI renters, half of which are large related families. Census data does not demonstrate that overcrowding is more of a concern for VLI households than the City as a whole, except for those in concentrated areas located in identified lower income areas such as the North Central and North Shoreview neighborhoods.

Based on field experience of City housing and code enforcement staff, it is likely that the number of overcrowded living situations is under reported by the Census. Although it is not possible to quantify, code enforcement offices routinely encounter living situations where people sleep 2-3 persons per room as well as garages, sheds, basements and campers. These living situations consist of large extended families, or large groups of single persons, usually male, who share the rent.

VERY LOW INCOME RENTERS WITH OVERCROWDING

	Total HH	%	Low HH	%
All households	15,696		3,782	
W/Overcrowding	1,570	10%	652	17%
Large Related	1,219	8%	340	9%
W/Overcrowding	889	6%	323	9%

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

FAMILY TYPE DISTRIBUTION BY RACE FOR VERY LOW-INCOME RENTERS

	Elderly	%	Small	%	Large	%	Other	%	Total	%
Total VLI HHs	1,559		832		393		999		3,783	
W/Housing Problem	1,267	81%	749	90%	393	100%	905	91%	3,314	88%
All minority	222		414		332		283		1,251	
W/Housing Problem	185	83%	375	91%	332	100%	204	72%	1,096	88%
Black	37		56		0		72		165	
W/Housing Problem	28	76%	56	100%	0	0%	61	84%	145	88%
Hispanic	68		226		256		114		664	
W/Housing Problem	66	97%	199	88%	256	100%	62	54%	582	88%
Asian	71		61		40		219		391	
W/Housing Problem	Data not available									

Racial and Ethnic Groups: All racial and ethnic groups within the very low renter category have significant housing problems. Very low-income Hispanic households show a disproportionate need compared to other groups as shown below.

Owners

As a group, very low-income owners have less housing problems than low-income renters, yet they have significantly higher percentage of housing problems as whole, which is almost entirely due to housing costs. Since it is nearly impossible for a very low-income household to purchase even a lower priced home in San Mateo's market, it is safe to assume most very low-income owners have owned their property for some time. Seventy-two percent of VLI owners live in homes over 35 years old. Home repair and maintenance costs are a significant burden for this income group.

Housing Problem: HUD data indicates that 1,292 or, 49% of all VLI homeowners reported a housing problem. This percentage is somewhat higher than the general owner population, 34% of which reported a housing problem.

VERY LOW INCOME OWNERS BY HOUSEHOLD TYPE

	Elderly	%	Others	%	Total%
Total Households	6,352		13,448		19,800
W/Housing Problems	1,125	18%	5,700	42%	6,825 34%
Very Low-Income Households	1,707		919		2,626
W/Housing Problems	685	40%	607	66%	1,292 49%
Cost Burden 30 - 50%	299	18%	104	11%	403 15%
Cost Burden > 50%	386	23%	466	51%	852 32%

Cost Burden: In San Mateo, 48%, or 1,255 of VLI homeowners reported a cost burden of over 30%, and 32% (852 households) reported a housing cost burden of over 50% of income. This is significantly higher than owners as a whole, 40% of which report a cost burden and only 12% of which report a severe cost burden.

Overcrowding: Overcrowding was an issue with a very small number of VLI homeowners. There were only 109 VLI homeowners out of a total of 2,626 that reported living in an overcrowded unit, which is typical of homeowners as a whole throughout the City.

VERY LOW INCOME OWNERS WITH OVERCROWDING

	Total HH	%	Low HHs	%
All Households	19,800		2,626	
W/Overcrowding	653	3%	109	4%

Family Size and Elderly: Elderly households make up a significant number (65%) of VLI households, whereas they make up 32% of general homeowner population. Their housing problems are entirely cost related, which is compounded by the fact they tend to live in the older housing stock and presumably live on fixed incomes.

Racial and Ethnic Groups: Income distribution data provided for VLI homeowners indicates that Hispanics have a disproportionate housing problem compared to other low income owner groups.

FAMILY TYPE DISTRIBUTION BY RACE FOR VERY LOW INCOME OWNERS

	Elderly	%	Small	%	Large	%	Others	%	Total%
Total VLI HHs	1,707		404		87		428		2,626
W/Housing Problem	685	40%	260	64%	81	93%	266	62%	1,292 49%
All Minority	200		184		64		80		528
W/Housing Problem	74	37%	114	62%	64	100%	32	49%	284 54%
Black	81		9		8		11		109
W/Housing Problem	28	35%	9	100%	8	100%	0	0%	45 41%
Hispanic	36		56		33		44		169
W/Housing Problem	15	42%	38	68%	33	100%	25	57%	111 66%

Low-Income Households

Low-income (LI) households are defined by HUD as those households whose incomes fall between 51 to 80% of HUD's adjusted median family income (MFI). Approximately 9% or 3,041 of all households in San Mateo were considered to be low-income. Renters constituted 1,873 or 62% and owners constitute 1,168 or 38% of all LI households. Renters in this income group constituted a higher percentage (62% renter) when compared to the tenure mix for the City's overall household population (44% renter).

Renters

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

Housing Problem: HUD data indicates 1,630 or 87% of all LI renters reported a housing problem. This percentage is 37% higher than the City's renter household population as a whole. Cost burden data for LI renters seems to indicate that most housing problems for this group are due primarily to the high price of housing that requires a greater portion of household income to be devoted to rent.

LOW-INCOME RENTERS BY HOUSEHOLD TYPE

	Elderly	%	Small	%	Large	%	Others	%	Total	%
Total Households	3,107		5,488		1,219		5,882		15,696	
W/Housing Problems	1,957	63%	2,415	44%	1,061	87%	2,353	40%		
Low-Income Households	422		663		161		627			
W/Housing Problems	346	82%	590	89%	161	100%	533	85%		
Cost Burden >30%	252	60%	452	68%	120	75%	422	67%		
Cost Burden >50%	86	20%	75	11%	19	12%	105	17%		

Cost Burden: Cost burden data provided by HUD indicates that 1,531 or 82% of all LI renters reported a cost burden, with 285 of these households reporting a severe cost burden. Elderly, small, large and other households types do not demonstrate a greater cost burden when compared

to LI households as a whole and therefore do not warrant specific targeting for subsidies or rental assistance.

Overcrowding: Overcrowding was a housing problem for 260, or 14% of all LI renters, with the majority, or 171 households, classified as large related. Based on the limited number of reported households, overcrowding does not appear to be a significant problem for this income tenure group.

LOW-INCOME RENTERS WITH OVERCROWDING

	Total HHs	%	Mod. HHs	%
All households	15,696		1,868	
W/Overcrowding	1,570	10%	260	14%
Large related	1,219	8%	171	9%
W/Overcrowding	889	6%	125	7%

Family Size and Elderly: Housing and income data for LI renters broken out by family type and age shows that large families have a disproportionate housing need over other household types.

Racial and Ethnic Groups: Specific housing assistance by race for LI renters does not appear to be a priority given that no one particular ethnic category reports a greater housing problem, particularly cost burden, when compared to LI renters as a whole.

LOW-INCOME RENTERS BY RACE

	All Minority	%	Black	%	Hispanic	%	All Households	%
Total Households	1,868		628		77		363	
W/Housing Problems	1,629	87%	562	89%	69	90%	346	95%

Owners

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

Housing Problem: Out of the 1,168 LI homeowners, 501 or 43% reported a housing problem. This is somewhat higher than the 34% reported for all City homeowners.

LOW-INCOME OWNERS BY HOUSEHOLD TYPE

	Elderly	%	Others	%	Total	%
Total Households	6,352		13,448		19,800	
W/Housing Problems	1,125	18%	5,700	42%	6,825	34%
Low-Income Households	634		534		1,168	
W/Housing Problems	130	21%	371	69%	501	43%
Cost Burden >30%	76	12%	165	31%	241	19%
Cost Burden > 50%	41	6%	184	34%	225	19%

Cost Burden: Cost burden is not as significant of a housing problem for LI homeowners as it is for VLI homeowners. Only 466 or 37% of all LI households reported having a cost burden, and 225 or 19% reported a severe cost burden.

Overcrowding: Overcrowding was a housing problem for 96 owner occupied LI households and base on the number reported, did not represent a specific housing need for the City or imply a burden for any particular household type.

LOW-INCOME OWNERS WITH OVERCROWDING

	Total HH	%	Mod. HHs	%
All households	19,800		1,168	
W/Overcrowding	653	3%	96	8%

Family Size and Elderly: The number of households reporting housing problems by family size and age did not appear to show that a particular greater housing need existed for any one household type. HUD data was not provided for cost burden or overcrowding by family size for owner occupied LI households and is not included in this analysis. Information provided for elderly LI homeowners indicated that a very small amount reported housing problems or cost burden that did not represent a specific housing need for this group.

Racial and Ethnic Groups: Income distribution information provided by HUD for homeowners by housing problem indicated that 163 low-income minority households reported a housing problem, with Hispanics showing a disproportionate need over other groups.

LOW-INCOME OWNERS BY RACE

	All Minority	%	Black	%	Hispanic	%	All Households	%
Total Households	258		59		59		1,168	
W/Housing Problems	163	63%	21	36%	59	100%	501	43%

Middle-Income Households

Middle-income (MI) households are defined by HUD as those households whose incomes are between 81 to 95% of HUD's adjusted median family income. Approximately 8% or 2,987 of all householders in San Mateo were considered to be moderate-income in 1990. Renters constituted 57% or 1,711 of all MI households and owners 43% or 1,276 MI households. This proportion is roughly equal to that for low-income households.

Renters

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

Housing Problem: Housing problems were reported for 1,129 (66%) of all MI renters. Housing problems reported for this income group is 22 to 29% lower when compared to VLI and LI

renters and is most likely associated with cost burden as opposed to overcrowding or substandard housing. Housing problems do not appear to be as prevalent of a problem for the middle-income group as for lower-income renters given the lower overall number and percentage reporting housing problems for this income and tenure group. Their needs are greater than the renter population at large, where 50% report a housing problem.

MIDDLE INCOME RENTERS BY HOUSEHOLD TYPE

	Elderly %	Small %	Large %	Others %	Total %
Total Households	3,107	5,488	1,219	5,882	15,696
W/Housing Problems	1,957 63%	2,415 44%	1,061 87%	2,353 40%	7,785 50%
MI. Households	294	567	144	706	1,711
W/Housing Problems	185 63%	431 76%	135 94%	378 54%	1,129 66%
Cost Burden >30%	144 49%	327 58%	27 19%	346 49%	844 49%
Cost Burden >50%	31 11%	15 3%	0 0%	14 2%	60 4%

Cost Burden: Cost burden was reported for 53% or 904 of all MI renters, 60 of which reported a severe cost burden. When compared to low- and moderate-income renter households reporting a cost and severe cost burden, the middle-income group fared far better both in terms of absolute numbers and percentages, and are more in line with the renter population in general.

Overcrowding: Specific overcrowding data for this income group was not provided by HUD and will not be discussed in this report.

Family Size and Elderly: Housing problem and cost burden data was provided for middle-income renters by family size and elderly households. The data indicates that of large families show a disproportionate need over other household types. This appears to be more related to overcrowding and condition of housing rather than cost burden.

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

Owners

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

Housing Problem: Housing problems were reported for 498 or 39% of all middle-income homeowners. Housing problems reported for this income group are not significantly different for all households reporting a housing problem and is not a specific housing issue for this income group.

MIDDLE INCOME OWNERS BY HOUSEHOLD TYPE

	Elderly	%	Others	%	Total	%
Total Households	6,352		13,448		19,800	
W/Housing Problems	1,125	18%	5,700	42%	6,825	34%
MI Households	563		713		1,276	
W/Housing Problems	61	11%	437	61%	498	39%
Cost Burden 30-50%	35	6%	256	36%	291	23%
Cost Burden > 50%	26	5%	181	25%	207	16%

Cost Burden: The majority of those middle-income homeowners reporting a housing problem also reported a cost burden. Out of the reported 464 homeowners in this income group reporting a cost burden, only 207, or 16% reported a severe cost burden. Cost burden does not appear to be as significant of a problem for owners in this income group as it does for VLI and LI homeowners.

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

Family Size and Elderly: HUD data for housing problems, cost burden and overcrowding was not broken down for specific family types for this income and tenure category and subgroups will not be discussed in this report. Sixty-one elderly households in this income group reported a housing problem (11% of all elderly households in this income and tenure category), which is not considered a significant housing assistance need.

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

Households Above 95% of Median Income (Moderate Income and Above)

Approximately 65% or 23,059 of all householders in San Mateo were considered to be above 95% of the median income in 1990. Renters constituted 36% or 8,329 of all above 95% median income and owners 64% or 14,730 households.

Renters

Housing needs identified for renters with median income above 95% are primarily due to cost and affordability of rental units. As with moderate and middle-income renters, cost burden is an issue for middle-income renters, but to a lesser degree when considering the flexibility and price ranges available to this income group.

Housing Problem: Housing problems were reported for 1,717 (21%) of all renters above 95% of median income. Housing problems reported for this income group is 64 to 45% lower when compared to moderate-income and middle-income household renters and is most likely associated with cost burden as opposed to overcrowding or substandard housing. Housing problems do not appear to be as prevalent of a problem for the 95% median income group as for other renters given the lower overall number and percentage reporting housing problems for this income and tenure group.

ABOVE 95% MEDIAN INCOME RENTERS BY HOUSEHOLD TYPE

	Elderly	%	Small	%	Large	%	Others	%	Total	%
Total Households	3,107		5,488		1,219		5,882		15,696	
W/Housing Problems	1957	63%	2415	44%	1061	31%	2353	40%	7,786	50%
Above 95% Households	831		3,424		521		3,553		8,329	
W/Housing Problems	167	5%	657	12%	372	31%	521	9%	1,717	21%
Cost Burden 30-50%	158	19%	428	13%	95	18%	491	14%	1,172	14%
Cost Burden >50%	44	5%	0	0%	8	2%	0	0%	52	0.06%
Overcrowding	0	0%	236	7%	295	6%	37	1%	568	7%

Cost Burden: Cost burden was reported for 15% or 1,224 of all Above Median renters, 52 of which reported a severe cost burden. When compared to all renter households reporting a cost and severe cost burden, the group with above 95% median income was far better both in terms of absolute numbers and percentages.

Overcrowding: Overcrowding was a housing problem for 568 or 7% of all households renters above 95% median income particularly for groups classified as small and large related with 236 and 295, respectively.

Family Size and Elderly: Housing problem and cost burden data was provided for renters with 95% median income by family size and elderly households. The data indicates that large families show a disproportionate need over other household types. This appears to be more related to overcrowding and condition of housing rather than cost burden.

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

Owners

As with homeowners above 95% median income, housing rehabilitation assistance can be an effective way to lower the cost of housing maintenance and utilities and somewhat improve the cost burden for many middle-income homeowners reporting overpaying for housing costs and utilities.

Housing Problem: Housing problems were reported for 4,534 or 35% of all homeowners above 95% of median income homeowners. Housing problems reported for this income group are lower for all households reporting a housing problem and is not a specific housing issue for this income group.

ABOVE 95% MEDIAN INCOME OWNERS BY HOUSEHOLD TYPE

	Elderly	%	Others	%	Total	%
Total Households	6,352		13,448		19,800	
W/Housing Problems	1125	18%	5700	42%	6,825	34%
Above 95% Households	3448		11,282		14,730	
W/Housing Problems	249	7%	4285	38%	4,534	34%
Cost Burden 30-50%	242	7%	4005	35%	4,247	29%
Cost Burden >50%	57	2%	730	6%	787	5%
Overcrowding	0	0%	377	3%	377	3%

Cost Burden: The majority of those homeowners above 95% of median income reporting a housing problem also reported a cost burden. Out of the reported 5,034 homeowners in this income group reporting a cost burden, only 787, or 16% reported a severe cost burden. Cost burden does not appear to be as significant of a problem for owners in this income group as it does for all other homeowners.

Overcrowding: Overcrowding was a housing problem for 377 or 3% of all homeowners above 95% median income particularly for groups other than elderly.

Family Size and Elderly: HUD data for housing problems, cost burden and overcrowding was not broken down for specific family types for this income and tenure category and subgroups will not be discussed in this report. Two hundred forty-nine elderly households in this income group reported a housing problem (7% of all elderly households in this income and tenure category), which is not considered a significant housing assistance need.

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

Needs of Homeless

Limited information is available on the homeless population in San Mateo due to the following reasons. First is the transient nature of the population, which makes it hard to count for a given geographic area. Second is the lack of data on those homeless not seeking assistance from service providers. Third is the lack of statistical gathering on the part of service providers. However, some reports have been prepared by service providers in the County which describe the extent of homelessness in San Mateo, and will be used in the Consolidated Plan to describe the housing needs for homeless in San Mateo.

In 1995, the San Mateo County Human Service Agency (SMCHSA) sanctioned the Bay Area Social Services Consortium (BASCC) to reassess the needs of homeless persons residing in San Mateo County by conducting a community needs assessment. The study surveyed 419 unduplicated homeless individuals. The survey examined different issues relating to homelessness including but not limited to causes of homelessness, means of financial support and particular services needed. In addition, 60 representatives from various organizations providing services to homeless persons in the County were interviewed.

The Needs Assessment provided a demographic profile of the 419 homeless individuals who participated in the study. While the number is a sample of the total County population, and it is unlikely the County's statistical profile accurately reflects the City's it provides a general description of the likely characteristics of the City's homeless population.

The majority (50.3%) of the respondents reported being single and not having children. 37.3% of the respondents have children, with close to three-quarters (71.4%) caring for them during their period of homelessness. Single parent families had an average of two children while those married or in a couple relationships with children have a mean number of 2.3 children. Roughly three-quarters of the homeless persons were male, and slightly more than one-quarter were female. Regarding the ethnicity of the respondents, 37.7% were Caucasian, 33.7% were African American, 18.5% were Hispanic, 4.7% were Asian/Pacific Islander, 4.2% are Native

American, and 1.2% were Other. One important finding is that blacks, which comprise 3% of the general population, are significantly over-represented among the homeless population, making up 33.7% of all homeless. Conversely, the Asian population, while making up 13% of San Mateo residents, is only 4.7% of the homeless population.

Over half of the respondents received high school diploma, 17.1% attended some undergraduate education, 12.7% completed elementary school, 10% received college degree, and 4.2% had vocational training. Nearly one-quarter reported being a United States veteran.

When asked about how many days they had been homeless, responses ranged from 0 days to 25 years with an average of 1.37 years. Most frequently reported response for men was six months, while women reported one month of homelessness.

A significant percentage (44.4%) of the respondents lost their housing due to evictions (not able to make rent payments). Over one-third (38.9%) stated that losing their job caused them to lose their housing.

In terms of employment and income during the last six months, 34.8% supported themselves financially through a job, and 12.3% reported no means of support. About 25.6% received Food Stamps; 17.9% had assistance from family and friends; 15.3% supported themselves through General Assistance benefits; and 14.3 used hand/outs/panhandling.

The study also incorporated a retrospective count of all homeless persons served by various government and nonprofit agencies during calendar 1994 conducted by HHAC. The retrospective count indicates a total of 2,432 homeless households served by various providers in San Mateo County. These households comprise of 2,649 adults and 1,850 children for a total of 4,499 persons who experienced an episode of homelessness and sought services in San Mateo County.

The 1994 count documents fewer homeless individuals than were reported in the HHAC 1990 report entitled "Living In The Shadow of Affluence." In the 1990 report, HHAC estimated approximately 8,665 homeless persons in San Mateo County, stating that there are typically 7,000-9,000 individuals who experience an episode of homelessness in San Mateo County during a 12-month period. According to the San Mateo County Needs Assessment, the decrease in number is by no means an indication of a decline in the overall extent of homelessness in San Mateo County. This is primarily due to a different methodology, definition of homelessness, and an improved counting method, which ensures against duplication.

The 1995 Needs Assessment provided an accurate account of the nature and extent of homelessness in San Mateo County. But unlike the survey conducted by the San Mateo County Department of Community Services in 1986, the 1995 Needs Assessment did not provide an accurate count of the number of homeless persons in the City of San Mateo. The 1986 survey conducted by the San Mateo County Department of Community Services estimated that approximately 800 (not including children) homeless persons reside in the City of San Mateo at any one time and appears to be the most accurate data (excluding the U.S. Census) for the total homeless population for the City.

Respondents of the SMCHSA 1995 Needs Assessment state that emergency shelter and housing is the most important service they need. The SMCHSA indicates that a significant number

(37.%) of homeless persons in San Mateo surveyed have children, either as single parents with children or couples with children. Additionally, service providers reported that 31% requiring services were children under the age of 18. Oftentimes this number creates disparity in the supply and demand of shelter. For instance, Shelter Network, a nonprofit shelter provider, reports that between November 1998 and December 1999 its First Step for Families program received referrals for 140 homeless families, yet only 83 of them were served due to lack of capacity. This is an affirmation of the 1995 Needs Assessment where service providers experienced a 73.3% increase in the number of homeless persons served over the past five years.

Housing and assistance for homeless families is a high priority for the City of San Mateo and the County as a whole.

Persons Living With AIDS

According to the epidemiologist for the San Mateo County AIDS Program, San Mateo has the second largest number of reported AIDS cases in San Mateo County. The program indicates that 142 or 13% of the 1,085 persons with AIDS in San Mateo County reported between January 1, 1982 and September 1, 1993 lived in the City of San Mateo. As of September 1, 1993, San Mateo had 53 persons that are still living with the AIDS virus.

The County AIDS program estimates that the number of HIV persons in San Mateo County may total as many as 3,000 - 5,000 persons (A person that is HIV positive may not necessarily have or meet the national definition of a person that has AIDS). In addition to being infected with HIV/AIDS, an alarming number of this population had been diagnosed with other illnesses. ELLIPSE, a San Mateo County service provider for persons with HIV and AIDS, points out that in the last five years there has been a significant increase in number of infected individuals diagnosed with substance problem and/or mental illness. If not all, the majority of these individuals are at-risk of becoming homeless. ELLIPSE also indicates that they provide service for approximately 284 persons that are classified as either having AIDS or considered HIV positive living in San Mateo.

The National Commission of AIDS published the report "Housing and the HIV/AIDS Epidemic; Recommendations for Action" which indicates that roughly 1/3 of all people infected with AIDS are either homeless or are in eminent danger of becoming homeless and are in greatest need for supportive housing and housing assistance. Using the number of current patients that are living with AIDS in San Mateo, approximately 18 persons and/or households require some type of supportive housing.

Needs of Physically Disabled Persons

To be considered physically handicapped, a person must have an illness or impairment, which impedes his/her ability to function independently. This number may include those with developmental disabilities, those who are elderly, and/or frail elderly (these subgroups are specifically discussed later in this report). The Center for Independence Of The Disabled (CID) estimates that approximately 15% of the total population in San Mateo, or 12,823 persons in 1990 have some form of disability.

According to the 1990 Census, San Mateo had a total of 5,907 persons over the age of 16 years of age with a work disability and 2,296 persons over 16 with a mobility limitation. Since these Census categories are not mutually exclusive and do not include those below the age of 16, a definite number of disabled persons cannot be determined using census data. Based on

prevalence figures from the U.S. Census Bureau and population projections by the California Department of Finance, it is estimated that by July 2000, 19.4% or 144,930 of the total San Mateo County population of 747,061 have either severe or non-severe disability. This estimate, however, includes only individuals age 45 and older.

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

Needs of Developmentally Disabled Persons

People with developmental disabilities are those with mental retardation, autism, cerebral palsy, or seizure disorders. Countywide, there are a total of 2,580 people with developmental disabilities who are registered with the Golden Gate Regional Center (GGRC), an organization that works with developmentally disabled people to help them access services.

Current estimates show that approximately 2 – 3% of the population is developmentally disabled. This translates to approximately 1,850 to 2,800 people. According to GGRC, of the 400 developmentally disabled persons served by that organization, about 225 (55%) are adults, virtually all of whom are extremely low income. Most receive SSI and/or a small income from a part time job paying minimum wage. Additionally, of the 225 adults, only 21 (9%) live in their own apartment or home. The staff at GGRC indicates this is in large part because of the high cost of housing in the area.

The needs of this population for supportive housing vary depending on the severity of the illness. Some developmentally disabled persons participate in different programs offered by service providers to help them transition to the community and live independently. For instance, Poplar ReCare provides job training program to developmentally disabled persons. A significant number of this population lives in supportive housing with no or little supervision.

Needs of Frail and Non-Frail Elderly

The number of elderly population has increased dramatically. The increase is widespread, from city, county, state to the national level. Today, according to HUD, 1 in 8 Americans, 34.1 million people, is a senior citizen (age 65 years or older) compared with 1 in 25 in the early 1900. In 1994-95, more than one-half of the older population reported having at least one disability; one third had at least one severe disability. More than 30% of all elderly households pay more than they can afford for housing.

As noted in the section on needs, since 1990 there have been substantial increases in the population above 75 years of age. Although the younger population of seniors declined since 1990 (those 65-75), seniors between 75 and 84 increased 13% over the last ten years. Those on the 85 and above age group grew almost 51%, which means that services geared toward these increasingly older residents are needed. It is presumed that the likelihood of frailty increases with age; therefore, it is probable that the number of frail seniors needing services and housing has increased significantly.

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

Frail Elderly: The frail elderly share many of the same housing needs as the disabled. In order to remain dependent and in their own homes, they may require accessible housing with special design features. Typically frail elderly categorized as low-income are ones that are in most need of supportive housing assistance. No local available data exists on the number of low-income frail elderly persons in need of supportive housing.

Non-Frail Elderly: Non-frail elderly households can also have severe cost burden problems and may lack adequate resources to deal with the continuing increase in costs for housing. Where the effects of aging are combined with low-income, the risk of homelessness is greatest. Non-frail elderly persons may be in need of tenant-based rental assistance, shared housing opportunities, housing rehabilitation, and other supportive services, such as low-cost food and health care services. HUD data indicates 3,091 elderly households have reported housing problems and are in need of some form of supportive housing and or assistance.

Persons with Alcohol/Other Drug Addictions

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

In 1993, the SMCHSA serviced a total of 5,306 persons from San Mateo County, 448 or 9.1% residing in the City of San Mateo. Both the number of person's served for the County as a whole and the City are fairly representative of SMCHSA's countywide estimates. It is estimated that approximately 112 persons and/or households require some supportive housing relating to chemical addiction (this number may also include persons that are or have been homeless).

Persons with Severe Mental Illness

Staff was not able to obtain accurate records from local service agencies on the estimate number of persons with severe mental illness because of the difficulty in distinguishing between the different types of disabilities and illnesses. It is known, however, that persons with severe mental illness have difficulty transitioning to the community and typically require ongoing supportive housing.

Farmworkers

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

E. PROJECTED HOUSING NEEDS

EMPLOYMENT TRENDS

A total of 4,730 new jobs are anticipated to be created in San Mateo between 2000 and 2010, as shown in the table below. This represents a growth rate of 8%. In contrast, the County as a whole is expected to experience a growth rate of almost 9%. While the City and the County anticipate a reduction in the jobs-per-employed-person ratio, the City will continue to see more jobs per person than the County.

Projected Job Growth, 2000-2010

Jurisdiction	2000	2010	Growth	Rate	Jobs per Employed Persons	
					2000	2010
San Mateo	59,070	63,800	4,730	8.0%	1.08	1.06
San Mateo County	380,370	413,840	33,470	8.8%	0.97	0.95

Source: ABAG's Projections 2000

Supported by rapid job growth in certain areas of the County, the unemployment rate is expected to remain low. The City's unemployment rate in May 2001 was 2.2%, which was the same rate as for the County as a whole. The following table shows unemployment for the jurisdictions of the County.

Unemployment Rates By Jurisdiction, San Mateo County, May 2001

Jurisdictions	Labor Force	Employment	Unemployment Number	Rate
Belmont	17,490	17,180	310	1.8%
Burlingame	17,660	17,410	250	1.4%
Daly City	57,880	56,240	1,640	2.8%
East Palo Alto	12,300	11,600	700	5.7%
Foster City	20,710	20,350	360	1.7%
Half Moon Bay	6,020	5,940	80	1.3%
Menlo Park	16,990	16,710	280	1.6%
Millbrae	11,870	11,670	200	1.7%
North Fair Oaks ⁴	8,240	7,840	400	4.9%
Pacifica	25,180	24,740	440	1.7%
Redwood City	43,000	42,150	850	2.0%
San Bruno	25,020	24,480	540	2.2%
San Carlos	17,630	17,410	220	1.2%
San Mateo	56,790	55,540	1,250	2.2%
South San Francisco	33,350	32,430	920	2.8%
TOTAL	416,800	407,700	9,100	2.2%

Source: California Employment Development Department, Labor Market Information, 2001

Although a significant number of new jobs are expected to be created in the County, a large portion of them will be in low-wage service occupations. As shown in the following table, more than 50% of the job classifications projected to have the highest number of openings in San

⁴Census-Defined Place.

Mateo during 1997 - 2004 have mean hourly wages of less than \$15. With the exception of openings for computer professionals and executives, the vast majority of job openings will afford the earner far below median income. This trend indicates that job growth in the County is likely to increase the demand for affordable housing and that the housing affordability situation for those currently housed is not likely to improve due to market forces during this period.

Largest-Growing Occupations, 1997-2004

Top Ten Occupations	# of New Jobs	Mean Hourly Wage	Mean Annual Income	Education/Experience Required
General Managers, Top Executives	3,030	\$70.01	\$145,621	Work Experience, plus BA Degree
Computer Engineers	4,200	\$38.90	\$80,912	BA Degree
Systems Analysts/Electronic Data Processing	2,520	\$34.61	\$71,989	BA Degree
Computer Programmers	2,890	\$33.21	\$69,077	BA Degree
Computer Support Specialists	2,090	\$25.77	\$53,602	BA Degree
General Office Clerks	3,250	\$13.23	\$27,518	Short Term On-The-Job Training
Salespersons, Retail	4,190	\$10.09	\$20,987	Short Term On-The-Job Training
Cashiers	3,420	\$9.48	\$19,718	Short Term On-The-Job Training
Combined Food Preparation and Service	1,920	\$8.38	\$17,430	Short Term On-The-Job Training
Waiters and Waitresses	2,930	\$7.47	\$15,538	Short Term On-The-Job Training

Source: California Employment Development Department, 2001

POPULATION TRENDS

According to ABAG's Projections 2000, the City's population is expected to grow 8.9% (8,200 persons) in the next ten years. As shown in the following table, the population of the County is projected to be almost 780,000 in 2010, growing by 5.8% from 2000.

Projected Population Growth, 2000 - 2010

Jurisdiction	2000		2010		Growth 2000-10	Rate 2000-10
	#	% total	#	% total		
San Mateo	92,482	12.55%	100,700	12.92%	8,218	8.9%
County Total	737,100		779,700		42,600	5.8%

Source: ABAG's Projections 2000 and 2000 Census

HOUSEHOLD TRENDS

ABAG projects that, although the household growth rate for the County as a whole will decline slightly through 2010, the household growth rate for the City of San Mateo will drop significantly, from 5.0% over the last ten years to just 2.6% over the next ten years.

Projected Household Growth Rates, 2000-2010

Jurisdiction	Rate 1990-2000	Rate 2000-2010
San Mateo	5.0%	2.6%
County	5.1%	4.4%

Source: ABAG's Projections 2000

COMMUTING TRENDS

As housing prices escalate, families often move further and further away from central cities to find housing that is more affordable. This trend can be reflected in commuting patterns, not only in terms of the time it takes to travel between two locations, but also in the sheer number of commuters moving into and out of a region.

The following table shows that, between 2000 and 2010, the Metropolitan Transportation Commission anticipates that commuters into and out of San Mateo County will increase by about 10%. Within the County, commuting is expected to increase by 9.8%, while commuters moving out of the County to other destinations will increase by 10.9%. Commuters from other areas coming to San Mateo County will increase by 9.2%.

Expected Commuters Through the County of San Mateo, 2000-2010

County of Residence	County of Work	Commuters, 2000	Commuters, 2010	Expected Numerical Change, 2000-2010	Expected Percentage Change, 2000-2010
<i>Within San Mateo County</i>					
San Mateo	San Mateo	227,788	250,146	22,358	9.8%
<i>Out of San Mateo County</i>					
San Mateo	San Francisco	80,007	90,322	10,315	12.9%
San Mateo	Santa Clara	55,328	61,037	5,709	10.3%
San Mateo	Alameda	13,348	15,697	2,349	17.6%
San Mateo	Contra Costa	3,293	3,803	510	15.5%
San Mateo	Solano	112	144	32	28.6%
San Mateo	Napa	0	0	0	0.0%
San Mateo	Sonoma	99	147	48	48.5%
San Mateo	Marin	1,397	1,633	236	16.9%
San Mateo	Elsewhere	848	833	-15	-1.8%
San Mateo	TOTAL	382,220	423,762	41,542	10.9%
<i>Into San Mateo County</i>					
Alameda	San Mateo	31,643	33,530	1,887	6.0%
Contra Costa	San Mateo	11,402	12,975	1,573	13.8%
Elsewhere	San Mateo	8,946	11,182	2,236	25.0%
Marin	San Mateo	4,100	4,288	188	4.6%
Napa	San Mateo	470	424	-46	-9.8%
San Francisco	San Mateo	39,541	41,202	1,661	4.2%
Santa Clara	San Mateo	32,369	35,753	3,384	10.5%
Solano	San Mateo	4,724	5,229	505	10.7%
Sonoma	San Mateo	2,360	2,141	-219	-9.3%
TOTAL	San Mateo	363,343	396,870	33,527	9.2%

Note: TOTAL is defined as the nine county San Francisco Bay Area and the 12 neighbor counties. Source: Metropolitan Transportation Commission, 2000

REGIONAL HOUSING NEEDS ALLOCATIONS

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

According to ABAG, the regional numbers supplied by HCD are "goal numbers" and are not meant to match anticipated growth in housing units. In developing the allocations, a goal vacancy rate is set by HCD and then a housing unit need to meet that vacancy rate is derived by assessing potential growth rates (population, jobs, households) and loss of housing due to demolition. The numbers produced by HCD are provided to ABAG in the form of a regional

goal number, which is then broken into income categories. ABAG is then mandated to distribute the numbers to Bay Area jurisdictions by income categories.

ABAG produced a methodology based on its Projections 2000 that takes into account growth in terms of both household and job growth during the seven-and-a-half year period. This growth is weighted to 50% households and 50% jobs (Jobs/Housing Balance adjustment) to determine a regional allocation factor (the share of regional growth) to be applied to the regional allocation from HCD. The methodology is further used to distribute a share of housing to each jurisdiction by income category. This portion of the methodology distributes the share of each jurisdiction's need by moving each jurisdiction's income percentages 50% toward the regional average. In essence, each allocation is based on what the anticipated growth is in a particular jurisdiction and what percentage of the expected regional growth this figure represents. The following table shows the ABAG housing allocation for the 1999-2006 planning period

ABAG REGIONAL HOUSING NEED ALLOCATION, 1999-2006

Total Need	Sphere of Influence Need	Total Projected Need	Very Low	Low	Mod	Above Mod	Average Yearly Need
2,414	23	2,437	479	239	673	1,046	325
			20%	10%	28%	43%	

HCD requires that San Mateo project new construction needs over the next five years. Based on ABAG's seven and a half-year housing needs determination, San Mateo's housing needs are approximately 325 units per year. This annual figure multiplied by five results in an estimated need for 1,625 units over the next five years (July 1, 2001 through June 30, 2006).

FIVE-YEAR HOUSING NEEDS, 2001-2006

Income Category	Five-Year New Construction Need
Very Low-income	319
Other Lower-income	159
Moderate-income	449
Above moderate-income	697
Total Units	1,625

ENERGY CONSERVATION

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

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

cycle costs of installing, financing and maintaining the conservation measures, net savings to homeowners will be between \$16,000 and \$28,000, according to the Energy Commission.

In addition to the Title 24 requirements, the Building Division provides assistance to those who are interested in including passive or active solar systems or features in residential construction. In order to save natural resources and to make utilities more affordable, the City's Housing Rehabilitation programs provide both funding and information referral for participants to include weatherization improvements and utilize energy and water efficient appliances and fixtures. Program participants are encouraged to use the energy conservation programs provided by Pacific Gas and Electric (PG&E). More than 350 customers have had measures installed or received energy education through the City's programs since 1998.

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

F. EVALUATION OF THE PREVIOUS ELEMENT

The City made substantial progress in meeting many of its objectives established in 1995, when the most recent Housing Element was adopted.

ZONING

The City achieved a number of zoning changes to further the goals of preserving the character of existing neighborhoods. General Plan and Zoning code amendments were adopted limiting the over concentration of non-residential uses in residential districts while still maintaining the ability for Special Use permits to be granted on a case by case basis. This amendment also allows for a pioneering initiative that enables churches to house the homeless in residential neighborhoods.

Design review of second story additions and new single family dwellings is now required to preserve neighborhood character and ensure building massing and design compatibility. Design guidelines are being developed to assist homeowners early on as they consider potential remodeling projects.

Other goals to be completed during a comprehensive Zoning Code revision slated for 2001-02 include considering zoning amendments that buffer multifamily projects bordering single family districts (yet enabling density levels critical to the production of affordable housing), review of housing density provisions to encourage affordable housing, and establishing consistent and appropriate density standards. These projects were originally planned for 1998.

A number of Specific Plans have been completed or are substantially underway to encourage multi use developments with an emphasis on livability and linking housing to transportation. The El Camino Real Master Plan, Land Use Transportation Corridor Plan-Phase I, Bay Meadows-Phase II, and 42 Avenue Plan all promote mixed-uses.

AFFORDABLE HOUSING

The City met its most pressing affordable housing goal of preserving affordability at Edgewater Isle, a 92-unit senior rental complex. The expiration of affordability restrictions for 67 of those units was to occur in the year 2000. In 1997, the City was successful in overcoming the potential loss of these affordable units by providing financial assistance to a nonprofit housing corporation for the acquisition and minor rehabilitation of the property. This resulted in extending project affordability for another 50 years and other service enhancements for its residents. The City also achieved its housing rehabilitation goal to assist 150 low and moderate-income units by completing 104 standard units and 56 single-room occupancy units. The City exceeded its goal of providing 125 minor home repairs to very low-income homeowners by completing 132 projects.

Though not meeting its total affordable housing goal of 470 low and moderate-income new housing units, the City did make substantial progress. A total of 109 new units were completed, and another 109 units are currently under construction, which originally were expected to be ready in spring of 2001. Increased construction costs and rapidly rising rents over the last couple years required more than anticipated financial assistance per unit. As a result, fewer units were

assisted. Also, a portion of affordable housing resources was diverted for acquisition and rehabilitation of existing buildings. These projects increased the supply of *affordable* units by 157, but did not create new production.

Another goal was to coordinate with nonprofit organizations to purchase two housing sites for new construction, including one located downtown. One site, Humboldt Square, was purchased outside of the downtown area resulting in a mixed income townhouse development for entry-level homebuyers. Humboldt Square was the recipient of an AIA award for excellence in design. A local nonprofit developer utilizing tax credits and City housing funds purchased Hotel St. Matthew, a historic mixed-use single occupancy hotel located downtown. This project received the 1999 President's Award for outstanding achievement in historic preservation by the California Preservation Foundation.

QUANTIFIED OBJECTIVES

The goal for total housing units including market rate housing was 2,902. During this reporting period, 856 units were completed, while 815 were under construction at the end of the planning period. The following table summarizes the quantified objectives from 1995.

QUANTIFIED OBJECTIVES, 1995-2001

	ABAG Needs	City Objective	Completed	Under Construction	TOTAL
<u>NEW CONSTRUCTION</u>					
Low/Moderate Income:					
Very Low	551	75	34	47	81
Low	464	96	1	62	63
Moderate	609	299	74	2	76
Total Low/Mod	1,624	470	109	111	220
Over Moderate Income:					
	1,278	2,432	747	704	1,398
Total Housing Stock:					
	2,902	2,902	856	815	1,618
<u>OTHER AFFORDABLE UNITS</u>					
Acquisition w/wo Rehab			Under		
			Completed	Construction	TOTAL
Very Low			82	13	95
Low			74	5	79
Moderate			1	7	8
Total			157	25	182
<u>TOTAL UNITS ASSISTED BY CITY:</u>					
New Construction and Acquisition			Under		
			Completed	Construction	TOTAL
Very Low			116	60	176
Low			75	67	142
Moderate			75	9	84
TOTAL			266	136	402

A further breakdown showing the units by development, income and type of project is as follows:

QUANTIFIED OBJECTIVES BY DEVELOPMENT, INCOME, AND PROJECT TYPE, 1995-2001

	VLI	LOW	MOD	ABOVE	TOTAL	TYPE
UNITS COMPLETED						
701 Woodside Way				10	10	Owner
Baylanding				9	9	Owner
Bridgepointe	24	0	35	337	396	Rental
Corte Bella			12	112	124	Owner
Darcy	8				8	Rental
Humboldt Square			8	16	24	Owner
Jefferson				29	29	Rental
Lakewood				24	24	Owner
Madrid		1		12	13	Rental
Misc. 1-4				17	17	Owner
Other Scattered Sites				14	14	Owner
Rushmore			1	12	13	Owner
Ryland			15	9	24	Owner
St. Matthews Place	2		3	29	34	Owner
Sunrise Asst Living				80	80	Rental
Villa de Sol				37	37	Owner
TOTAL	34	1	74	747	856	
UNITS UNDER CONSTRUCTION						
540 El Camino		2		19	21	Rental
JPI		58		488	546	Rental
Misc. 1-4 units				8	8	Rental
Norfolk Properties	5		2	60	67	Owner
Ryland				129	129	Owner
Santa Inez	42	2			44	Rental
TOTAL	47	62	2	704	815	
GRAND TOTAL	81	63	76	1,451	1,671	

ONGOING PROGRAMS

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

There are established zoning provisions to address neighborhood compatibility to guide new developments and encourage the distribution of a variety of housing types and mixed uses where applicable. An inclusionary program requires all developers provide 10% of projects over 11 units be affordable to low and moderate income households. A commercial linkage fee to support affordable housing charged to developments that generate new jobs was considered in 1993 but not adopted. It will be reviewed again in 2002.

Other policies that encourage the creation of housing are the secondary unit, density bonus, and senior overlay provisions.

The City continues to seek a variety of funding sources to preserve, rehabilitate, and use code enforcement to improve existing properties and neighborhoods. It also uses those resources to work in partnership with private and nonprofit developers to provide housing for all the community, including those with special needs and the homeless.

The following table outlines each of the actions to be implemented in 1995, and what actual progress was made.

GOALS/POLICIES	ACTIONS	PROGRAMS	CURRENT STATUS	EFFECTIVENESS OF PRIOR ACTIONS/PROGRAMS
<p>GOAL 1: Maintain the character and physical quality of residential neighborhoods.</p> <p>1. POLICY 1: PROTECTING AND CONSERVING EXISTING HOUSING</p>	<p>H 1.1: Residential Protection. Protect established single-family and multi-family residential areas by the following actions:</p> <ol style="list-style-type: none"> 1. Prevent the intrusion of incompatible uses not indicated in the Land Use Element as allowed in residential districts; 2. Avoid the overconcentration on individual blocks of non-residential uses defined by the Land Use Element as being "potentially compatible" in residential areas; 3. Assure that adequate buffers are provided between residential and non-residential uses to provide design compatibility, protect privacy, and protect residences from impacts such as noise; and 	<p>Program H 1.1: Residential Protection</p> <ol style="list-style-type: none"> 1. Revise zoning code for residential districts as necessary to eliminate allowable uses not included or compatible with residential Land Use Categories as defined by the Land Use Element. Lead: Planning Division Implementation Goal: July 1997 2. Consider policy during the Special Use Permit process. Lead: Planning Division (Ongoing) 3. Consider policy during the design review process. Lead: Planning Division (Ongoing) 	<ol style="list-style-type: none"> 1. The City has adopted zoning code amendments which limit the over concentration of non-residential uses in residential zoning districts while at the same time allowing for provision of Special Use Permit request to provide for case by case review of facilities which meet identified community needs. 2. As noted above, zoning code and general plan have been amended to implement this policy. 3. This is considered during the review process for nonresidential uses in residential areas. See also #2 above, overconcentration of nonresidential uses in residential areas is discouraged by the general plan policy and zoning code requirements. Existing zoning regulations and special permit requirements control the proximity and buffers between nonresidential and residential uses. 	<ol style="list-style-type: none"> 1. Case by case evaluation of the impact of non-residential land uses has occurred with all Special Use Permits. 2. Case by case evaluation of existing non-residential land uses has occurred with all Special Use Permits. 3. In the case of new construction, as part of the Site Plan and Architectural Review process, the adequacy of buffers, both in terms of setbacks, landscaping and building height and bulk are analyzed.

	<p>4. Review development proposals for conformance to the City's multi-family design guidelines for sites located in areas that contain substantial numbers of single-family homes to achieve projects more in keeping with the design character of single-family dwellings.</p>	<p>4. Consider policy during the design review process. Lead: Planning Division (Ongoing)</p>	<p>4. Conformance with the City's multi-family design guidelines is reviewed during the planning application review process. For projects over 10 units, this review includes a design review by an independent architectural design consultant, hired under contract with the City. Small lot (less than 10,000 square feet) multi-family design guidelines were adopted in 1992. These small lots are typical of the sites that are redeveloped as multi-family projects within areas containing substantial numbers of existing single-family dwellings.</p>	<p>4. Use of the City's multi family design guidelines have resulted in projects which incorporate design elements of the surrounding neighborhood, including the use of individual entries, front porches, use of building elements and materials which are prevalent in the surrounding neighborhood.</p>
	<p>H 1.2: Single-Family Preservation. Preserve existing single-family neighborhoods through the following actions:</p> <p>1. Maintain intact single-family neighborhoods as shown on the Land Use Map; and</p>	<p>Program H 1.2: Single-Family Preservation</p> <p>1. Consider zoning code amendments to increase setbacks, landscape buffers or minimum fencing requirements in multi-family districts for sites that abut R-1 or R-2 districts. Consider housing affordability as a major goal during development of the guidelines. Lead: Planning Division Implementation Goal: July 1997</p>	<p>1. No zoning code amendments have been adopted since the last revision of the housing element. However, as noted above, conformance with the City's multi-family design guidelines is reviewed during the planning application review process. These guidelines include consideration of transitions to and compatibility with adjacent low-density residential areas. A comprehensive update of the zoning code is scheduled for the next fiscal year (2001/2002). A</p>	<p>1. There have been no Zoning Reclassifications or General Plan Amendments that have affected single family neighborhoods during the reporting period.</p>

	<p>2. Require on-site buffering in the design of new multi-family developments that abut single-family districts to assure privacy and reduce noise impacts.</p>	<p>2. Consider additional buffering provisions such as location of recreational facilities, underground garage exhausts, etc. during the design review process. Lead: Planning Division (Ongoing)</p>	<p>review of residential zoning district requirements will occur at that time.</p> <p>2. These items are considered during the design review process. A standard condition of approval is imposed on all development to insure that these types of utilities do not adversely affect the surrounding community.</p>	<p>2. Standard condition imposed on all multi-family development. Additionally, design review of multi-family projects allows for a review of privacy impacts.</p>
	<p>H 1.3: Housing Rehabilitation. Continue to provide funding as available for the conservation and rehabilitation of viable deteriorating housing in the City to preserve existing housing stock, neighborhood character and, where possible, to retain low- and moderate-income units.</p>	<p>Program H 1.3: Housing Rehabilitation. Consider funding for housing rehabilitation projects as a high priority during allocation of CDBG funds to accomplish the following objectives by 1997:</p> <ul style="list-style-type: none"> • 150 Rehabilitated units (owner occupied, low-income residences; rental units in low-income neighborhoods) • 125 Minor Home Repairs (low/moderate-income households) <p>Lead: Housing and Economic Development Division Implementation Goal: Ongoing; reach goal by July, 1997</p>	<p>From 1995-2001 73 single-family units and 31 apartment units were rehabbed using CDBG, HOME and RDA funds for a total of 104 units. In addition, 56 SRO units in the historic Hotel St. Matthew were renovated including rehab, seismic reinforcement, and historic preservation in the downtown.</p> <p>132 Minor Repair and Paint jobs were completed, primarily to very low senior households from 95-01.</p>	<p>This successful program will be continued, although a decrease in funding available and increase in construction costs will decrease the expected number of projects over the next five years.</p>
	<p>H 1.4: Code Enforcement. Continue and increase code enforcement efforts in residential areas to improve neighborhood appearance and conformance with health and safety standards.</p>	<p>Program H 1.4: Code Enforcement. 1. Continue code enforcement efforts, and provide staff as needed, to improve residential areas. Continue use of administrative citations and fees, civil penalties, infractions, and</p>	<p>1 An administrative process for enforcement was developed utilizing administrative citations and fees (with collection for unpaid fees placed as a supplementary property tax</p>	

		<p>civil and criminal litigation to gain compliance. Lead: Code Enforcement Division (Ongoing)</p> <p>2. Continue to offer rehabilitation loans and repair grants to low-income households as listed in Program H 1.3. Lead: Housing and Economic Development Division (Ongoing)</p> <p>3. Continue proactive code enforcement program in North Central, North Shoreview and other CDBG-eligible areas. (Lead: Code Enforcement) (Ongoing)</p>	<p>assessment); an advisory appeals board (Community Improvement Commission) has authority to declare properties as public nuisances and impose civil penalties; and enforcement through superior court is sought as a final resort in instances of chronic blight.</p> <p>2 The housing rehabilitation program was expanded to enable the provision of loans to households earning 120% AMI from Redevelopment Agency Housing Set-Aside in addition to CDBG funds which are confined to households at 80% AMI. Agency funds are also granted to sub-recipients to administer minor home repairs, free paint, accessibility improvements and removal of security bars over bedroom windows</p> <p>3. Multi-departmental teams with representatives from police, fire and code enforcement have been formed and meet regularly to enforce fire, housing and parking codes through regularly scheduled ride-alongs. A planning study is underway in conjunction with neighborhood residents and funded partially through a grant from the Metropolitan Transit Commission to analyze options and agree upon a common design vision for streets and sidewalks</p>	
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		<p>4. Continue the Apartment Inspection Program to assure safe and sanitary living conditions for residential tenants. Lead: Code Enforcement (Ongoing)</p>	<p>that enhance bicycle and pedestrian uses.</p> <p>4. Two separate rental housing inspection programs previously performed by two separate operating departments were merged to ensure housing and fire code inspections at one time.</p>	
	<p>H 1.5: Building Bulk. Limit the sizes of new and expanded single-family dwellings and duplexes, retaining neighborhood scale and character. Consider preparation of design guidelines and establishment of a design review process for duplexes.</p>	<p>Program H 1.5: Building Bulk.</p> <p>Through plan checking of single-family dwellings, ensure compliance with new R-1 regulations that control the bulk of and height of buildings. Adopt zoning code amendments to the R-2 district to limit the impacts of over-sized new construction and additions, including examination of floor area ratio, setback regulations and height limits. Lead: Planning Division Single-family review is ongoing. Implementation Goal for R-2: July 1997)</p>	<p>Plan checking of single-family dwellings is ongoing. Design review of second story additions to single family dwellings and new single-family dwellings now require design review. Design guidelines have been prepared for review of these types of projects. As a follow up to this item, the applicability of the guidelines to R-2 (duplex) zoned properties and potential zoning code amendments will be examined. Implementation Goal for R2: December 2002</p>	<p>Design review has been in effect for approximately one year. Many issues raised during the development of design guidelines such as, bulk of second story compared with first story, lack of building articulation, use of building materials and elements inconsistent with existing neighborhood character, have been addressed design review applications.</p>
	<p>H 1.6: Variances and Lot Divisions. Consider existing neighborhood character in terms of dwelling size, height, setbacks and lot size and configuration in reviewing variances and lot division proposals.</p>	<p>Program H 1.6: Variances and Lot Divisions.</p> <p>Consider during variance and subdivision review. Lead: Planning Division (Ongoing)</p>	<p>Existing neighborhood character continues to be considered in the review of all variance and lot split applications.</p>	<p>Property and building characteristics of properties in the vicinity of any variance or lot split application become the basis of findings and recommendations for these types of applications.</p>

	<p>H 1.7: Retention of Existing Lower-Income Units. Seek to retain existing subsidized very low-, low- and moderate-income housing units, especially those that will be available for conversion to market rate housing by the year 2000. Retention of such units should have high priority for available funds. Establish a quantified objective of maintaining the affordability of 67 low-income units that are at risk of conversion to moderate and market rates.</p>	<p>Program H 1.7: Retention of Existing Lower-Income Units.</p> <ol style="list-style-type: none"> 1. Monitor affordable projects at risk of conversion to market rate. Maintain regular communication with the owners of all subsidized projects in San Mateo to keep up-to-date on their plans to maintain affordability. Lead: Housing & Economic Development Division Implementation Goal: Annual discussions with each property owner. 2. Monitor Federal actions and appropriations regarding extension of Section 8 contracts, and actively support additional appropriations. Lead: Housing and Economic Development Division (Ongoing) 3. Ensure Continuing Affordability of Edgewater Isle. Investigate legal issues pertaining to amending the agreement between the City of San Mateo Redevelopment Agency and 	<ol style="list-style-type: none"> 1. The only subsidized project identified at risk during this time period was Edgewater Isle, a 92-unit senior project. 67 of these units would have lost affordability in the year 2000; however, they have been preserved. 2a. Edgewater Isle was able to obtain Section 8 contracts when HIP acquired the building. The City supported and assisted HIP in their application to the County Housing Authority. 2b. The City assisted the owner of the Darcy Bldg to obtain discretionary funding from the Housing Authority for the construction costs as well as Section 8 contracts after completion. 3. In 1997 the City provided \$2,00,000 in new HOME and RDA funds so that HIP, Housing Inc., a nonprofit housing agency could acquire the property. In addition the RDA loan in place in 	<ol style="list-style-type: none"> 1. Successfully preserved 67 at risk units at Edgewater Isle via acquisition by a nonprofit corporation and additional subsidy from City. 2. City has been able to track federal actions regarding Section 8 contracts and will continue to keep in close communication with the San Mateo Housing Authority in the future. 3. The at-risk units were successfully preserved. City will continue to explore a variety of alternatives to continue affordability at Flores Gardens, 72 at risk units in the next five
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		<p>Edgewater Isle, Ltd., to ensure the continuing affordability of all 92 units in the Edgewater Isle project to low- and very-low income persons. Work collaboratively with Edgewater Isle, Ltd., to execute such additional documents that are necessary to complete the spirit and intent of the affordability component of this agreement. As a high priority, investigate eliminating requirements for repayment of the loan in the year 2000 in order to maintain affordability. If necessary, leverage existing local resources and funds to ensure the preservation of Edgewater Isle's affordable units.</p> <p>Lead: Housing and Economic Development Divisions, City Attorney Implementation Goal: Complete amendment or negotiations by December 1992.</p>	<p>the amount of \$725,270 was extended to match the terms of the new funds. The affordability restrictions currently in place expire in 2047 and are renewable for another 50 years after that. HIP also obtained first loan from CHFA.</p>	<p>years.</p>
		<p>4. Give high priority to retaining existing FHA and HUD subsidized low-income units through use of CDBG funds, Redevelopment Housing Set-Aside funds, and other solutions. Lead: Housing and Economic Development Division Implementation Goal: 2001 to 2010</p>	<p>4. No other sites were at risk of expiration.</p>	<p>4. Same as above</p>
		<p>5. Continue to support the County Housing Authority housing rental subsidies to lease units in San Mateo for very-low and low-</p>	<p>5. Currently there are about 475 Section 8 participants in San Mateo out of a county total of 3100. This figure has been fairly</p>	<p>5. The Section 8 program continues to be a valuable resource for tenants, though waiting lists are long. City will</p>

		income households. Lead: Housing and Economic Development Division (Ongoing)	constant throughout the reporting period.	continue ongoing support and communication with County Housing Authority.
	H 1.8: Condominium Conversion. Continue the existing policy of protecting existing residents by offering purchase opportunities, long-term leases and relocation assistance.	Program H 1.8: Condominium Conversion. Continue to implement tenant notification, purchase opportunities, long-term leases, and relocation assistance provisions of the subdivision code. Lead: Planning Division (Ongoing)	These provisions continue to be in effect. However, no condominium conversion applications have been requested during the reporting period.	No condominium conversion applications were submitted during the reporting period.
	H 1.9: Demolitions. Prohibit demolition of existing residences until a building permit for new construction has been issued, unless health and safety problems exist. Prevent housing stock from becoming health and safety problems through code enforcement efforts.	Program H 1.9: Demolitions. Continue implementation of demolition ordinance. Implement code enforcement programs described in Program H 1.4. Lead: Building Inspection Division & Code Enforcement Section (Ongoing)	Demolition ordinance will continue to be implemented.	Demolition ordinance will continue to be implemented.
GOAL 2: Provide a diversity of housing types, responsive to household size, income and age needs. POLICY 2: ENCOURAGING NEW HOUSING CONSTRUCTION	H 2.1: Fair Share Housing Allocation. Attempt to achieve compliance with ABAG Fair Share Housing Allocation for total housing needs and for low- and moderate-income needs.	Program H 2.1: Fair Share Housing Allocation. 1. Monitor housing production against ABAG Fair Share Allocation, providing annual updates for the Planning Commission and City Council, with the objective of increasing the housing supply by 2,902 units by 1997. Lead: Planning Division (Annual)	846 new housing units were completed from 1995-2001. Permits were issued for a total of 1579 units. Over 800 of these are still under construction and should be completed in the next 12 months.	This Housing Element Revision is intended to facilitate production of residential units to meet ABAG Fair Share Allocation.

	<p>H 2.2: Jobs/Housing Balance. Maintain an overall balance of housing and employment within the community over the term of the Plan.</p>	<p>Program H 2.2: Jobs/Housing Balance. Monitor housing production against new job creation, providing annual updates for the Planning Commission and City Council. Lead: Planning Division (Annual)</p>	<p>It is estimated that the City did not meet its goal for balancing jobs and housing due to the recent increase in the office economy. This trend has somewhat subsided, and new housing units are being constructed (747 at Bay Meadows, 67 at Norfolk, 26 at Humboldt Square, 25 at Classic Communities, 17 at Grant St. Condos, 44 at Willows).</p> <p>In addition, there are a number of City programs, such as the first-time homebuyer resale program, the downtown residential conversion program, and recent Redevelopment Agency purchases of housing sites, which will help fulfill these housing needs in the near future.</p> <p>The Planning Commission continues to press for mixed-use development (including housing) as opposed to solely nonresidential development as projects come before them for review.</p>	<p>Annual updates have not been provided, although consideration of the jobs/housing balance has been included in environmental documents prepared for major commercial development.</p> <p>Annual updates will be provided in the future, particularly given the Planning Commission and City Council's interest in housing production.</p> <p>An analysis will also occur as part of the technical analysis for the City's nexus study that will include housing and day care linkage fees to be imposed on commercial development.</p>
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	<p>H 2.3: Public Funding of Low- and Moderate-Income Housing. Continue to use available funds to increase the supply of low- and moderate-income housing through land purchases and other development encouragements and through use of nonprofit sponsors and subsidized financing using federal and state sources, tax credits, and the like.</p>	<p>Program H 2.3: Public Funding of Low- and Moderate-Income Housing.</p> <p>1 Give funding for new low- and moderate-income housing a high priority for CDBG, Redevelopment Housing Set-Aside, and other available funds, with the objective of subsidizing the construction of at least 400 new affordable housing units by 1997 for the following income groups:</p> <p>Very low-income: 75 units Low-income: 96 units Moderate-income: 299 units</p>	<p>1. Darcy Building--8 units affordable to the very low income were constructed in an underutilized second floor office space in a downtown building. \$1.5 M in RDA and HOME funds used for this. Completed in 1998. Also obtained funding from Housing Authority</p> <p>Santa Inez apartments- In 1999, the Redevelopment Agency has committed \$3.275 M funds for the new construction of 44 very low income units to a for profit developer who also obtained tax credits. Est. completion in fall 2001.</p> <p>Actual Production (including BMR units):</p> <p>VLI--34 Low--36 Mod--39 Total 109 out of the goal of 400</p> <p>In addition City provided funding for the acquisition and/or rehab of 179 units By nonprofit housing organizations for the creation or retention of affordable units. Although the supply of <i>affordable</i> units was increased, these units are not included in the new construction</p>	<p>1. Although the City did not meet its goals for new construction, it did increase the affordable housing supply by assisting acquisition/rehab projects that required affordable rents. This did increase affordable housing opportunities by 179 units. These projects were funded since they were determined to be a pressing need at the time and were a good use of federal HOME funds. Although new construction will remain a high priority in the next five years, it is realistic to expect more acquisition/rehab projects as well, which does decrease available dollars available for new construction.</p>
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		<p>2. Seek to purchase two housing sites, one in the Downtown Redevelopment area, by 1997 for low-cost housing projects (see Appendix H-3). Continue to work with nonprofit sponsors, such as BRIDGE and Mid-Peninsula Coalition, to develop projects and obtain subsidized state (HCD) and federal financing, and use both income and mortgage tax credits. Lead: Housing and Economic Development Division Implementation Goal: July, 1997</p>	<p>figures above. The acquisition projects used about half of City housing funds (\$6M) over this time period: VLI--95. Low--76 Mod--8 Total--179</p> <p>During this time, locating sites continued to be a challenge, development costs increased and outside sources of funding like tax credits have been extremely competitive. Available City funds could leverage 150-300 units total.</p> <p>2. The goal to purchase a downtown housing site proved to be challenging due to the high cost of land and the lack of suitable sites available. However in 1993 and 1994 the Redevelopment Agency purchased 11 parcels to form an affordable housing site 5 blocks east of downtown at Third and Humboldt Streets. This was sold below market to a for profit developer. The goal to achieve an affordable housing project downtown was achieved by the restoration of 56 SRO units at the historic Hotel St. Matthew.</p>	<p>2. The City will continue to have a goal for the acquisition of two housing sites for the next 5 years. However, at this time we do not specify the location given the difficulty in finding available sites. Downtown will continue to be an area of focus, but not a stated goal.</p>
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	<p>H 2.4: Private Development of Affordable Housing. Encourage the provision of affordable housing by the private sector through:</p> <ol style="list-style-type: none"> 1. Requiring that a percentage of the units, excluding bonus units, in specified residential projects be affordable. 2. Requiring construction or subsidy of new affordable housing as a condition for approval of any commercial development that affects the demand for housing in the City. 3. Providing density bonuses and priority processing for projects that qualify for density bonuses under State law. 	<p>Program H 2.4: Private Development of Affordable Housing.</p> <ol style="list-style-type: none"> 1. Maintain an inclusionary housing ordinance to implement Policy H 2.4 (2). The ordinance shall: <ol style="list-style-type: none"> a) All projects that include more than 10 residential units, including mixed-use projects, shall be required to include 10% of the residential units for exclusive use as affordable housing units. b) The project proponent shall build the unit(s) on site, either in partnership with a public or nonprofit housing agency, or on its own. Off-site building shall be allowed only if the proponent demonstrates that on-site construction is infeasible; and in any event, any off-site units must be built within the City of San Mateo. c) The affordable units shall be as similar in exterior design and appearance as possible to the remaining units in the project. d) Affordable rental units shall <p>No in-lieu fees shall be allowed.</p>	<ol style="list-style-type: none"> 1. a and b) This ordinance and accompanying resolutions continue to be implemented with all residential projects more than 10 units. c) All BMR units are indistinguishable from market rate units from the exterior. d, e) Affordability restrictions are recorded against the property for both rental and sales units. The City retains the first right to purchase all for-sale units and maintains a waiting list of eligible buyers to ensure ongoing affordability. 	<ol style="list-style-type: none"> 1. BMR program provided 18 ownership units for moderate-income households. It provided 59 rental units, 24 for very low-income households and 35 for moderate-income households. All units were built onsite. Under construction: 15 owner units for moderate income and 58 rentals for low income that should be completed by the end of 2001. This is considered a success since the City did not provide major subsidies for these housing units and therefore increased our ability to provide more affordable housing in the community. <p>All units were reviewed to ensure that they are of a comparable exterior and interior design. All agreements to maintain the units' affordability have been executed.</p>
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		<p>carry deed restrictions that guarantee their affordability.</p> <p>e) Affordable for sale units shall have deed restrictions which allow for first right of refusal to the local government, upon the sale of the unit. The City local government should only refuse the option of purchase if it has already expended all of its financial resources available for housing, including Community Development Block Grant funds, local housing trust fund monies, and any other federal, state or local funds typically available for affordable housing purposes. Lead: Planning Division (Ongoing)</p> <p>2. Develop, hold public hearings on, and if possible, adopt a commercial/housing linkage program, based on empirical data applicable to the City of San Mateo. The program should match the housing constructed and/or subsidized to the demand created by commercial development, in terms of affordability levels, type of tenancy, number of bedrooms, and other relevant factors. Lead: Planning Division Implementation Goal: September, 1992 (On January 7, 1993, City Council voted to reconsider commercial linkage program in the future)</p>	<p>2. Council held a new study session 5/14/01. Staff was directed to prepare a nexus study that will include housing and day care linkage fees. Study will be underway by end of 2001.</p>	<p>2. On 1/7/93 Council voted to reconsider a commercial/housing linkage fee at a later date.</p>
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	<p>H 2.5: Distribution of Low- and Moderate-Income Housing. Attempt to distribute low- and moderate-income housing developments throughout the City. Encourage the mixing of market-rate and low/moderate-income units where feasible.</p>	<p>Program H 2.5: Distribution of Low- and Moderate-Income Housing.</p> <p>Consider during review of applications for affordable housing projects. Lead: Planning Division (Ongoing)</p>	<p>This continues to be encouraged in discussions with housing developers as they approach the City in preliminary discussion. Affordable housing projects during this time are located in Shoreline and Downtown Redevelopment areas, as well as Bay Meadows and sites north and</p>	<p>The BMR program achieves mixed income units by its design. Projects assisted w/ city funds have different percentages of mixed income depending on funding involved. Darcy: Small 8-unit project is 100% low income to help satisfy an inclusionary</p>

			east of downtown. The BMR program achieves mixed income units by its design.	<p>requirement of the RDA agency. Humboldt House is 30% affordable (8 out of 24 units). Santa Inez will be 100% low because of use of tax credits.</p> <p>Projects assisted w/ city funds: Darcy Small 8 unit project is 100% low income to help satisfy an inclusionary requirement of the RDA agency. Humboldt House is 30% affordable (8 out of 24 units). Santa Inez will be 100% low because of use of tax credits.</p>
	<p>H 2.6: Rental Housing. Encourage development of rental housing for households unable to afford ownership housing.</p>	<p>Program H 2.6: Rental Housing</p> <p>Consider during review of applications for multi-family housing. Lead: Planning Division (Ongoing)</p>	<p>The decision to develop rental vs. for-sale units in multifamily projects varies with the market. Some developers don't decide whether to sell or rent their units until the units are construction and market evaluated at that time.</p>	<p>During 1998-99 396 rentals were built. Currently 575 rentals are under construction at Bay Meadows. Prior to 1998 almost all multifamily projects were for sale.</p>
	<p>H 2.7: Secondary Units. Allow creation of secondary units on single-family properties to provide opportunities for affordable rental units or to allow for the housing of extended families. Require that the design of secondary units be compatible with the main residence and neighborhood, provide adequate on-site usable open space and parking, and not infringe upon the privacy of adjoining properties.</p>	<p>Program H 2.7: Secondary Units.</p> <p>Develop design guidelines for the creation of secondary units that are compatible with the design of the principle residence and surrounding neighborhood, provide useable on-site open space and protect the privacy of adjoining properties. Lead: Planning Division Implementation Goal: July, 1997</p>	<p>Design review of second story additions to single family dwellings and new single-family dwellings now required. Design guidelines are being prepared for review of these types of projects. These design guidelines to address design quality and neighborhood compatibility, along with additional zoning regulations will be adopted in 2001.</p>	<p>Since the design guidelines are recently adopted, no new secondary units have been reviewed under these guidelines. However, this will occur upon any new application being submitted.</p> <p>Previous applications have been reviewed on a case-by-case basis to insure compatibility</p>

			<p>Conformance with the design guidelines would be required for any two story secondary unit.</p> <p>Design issues are also discussed during the review of the Special Use Permit, which is required for any type of secondary unit.</p>	with neighborhood character.
	<p>H 2.8: Multi-Family Location. Provide for the development of multi-family housing to create a diversity of available housing types as follows:</p> <ol style="list-style-type: none"> 1. Maintain the following sites or areas for multi-family land use: <ol style="list-style-type: none"> a. Commercial sites on East Bayshore Road between Cypress and East Poplar avenues, b. The Bay Meadows practice track, c. Manufacturing sites on Woodside Way near Villa Terrace, d. The Elks Club site on 20th Avenue, e. The church, nursery and adjacent office sites on El Camino Real (SR 82) at Monte Diablo Avenue, f. The warehouse site at Railroad and Cypress 	<p>Program H 2.8: Multi-Family Location.</p> <ol style="list-style-type: none"> 1. Maintain multi-family zoning on specified sites consistent with the Land Use Map or Land Use Element policies. Lead: Planning Division (Ongoing) 2. Consider during review of Reclassification applications for multi-family districts. Lead: Planning Division (Ongoing) 	<p>1 and 2 The locations designated in this policy have been designated as multi-family residential on the Land Use Map and have been reclassified to a multi-family zoning designation. The City has maintained existing land zoned for multi-family use.</p> <p>Any future requests for reclassifications to multi-family will be evaluated under the criteria listed in section 2 of this policy as part of the development review process for a specific project.</p>	<p>1 and 2 There have been no requests for zoning reclassifications for these areas during the reporting period.</p> <p>The areas noted in #1 and the other areas meeting the criteria in #2 were reclassified to multi-family residential in 1990 as part of the comprehensive general plan revision.</p>

	<p>avenues,</p> <p>g. The Callan properties north of Campus Drive, and</p> <p>h. Properties on Corte de Flores, and adjoining portions of Edison and Flores streets.</p> <p>2. Permit reclassification to multi-family zoning or other properties which meet the following criteria:</p> <p>a. Have adequate size to allow for a self-contained housing development and include adequate on-site parking and usable open space;</p> <p>b. Have good access to arterial streets;</p> <p>c. Maintain a reasonable buffer to single-family districts; and</p> <p>d. Constitute a logical extension of existing multi-family development at compatible and appropriate densities or are zoned for commercial use.</p>			
	<p>H 2.9: Housing Densities. Re-examine permitted densities in multi-family districts to:</p> <p>1. Provide a density range, with densities at the higher end of the range to be considered based on provision of public benefits such as affordable</p>	<p>Program H 2.9: Housing Densities</p> <p>1. Adopt development standards permitting densities at the higher end of the range based on specific standards for provision of low- or moderate-income housing and such amenities as increased open space, public recreational</p>	<p>1, 2 and 3. Regulations to provide for greater density upon provision of public benefits and comprehensive multi-family guidelines have not yet been developed. It is anticipated that these regulations will occur as</p>	<p>1, 2 and 3. These regulations were not developed during the previous reporting period due to other work priorities.</p>

	<p>housing, increased open space, public recreational facilities, or off-site infrastructure improvements.</p> <p>2. More closely relate maximum densities to those which can be reasonably achieved given other zoning constraints, and</p> <p>3. Ensure that inappropriate densities are not permitted for lots of less than one-half acre.</p>	<p>facilities, or off-site infrastructure improvements. Lead: Planning Division Implementation Goal: July, 1998</p> <p>2. Adopt zoning code amendments to ensure that maximum densities in R-3, R-4, and R-5 districts are consistent with other development requirements such as parking, open space, height limits, and setbacks. Lead: Planning Division Implementation Goal: July, 1998</p> <p>3. Review the densities permitted on lots of less than one-half acre in the R-3, R-4, and R-5 districts to ensure that permitted densities are appropriate on small lots. Lead: Planning Division Implementation Goal: July, 1998</p>	<p>part of the comprehensive revision of the Zoning Code, which is scheduled for 2001 - 2002.</p>	
	<p>H 2.10: Senior Project Location. Permit senior housing projects on multi-family or non-residentially zoned properties within walking distance of services and transit routes. Continue to provide allowances for density bonuses for senior projects.</p>	<p>Program H 2.10: Senior Project Location. Consider during review of reclassification applications to the Senior Citizen Overlay district. Lead: Planning Division (Ongoing)</p>	<p>These criteria will continue to be considered as senior citizen developments are proposed. A 68 unit senior housing facility at the El Camino Real/ Crystal Springs Road/Baywood Avenue is currently under review.</p>	<p>There have been no such applications during the reporting period. However, senior citizen developments have been approved and constructed under the Special Use Permit procedures for Residential Care Facilities. Since these types of facilities include common dining and no individual unit kitchens, they are not considered dwelling units. For example, the Sunrise</p>

				Assisted Living project at El Camino Real/Hayward Avenue has been constructed and is now occupied by 80 senior residents.
	<p>H 2.11: Mixed Use. Continue the policy of encouraging residential uses in existing commercial areas where the residences can be buffered from noise and safety concerns and can provide adequate on-site parking and usable open space. Provide floor area and/or height bonuses for residential development in selected areas of the City.</p>	<p>Program H 2.11: Mixed Use.</p> <p>Publicize the advantages of constructing housing or mixed-use projects in commercial areas. Publicize the ability to locate residences in commercial areas. Lead: Planning Division (Ongoing)</p>	<p>Individual meetings with applicants and comments made by the Planning Commission during public hearings have publicized the desirability of mixed-use development. In addition, the El Camino Real Master Plan and Land Use Transportation Corridor Phase 1 Plan both include provisions encouraging the development of mixed-use projects.</p>	<p>Zoning Code amendments allowing residential uses in commercial zones were adopted in 1991. Floor area ratio and height bonuses for the provision of residential development are indicated on the Building Height Map and Building Intensity Map, adopted in 1990 and as amended by Measure H in 1991.</p> <p>Mixed-use projects have been constructed in the City of San Mateo. Most recently the Ritz development, built in 2000, which included ground floor retail, upper story offices and live work units. The City has also approved residential units in the following mixed use projects: Belmont and Darcy Buildings, Saint Matthews property, Bay Meadows mixed-use site, Nazareth Plaza, Sares Regis, 101 Ellsworth. Ivy Garden on 17th Avenue includes some ancillary commercial units on the ground floor of the residential condominium project.</p>

	<p>H 2.12: The Homeless. Continue existing support for organizations that seek to prevent homelessness. Transitional housing may be located in residential districts and commercial districts with a special use permit, while emergency shelters may be located in commercial districts.</p>	<p>Program H 2.12: The Homeless.</p> <ol style="list-style-type: none"> 1. Continue existing support, where feasible, for programs and facilities seeking to prevent homelessness. Give high priority for available funds to additional permanent shelters throughout San Mateo County for the homeless to replace the Armory. Lead: Housing and Economic Development Division and Community Services Division (Ongoing) 2. Modify zoning regulations to allow emergency shelters as a special use in commercial zoning districts. Lead: Planning Division Implementation Goal: July 1997 	<ol style="list-style-type: none"> 1. San Mateo allows care facilities serving six or fewer persons in all residential districts and permits facilities serving seven or more persons in multi-family and commercial districts. 2. Zoning code was amended to implement this policy in 2000. Emergency shelters were also made a permitted use for religious institutions located in residential zoned areas. 	<ol style="list-style-type: none"> 1. From 95-01 City provided annual funding to 5 social service agencies that provide assistance that prevent homelessness or support transitional shelters (\$600K). In addition the City contributed annually to the temporary emergency shelter at San Mateo armory for 4 years (\$100K). The City also contributed \$125 to the new permanent shelter built in 2000 in South San Francisco. Also provided rehab funds for a transitional shelter in 1998. 2. The City is presently reviewing an application to expand an existing facility to provide both emergency and transitional housing for families as a special use.
	<p>H 2.13: Open Choice. Continue efforts towards the elimination of discrimination based on race, religion, sex, nationality, age or physical handicap that prevent free choice in housing.</p>	<p>Program H 2.13: Open Choice.</p> <p>Continue implementation of the Fair Housing Resolution, affirmative marketing of city-subsidized housing projects, and provision of available funding for private nonprofit organizations that monitor and provide assistance to those experiencing discrimination in housing choice. Lead: Housing and Economic Development Division (Ongoing)</p>	<p>Fair Housing resolution is in place. City provides annual funding to Project Sentinel. Maintains affirmative marketing requirements in assisted projects. ADA issues are addressed in all city-assisted projects. City has participated in countywide effort to increase outreach to landlord/tenants and has co-sponsored a website with key facts and contacts.</p>	<p>Fair Housing issues will continue to be addressed with ongoing funding of Project Sentinel and affirmative marketing requirements in assisted housing projects.</p>

	<p>H 2.14: Special Needs Groups. Continue existing support for programs that assist special needs groups (the elderly, large families, female heads of households, and the handicapped and disabled).</p>	<p>Program H 2.14: Continue to support programs particularly designed to accommodate special needs groups. In the past, typical programs have included rehabilitation loans, minor home repair, purchase of land for new housing, Section 8 rental assistance, shared housing, and first- and last-months rent program. Lead: Housing and Economic Development (Ongoing)</p>	<p>City annually assists 3-4 agencies that provide supportive housing services for special needs groups (\$300K from 95-01)</p> <p>Housing projects assisted in 95-01: Edgewater Isle 92 units senior housing Humboldt House--9 units mentally disabled Women's Recovery Association -- group home for substance abuse</p>	<p>City will continue its annual housing grants to agencies that provide supportive housing services. It will also continue to support construction, acquisition, and/or rehab of housing for those with special needs in proportion to the needs of the low-income households at large.</p>
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G. INVENTORY OF LAND FOR RESIDENTIAL DEVELOPMENT

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

ADJUSTED HOUSING NEED FIGURES

The State allows local jurisdictions to deduct units built or in the pipeline between January 1, 1999 and June 30, 2001 from the total need figures established by ABAG. The resulting number includes those units that ultimately must be accommodated through adequate sites. Based on the analysis of quantified objectives in Section F, the City of San Mateo has developed the following figures for reducing the need that must be accommodated in adequate sites:

Adjusted Housing Need, 2001

	VLI	LOW	MOD	ABOVE	TOTAL
Projects Completed Jan 1999-June 2001	26	1	61	539	627
Projects Under Construction, Jan 1999-June 2001	47	60	4	704	815
TOTAL, ALL PROJECTS	73	61	65	1,243	1,442

	VLI	LOW	MOD	ABOVE	TOTAL
TOTAL REGIONAL HOUSING NEED ALLOCATION	479	239	673	1,046	2,437
TOTAL, ALL PROJECTS	(73)	(61)	(65)	(1,243)	(1,442)
REVISED REGIONAL HOUSING NEED ALLOCATION	406	178	608	-197	995

ADEQUATE SITES INVENTORY

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

For the most part the City of San Mateo's land inventory for future housing is property zoned for multifamily use that is currently underutilized. The adequate sites analysis shows that there is enough property to meet the ABAG Regional Fair Share Allocation, primarily through

redevelopment of existing sites. The analysis for affordable housing units for very low, low and moderate income households is based on two assumptions: that any property that is zoned multifamily that can accommodate 11 or more units will produce 10% affordable units through the Below Market Rate (BMR) program, and that government subsidies can be applied on any multifamily site to provide further affordability. Therefore the potential to provide affordable units is assumed to be in any multi-family zoned area.

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

The following table summarizes the various zoning classifications, the permitted density versus the built density, the current capacity, and the number of units in each income category.

Land Inventory by Zoning Designation, 2001

ZONING	PERMITTED DENSITY (Units Per Acre)	BUILT DENSITY (Average Units Per Acre)	CAPACITY (In Acres)	NUMBER OF UNITS
R1 (A, B, C)	Up to 9	10.3	41.3	365
R2	9 to 17	16.9	0.9	16
R3	18 to 35	23.2	14.5	330
R4	36 to 50	13.9	9.3	132
R5 (R5-R5D)	36 to 50	54	10.6	407
R6 (R6-R6D)	50 to 75	66.7	0.5	37
Other Categories (C, BMSP)	Varies	Varies	30.0	1,266
TOTAL			107.2	2,553

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

Land Inventory by Income Category, 2001

INCOME LEVEL	CAPACITY (In Housing Units)
Very Low	488
Low	256
Moderate	708
Above Mod.	1,100
TOTAL	2,553

A more complete breakdown of this information – including by parcel number, by vacant/underutilized status, and specific zoning – can be found in Appendix A. Using the information on Quantified Objectives, the following table illustrates that the City has met the adequate sites test in terms of capacity versus ABAG need.

Adequate Sites Summary

**ADJUSTED REGIONAL HOUSING
NEED ALLOCATION**
CURRENT INVENTORY
SURPLUS/(SHORTFALL) OF SITES

VLI	LOW	MOD	ABOVE	TOTAL
406	178	608	-197	995
488	256	708	1,100	2,553
82	78	100	1,297	1,558

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

SENIOR CITIZEN OVERLAY DISTRICT

Another technique used in San Mateo to increase the housing supply and to meet the housing needs of a growing sector of the community is the Senior Citizen (SC) Overlay district, adopted in 1978. The SC zoning classification allows a developer to increase the number of units and reduce parking requirements for housing built expressly for senior citizens. These provisions recognize the smaller sized units and reduced traffic generation and parking needs of senior housing. The SC Overlay has been very successful - since 1980, 734 units of senior housing have been built in San Mateo.

SECONDARY UNITS

In 1983, the City adopted a Secondary Unit Ordinance, which allows for the creation of ancillary rental units (commonly referred to as "granny" or "in-law" units) on single-family properties. The ordinance requires that the units be small (maximum 640 square feet of living area), that they provide adequate parking and that the property owner reside on-site.

To assure compatibility with the neighborhood, a discretionary use permit is required. Between 1983 and 1995, the City has approved construction of 63 new secondary units and has legalized 29 units that had been built without proper permits prior to the ordinance.

MOBILEHOMES AND MANUFACTURED HOUSING

Manufactured housing and mobilehomes provide opportunities for lower cost housing. Manufactured homes, which are fabricated off-site and assembled on residential properties, are permitted in all residential districts in San Mateo. Mobilehomes, which are certified under the California Health and Safety Code, are also permitted in San Mateo, subject to a design review process. There were no mobilehome parks in San Mateo in 1995.

H. CONSTRAINTS ON HOUSING DEVELOPMENT

GOVERNMENTAL CONSTRAINTS

Introduction

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

Zoning

The zoning code regulates the use of land and structures, the density of development and population, the bulk of structures, parking provisions, open space requirements, landscaping standards and other design requirements. The San Mateo zoning code has been written to be as accommodating as possible for new residential development, while attempting to provide for quality living environments. The amount of multi-family zoned land within the City is substantial, and most commercial and office districts also permit and encourage housing development. *Multi-family densities permitted under the General Plan reach 50 units per acre, and the zoning code has been amended to conform to this maximum, although it will continue to be subject to state statutes mandating density bonuses under certain conditions.*

The City allows for a wide range of housing types from single-family dwellings (approx. 4 – 8.7 units/acre) single-family dwellings to high density residential (50 – 75 dwelling units per acre.) In addition, the City allows for secondary units on lots zoned for single-family dwellings subject to approval of a special use permit. There are also special standards to allow increased density for senior citizen housing units. The City also adopted provisions to allow emergency shelters within existing churches. This was done to accommodate a proposed program coordinated by local churches.

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

Parking requirements for residential development were comprehensively reviewed in 1989 and 1990 and are tailored to match vehicle ownership patterns of residents of new projects in San Mateo. These standards require 1.5 spaces for a studio, 1.8 for a one-bedroom unit, 2.0 for a two-bedroom unit, and 2.2 for three bedrooms; one space per unit must be covered. These requirements are generally consistent with parking rates published by the Institute of Traffic Engineers (ITE) publication *Parking Generation*. In addition, field studies are done to verify the appropriateness of City parking requirements for specialized types of housing, such as senior residential care. The City is also preparing a study for the area in the vicinity of the new Hayward Park and the Highway 101/92 interchange. Reduced parking requirements in conjunction with the development of transit-oriented development will be examined as part of this effort.

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

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

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

GENERAL ZONING SUMMARY

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

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

As noted in the charts above, zoning regulations are not more onerous for multi family dwelling zoning districts when compared with other zoning classifications. The need for on-site and off-site improvements is not dictated by the type of land use, but by the extent of impact generated by the project. For example, transportation impacts fees are determined by the number of vehicle trips that will be generated by the development.

Codes

The City has adopted the Uniform Building Code, which is common to all cities. There is little distinction between San Mateo's code standards and those faced by builders in other communities, with the exception of security standards added in 1989 that regulate protection of building openings and exterior illumination levels. The financial impact of the security standards

are minimal in most cases. The City participates in the Joint Venture Silicon Valley Program (JVSV), which was established to streamline the building permit process and to promote consistency on building code language, interpretations, and administrative procedures among local and regional agencies.

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

Below Market Rate (BMR) Program

Inclusionary zoning programs – of which the City's local BMR program is one variant – are sometimes perceived as adding to the cost of housing by requiring the market-rate units to subsidize the affordable units. This is an area of much dispute, both in the Bay Area and nationally. There are as many positive aspects of inclusionary programs than there are negative aspects. For example, a study conducted by the National Housing Conference's (NHC) Center for Housing Policy (2000) highlighted several important contributions to inclusionary zoning to communities, not the least of which is the creation of income-integrated communities without sprawl.⁵

Despite these and other benefits, inclusionary programs do have cost impacts. Specifically, the Harvard study noted that the implicit tax of inclusionary zoning is generally passed on to consumers and landowners, specifically those who will pay market rates. Despite this, the Harvard report also noted that, in its study of Montgomery County's (MD) inclusionary program, the costs of inclusionary zoning were largely off-site by the provision of cost-saving incentives, in this case density bonuses. In fact, that there were some developers who contended that, due to the density bonus, the inclusionary units were their most profitable units. The Harvard study noted that with appropriate incentives, units did not cost the developer extra and, in fact, lead to additional profit.

Another perspective on this issue comes from the experience of local jurisdictions in the Bay Area that have conducted community discussions on inclusionary zoning. In one such instance (the City of Mountain View), the consensus of a focus group of local developers was that the cost of their BMR program is generally passed on to the property owner selling his land for housing—rather than to the price or rental rate of the housing units. In other words, the price that the property owner is offered for his land is already lower because of the developer's additional costs for the BMR program.

In the City of San Mateo, developers of housing with inclusionary requirements are provided financial incentives to offset the costs associated with the requirements. Specifically, the required affordable units are given a reduction in development approval costs, including building

⁵Inclusionary Zoning: A Viable Solution to the Affordable Housing Crisis?" (Washington, DC: The Center for Housing Policy, National Housing Conference, October 2000).

fees and other City-imposed construction-related fees. Developers are also the option of utilizing the Density Bonus program that provides up to a 25% increase in units in exchange for additional affordable units in the BMR program.

The City does not believe that the BMR program has increased housing costs to the consumer. Ultimately the developer will charge market rate rents and sales prices on the unrestricted units regardless of the development costs. Although the BMR program does impact the developers profit, it is difficult to determine at what point those impacts are great enough to discourage moving forward or decreasing the number of units on a site. Generally the cost of land has the most impact on those decisions. The City will study this issue in 2002 as it reviews the current BMR program and may look at revising the program.

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

Permits and Fees

The development application and environmental review process necessary to obtain a building permit can significantly affect the cost of a project, both in processing fees and delay. The review process in San Mateo has been structured to minimize delay, but provide opportunities for public input. Duplex dwellings can be approved by the Building Division without public hearings. In addition, multi family developments less than 6 units can be approved by staff without the need for a Planning Commission public hearing. Appendix B contains information on rules of procedure for obtaining planning permits.

Permit processing fees are established by City Council resolution and are intended to reimburse the City for actual administrative costs. Fees are imposed by the Planning, Building and Public Works Departments. A 1995 survey conducted by City staff indicated that San Mateo's fees are somewhat higher than the average of other Peninsula cities surveyed (San Mateo's fees were not the highest). A typical 10-unit multi-family project without significant public controversy pays \$1,962 per unit in Planning fees, \$1,923 per unit in Building fees, and \$4,594 per unit in Public Works fees (of which, \$802 are plan check fees with the remainder being impact fees). The City refunds any unexpended application and plan check fees after completion of a project.

The Developers Contribution Policy, adopted in 1979, requires a builder to pay for all infrastructure and public improvements directly associated with the proposed development and a proportionate share of all citywide programs affected by the development.

San Mateo has adopted fees to carry out this policy. The most common development fees in San Mateo are for expansion of the wastewater treatment plant, transportation improvement fees, and the park in-lieu fee. The contribution to the sewage treatment plant expansion is based on the amount of anticipated sewage from a new project, and averages about \$1,332 per multi-family unit. Transportation improvement fees help provide needed improvements to City streets and intersections and are calculated at \$1,730 per new multi-family dwelling unit and \$3.35 per square foot of new commercial space. The park fee in lieu of land dedication for new park facilities provides substantial credits for on-site recreation facilities and open space in new projects, and averages about \$1,200 per unit. A school impact fee is imposed by the local school districts, and averages approximately \$1,800 per dwelling unit.

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

- *Do the land use designations allow for a range of housing types?*

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

The City also adopted provisions to allow emergency shelters within existing churches. This was done to accommodate a proposed program coordinated by local churches.

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

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

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

- *Do growth limitations unduly restrict housing development?*

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

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

There are areas around CalTrain stations that may not provide the best possible match between zoning and the particular opportunities of certain areas. The City has initiated the “Land Use/Transportation Corridor Plan”, which is examining opportunities for denser, transit-oriented development around two CalTrain stations. The product of this study will be a Specific Plan, which may result in greater areas of residential zoning at greater densities.

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

The local constraints on the supply of housing have added marginally to the price increases on existing housing. The main difficulty has been the staggering demand for housing, far beyond what jurisdictions can produce or encourage in development. Large

influxes of workers in the high tech industries – with significant available capital – have “bid up” the cost of housing so that many people cannot afford to live here.

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

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

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

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

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

The City of San Mateo Zoning Code does not include open space requirements in all of its residential zoning districts. The sole citywide district, R3 (Medium Density), which requires the provision of open space, allows for both private and common open space to be used in the fulfillment of this requirement. This allows for a great deal of flexibility on the part of the design team in the design of open space areas. Both passive and active open space areas are also counted towards this requirement. Downtown residential zoning districts also require the provision of open space. However, similar to the R3 district, this requirement can be met through the provision of both private and common opens space. The provision of adequate open space is insured by implementation of the City’s multi family dwelling design guidelines, which include a guideline calling for the provision of open space to “...accommodate the needs of the residents.” This allows for flexibility on the part of the designer to provide open space while at the same time meeting other project goals, such as the provision of housing units.

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

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

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

San Mateo's residential parking requirements are generally consistent with rates published by the Institute of Traffic Engineers (ITE) publication *Parking Generation*. In addition, field studies are done to verify the appropriateness of City parking requirements for specialized types of housing, such as senior residential care. The City is also preparing a study for the area in the vicinity of the new Hayward Park and the Highway 101/92 interchange. Reduced parking requirements in conjunction with the development of transit-oriented development will be examined as part of this effort.

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

Single-family dwellings require provision of a two car enclosed garage, although nonconforming dwellings may be added to without providing an additional parking space.

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

The parking requirement for mixed-use projects must be met for each individual use, which may contribute to a development impediment based on the high cost of providing parking. The Planning Commission has not approved projects (with very specific exceptions) that allow for shared parking between residential and commercial uses. However, as part of the Land Use/Transportation Corridor Plan, the concept of mixed, transit-oriented uses with shared parking arrangements will be explored.

NON-GOVERNMENTAL CONSTRAINTS

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

Financing Availability

The availability of financing can sometimes constrain the development or conservation of housing. According to California's Statewide Housing Plan, home mortgage credit has been readily available at attractive rates throughout the U.S. since the early 1990s. Borrowing costs on fixed rate mortgages during the first quarter of 1999 were at their lowest point in 25 years. The beneficial effects of lower mortgage interest rates on homeownership affordability are profound. For example, with mortgage interest rates at 10%, and assuming a 15% down payment, a family with an annual income of \$60,000 can qualify to purchase a \$166,000 home. With interest rates at 8%, the same household with the same \$60,000 income qualifies to purchase a \$198,000 home. Were interest rates to fall to 6%, the same household could qualify for a \$242,000 home.

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

A related issue is the financing available for the construction of new housing development. According to the Statewide Housing Plan, land developers purchase raw land, entitle and

subdivide it, and, sometimes, depending on the developer and market, install on-site services (e.g., streets, sewers, drainage) and pay for off-site improvements. These activities are generally carried out two to five years ahead of unit construction. The long lead times and high costs associated with these activities create a considerable risk for the developer.

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

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

Development Cost

Construction Cost

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

As noted in the Housing Needs section, a study by the RS Means Company in 1998 showed that California cities have the highest construction cost indices in the nation. Means ranks construction markets according to the cost of labor and materials against a national average represented by the number 100. Indices higher than 100 indicate an expensive construction market. The following table shows the major California construction markets' rankings. San Mateo is included as part of the San Francisco construction market.

California Construction Markets, 1998

MSA	Labor Index	Materials Index	Total Index	Rank
<i>San Francisco</i>	<i>139</i>	<i>110.7</i>	<i>124</i>	<i>178</i>
San Jose	132	109.9	121	176
Oakland	129	109.5	119	175
Vallejo	129	105.4	117	174
Sacramento	116	106.7	111	167
Los Angeles	118	104.9	111	167
Modesto	115	105.9	110	160
Stockton	115	105.8	110	159
Long Beach	117	102.9	110	155
Fresno	114	105.2	109	152
Santa Barbara	115	104.5	109	152
Riverside	114	104.5	109	152
Santa Ana	115	102.3	108	150
San Diego	110	104.5	107	148

Note: Only cities or MSAs with a population of 200,000 or above are included. Average index for the USA is 100.
Source: RS Means 1998 Construction Cost Indices

The current construction cost for local multi-family development, according to a study of nexus fees and the BMR program, is between \$150 and \$160 per square foot, or between \$150,000 and \$160,000 for a typical two-bedroom unit. This is based on the assumption the project is an average 40-unit development, with two bedroom units of 1,000 square feet each, and parking in an above-grade structure. With parking below-grade, costs would increase significantly.

Cost of Land

The cost of land varies considerably between and within jurisdictions. Market factors, especially the desirability of the location, play an important role in setting property values. Typically, land costs range between \$60 and \$75 dollars per square foot, or \$60,000 to \$75,000 per unit.

All of these factors serve to impact the overall cost to produce housing, including affordable housing. Developer overhead and indirect costs, such as project management, design, marketing and taxes, typically adds about 10% to 15% of total costs. Financing of the construction project typically adds between \$12,000 and \$13,000 per unit. The total cost to produce a typical two-bedroom unit, then, averages between \$272,000 and \$330,000 per unit.

Other Non-Governmental Constraints

NIMBYism

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

Construction Defect Litigation

The threat of lawsuits over real or imagined construction defects deters the building of condominiums and townhouses because they are managed by homeowners associations that may be more willing to sue developers than individual homeowners typically are. Thus, according to this argument, California is deprived of badly needed owner-occupied, affordable, high-density and in-fill housing.⁶

Downpayment/Move-In Costs

The ability to accumulate enough funds for a downpayment remains a significant obstacle to many potential homebuyers. Lower-income homebuyers may have a difficult time transitioning from the rental housing market to homeownership because of the difficulty in accumulating the required downpayment, which can be as much as 20-25% of the sales price. In the same way, lower-income households may not be able to find appropriate housing because they cannot accrue the security deposits as well as first and last month's rent.

⁶. "Construction Defect Litigation and the Condominium Market," California Research Bureau, Sacramento, November 1999.

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

INVENTORY

There is one project, Flores Gardens, consisting of 72 senior units, which has the possible risk of converting to market rate rents. It was originally subsidized by federal 221(d)(4) and Section 8 programs. The Section 8 subsidy and accompanying rent restrictions are set to expire in 2003. Over the past year a nonprofit housing organization has initiated negotiations with the owner to purchase the building and retain the affordability, but the owner has made no final decision. Staff will continue to keep in contact with the owner to monitor its progress.

COST ANALYSIS OF PRESERVING “AT-RISK” PROJECTS

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

The cost of producing an affordable unit to replace a lost unit is extremely high. Development costs are estimated at \$145,000 - \$185,000 a unit. Typically, the City's cost to subsidize senior units is \$75,000 - \$85,000 per unit. The estimated City subsidy to replace the 72 units at risk, would be \$5 to \$ 6 million.

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

The costs of preservation are significantly lower than the costs of replacement. The initial analysis of current market conditions estimated that these senior units could be acquired for about \$75,000 per unit. Based on the estimated rental cash flow and utilizing either state or federal acquisition loan programs, the project could be acquired by a nonprofit organization without further financial assistance from the City. If the market value of the units were higher, the difference would mostly likely be needed from the City.

AVAILABLE RESOURCES FOR PRESERVATION

The City will actively work with HUD, the owner, and other interested parties to extend Section 8 and other possible federal subsidies to preserve the affordability, or to utilize alternative state or federal programs.

If the project requires financial assistance from the City, resources include Redevelopment Agency Housing Set-aside funds, and HOME funds. Priority of City resources will be given to preserve at risk units if need be.

QUANTIFIED OBJECTIVES FOR AFFORDABLE “AT-RISK” UNITS

As part of the objectives for this Housing Element Update, quantified objectives were established for the construction, rehabilitation, and preservation of housing units. Included in these objectives is the preservation of the 72 units identified as potentially being at risk for conversion before 2006. See Section L.

J. DESCRIPTION OF HOUSING PROGRAMS

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

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

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

FEDERAL PROGRAMS

Community Development Block Grant (CDBG) The City of San Mateo has been an active participant in the CDBG program for over 25 years. HUD awards this flexible grant program to jurisdictions through a statutory formula, which uses measurements of need. CDBG funds can be used to assist low and moderate income persons in the form of social services activities, housing rehabilitation, economic development, neighborhood revitalization, improvement of public facilities, and prevention and elimination of slums and blight. The City anticipates its annual CDBG budget for the next several years will be approximately \$950,000 per year. However, the City's grant has been slowly decreasing over the last few years and this trend is expected to continue.

Rental Rehabilitation Program Income From 1984-1992 the City received grant monies from the Rental Rehabilitation Program. The City provided loans to investor owners in the lower income target areas to provide property improvements to rental units for low and moderate-income persons. Although HUD no longer funds this program, the City receives some program income through the repayment of loans. Use of this money is restricted to continue the provisions of the Rental Rehabilitation Program, or for programs that are eligible under the CDBG program

HOME Investment Partnership Program The HOME program is a federal grant to participating jurisdictions determined by formula allocations. HOME funds are directed toward the housing programs that assist persons 60% of the median income including acquisition, rehabilitation, new construction, tenant based assistance, homebuyer assistance, planning and supportive services. The City of San Mateo participated in the HOME program as a member of a countywide consortium from 1991-93, and currently participates in the program as an individual jurisdiction. A portion of each year's grant (15%) is set aside for use by nonprofit Community Housing Development Organizations (CHDO). Currently there is one certified CHDO in San Mateo,

Housing Assistance for the Needy and Dispossessed, Inc. (HAND, Inc). The City works closely with HAND, Inc. to find suitable HOME projects. Although it is unclear if funding levels will be maintained for this program in the future, the City is estimating that it will receive approximately \$450,000 annually from 2000-2005.

Mortgage Credit Certificates (MCC) The Mortgage Credit Certificate is a federal income tax credit available directly to qualified first time homebuyers. This credit allows buyers to receive a tax credit equal to 15% of the mortgage interest paid each year. Lenders calculate this tax savings and consider it as additional disposable income that can be used to qualify for a higher mortgage. The participants in San Mateo's First Time Homebuyer program have used this program extensively.

Low Income Housing Tax Credits (LIHTC) The LIHTC is an incentive for investors to provide equity to develop rental units for households at 50 - 60% of median income. The program is not a direct federal subsidy, but rather a tax incentive administered by the Internal Revenue Service. Tax credits were used to help finance the Rotary Hacienda Senior Housing complex in 1989 and the St. Matthew Hotel Project in 1997 and have been allocated to the Santa Inez apartment project for 2000-2001.

Section 8 Rental Assistance Program The San Mateo County Housing Authority manages the Section 8 Rental Assistance Program in San Mateo County. The Section 8 Program provides rent subsidies to low-income persons to pay the difference between what the renter can afford (30% of monthly income) and the fair market rent of the unit.

The Housing Authority considers several factors in determining the eligibility of program applicants. The household must be either a family, or a single person who is 62 years or older, disabled or pregnant. The household's or individual's annual gross income must be equal to or below the HUD published income limits.

NON-FEDERAL PUBLIC PROGRAMS

State Programs The City of San Mateo currently does not receive direct State funds for housing activities. However, housing developers and housing organizations are eligible to apply for State funds, such as programs sponsored by California Housing Finance Agency, on a project-by-project basis. There are also State Low Income Tax Credits available, which can be used to assist housing projects.

San Mateo Redevelopment Agency (RDA) The San Mateo Redevelopment Agency (RDA) receives a portion of local property taxes from its merged Downtown and Shoreline Redevelopment areas for purposes of economic and physical revitalization. By State law a minimum of 20% of agency revenue must be set aside for housing to assist persons up to 120% of the median income. The Agency anticipates approximately \$1,400,000 per year in Housing Set-Aside monies to be available for the next five years for affordable housing programs, bond debt service and projects.

Below Market Rate Program (BMR) In 1992 an inclusionary zoning ordinance was passed that requires 10% of all newly constructed units citywide to be priced affordably. This BMR program applies to all complexes sized 11 or more units, both rental and ownership units. Rental units must be affordable to persons 80% of median income and ownership units must be

affordable to persons 120% of the median income. The City has added about 72 ownership and rental units to its affordable housing stock through this program since 1992 and expects many more to be added because of the high demand for the new construction of housing in the area.

PRIVATE RESOURCES (FOR-PROFIT AND NONPROFIT)

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

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

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

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

INSTITUTIONAL STRUCTURE AND DELIVERY OF SERVICES

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

City of San Mateo/City of San Mateo Redevelopment Agency

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

Development and Business Assistance Division to maintain and expand economic opportunities within the City.

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

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

County of San Mateo

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

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

Nonprofit Organizations

Nonprofit organizations play an important role in the provision of affordable housing and other basic human services to low and moderate-income San Mateo residents. The agencies provide a variety of services in order to meet the changing needs of the diverse San Mateo population. Each year the City sets aside funds to provide grants for housing and other public services.

Nonprofit and other community organizations submit proposals on a competitive basis to obtain these funds annually so that the number and names of providers change from year to year. The working relationship established between the City, County and nonprofit agencies ensures the continuation of valuable housing services to low-income residents. The City provides extensive financial support to these nonprofits through its community funding program.

The majority of nonprofit agencies working in the City of San Mateo can be described as experts in their field. They are adept fundraisers and project managers and they know the diverse needs of their clients and the most efficient ways to meet them. They are also very experienced in working with each other and with other public and private organizations. There are a few grassroots agencies, though, that work in the City and do not have extensive experience as nonprofit service providers. These agencies are typically formed by community members to address a need they experienced in their community. The City has an interest in developing these grassroots organizations into strong community organizations and attempts to provide them with the necessary technical assistance.

Several of the agencies the City works with have experience developing new housing. Shelter Network of San Mateo County has opened several homeless facilities throughout the County, including one in San Mateo. Human Investment Project and the Mental Health Association of San Mateo County have experience with acquisition and rehabilitation of housing properties as well as strong property management. None of these agencies however, have experience in the new development of medium to large-scale housing projects. Many of the new construction and larger projects in the County are conducted by one organization, Mid-Peninsula Housing Corporation.

Private Sector

Private sector organizations involved in providing housing and community development services include realtors, lenders, architects, developers and contractors. These groups rarely take a lead role in providing affordable housing, but are crucial in its provision and development. The private sector's role in the delivery of affordable housing is the same as for any other client. Banks know what is required to make projects work and how to help move them forward. Contractors and developers are equally adept in their fields, as are other members of the business community. Their shortcoming is that they are often unfamiliar with the needs of lower income persons, or with the limitations of those trying to provide services for them. The private sector, however, is slowly learning that serving the low-income community is good business and not a risk, if they have the patience and willingness to serve this group. Also recent economic trends have made affordable housing more attractive and more private developers are investigating developing affordable housing with public assistance. Private developers are also involved with building affordable housing through the requirements of the City's Redevelopment Agency and Below Market Rate ordinance.

HOUSING-RELATED PROGRAMS

Housing Rehabilitation Program

This program has been active in San Mateo for over 25 years funded primarily by CDBG, but also with RDA funds. Low interest home repair loans are available to low or moderate-income homeowners, and investors who agree to rent to low and moderate-income tenants at affordable

rents. Eligible repairs include code violations, deferred maintenance items, and some general property improvements. The program is available to owners citywide and investor- owned properties in the North Shoreview and North Central target areas.

Minor Home Repair and Paint

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



**Minor Home Repair
Partnership with Christmas in April**

Lead-Based Paint Hazard Reduction

In September 2000, the Department of Housing and Urban Development adopted a final rule on the reduction of lead based paint in homes built before 1978. This applies to many of the homes that the City works with through its Housing Rehabilitation Program. In order to implement the tenants of this new rule, the City has developed an action plan for removing lead-based paint on City sponsored projects. City staff proposed additional costs in its budget for implementing the new lead-based paint regulations. In addition, the City anticipates continuing its education program for local residents and contractors about lead-based paint.

First Time Home Buyers Program

The City is currently working on three different strategies to address the need for affordable homeownership in San Mateo.

1. The first strategy continues to be the City's project based first time buyer program. This program provides first time buyers the opportunity to purchase condominiums as they become available for resale at two City sponsored complexes. A new buyer obtains a low interest deferred second loan in order to increase the down payment to purchase a unit that is due at the time of sale. In exchange for resale price restrictions, the interest is forgiven if a new eligible buyer purchases the unit. The City has the first option to purchase each unit in the program as it is available for sale and thus is able to retain the affordable units in the program by rolling the loans over to persons on the waiting list. In some instances, additional subsidy is required to assist buyers. This program has served 300 households since its inception.

The participation of the private lenders who provide the first mortgages has been crucial to the success of the program. Several local lenders have developed special underwriting criteria for this program, reduced fees, and given top priority for loan approval turn around time. The most important feature has been the relaxation of down payment requirements. Some current lenders are willing to accept low down payments between 2-5%. Lack of sufficient down payment has been identified as one of the greatest obstacles for new homebuyers.

This project-based approach is also being augmented by new ownership units that either the City builds or private developers build in compliance with the City's Below Market Rate Program. The City has added 8 units to this program and private developers have added 13 units over the last five years. The financing and assistance components for these units may be different, but they are considered part of the City's First Time Buyer program. The City will continue to pursue options to add units to its First Time Buyer program.



**Corte Bella Ownership Units
Below Market Rate Program**

2. A second City strategy has been to encourage homeownership in the City's low and moderate-income neighborhoods where there is the highest percentage of rental properties, the oldest housing stock and the lowest incomes. As a result, the City has developed the Neighborhood Purchase Program, a flexible loan program that provides purchase money, rehabilitation money, or both for the purchase of homes in the target neighborhoods. This program has assisted eight households since its inception in 1998. The number of households assisted by this program is directly affected by the housing available for sale in the target neighborhoods. Also as part of this program the City continues to work with local lenders to develop new opportunities for first time homebuyers, especially in the City's target neighborhoods.
3. The final priority for the City is to develop more housing for San Mateo City employees and teachers within the San Mateo Foster City School District. The tight housing market has made it increasingly difficult to find housing for teachers in the school district and City employees who would like to live in the community they serve. The City currently gives priority to City employees and School District employees in its First Time Buyer program, but is looking to expand opportunities for these employees. The City will be working with the School District over the next few years to explore ways to assist employees secure housing.

Section 8 Rental Assistance

The San Mateo Housing Authority manages the Section 8 rental assistance program. Approximately 600 San Mateo residents are assisted annually. The vast majority of tenants receive rent assistance in units they choose that meet program rent requirements. The advantage of this program is that rent assistance is scattered throughout the neighborhoods that eases the impact of high concentrations of low-income rentals in any one area. It also allows the participants greater dignity since their rental arrangement is privately negotiated with individual landlords thereby decreasing the stigma that is often associated with subsidized rental housing.

The City supports and cooperates with the Housing Authority in the Section 8 program. It is unknown whether the current levels of federal funding will be maintained over the next five years.

Acquisition of Land

The City is always looking for opportunities to purchase land to assist the development of housing. This includes land banking for the development of owner and rental housing, senior and family housing, transit-oriented housing and mixed-use developments. The City has identified several potential sites for the development of affordable housing, but has not committed to the purchase of any specific properties. The City has Redevelopment Housing Set-Aside funds that can be used to purchase available land in the City.

Acquisition and Rehabilitation of Existing Housing

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

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

Below Market Rate Program

Created by City ordinance, this program requires developers of new housing projects with more than 11 units to develop 10% of units with housing price restrictions. These units, either rental or ownership, will have deed restrictions that make them permanently affordable. Ownership units are required to be affordable to households at or below 120% median income and rentals are required to be affordable to households at or below 80% median income. The City provides financial assistance in the form of reduced building and planning fees to the developers of these projects. The City does not provide any financing to the buyers. NIH coordinates the marketing, sales, and program monitoring of the units through its First Time Buyer program. Redevelopment funds pay for the fees for those units outside the Redevelopment Agency area and cover administrative costs of unit sales.

Community Housing Development Organizations (CHDO)

The City will coordinate with HAND, Inc. or any other CHDO to apply the annual increment of HOME funds that are channeled directly to CHDOs. The HOME funds will be used to assist persons who make less than 60% of the median income. Based on the amount of HOME funds projected over the next five years, it is assumed that approximately \$350,000 will be available via the CHDO set-aside to assist with the expansion of affordable housing opportunities. The most likely use of this money will be acquisition, with or without rehabilitation, or new construction of rental units.

New Construction



**Belmont Building
New Construction**

The City sees the potential for more partnership opportunities to develop new housing with both for-profit and nonprofit developers than in the recent past, mostly due to the wide array of financing tools currently available. More and more developers are becoming educated in how to apply and combine the various government program funds and available private funding to build affordable housing.

Redevelopment Area

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

Secondary Units

The City's secondary unit ordinance allows the construction of modest one-bedroom units sometimes referred to as "granny units" in single family zoned neighborhoods. These units are relatively inexpensive to rent due to their size and are often occupied by family members as a way to live together yet maintain an element of privacy. Approximately 100 legal secondary units exist and approximately six units per year are added.

K. HOUSING GOALS, POLICIES, AND PROGRAMS

GOAL 1: Maintain the character and physical quality of residential neighborhoods.

GOAL 2: Provide a diversity of housing types, responsive to household size, income and age needs.

POLICIES:

1. PROTECTING AND CONSERVING EXISTING HOUSING

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

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

Program H 1.1: Residential Protection.

1. Revise zoning code for residential districts as necessary to eliminate allowable uses not included or compatible with residential Land Use Categories as defined by the Land Use Element.
Lead: Planning Division
(Ongoing)
2. Consider policy during the Special Use Permit process.
Lead: Planning Division
(Ongoing)
3. Consider policy during the design review process.
Lead: Planning Division
(Ongoing)

Serious conflict can arise between residential and adjacent non-residential activities. Commercial and industrial developments which abut residential uses should be designed to

minimize the potentially noisy and bothersome effects of parking lots, loading docks, air conditioning and heating equipment and refuse containers by locating them away from residences or by buffering them with adequate sound-reducing walls and landscaping.

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

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

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

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

Program H 1.2: Single-Family Preservation

1. Consider zoning code amendments to increase setbacks, landscape buffers or minimum fencing requirements in multi-family districts for sites that abut R-1 or R-2 districts. Consider housing affordability as a major goal during development of the guidelines.
Lead: Planning Division
Implementation Goal: July 2003 [Staff anticipates zoning code revisions during the next two years, including this action.]
2. Consider additional buffering provisions such as location of recreational facilities, underground garage exhausts, etc. during the design review process.
Lead: Planning Division
(Ongoing)

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

In many instances throughout the City multi-family zoning districts are directly adjacent to single-family districts. The difference in height and scale between the two uses can be dramatic

and detrimental to the character of the single-family neighborhood. For example, the difference in allowable density may be as great as 6 units per acre for single family and up to 124 units per acre for a larger R-5 zoned parcel. A lower density multi-family zoning district abutting single-family areas could provide a more compatible transition, encouraging lower scale projects such as townhomes. The design of new multi-family projects that abut single-family districts should also include design features that provide privacy, natural light and protection from noise and traffic impacts for the adjoining single-family homes.

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

Program H 1.3: Housing Rehabilitation.

1. Continue funding for housing rehabilitation projects as a high priority during allocation of CDBG funds to accomplish the following objectives by 2006:

75 Rehabilitated units (owner occupied, low-income residences; rental units in low-income neighborhoods)

125 Minor Home Repairs (low/moderate-income households)

Lead: Neighborhood Improvement and Housing

Implementation Goal: Ongoing; reach goal by July, 2006

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

Program H 1.4: Code Enforcement.

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

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

The City also provides financial assistance to low-income households using CDBG and rental rehabilitation grants to assist in housing rehabilitation. Between 1980 and 1990 approximately 520 low-income households were assisted through the housing rehabilitation loan program and 480 very-low income households were aided by grants from the minor home repair program.

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

Program H 1.5: Building Bulk.

1. Through plan checking of single-family dwellings, ensure compliance with new R-1 regulations and design guidelines that control the bulk of and height of buildings. Adopt zoning code amendments to the R-2 district to limit the impacts of over-sized new construction and additions, including examination of floor area ratio, setback regulations and height limits.

Lead: Planning Division

Implementation Goal: Single-family review is ongoing. Goal for R-2: July 2003

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

Program H 1.6: Variances and Lot Divisions.

- 1 Consider during variance and subdivision review.

Lead: Planning Division

(Ongoing)

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

To minimize these impacts on single family neighborhoods, the R-1 section of the zoning code was amended in 1992 to reduce the amount of allowable floor area, require increased second story setbacks, and provide a daylight plane for side yard setbacks to reduce building bulk. In addition, design review of second story additions to single family dwellings and new single family dwellings is now required. These design guidelines address design quality and neighborhood compatibility, along with additional zoning regulations that will be adopted in 2001. Future code amendments in the R-2 district, however, should provide for reasonable use of duplex properties to provide for the needs and conveniences of modern families.

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

H 1.7: Retention of Existing Lower-Income Units. Seek to retain existing subsidized very low-, low- and moderate-income housing units, especially those that will be available for conversion to market rate housing by the year 2006. Retention of such units should have high priority for available funds.

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

1. Monitor affordable projects at risk of conversion to market rate. Maintain regular communication with the owners of all subsidized projects in San Mateo to keep up-to-date on their plans to maintain affordability. Monitor the possible expiration of affordability restrictions for 72 units at Flores Gardens.
Lead: Neighborhood Improvement and Housing
Implementation Goal: Annual discussions with each property owner.
2. Monitor Federal actions and appropriations regarding extension of Section 8 contracts, and actively support additional appropriations.
Lead: Neighborhood Improvement and Housing
(Ongoing)
3. Give high priority to retaining existing FHA and HUD subsidized low-income units through use of CDBG funds, Redevelopment Housing Set-Aside funds, and other solutions.
Lead: Neighborhood Improvement and Housing
Implementation Goal: 2001 to 2006
4. Continue to support the County Housing Authority housing rental subsidies to lease units in San Mateo for very-low and low-income households.
Lead: Neighborhood Improvement and Housing
(Ongoing)

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

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

Program H 1.8: Condominium Conversion.

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

San Mateo has ranked very high among Bay Area suburbs in permitting apartment units to convert to condominium ownership. By 1980, 3,300 rental units had been converted. In 1981, the City amended its condominium conversion ordinance to require tenant relocation benefits and lifetime leases for elderly and handicapped tenants.

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

Program H 1.9: Demolitions.

1. Continue implementation of demolition ordinance. Implement code enforcement programs described in Program H 1.4.

Lead: Building Inspection Division and Code Enforcement
(Ongoing)

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

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

2. ENCOURAGING NEW HOUSING CONSTRUCTION

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

Program H 2.1: Fair Share Housing Allocation.

1. Monitor housing production against ABAG Fair Share Allocation, providing annual updates for the Planning Commission and City Council, with the objective of increasing the housing supply by 1,910 units by 2006.

Lead: Planning Division
(Annual)

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

Program H 2.2: Jobs/Housing Balance.

1. Monitor housing production against new job creation, providing annual updates for the Planning Commission and City Council.

Lead: Planning Division
(Annual)

The City of San Mateo is committed to the provision of housing necessary to accommodate an expanding workforce. In response to State law, the Association of Bay Area Governments (ABAG) has determined that there must be enough land available to accommodate 2,437 units of housing need in the City. The City's housing need is broken down into the following income categories: very-low income –479 units; low-income - 239 units; moderate-income - 673 units; and above moderate-income - 1,046 units. .

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

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

1. Give funding for new low- and moderate-income housing a high priority for CDBG, Redevelopment Housing Set-Aside, and other available funds, with the objective of subsidizing the construction of at least 410 new affordable housing units by 2006 for the following income groups:

Very low-income: 160 units
Low-income: 180 units
Moderate-income: 70 units

Seek to purchase two housing sites by 2006 for low-cost housing projects. Continue to work with nonprofit sponsors, such as BRIDGE and Mid-Peninsula Coalition, to develop projects and obtain subsidized state (HCD) and federal financing, and use both income and mortgage tax credits.

Lead: Improvement and Housing Division

Implementation Goal: July, 2006

2. Encourage the development of senior citizen housing. Prioritize above resources for affordable housing to develop senior housing with a goal that 20%, or 132 new housing units, of the income groups identified above be for senior citizen housing.

Lead: Neighborhood Improvement and Housing Division

Implementation Goal: July, 2006

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

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

Program H 2.4: Private Development of Affordable Housing.

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

Lead: *Neighborhood Improvement and Housing Division (Ongoing)*
2. *Evaluate and study the impacts on development costs to housing by increasing the inclusionary housing production requirements. Areas for consideration include increasing the percentage of units required, lowering the affordability pricing, lowering the project size that triggers the requirement, and including an in lieu payment for small projects.*

Lead: *Neighborhood Improvement and Housing Division*
Implementation Goal: *Ongoing for existing program; bring proposal on new requirements to Council by 2002*
3. *Develop, hold public hearings on, and if possible, adopt a commercial/housing linkage program, based on empirical data applicable to the City of San Mateo. The program should match the housing constructed and/or subsidized to the demand created by commercial development, in terms of affordability levels, type of tenancy, number of bedrooms, and other relevant factors.*

Lead: *Neighborhood Improvement and Housing Division*
Implementation Goal: *Bring to the Council by 2002*
4. *Develop a density bonus program consistent with State law.*

Lead: *Planning Division (Ongoing)*

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

Lead: Planning Division (Ongoing)

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

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

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

Lead: Planning Division
(Ongoing)

The creation of new affordable housing is critical if San Mateo businesses are to expand and remain competitive. A high proportion of anticipated job growth will occur in lower paying service sector positions. If employees are to be recruited for these jobs at competitive wages, then local housing for low- and moderate-income households will be required.

ABAG has determined that a total of 2,437 units are needed in the City to accommodate group during the period 1999 to 2006. The following table depicts these figures.

ABAG REGIONAL HOUSING NEED ALLOCATION, 1999-2006

Total Projected Need	Very Low	Low	Mod	Above Mod	Average Yearly Need
2,437	479	239	673	1,046	325
	20%	10%	28%	43%	

The private sector has not been successful in producing affordable housing due to land costs and the demand for higher-priced units. The City will continue to offer a density bonus to encourage private development of affordable housing. The City will also create a stronger incentive for affordable housing by permitting densities near the top of the density range only for projects that include low- and moderate-income units.

Concentrating affordable housing developments can change the character of a particular area of the City. San Mateo is a dynamic community due to its diversity of housing types and population. To continue this pattern, new affordable housing developments should be located throughout the City. It is particularly beneficial when affordable units can be integrated into market-rate projects.

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

Program H 2.6: Rental Housing

1. Consider during review of applications for multi-family housing.
Lead: Planning Division
(Ongoing)

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

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

Program H 2.7: Secondary Units.

1. Utilize R-1 design guidelines for the creation of secondary units that are compatible with the design of the principle residence and surrounding neighborhood, provide useable on-site open space and protect the privacy of adjoining properties.
Lead: Planning Division
Implementation Goal: (Ongoing)

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

The State requires that local agencies adopt ordinances allowing secondary units in single-family districts. San Mateo's ordinances require that the property owner reside on-site, providing the stability of home-ownership. The secondary units are allowed to be a maximum of 640 square feet -- typically a studio or one-bedroom unit -- and three parking spaces must be provided for the two dwelling units to reduce the need for on-street parking. A discretionary use permit is required to review the compatibility of the unit with the main dwelling and the neighborhood. Recently adopted design guidelines for single family dwellings will also be used for secondary units, thereby ensuring a compatible design and protection of privacy for adjacent properties.

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

Program H 2.8: Single Room Occupancy.

1. Adopt a Single Room Occupancy ordinance to allow the development of new SRO projects.
Lead: Planning and Building Divisions
Implementation Goal: 2004

Single Room Occupancy projects can provide efficient and affordable units for those who desire minimal housing. Since SRO units may or may not include cooking facilities and are often sized below 400 square feet, they do not meet current planning and building code requirements. Special standards must be developed to take into consideration the unique nature of this type of housing.

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

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

Program H 2.9: Multi-Family Location.

1. Maintain multi-family zoning on specified sites consistent with the Land Use Map or Land Use Element policies.
Lead: Planning Division
(Ongoing)
2. Consider during review of Reclassification applications for multi-family districts.
Lead: Planning Division
(Ongoing)

H 2.10: Housing Densities. Re-examine permitted densities in multi-family districts to:

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

Program H 2.10: Housing Densities.

1. Adopt development standards permitting densities at the higher end of the range based on specific standards for provision of low- or moderate-income housing, such amenities as increased open space, public recreational facilities, or off-site infrastructure improvements, and location adjacent or near transit nodes.
Lead: Planning Division
Implementation Goal: July, 2003
2. Adopt zoning code amendments to ensure that maximum densities in R-3, R-4, and R-5 districts are consistent with other development requirements such as parking, open space, height limits, and setbacks.
Lead: Planning Division
Implementation Goal: July, 2003
3. Review the densities permitted on lots of less than one-half acre in the R-3, R-4, and R-5 districts to ensure that permitted densities are appropriate on small lots.
Lead: Planning Division
Implementation Goal: July, 2003

If San Mateo is to meet its housing needs, it will need to encourage multi-family housing on vacant sites and through redevelopment. However, to create high-quality living environments and protect existing neighborhoods, certain standards must be followed in the location of new multi-family developments. Sites must be large enough to provide adequate parking and still

leave area available for recreation and open space. Multi-family sites must be close to arterial streets to handle traffic generation and discourage traffic through single-family neighborhoods. Specific commercial sites may be developed for multi-family use.

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

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

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

In 1979 the allowable densities of multi-family districts were studied and revised, with the intent of limiting allowable densities on smaller parcels and providing density incentives for lot assemblage. The increase in lot size provided better opportunities for incorporating parking and open space in a more livable project design. The R-3 District, for example, now allows just two units to be constructed on a parcel of 6,000 square feet. If two such parcels are merged, creating a 12,000 square foot lot, a project of eight units is allowed. In many cases multi-family developments on two merged lots have been found to be too dense for the lot size. It is recommended that the density allowances be reexamined to determine if the rapid increase in permitted density for smaller lots is appropriate.

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

Program H 2.11 Senior Project Location.

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

The elderly population of San Mateo is increasing. San Mateo's senior citizens should be provided with housing opportunities within the community to avoid the necessity of relocating to other areas and to free up underutilized single-family homes for younger families. Senior housing has different characteristics than typical family-oriented housing. Seniors typically

drive less, thereby reducing traffic impacts and the need for extensive parking. Many senior projects also provide on-site communal facilities for dining and recreation, which further reduce the need for driving. Senior housing should be located within three-quarters of a mile of commercial services and transit routes to adequately provide for the needs of elderly residents.

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

Program H 2.12: Mixed Use.

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

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

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

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

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

Program H 2.13: Transportation Oriented Development (TOD).

1. Encourage transit-oriented development in locations adjacent or near train stations and other transit nodes.
Lead: Planning Division
Implementation Goal: San Mateo Rail Corridor Transit-Oriented Development Plan and Bay Meadows II Specific Plan are underway and due for completion by 2005.
2. Adopt Transportation Oriented Development Ordinance to provide incentives for development of TOD projects.
Lead: Planning Division
Implementation Goal: 2005 in conjunction with the San Mateo Rail Corridor Transit-Oriented Development Plan and Bay Meadows II Specific Plan.

As with the concept of mixed-use development, transit-oriented development is not a new idea. The location of housing within proximity to transit stations has been shown to increase the use of transit ridership and reduce the use of single-occupancy vehicles. In order to further encourage this phenomenon, the City has been examining opportunities for providing increased residential densities in proximity to train stations and transit nodes. Especially in combination with other policies encouraging higher residential densities and mixed uses, the concept of transit-oriented development has the potential to positively affect local circulation, jobs/housing balance, and the evolving fabric of the City's transit corridors.

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

Program H 2.14: The Homeless.

1. Continue existing support, where feasible, for programs and facilities seeking to prevent homelessness.
Lead: Neighborhood Improvement and Housing Division and Community Services Division
(Ongoing)
2. Allow emergency shelters as a special use in commercial zoning districts.
Lead: Planning Division
Implementation Goal: (Ongoing)

In 1989, the problem of homelessness was increasing as housing prices rose faster than income and cutbacks occurred in social programs. The "San Mateo County Homeless Needs Assessment", prepared in 1995, indicates that there has not been an appreciable change in the overall extent of homelessness in the County since 1990. The City has committed itself to aiding the homeless, and in 1989 provided financial assistance in the creation of a 39-bed "transitional housing" project called Families First, which provides temporary housing to those making the transition into employment and permanent residency. The City also supports numerous private and nonprofit agencies in their efforts to prevent homelessness.

Up until the winter of 2000, the National Guard Armory on North Humboldt Street provided temporary winter shelter quarters. A countywide task force was formed to find a location for a permanent shelter. The City provided \$125,000 to assist in the construction and transition from the Armory to the new location in South San Francisco. The City continues to participate in the county wide Continuum of Care task force that annually reviews the service needs and funding recommendations for a variety of permanent and transitional homeless facilities in San Mateo County.

Sufficient sites for emergency shelters exist in non-residential areas of the City. By modifying zoning regulations to allow emergency shelters in commercial districts, an additional 1,136 parcels will be designated as available for housing the homeless. Transitional shelters such as Families First may be allowed in both residential and commercial districts, subject to a special use permit. Sites near transit and other community services should particularly be considered for such residences.

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

Program H 2.15: Open Choice.

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

Lead: Neighborhood Improvement and Housing Division
(Ongoing)

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

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

Program H 2.16:

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

Lead: Neighborhood Improvement and Housing Division

(Ongoing)

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

L. QUANTIFIED OBJECTIVES

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

With respect to affordable units, the City has estimated the potential subsidies available during the planning period and has calculated the potential number of units that could be assisted with these funds. In addition, staff has compiled a list of known or expected development projects in the next few years, including preservation projects anticipated to come on line between 2001-2006.

Based on residential building permits issued in the last six months and residential projects that have been initially reviewed by the Planning department that have not been built, the quantified objective for non-subsidized units developed in the market is 1,500 units. Factors that have influenced a slower than expected new construction market include the cost to develop, the difficulty in finding suitable land without site constraints (such as toxics, topography, etc.) and the uncertainty with the current economy.

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

Quantified Objectives, 2001-2006

Conservation/Preservation	Total	VLI	LI	MOD
Preservation Projects	72	72		
Homeowner and Renter Rehab	75		50	25
TOTAL, CONSERVATION/PRESERVATION	147	72	50	25
New Construction	Total	VLI	LI	MOD
Santa Inez Apartments	44	44		
Norfolk Properties	7	5		2
Jefferson at Bay	58		58	
Other potential affordable construction projects	301	111	122	68
TOTAL, NEW CONSTRUCTION	410	160	180	70
TOTAL, AFFORDABLE	557	232	230	95
Private Sector/Market Rate				
New Construction	1,500			
GRAND TOTAL	2,057			

The following table summarizes these objectives against the adjusted RHNA need allocations:

Income	Quantified Objective	Adjusted RHNA Figure
VLI	160	406
LI	180	178
MOD	70	608
Market	1,500	0
TOTAL	1,910	1,192

M. CONSISTENCY WITH OTHER ELEMENTS OF THE GENERAL PLAN

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

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

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

N. PUBLIC PARTICIPATION

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

This Housing Element represents the culmination of several months of staff development and community review. The following highlights the public process undertaken to produce this document:

Housing Developer Focus Group	August 28, 2001
Special Needs Housing Focus Group	August 28, 2001
Housing Advocates Focus Group	August 29, 2001
Joint Study Session-City Council and Planning Commission	September 4, 2001
Planning Commission Draft Review	October 9, 2001
City Council Draft Review	November 5, 2001
Planning Commission Adoption of Final	April 9, 2002
City Council Adoption of Final	May 6, 2002

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

Specifically, the City convened a series of Focus Groups to elicit comment and recommendations from experts in the field of housing, as well as from the community at large. At these Focus Groups, participants were provided a presentation on housing needs and were asked to comment on additional trends and areas of concern related to housing needs. Participants' responses were also elicited concerning strategies to address these needs, and staff presented various new proposals to be considered in the schedule of future actions

Staff reviewed the information gleaned from these Focus Groups and the Planning Commission meeting and developed several new goals, policies and actions to address these concerns. In response to public input and Planning Commission and City Council comments, the following are highlights of new programs and goals that have been added to the existing Housing Element:

- *Program H 2.4: Private Development of Affordable Housing.* An additional program has been added to study increasing inclusionary housing requirements. This could include increasing the percentage of affordable units required, lower the project size that triggers the requirement, and/or including an in lieu payment for small projects and/or other special circumstances.
- *Goal and Program H 2.8: Single Room Occupancy.* This goal and accompanying program call for the provision for single room occupancy (SRO) units in the City and

development of an ordinance to address these types of units.

- *Program H 2.12 Mixed Use.* Additional language has been added to encourage mixed use in the City's El Camino Real Master Plan area and Land Use Transportation Corridor.
- *Goal and Program H 2.13 Transportation Oriented Development (TOD).* This goal and accompanying policy was added to encourage transit oriented development and provide for adoption of a Transportation Oriented Development Ordinance to provide incentives for development of TOD projects, particularly in the Land Use Transportation Corridor area.

Aside from the targeted Focus Groups, all meetings before the Planning Commission and the City Council were noticed according to State and local requirements. Additionally, participants at the Focus Groups were specifically invited to attend these meetings for additional comment and recommendations.

Comments elicited throughout the public participation process, as well as list of attendees of the various focus groups, are included in Appendix C.

APPENDIX A

INVENTORY OF SITES AVAILABLE FOR NEW HOUSING DEVELOPMENT

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INVENTORY OF SITES AVAILABLE FOR NEW HOUSING DEVELOPMENT

Parcel #	Property/Street Name	Zoning	Status	Type of Housing	SF	VLI	LI	MOD	Above	TOTAL
VACANT SITES										
	Bay Meadows	BMSP	Vacant	Multi-Unit	370,260	74	35	109	133	350
041-212-340	Liaw/Polhemus Road	RIA	Vacant	SFR	322,245	13	6	20	24	64
033-162-033	Grant Street Condos	R5D	Vacant	Multi-Unit	18,750	3	2	0	12	17
033-135-070	Song/Third Avenue	R5D	Vacant	Multi-Unit	17,398	1	2	0	12	15
033-164-130	Kera Properties/El Dorado St.	R5D	Vacant	Multi-Unit	12,683	1	1	0	9	11
032-442-200	El Camino Real/Bank Walter	R5	Vacant	Multi-Unit	7,525				9	9
038-282-050	San Mateo Land Exchange	R3	Vacant	Multi-Unit	368,517	41	20	61	74	196
038-282-040	San Mateo Land Exchange	R3	Vacant	Multi-Unit	178,552	20	10	29	36	95
032-185-010	Bellevue Townhomes	R3	Vacant	Multi-Unit	14,250				8	9
034-382-210	Periat/Madison St.	R3	Vacant	Multi-Unit	8,750				5	5
041-200-500	Tealdi/Timberlane Way	R2	Vacant	Multi-Unit	26,048	1	1	0	8	10
034-161-090	Jaros	R2	Vacant	Multi-Unit	14,326				6	6
039-210-530	City of San Mateo	R1C	Vacant	Multi-Unit	438,650	14	7	20	25	65
042-030-230	City of San Mateo	R1C	Vacant	Multi-Unit	259,316	8	4	12	15	39
042-012-200	City of San Mateo	R1B	Vacant	Multi-Unit	71,167	1	1	0	10	11
038-212-030	Parrot Drive/Lee	R1A	Vacant	Multi-Unit	40,337				8	8
032-323-310	Serris Regis	C1-2/R5	Vacant	Multi-Unit	46,000	4	2	0	13	20
					2,214,774	181	89	252	407	930

Parcel #	Property/Street Name	Zoning	Status	Type of Housing	SF	VLI	LI	MOD	Above	TOTAL
UNDERUTILIZED/VACANT										
035-200-170	K-Mart Site	C21/R4	Underut./Vac.	Multi-Unit	498,588	33	16	49	60	159
	Multiple (1-4) Units	R1A-R3	Underut./Vac.	1-4 Unit	203,890		14	20	27	61
					702,478	33	30	69	87	220

Parcel #	Property/Street Name	Zoning	Status	Type of Housing	SF	VLI	LI	MOD	Above	TOTAL
UNDERUTILIZED										
042-242-430	42nd Avenue Specific Plan	Multiple	Underutilized	Multi-Unit	227,500	136	65	202	249	653
034-198-130	Stradbally Condominiums	R6D	Underutilized	Multi-Unit	12,638	3	2	0	14	19
034-198-100	Laurel Apartments	R6D	Underutilized	Multi-Unit	10,200	1	1	0	10	12
034-194-130	Central Park Manor	R6D	Underutilized	Multi-Unit	5,690				6	6
033-162-020	Prometheus	R5D	Underutilized	Multi-Unit	273,000	46	22	67	82	217
033-331-330	San Mateo Hotel	R5	Underutilized	Multi-Unit	42,310	11	5	16	20	53
032-441-280	Crystal Springs/ El Camino	R5	Underutilized	Multi-Unit	40,601	11	5	16	19	50
034-198-010	Nazareth Plaza	R5	Underutilized	Multi-Unit	41,320	6	3	8	10	27
039-381-030	Edison Townhouses	R5	Underutilized	Multi-Unit	6,686				8	8
033-163-030	Fremont/Catanzaro	R4D	Underutilized	Multi-Unit	22,831				7	7
039-060-010	Pioneer Court	R4	Underutilized	Multi-Unit	125,506	8	4	12	15	40
039-030-110	Andreini Building	R4	Underutilized	Multi-Unit	78,000	5	3	8	10	25
033-171-180	M & H Market	R4	Underutilized	Multi-Unit	53,938	1	2	0	12	15
039-060-250	W Mcacker	R4	Underutilized	Multi-Unit	52,315	1	1	0	11	14
033-081-280	Hollywood Motel	R4	Underutilized	Multi-Unit	41,277	1	1	0	10	13
032-312-250	Mills Parking	R4	Underutilized	Multi-Unit	12,859	1	1	0	10	12
035-217-010	Palm Theater	R4	Underutilized	Multi-Unit	20,000				6	6
033-154-220	Classic Communities	R3	Underutilized	Multi-Unit	60,113	5	3	8	10	25
042-201-320	SM School District/Knolls	R1C	Underutilized	Multi-Unit	271,597	21	10	31	38	99
038-283-010	CSM Lot 17	R1A	Underutilized	SFR	191,664	3	2	0	13	18
042-121-060	Hillsdale Overflow	C31/R4	Underutilized	Multi-Unit	60,548	3	2	0	14	19
042-161-121	Culligan Retail	C31/R4	Underutilized	Multi-Unit	10,000	1	1	0	8	10
035-032-120	City of San Mateo (Police)	C3-1	Underutilized	Multi-Unit	91,476	11	5	16	19	50
033-193-160	Bayshore Commercial	C21	Underutilized	Multi-Unit	4,130				5	5
					1,756,199	274	137	387	606	1,403

**GRAND
TOTAL**

4,673,451	488	256	708	1,100	2,553
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APPENDIX B

PERMITTING RULES OF PROCEDURE

APPENDIX C

PUBLIC COMMENTS

APPENDIX C

PUBLIC COMMENTS

Special Needs Focus Group, August 28, 2001

- ❖ Parking for the senior overlay zones still needs to be refined – although the code says .25 spaces per unit, the City would not let us go that low. If it's not ever achievable at .25, the City should be honest and say what it really is.
- ❖ Make sure that accessibility improvements (ramps, grab bars, etc.) are in the new goals as an objective.
- ❖ The City should consider raising the BMR program to 20% affordable, rather than the existing 10%.
- ❖ Consider more housing near transit.
- ❖ Need more studio apartments like those on B Street.
- ❖ Need the commercial development linkage fee for housing.
- ❖ Can do more housing if there are sites – not enough available for development.

Developer Focus Group, August 28, 2001

- ❖ Proposed multi-family zoning revisions to increase setbacks, etc. really decrease density on affordable/multifamily.
- ❖ City needs to address the problem of higher density developments in lower-density zones and vice-versa.
- ❖ Second units are impossible to build – although the provisions look good on paper, in the end a developer/owner really cannot comply. The revisions are self-serving and do nothing to increase housing. Need to look at parking, etc. for revisions to create more opportunities.
- ❖ Measure H: when does it expire? Need reference here.
- ❖ The current and proposed Element protects and maintains what is already there; there is no vision for additional housing growth – too inward looking.
- ❖ The City is not proactive in getting ANY new housing – just interested in the status quo
- ❖ The plan does not increase the potential for housing, just preserves neighborhoods, which is politically charged.
- ❖ What about increasing density along rail/transit corridors?
- ❖ The time is ripe for rezoning Bay Meadows' main track with high-density housing.
- ❖ New apartments are built without any studios being included – we need more of these.
- ❖ Need specific SRO zoning provisions.

- ❖ The most viable mixed-use projects are those with shared parking, specifically housing and offices together – little overlap in timing of use of parking; retail and hotels definitely don't work together.

Housing Advocate Focus Group, August 29, 2001

- ❖ Why won't the City consider an in-lieu fee for the BMR program? Some fixed amount should be considered, perhaps as a percentage of the cost of the market rate units.
- ❖ In-lieu fees could be targeted to first time homebuyers, etc.
- ❖ Maybe allow in lieu for fractional units.
- ❖ Since affordable housing is a social goal, some fast tracking or other fee waivers would offset the cost of the BMR program.
- ❖ Need dispersion of affordable housing throughout the City; current BMR program accomplishes this.
- ❖ If the BMR program had a high in-lieu fee, it would be a positive disincentive for developers to just guy out of their obligation. Plus those who want to pay the high amount will help the City afford to subsidize more lower-income.
- ❖ BMR program should vary the requirements by location in the City; areas where there are already lower-income units should not be required to have more.
- ❖ Consider lowering the threshold for the BMR program from 10 units to 6.
- ❖ Need quantified objective for senior housing, which is a significant ongoing need, especially affordable rental housing.
- ❖ BMR is currently targeted at 60% - 80% of MFI; consider deepening affordability to lower than that.
- ❖ Should there be a program listed here for teacher/city worker housing?
- ❖ What about the Council-adopted program to give priority to persons displaced in demolished housing to have a unit in the new development that replaces it? Should that be in here?
- ❖ Need to add relocation benefits to the Code Enforcement policies here.
- ❖ People are resisting changing their thinking about increasing zoning to accommodate the need. We need higher density along transit corridors and at Bay Meadows.
- ❖ With respect to the program dealing with Jobs/Housing, add language to mention housing along transit.
- ❖ Currently much of the high density is located in North-Central; it should be spread out better around the City.
- ❖ In addition other proposed changes to the BMR program, consider raising the requirement to 25%.

- ❖ Codes: Need comprehensive program to include health and safety, not just abatement of second units.
- ❖ Need a balance between renter and owner housing.

City Council/Planning Commission Joint Study Session, 9/4/01

Speaker	Comment	Response
Bertha Sanchez	The proposed Plan follows what we've been doing. Since San Mateo is essentially built out, doesn't ABAG recognize this? We know the demand for housing is lower than it has been because of changes in the economy.	ABAG projects housing needs based on a formula that is intended to balance the State's projection of housing growth with job growth in a particular area or city. Unfortunately, this methodology uses "point-in-time" data originally derived from 1990 Census information and therefore cannot reflect actual field conditions in a particular jurisdiction.
Bertha Sanchez	I have serious concerns about secondary units because there is already a lot of overcrowding. Second units basically create a duplex zone within single-family neighborhoods, which increases the impacts.	Secondary units require approval of a Special use Permit. The secondary unit's impact on the surrounding area is one consideration in the Special Use Permit process.
Bertha Sanchez	Setasides for senior projects look ok to me, and since they don't require much parking a reduction in the parking requirement would probably also be ok.	Comments noted.
Bertha Sanchez	The continued dispersion of affordable housing through the BMR program is important, but I would not support an increase in the required number of units to 20%.	Comments noted.
Bertha Sanchez	I can't support a commercial linkage fee.	Comments noted.
Fred Hansson	What's the risk of not meeting these numbers?	Although there is no specific risk to the City were it unable to see the actual construction of the ABAG new unit need figures, the City is required by law to find enough sites zoned at appropriate densities to accommodate the need figures at the various income levels. If it cannot make the adequate sites, the City may be at risk of lawsuits for having a non complying element, may be forced by a judge or the State to allow some housing development without local discretionary review, and may be fined or otherwise financially penalized for not complying with the law (if certain laws circulating in the State Legislature are passed).
Fred Hansson	I don't want to see any changes in the currently required setbacks for any of the proposals.	Comments noted.
Fred Hansson	I cannot support an in lieu fee being added to the BMR provisions.	Comments noted.
Fred Hansson	I have a problem with a 75' height limitation – it's beyond a human scale.	Comments noted.

Robert Gooyer	The in-lieu fee is a bad idea; I would rather see the units developed.	Comments noted.
Brandt Grotte	Transit-Oriented Development is a good idea but we should be careful where it is applied. Specifically, we should be careful not to count on Californians to give up their cars.	Comments noted.
Brandt Grotte	Mixed-use development is a great idea and will be great for our jobs-housing balance.	Comments noted.
Brandt Grotte	I do not support a commercial linkage fee; if we do one we need to capture the true or whole cost of developing housing.	Comments noted.
Brandt Grotte	Perhaps a higher percentage of required units is warranted in the BMR program-- maybe 15-20%. We should also consider decreasing the trigger; I can't help but think there are small lots where one unit could be BMR.	Comments noted.
Brandt Grotte	We need to be careful about whatever we do with second units – driveways continue to be an issue, especially midblock. I support second units for in-laws and relatives, but we can't put Code Enforcement in an awkward position to check on people to make sure they are complying.	Comments noted. As part of the discussion on second units, staff will present information on occupancy requirements that are allowed by State law.
Brandt Grotte	We shouldn't touch Measure H.	Comment noted. Measure H, as adopted by the voters, is valid until 2005.
Brandt Grotte	We need MORE parking restrictions, not fewer.	Comments noted.
Brandt Grotte	Need to consider carefully the setback issue as it relates to adjacent commercial and residential.	Comments noted.
Brandt Grotte	On page 3 of the staff report, we should add FEMA information regarding proactive Code Enforcement.	Comment noted
Brandt Grotte	On page 4, H1.7 (2), regarding monitoring of Section 8: what is the impact of the FEMA requirements on Section 8?	FEMA requirements will not adversely impact the City's ability to retain affordable units, such as existing Section 8 units.
Brandt Grotte	On page 9, #2: commercial linkage fee is ok.	Comments noted.
Brandt Grotte	On page 12, H2.9 [?] there should be a mechanism to re-examine density around transit but without losing parking.	Comments noted.
Jack Matthews	With respect to the in-lieu fee, while I don't want to make it a simple program where anyone can buy their way out of the BMR requirements, I do think that making it possible at some times is ok.	Comments noted.
Jack Matthews	Are we not considering densities of more than 50 units/acre? What about Bay Meadows? That should be at greater density.	Densities are being examined as part of the Land Use Transportation Corridor/Bay Meadows II long-range study.

Jack Matthews	The density discussions talk about units, not bedrooms. We should study the goals in densities with relationship to bedrooms.	Comments noted.
Jack Matthews	How viable is raising the BMR requirement?	As part of the future staff report on the options for amending the BMR program, staff will present information about other jurisdictions that have raised the threshold and how the decision on a particular level was achieved.
Jack Matthews	Preservation is very important, but what about landbanking and preserving existing housing (housing that is not subsidized)?	Both the provision for landbanking and preservation of existing housing are addressed in the Housing Element. In addition, preservation of existing housing stock is also discussed in the City's General Plan Land Use Element.
Jack Matthews	We should be making density bonuses attractive to developers.	Comments noted.
Jack Matthews	We should be looking at alternative housing types, like live/work and smaller units.	Comments noted. A policy action has been added to develop zoning requirements for single-room occupancy developments, or SROs.
Jack Matthews	Linkage fee is a good idea; at least we should look at it. In addition, maybe we could look at onsite housing in commercial developments, and a bonus (for example, if you provide more housing, you get more office space).	Comments noted. Staff will look at a broad range of options as it considers a commercial development linkage fee.
Jack Matthews	In the Transit-Oriented Development program, I think El Camino is underestimated in terms of the potential for development there. Parking studies could be done to justify no increase in traffic.	Development of a Transit-Oriented Development Ordinance, along with accompanying standards, would include consideration of areas along El Camino Real, as well as other major transportation corridors.
Sue Lempert	In terms of constraints, we need to look at power impaction and water problems. We also need to look at the impact on (and of) schools.	Although these are indeed concerns of the City, these issues are outside the scope of the Housing Element.
Sue Lempert	The City has been primarily a single-family dwelling community; do we want to change this with these policies?	Although there is a continued housing need for single-family development, there is also an ongoing need for multifamily. State law requires that a community provide for all economic segments of the community, and allow development for a variety of housing types.
Sue Lempert	The linkage fee option is o.k. with the proviso that we should look at the connection between residents. The same thing is true of TOD.	Comment noted.
Sue Lempert	I support a 15% requirement in the BMR program but I support a threshold increase to developments of 25 units or more, and I do not support an in-lieu fee.	Comments noted.

Sue Lempert	I have raised concerns about the parking before. We should be serious about having people walking downtown, since you can survive without a car there. We can also offer people decreased rent if they only one car, and an even greater reduction if you have no car. We should try this as a pilot.	Comments noted.
Clare Mack	I am angry at the feds and the State for making us do these exercises in futility.	Comments noted.
Clare Mack	Second units can't be accomplished everywhere; we shouldn't do them where there is already impaction.	Comments noted.
Clare Mack	TOD/Mixed use o.k. to do.	Comments noted.
Clare Mack	Small units are ok, but we need to watch which areas we are going to do them in. SROs are great but let's be careful.	Comments noted.
Clare Mack	We need proactive Code Enforcement.	Comments noted. Code Enforcement is an issue that is outside of the scope of the Housing Element, which is a land use-planning document.
Clare Mack	75' height limit is too high; it seems like King Kong.	Comments noted.
Clare Mack	I like Sue's idea about rent reductions for having no car.	Comments noted.
Clare Mack	We need to study things carefully before we do anything new.	Comments noted.
Jan Epstein	We should protect the service area, and enhance El Camino.	Comments noted.
Jan Epstein	I also have concerns about second units, which really should just be called rental housing.	Comments noted.
Jan Epstein	The idea of doing all detached housing is not realistic; we should allow more condos.	Comments noted.
Jan Epstein	Linkage fee is a good idea – commercial developers need to do their share.	Comments noted.
Jan Epstein	The density and height limits may need to be raised.	Comments noted.
Jan Epstein	I like Sue's idea about rent reductions for having no car.	Comments noted.
Jan Epstein	TOD/Mixed use o.k. to do.	Comments noted.
Jan Epstein	I want a staff report on the BMR program.	Comments noted. Staff will be preparing a detailed report on the BMR and the options for improving it as part of the action items of the Housing Element.
Carol Groom	We need more housing downtown, including intergenerational housing. We should consider reducing the parking requirements to accomplish this.	Comments noted.

Carol Groom	I support raising the BMR requirement to 15%.	Comments noted.
Carol Groom	I'm not sure of the commercial linkage fee.	Comments noted.
Carol Groom	I don't think a BMR in-lieu fee should be permitted.	Comments noted.
John Lee	I don't support an in-lieu fee.	Comments noted.
John Lee	I have concerns about the mix of single family housing and multifamily.	Comments noted.
John Lee	I could not be convinced to support a commercial linkage fee.	Comments noted.
John Lee	Raising the BMR requirement from 10% to something else is probably ok, but what will pencil?	Comments noted.
John Lee	The Rotary wants another site – it's an incredible project.	Comments noted.
John Lee	Measure H expires in 2005.	Comments noted.
Public Comment (SM Chamber of Commerce)	An in-lieu fee should be allowed under certain circumstances in the BMR program. Sometimes the affordable units would be better developed elsewhere and by someone else.	Comments noted.
Public Comment (citizen)	I have concerns about Fire and Police response time with increased housing – it's already too long and this will make it worse.	Comments noted.
Public Comment (St. Gregory's/PIA)	San Mateo has done a good job with affordable housing but we want to see amplification: increasing the BMR requirement, and decreasing the threshold.	Comments noted.
Public Comment (St. Gregory's/PIA)	The City should have a quantified objective for senior housing as a sign of commitment.	Senior housing is included as a part of the City's total housing objective. In addition, senior housing is address in the special needs discussion.

Planning Commission hearing 10/9/01

<i>Speaker</i>	<i>Comment</i>	<i>Response</i>
Public Comment (Kevin Brown)	It seems as though you have double counted the units. This is not fair.	The draft conforms to State Law, which allows jurisdictions to double count, in essence, units in the accomplishments section and units in the future housing sites section. This overlap covers a relatively small period of time (January 1, 1999 to June 30, 2001).
Public Comment (Kevin Brown)	ABAG Fair Share requirements are not being met.	Although this is accurate, it is not mandated in law. The City must have enough sites zoned at appropriate densities to accommodate development were it to occur, but in terms of the quantified objectives, the State recognizes that resources may not be available to develop them.

Public Comment (Kevin Brown)	More Redevelopment funds should be set aside than the 20% required. This should be increased to 30%.	Comments noted. The City Council has not considered raising the RDA contribution above the mandated amount in the past.
Public Comment (Kevin Brown)	The land inventory on page 98 does not tie to page 63's discussion of units in the adequate sites.	Those developments on page 98 refer to sites that may be considered in the future for housing but are currently not housing sites.
Public Comment (Kevin Brown)	Parking reductions are needed in addition to the BMR program.	Comments noted. The issue of parking will be reviewed as part of the discussion of the BMR program.
Public Comment (Kevin Brown)	The open space requirements on page 69 are confusing.	There are zoning requirements for R3 zoning districts. While other zoning districts do not have quantitative requirements, the City's design guidelines do include provisions to examine the adequacy of open space but do not set forth numerical standards.
Public Comment (Kevin Brown)	The City should continue to provide its share of shelters instead of shifting them to South San Francisco.	The strategy for providing shelters is a countywide function and so the City works with other jurisdictions to facilitate these developments. The City also allows emergency shelters non-residential areas and allows for limited shelters within existing church facilities.
Public Comment (Kevin Brown)	Teacher housing is a much-needed program.	Teachers in the San Mateo City School Districts are given high a priority in the administration of the City's Below Market Rate unit program.
Robert Gooyer	Re: rezoning and density requirements – need to be specific where it will happen.	Comments noted.
Robert Gooyer	In terms of secondary units, there is a distinction between in-law units and rentals in terms of the parking. Can this be taken care of on an individual basis?	A Special Use Permit is needed for a secondary unit. There is no distinction in terms of the occupancy of the secondary unit, nor are there different parking requirements based on the type of occupancy.
Fred Hansson	On item H1.1, #3, please include "and traffic" to the last line on page 86.	Comment noted.
Fred Hansson	We should encourage ownership over rentals so properties are better maintained.	The City will continue to encourage ownership development while at the same time supporting and encouraging rental development, consistent both with housing needs and with State law.
Jack Matthews	It's a mistake to concentrate affordable housing in one location.	One of the advantages of a BMR program is that it equitably disperses affordable housing throughout the City.
Jack Matthews	Landbanking is a good idea, but so is shared housing because it takes advantage of the existing housing stock.	Comments noted.
Brandt Grotte	Policy H 1.1 Would like to see "and traffic" added to the last line so that it read"...and protect residences from impacts such as noise and traffic; and..."	Comment noted.
Brandt Grotte	Policy H 1.1 Items 3 and 4. These two items appear to be repetitive.	This is a typo; item 4 should be removed, as it is the same as item 3.

Brandt Grotte	<p>Would like to see a third item added to read as follows:</p> <p>“3. Define preferred traffic patterns from all development and implement measures to minimize routing through existing residential areas.”</p>	The Circulation Element includes a number of policies discouraging non-residential traffic through residential neighborhoods.
Brandt Grotte	Is the Draft Housing element statement “reduce absentee ownership” inconsistent with other statements encouraging the provision of rental housing.	The housing element discourages the impacts of absentee ownership, including deferred maintenance and upkeep. However, the City’s policies encouraging housing apply to both rental and ownership housing.
Brandt Grotte	<p>H. 2.7: Secondary Units states “opportunities for affordable rental units or to allow for the housing of extended families”.</p> <p>Do not object to extended family care but do object to turning R1 neighborhood into R2 (Duplex) neighborhoods. Many neighborhoods do not have properties large enough to accommodate all the requirements for a secondary unit, such as additional parking. The City should realistically assess the potential for secondary units in the City.</p>	Secondary units require approval of a Special use Permit. The secondary unit’s impact on the surrounding area is one consideration in the Special Use Permit process. The size of a lot is only one factor is determining the appropriateness of a secondary unit on the property. The Special Use Permit process allows consideration of all the factors that affect the viability of a secondary unit on the property.
Brandt Grotte	<p>H 2.9 items 1.A. and 1G.</p> <p>1A. The sites on the east side of Highway 101 have significant access limitations. Multi- family development will generate neighborhood opposition and are not suited for multi-family residential use.</p> <p>1.G. The Callan site should be designated for feet units than is presently designated in the General Plan</p>	<p>1.A. These properties were formally zoned for commercial use. Multi –family residential use would have not impact traffic to the same degree as commercial development. Also, multi-family use is a more desirable transition to the adjacent lower density residential neighborhoods than is commercial use. The traffic and circulation impacts of any future multi-family residential use will be examined as applications are received for development.</p> <p>1.G. The General Plan Land Use Element sets forth performance standards for this property. Based on a preliminary analysis of this site, a maximum of 150 units has been designated. This policy was the subject of extensive neighborhood workshops and meetings in the early 1990’s. Any development application will be evaluated under those performance standards, with a maximum of 150 units on the site.</p>
Brandt Grotte	H 2.9 Item 2 Need delineation as to what type of multi-family housing would be permitted through zoning reclassifications. Should also indicate the geographical boundaries under consideration for reclassification.	This policy sets forth standards to be used whenever a zoning reclassification request to any type of multi-family residential zoning district is proposed. This policy would apply anywhere in the City in instances in which these standards are met. There is flexibility in these standards, so they do apply over an extensive area, and are not confined to specific geographical locations.

Brandt Grotte	H 2.10 Would like to see the statement added "...particularly where provisions are made in the development to restrict ownership of private automobiles and promote the use loaned vehicles owned in common or require the use of mass transit."	This could be considered as a public benefit in implementing this policy. This would also be considered in the development of the City's TOD Ordinance.
Brandt Grotte	Reference to zoning reclassifications should reference to other policies other than H 2.9	Other related housing policies pertain to unit density, but not zoning reclassifications.
Brandt Grotte	Support Housing Element's recommendation to reexamine housing density allowances.	Comment noted.
Brandt Grotte	Policy H 2.12 Mixed Use includes a provision encouraging mixed use "locating in or near transit nodes". Would suggest adding "or exploring the difficulties and issues that would prevent/eliminate the use of personal automobiles in deference to requiring the use of mass transit, loaned or vehicles owned-in-common.	The specifics of traffic reduction and incentives will be considered in the review of any mixed uses project, and will also be considered in the development of the City's TOD Ordinance.
Brandt Grotte	Would like to see a recommendation that the City develop a program to encourage cultural diversity and sensitivity in order to reduce nay discrimination in housing.	Policy H 2.15 includes language "Continue efforts towards the elimination of discrimination based on race, religion, sex nationality, age or physical handicap that prevent free choice in housing.

City Council adoption 5/6/02

<i>Speaker</i>	<i>Comment</i>	<i>Response</i>
Jan Epstein	I note the State sent us a very complimentary letter commenting on our draft.	Comments noted.
Jan Epstein	Regarding preservation, we should do everything possible to save Flores Gardens from converting to market rate.	Comments noted. Staff continues to monitor the situation, and will keep the Council informed of any changes.
Sue Lempert	The inventory of sites provides interesting information on the development potential of the City.	Comments noted.
Carol Grooms	The Housing Element provides an interesting portrait of the City.	Comments noted.

Planning Commission Hearing 4/9/02

Speaker	Comment	Response
Public Comment (Barry Benda, GGRC)	We're pleased the City has included information on persons with developmental disabilities; our goal is to raise awareness of the affordable housing needs of the developmentally disabled, which includes a full complement of social services.	Comments noted. It should be noted also that staff has incorporated language from Mr. Benda's letter of April 4, 2002, into the text of the Housing Element, which included separating out the narrative on the severely mentally ill.
Public Comment (Javier Morales)	I'm living in a group home and I want to live on my own.	Comments noted.
Public Comment (Mark Klein, Prometheus Project)	I work with integrative housing options for the developmentally disabled. My own son moved to Santa Clara County because the housing costs are so high here. There has also been an explosion of autism in the last several years, which further signals the need for more housing for this population.	Comments noted.
Public Comment (Hope Windsor Wells)	I need an affordable place to live because it's too expensive here.	Comments noted.
Public Comment (Ted Taylor)	There is inadequate housing for the population because of a serious jobs/housing imbalance; we need the general plan to control the amount of commercial development that is occurring here, and we need to increase the number of housing starts. [Also submitted letter outlining many of these issues.]	The housing element does address the jobs/housing ratio, indicating that it is close to a 1:1 ratio. Also, some of the implementation measures, such as examining a housing impact fee, will also address jobs/housing issues.
Public Comment (Jean Musi)	I see buildings going up in San Mateo, but there is not enough affordable housing.	Comments noted.
Bertha Sanchez	I want to reiterate our objectives on page 1 of the Housing Element. In future years there will be efforts by ABAG and the State to impose a greater density, and we need to keep flexible in terms of what will happen.	Comments noted. The objectives will be balanced with other General Plan objectives relating to community character.
Bertha Sanchez	Our population is aging, and so we will need creative housing solutions for them.	Comments noted.
Bertha Sanchez	The BMR program should remain flexible; I cannot support an increase in the BMR program to 20%.	Comments noted.
Brandt Grotte	I also would like to see the City maintain its character, and we have to be careful in balancing the expansion of office space, not as an anti-business measure but as a quality of life issue.	Comments noted.
Brandt Grotte	I'm concerned with having too many formulas in place – we certainly don't want to become like New York City.	Comments noted. The board policies and implementing actions adopted by resolution do allow for some flexibility, however, they do maintain quantifiable requirements for the provision of affordable housing units.

Brandt Grotte	Staff has done an excellent job preparing this report, and I look forward to the General Plan revisions that are in the future.	Comments noted.
Fred Hansson	I agree this is an excellent document.	Comments noted.
Fred Hansson	All neighborhoods in San Mateo are unique, and I really want to preserve that. We always reinvent ourselves in a positive way, and we'll keep doing so.	Comments noted.
Robert Gooyer	I want to say how impressed I am with this report.	Comments noted.
Robert Gooyer	We can't through too many statistics and numbers in here, because it will hamper our flexibility. We can't get hung up on a particular ratio.	Comments noted.
Jack Matthews	I want to express my appreciation to the staff for their hard work – you paid attention to everything we said, and made changes to reflect our concerns. This is a great document, and the City has a good record in producing the housing we need.	Comments noted.

City Council hearing 11/5/01

<i>Speaker</i>	<i>Comment</i>	<i>Response</i>
Carol Groom	Does TOD include downtown? We should use this wherever it makes sense.	Comments noted.
Public Comment (Linda Kilby/PIA)	I commend your hard work on this document, and I support actions 2.4, 2.8, 2.12, and 2.13. I am glad to see movement on the BMR program.	Comments noted.
Sue Lempert	I think this is a fascinating report that gives an interesting profile of the City. It's a real treasure trove of information.	Comments noted.

FOCUS GROUP INVITEES⁷

Salut.	First Name	Last Name	Job Title	Company	Address	City	Group	Focus Date
Ms.	Tina	Torres		TT Translations	7 West 41 Ave. PMB 111	San Mateo	Advocates	August 29, 2001
Mr.	David	Mann	ED	Peninsula Interfaith Action	1336 Arroyo Ave.	San Carlos	Advocates	August 29, 2001
Mr.	Paul	Cohen		La Raza Centro Legal	474 Valencia St., Suite 295	San Francisco	Advocates	August 29, 2001
Mr.	Peter	Reid	ED	Legal Aid Society of SM County	521 East 5th Ave.	San Mateo	Advocates	August 29, 2001
Ms.	Ann	Marquart	ED	Project Sentinel	430 Sherman Ave., Suite 308	Palo Alto	Advocates	August 29, 2001
Mr.	Duane	Bay		Housing Leadership Council	1601 El Camino Real, Ste. 101	Belmont	Advocates	August 29, 2001
Mr.	Perry	Schuckman	ED	Samaritan House	401 North Humboldt St.	San Mateo	Advocates	August 29, 2001
Ms.	Sharon	Lane	ED	Catholic Charities	36 37th Ave.	San Mateo	Advocates	August 29, 2001
Ms.	Virginia	Dunstun		Family Service Agency	1870 El Camino Real	Burlingame	Advocates	August 29, 2001
Ms.	Maggie	Cuadros	ED	North Peninsula Neighborhood Services	600 Linden Ave.	South San Francisco	Advocates	August 29, 2001
Msgr.	Robert	McElroy		St. Gregory's Catholic Church	2715 Hacienda St.	San Mateo	Advocates	August 29, 2001
Ms.	Judy	Gaither	ED	HIP	364 South Railroad Ave.	San Mateo	Developers	August 28, 2001
Ms.	Fran	Wagstaff	ED	Mid-Peninsula Housing Coalition	658 Bair Island Rd., Ste. 300	Redwood City	Developers	August 28, 2001
Ms.	Amy	Glad	ED, Local Gov't. Affairs	Home Builders Association	675 North First St., #620	San Jose	Developers	August 28, 2001
Mr.	William	Knack	Executive Officer	San Mateo Building & Construction Trades Council	1153 Chess Drive	Foster City	Developers	August 28, 2001
Mr.	Mark	Moulton	ED	Peninsula Habitat for Humanity	1010 Doyle St., Ste. 7	Menlo Park	Developers	August 28, 2001
Mr.	Phil	Mader		Prometheus	350 Bridge Parkway	Redwood City	Developers	August 28, 2001
Mr.	Mark	Kroll	Executive Vice President	Regis Homes	393 Vintage Park Dr., Ste. 100	Foster City	Developers	August 28, 2001
Ms.	Victoria	Eisen	Project Manager	Bay Area Smart Growth	ABAG, PO Box 2050	Oakland	Developers	August 28, 2001
Ms.	Sarah	Lambert	ED	The Lesley Foundation	209 2 nd Avenue	San Mateo	Developers	August 28, 2001
Mr.	Bob	Hines		Tri County Apartment Association	792 Meridian Way, Ste. A	San Jose	Developers	August 28, 2001
Mr.	George	Mozingo	Gov't. Affairs Dir.	SAMCAR	850 Woodside Way	San Mateo	Developers	August 29, 2001
Ms.	Barbara	Christensen	Dir. of Comm. & Gov't. Relations	San Mateo Community College District	3401 CSM Drive	San Mateo	Other	August 29, 2001

⁷Note: Although this list includes specific representatives from various organizations, the invitees were also encouraged to elicit comment and participation from their constituencies. Additionally, the last Focus Group was an open forum where any interested parties could attend.

Ms.	Deberah	Bringelson	President & CEO	P3	SAMCEDA, One Waters Park Dr., Ste. 101	San Mateo	Other	August 29, 2001
Ms.	Loretta	Culinane	ED	Rebuilding Together	P.O. Box 4031	Menlo Park	Other	August 29, 2001
Mr.	Brandt	Grotte	President	United Homeowners Association	708 Rand St.	San Mateo	Other	August 29, 2001
Ms.	Kathee	Tyson	President	League of Women Voters	444 Peninsula Ave., #1	San Mateo	Other	August 29, 2001
Ms.	Mary	Watt		CALL Primrose	139 Primrose Rd.	Burlingame	Other	August 29, 2001
Mr.	Stephen	Karass	Chair	Human Resources Commission	1056 Shoreline Dr.	San Mateo	Other	August 29, 2001
Ms.	Linda	Asbury	ED	San Mateo Chamber of Commerce	1021 S. El Camino Real, 2 nd Floor	San Mateo	Other	August 29, 2001
Mr.	Michael	Berube	Co Chair CAC	The Berube Company	1700 S. El Camino Real	San Mateo	Other	August 29, 2001
Mr.	Tom	Steinbach	ED	Greenbelt Alliance	530 Bush Street, Suite 303	San Francisco	Other	August 29, 2001
Mr.	Carl	Guardino		Silicon Valley Manufacturing Group	226 Airport Parkway, Suite 190	San Jose	Other	August 29, 2001
Mr.	James	Stanbury	ED	Project 90	720 South B St., Suite 3	San Mateo	Special Needs	August 28, 2001
Mr.	Irving	Witt	Chair	San Mateo Senior Citizens Commission	889 Parrott Dr.	San Mateo	Special Needs	August 28, 2001
Ms.	Collette	Drane Hoffman	ED	ELLIPSE	173 South Blvd.	San Mateo	Special Needs	August 28, 2001
Mr.	Ray	Pittsinger	Program Manager	Center for the Independence of the Disabled	875 O'Neill Ave.	Belmont	Special Needs	August 28, 2001
Ms.	Linda	Carlson	ED	Women's Recovery Association	1450 Chapin Ave.	Burlingame	Special Needs	August 28, 2001
Ms.	Melodie	Smith	ED	Center for Prevention of Domestic Violence	840 Hinkley Rd.	Burlingame	Special Needs	August 28, 2001
Ms.	Michelle	Jackson	ED	Shelter Network	1450 Chapin Ave., 2 nd Floor	Burlingame	Special Needs	August 28, 2001
Mr.	Lewis	Rowe		Rotary Haciendas	111 West 3 rd Ave., #403	San Mateo	Special Needs	August 28, 2001
Mr.	Ian	Adamson		Mateo Lodge Inc.	846 Portola Rd., Ste. B	Portola Valley	Special Needs	August 28, 2001
Ms.	Melissa	Platte		Mental Health Association	2686 Spring St.	Redwood City	Special Needs	August 28, 2001
Mr.	Dennis	Romano	ED	Caminar/CLC	1720 South Amphlett Blvd., Ste. 123	San Mateo	Special Needs	August 28, 2001
Mr.	Gary	DeSantis	SMART	San Mateo Lockworks	321 2nd Ave.	San Mateo	Other	August 29, 2001