



Draft for Public Review

Housing Element

of the General Plan

2023-2031

April 6, 2022





0.1 TABLE OF CONTENTS

0.1	Table of Contents.....	1
0.2	List of Figures.....	2
0.3	List of Tables.....	2
0.4	List of Appendices.....	3
1.	EXECUTIVE SUMMARY	4
2.	INTRODUCTION AND BACKGROUND	11
2.1	The History of San Mateo	11
2.2	Legislative Context.....	13
2.3	Consistency with the General Plan	16
2.4	Water/Sewer Capacity	17
3.	HOUSING NEEDS AND SITES INVENTORY	19
3.1	Housing Needs Summary	19
3.2	Demographics	20
3.3	Units at Risk of Conversion to Market Rate	22
3.3.1	Preservation and Replacement Options.....	22
3.3.2	Rental Assistance	22
3.3.3	Transfer of Ownership	23
3.3.4	Construction of Replacement Units.....	23
3.3.5	Entities Interested in Participating in California's First Right of Refusal Program	23
3.3.6	Funding Sources.....	24
3.4	RHNA Allocation Summary and Methodology	24
3.4.1	Legislative Context for the Housing Element's Inventory of Sites.....	24
3.4.2	Site Inventory Methodology	26
3.4.3	Site Inventory Approach	26
3.4.4	Pipeline Projects	33
3.4.5	Accessory Dwelling Units.....	33
3.5	Sites Inventory	34
4.	OTHER REQUIRED HOUSING ELEMENT COMPONENTS	37
4.1	Constraints Analysis Summary.....	37
4.1.1	Governmental Constraints.....	37
4.1.2	Non-Governmental Constraints.....	37
4.2	Housing Resources Summary.....	37
4.2.1	Funding Opportunities.....	38
4.2.2	Existing Housing Programs.....	38
4.3	Climate Change and Energy Conservation	39
5.	PUBLIC PARTICIPATION	40
5.1	Overview	40
5.2	Accomplishments and Key Takeaways.....	41
5.2.1	Website, Social Media, and Printed Mailing.....	41
5.2.2	Community Meetings	42
5.2.3	Key Takeaways.....	43
5.2.4	Outreach Activities.....	44
5.3	How We Incorporated What We Heard into the Plan	47
5.4	Attachments included in Appendix F	48

6.	Affirmatively Furthering Fair Housing (AFFH) SUMMARY.....	49
6.1	What is Affirmatively Furthering Fair Housing?	49
6.2	History of segregation in the region.	49
6.3	San Mateo’s Fair Housing Assessment	50
6.3.1	Primary Findings	51
6.3.2	Contributing factors and Fair Housing Action Plan.....	53
7.	HOUSING PLAN	55
7.1	Goals, Policies, and Programs Summary	55
7.2	Implementation Plan	58
7.2.1	GOAL H1: Production of new housing at all income levels, with a focus on affordable housing	58
7.2.2	GOAL H2: Preservation of existing housing that is affordable to lower- and middle-income residents	62
7.2.3	GOAL H3: Protection of current residents to prevent displacement	64
7.2.4	GOAL H4: Promotion of community engagement and public outreach	66
7.2.5	Goal H5: Affirmatively Furthering Fair Housing	67
8.	QUANTIFIED OBJECTIVES	75
9.	PRIOR ACCOMPLISHMENTS SUMMARY	77

0.2 LIST OF FIGURES

Figure 1: Sites Inventory Map	36
Figure 2: AFFH Definition	49

0.3 LIST OF TABLES

Table 1: Income Limits for San Mateo County, 2021.....	19
Table 2: Final Regional Housing Needs Allocations	20
Table 3: San Mateo RHNA Targets Summary.....	25
Table 4: 2017 – 2021 Residential Project Densities	28
Table 5: 2017 – 2021 Planning Development Approvals	29
Table 6: Example RHNA Income Distribution	33
Table 7: Sites Inventory Affordability Breakdown	34
Table 8: Goal H1: Production - Implementation Plan	58
Table 9: Goal H2: Preservation - Implementation Plan	62
Table 10: Goal H3: Protection - Implementation Plan	64
Table 11: Goal H4: Promotion - Implementation Plan.....	66
Table 12: Goal H5: AFFH - Implementation Plan	67
Table 13: Quantified Objectives for Cycle 6 (2023 – 2031)	75
Table 14: Quantified Objectives Alignment with San Mateo’s RHNA.....	76
Table 15: Quantified Objectives, 2015 - 2023.....	77
Table 16: Accomplishments, 2015 - 2023	78



0.4 LIST OF APPENDICES

A. Needs Analysis

- Countywide Housing Needs
- Inventory of Assisted Units

B. Constraints

C. Housing Resources

- Sites Inventory List

D. Affirmatively Furthering Fair Housing Narrative

- Fair Housing Action Plan
- AFFH Maps and Data
- Access to Educational Opportunities
- UC Merced Segregation Report
- Quotes and Narrative from Outreach
- State Fair Housing Laws

E. Review of Prior Housing Element

- Prior Housing Element Evaluation

F. Public Participation

- True North Survey Results
- Community Engagement, Pop Ups, and Intercepts
- Housing Element Online Survey Results
- City of San Mateo Builders Focus Group
- City of San Mateo Fair Housing Workshop – January 13, 2022
- City of San Mateo Housing Policy Workshop – November 2, 2021
- Community Needs and Housing Needs Workshop (Community Relations Commission, September, 29, 2021)
- Fair Housing Listening Session – September 27, 2021
- Housing Advocates Listening Session – October 18, 2021
- Builders Listening Session – November 1, 2021
- Service Providers Listening Session – November 15, 2021
- Root Policy Fair Housing Survey Summary
- Community Correspondence

1. EXECUTIVE SUMMARY

San Mateo's 2023-2031 Housing Element is a plan to help address the region's housing crisis, a blueprint for supporting all forms of housing, and a demonstration of the City's commitment to achieving greater housing equity and access for all residents. The Housing Element identifies existing housing conditions and community needs, describes where new housing can be developed, establishes goals and creates a plan for supporting the production of housing to meet the needs of the City's current and future residents. It includes the following sections.

"Home is where one starts from."
– T.S. Eliot

1. Executive Summary

This Executive Summary provides a high-level summary of each section, and its findings and conclusions. The Sites Inventory is in Section 3, the Affirmatively Furthering Fair Housing Assessment is in Section 6 and the Housing Plan, with a complete breakdown of the goals, policies and programs, is included in Section 6. Detailed technical information and documentation to support the Housing Element's findings and conclusions are included in the appendices.

2. Introduction and Background

The City of San Mateo is located in San Mateo County, California, on the San Francisco Bay Peninsula and has a population of 105,661 per the 2020 Census. It is approximately 20 miles south of San Francisco and borders Burlingame to the north, Hillsborough to the west, the San Francisco Bay and Foster City to the east and Belmont to the south.

The Housing Element is an integral part of the General Plan, which guides the policies of San Mateo, and is the only element that requires review and approval by the state. California has also established a significant number of new housing related laws to address the state's housing crisis and this section provides an overview of the applicable legislation that the Housing Element is required to address and comply with. The State Department of Housing and Community Development (HCD) is tasked with reviewing housing elements for compliance and adequacy and is responsible for certifying the City's Housing Element.

All new housing units need to have access to adequate infrastructure and municipal services, and in particular, sewage disposal and water capacity must be demonstrated. The City's electrical and natural gas provider is Pacific Gas and Electric (PG&E), and the water service provider is predominantly the California Water Company, except for the portion of San Mateo east of the slough, which is served by the Estero Municipal Improvement District. Recology provides recycling, composting and waste disposal services and sewage disposal services are provided by the city. An assessment of Cal Water's Urban Water Management Plan combined with increased water efficiency and conservation requirements found that there is sufficient water capacity to serve at least 7,015 new housing units by 2031. For sewage disposal, the City is currently building an updated sewage treatment facility which will have the capacity to serve the City into the future, including the new units for this housing cycle.

3. Housing Needs and Sites Inventory



For this upcoming eight-year housing cycle, HCD has identified the nine-county Bay Area region's housing need to be 441,176 units; with this number broken down into four income categories that cover housing types for all income levels, from extremely low-income households to market rate housing. This Regional Housing Needs Determination (RHND) is based on population projections produced by the California Department of Finance (DOF) as well as adjustments that incorporate the region's existing housing need. The City of San Mateo's Regional Housing Needs Allocation (RHNA) for this cycle is 7,015 new housing units.

A summary of facts about San Mateo's demographic data is provided to establish a basis for the City's housing needs and issues. A full version of the City's demographic report can be found in Appendix A. A key fact identified in this data is that the number of homes in San Mateo increased 3.6% from 2010 to 2020, which is *below* the growth rate for San Mateo County and *below* the growth rate of the region's housing stock during this time period. And, during this time period, home prices increased by 115.6% and rental prices increased by 74.2%. Overall, this demographic data supports the finding that the City does not have sufficient housing units to meet the needs of its residents and that housing affordability is a significant barrier for many middle- and lower-income residents.

An analysis of existing affordable housing units that are at risk of conversion/reversion to market rate, rendering them no longer affordable to the people living in them, identified 65 units in two developments (Bridgepoint Condominiums and Belmont Building) that have expiring affordability covenants. 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. Preservation of these units can be achieved in a variety of ways and policies and programs have been included in the Housing Plan to explore options to retain the units as affordable, replace the units elsewhere, or relocate tenants into alternative housing that is affordable to them.

To demonstrate how San Mateo can accommodate its RHNA of 7,015 new housing units, the Housing Element must identify adequate sites for housing (Sites Inventory), including rental housing, factory-built housing, and mobile homes, and make adequate provision for the existing and projected needs of all economic segments of the community. The Sites Inventory is required to include an inventory of land suitable for residential development, including vacant sites and sites having potential for redevelopment, and analyze the development capacity that can realistically be achieved for each site.

The purpose of the Sites Inventory is to evaluate whether there are sufficient sites with appropriate zoning capacity to meet the City's RHNA goal. The Sites Inventory analysis does not include the economic feasibility of specific sites, does not take into consideration the owner's intended use of the land now or in the future, and does not dictate where residential development will actually occur. Based on previous Housing Elements, it is anticipated that some of the sites on the list will be developed with new housing, some will not, and some housing will be built on sites not listed in the inventory.

The methodology used to estimate the development potential of each property included on the Sites Inventory was developed based on the criteria established by state law, development/redevelopment feasibility, site constraints, zoned capacity versus real capacity and prior project history. To ensure a higher likelihood of new developments exceeding the estimates in the Sites Inventory, conservative assumptions were employed. Overall, the Sites Inventory identified sites spread around the City with capacity to develop up to 10,922 units, or 156% of the City's RHNA. This development capacity exists

within the City's current zoned densities and does not require any rezonings to achieve. The following table provides a summary breakdown of the Sites Inventory by income category.

San Mateo Sites Inventory Breakdown

Housing Opportunity Areas	Total Units	Very Low	Low	Moderate	Above Moderate	Pipeline
Bridgepointe	1,845	405	274	281	885	-
Hillsdale Station South	2,465	629	364	409	1,063	67
101/92 Interchange	2,076	360	165	191	1,381	961
Other Sites	4,056	615	636	489	2,295	1,320
ADUs	480	24	144	240	72	
Totals	10,922	2,033	1,583	1,610	5,696	
RHNA	7,015	1,777	1,023	1,175	3,040	
Buffer	3,907 (56%)	256 (14%)	560 (55%)	435 (37%)	2,656 (87%)	

This information is included as Table 7 in Section 3.5 of the Housing Element.

4. Other Required Housing Element Components

This section provides a summary and evaluation of housing production constraints, an overview of the funding opportunities and housing resources provided by the City, and the applicable energy conservation and climate change policies and requirements for new housing developments.

The constraints section analyzes potential and actual governmental and nongovernmental constraints to the maintenance, improvement, or development of housing that hinder a jurisdiction from meeting its housing goals. Governmental constraints to housing include zoning regulations, development standards, infrastructure requirements, development impact fees, and the development review and permitting processes. Nongovernmental constraints include availability of financing, the price of land, the cost of construction, and the length of time to design and construct new housing.

The city is in the process of implementing measures to reduce development costs, streamline the development review process and amend/simplify the Zoning Code to reduce these constraints. Nongovernmental constraints are largely determined by market conditions or other factors, over which the City has little control. However, there are still opportunities to influence market conditions and their associated costs indirectly, which can help reduce these constraints.

The Housing Resources of the City are grouped into three categories. The first is the various funding sources that the city is able to leverage for affordable housing production, preservation, and protection; the second are the existing programs that the city manages and supports to increase the housing supply or otherwise serve past, current, and prospective residents of affordable housing; and the third is the inventory of sites that are adequate for development to meet projected housing needs.

Home energy efficiency has become an increasingly significant factor in housing construction, particularly in the past few years with the increasing demand to build energy efficient and sustainable buildings in California. The California Energy Code and the California Green Building Code in State Title 24 establish uniform energy efficiency and green building standards that all construction must adhere. The City's 2020 Climate Action Plan (CAP) sets standards to reduce greenhouse gas (GHG) emissions for housing and



construction by exceeding minimum state requirements, providing education and outreach on benefits and financial incentives associated with energy upgrades, and continuing support for energy efficiency and electrification retrofits.

5. Public Participation

Over the past twelve months, the city has conducted a significant community outreach effort to engage with the community, with over nineteen public and community meetings and workshops, five intercept/pop-up events, four surveys and partnership with 21 Elements. The outreach effort included an emphasis on connecting with community members for whom English was not spoken at home, renters, those under 45 years of age, low-income and very low-income households, people with disabilities, seniors, single female heads of household, people experiencing homelessness, and those from under-represented neighborhoods.

Key accomplishments of the community outreach efforts included:

- Launch of a [Housing Element Update website](#) that included links to past event video recordings, meeting materials, outreach and survey summaries, and information about upcoming meetings and ways to get involved.
- Two mailers – one citywide in October 2021 and a second in January 2022 targeted to renters – inviting community members to participate in community workshops, public meetings, and online surveys.
- Three public Housing Element workshops, five presentations/discussions at City Council and Planning Commission public meetings, a focus group discussion with builders, developers and architects, and presentations to many local community-based organizations, including the Chamber of Commerce, Downtown Merchants Association and San Mateo-Foster City School District Parent Teacher Association (SMFCSD PTA).
- Two related Housing Element Surveys conducted by the City between October 11, 2021 and January 16, 2022 received a total of 750 responses. Online responses from community members accounted for 594 responses, with 156 additional responses to a subset of questions collected by staff and the consultant team as intercept surveys during pop-up events in the North Central and Shoreview Neighborhoods, as well as Macedonia food distribution events.

Feedback and insights from tenants, non-English speakers, lower-income residents, property owners and developers helped to highlight new policy opportunities and ways to strengthen and improve existing policies, with the overarching challenge of housing affordability and availability being a reoccurring topic. Themes that were incorporated into the Housing Plan included production of more missing middle housing, more outreach and education to tenants and landlords, streamlining and simplifying development review and permitting processes, doing more to address fair housing and equity, and ensuring that new housing is sustainable and addresses climate change.

6. Affirmatively Furthering Fair Housing (AFFH) Assessment

This section provides an overview of AFFH requirements; a history of segregation in the region; and an assessment of the San Mateo's AFFH issues.

"Affirmatively furthering fair housing" means taking meaningful actions, in addition to combating

discrimination, that overcome patterns of segregation and foster inclusive communities free from barriers that restrict access to opportunity based on protected characteristics. California law, as established by AB 686, requires all public agencies to “administer programs and activities relating to housing and community development in a manner that affirmatively furthers fair housing, and take no action inconsistent with this obligation.” The law also required that housing elements include an analysis of fair housing outreach and capacity, integration and segregation, access to opportunity, disparate housing needs, and current fair housing practices.

The United States’ oldest cities have a history of mandating segregated living patterns—and Northern California cities are no exception. The Association of Bay Area Governments (ABAG), in its recent Fair Housing Equity Assessment, attributes segregation in the Bay Area to historically discriminatory practices—highlighting redlining and discriminatory mortgage approvals—as well as “structural inequities” in society, and “self-segregation” (i.e., preferences to live near similar people).

A Fair Housing Assessment for all San Mateo County jurisdictions was conducted by 21 Elements, a countywide jurisdictional collaborative. For the City of San Mateo, the Assessment describes fair housing enforcement and outreach capacity, integration and segregation, access to opportunity and disparate housing needs as contributing factors that should be addressed in the city’s fair housing action plan. Some primary findings in the Fair Housing Assessment included:

- 16% of fair housing complaints filed in San Mateo County between 2017 to 2021 (57 total) were in the City of San Mateo (9 total), which is approximately aligned with the city share of the county’s population (14%).
- Racial and ethnic minority populations are disproportionately impacted by poverty, low household incomes, overcrowding, and homelessness compared to the non-Hispanic White population in the City of San Mateo. Additionally, racial and ethnic minorities are more likely to live in moderate resources areas and be denied for a home mortgage loan.
- The northeast area of San Mateo is disproportionately impacted by high poverty, low education opportunity, low economic opportunity, low environmental scores, high social vulnerability scores, concentrations of cost burdened households, overcrowding, and moderate resource scores. These areas are generally on either side of Highway 101 and stretch to the San Francisco Bay waterfront, encompassing the North Central and Shoreview neighborhoods.
- The City of San Mateo has a slight concentration of residents with a disability with 9% of the population compared to 8% in the county. Residents living with a disability in the city are more likely to be unemployed and are largely concentrated in areas around Highway 101.
- Racial and ethnic minority students in the City of San Mateo—served by the San Mateo Union High School District and the San Mateo-Foster Elementary School District—experience lower educational outcomes compared to other students.
- Nearly half of all renter households in the City of San Mateo are cost burdened—spending more than 30% of their gross income on housing costs—and one in four are extremely cost burdened—spending more than 50% of their gross income on housing costs.

Contributing factors to these Primary Findings include:

- Higher rates of mortgage denial rates among Hispanic households stems from decades of discrimination in housing markets and challenges building wealth through economic mobility and



homeownership.

- The northern portion of the city offers the most affordable homes, and as such, residents living in these areas have lower incomes and higher rates of poverty.
- Hispanic residents are more likely than others to work low wage jobs that do not support the City's or region's housing prices, resulting in higher rates of cost burden and overcrowding.
- Hispanic residents are primarily concentrated in the northeastern area of the city where residents face higher poverty and cost burden as well as poor opportunity outcomes according to TCAC's opportunity maps.
- Concentration of naturally occurring affordable ownership and rental housing opportunities in the northeast areas of the city further concentrates poverty, cost burden, and overcrowding in areas with low economic and environmental outcomes.
- There is a relative lack of affordable housing opportunities in higher resourced areas of the city.
- Highway 101 creates a major barrier between the Shoreview neighborhood and the rest of the City of San Mateo.
- The unemployment rate for the City of San Mateo's residents with a disability is four times that of persons without a disability.
- The undersupply of accessible housing units, particularly for renters, creates a scarcity of units for residents living with a disability.
- There are concentrations of the population living with a disability west of Highway 101 in the North Central neighborhood.
- Residents with disabilities and Hispanic households face increased housing discrimination.

In response to this analysis, as well as community input, an Affirmatively Furthering Fair Housing Action Plan, which details how the city proposes to respond to the factors contributing to the fair housing challenges identified in this analysis, was developed. The Action Plan is included in Appendix D and the policies and programs to implement the Action Plan are included in the Housing Plan under Goal 5.

7. Housing Plan

The City of San Mateo's primary objective is to maintain and provide a diversity of housing opportunities for current and future residents. There should be a variety of housing types and sizes, a mixture of rental and ownership housing, and housing that supports special needs populations, including farmworkers, single female heads of household, people with disabilities, and those who are unhoused. This variety of housing opportunities should accommodate a diverse population, leading to a variety of household sizes and types at all income levels.

In addition, the city needs to increase housing supply to meet the housing demand caused by current and future job growth. The types of new housing created should accommodate all income levels consistent with the city's RHNA. The goals, policies, and actions contained in this Housing Plan support these overarching objectives while also ensuring that the city will meet its statutory obligations to affirmatively further fair housing and facilitate housing production at all income levels.

The City has identified five goals to guide the Housing Element's policies and programs. The first three are based upon the "3Ps" framework that seeks to address the region's housing needs through a combination of Production, Preservation and Protection and is endorsed by the Association of Bay Area Governments (ABAG). The fourth goal, or "fourth P," is Promotion of community engagement and public outreach to

support social resilience, and the fifth goal is to Affirmatively Further Fair Housing (AFFH).

- **Production** – Facilitate and support the production of new housing at all income levels, but especially affordable housing. Eighteen policies have been identified to support this goal.
- **Preservation** – Preserve existing housing that is affordable to lower- and middle-income residents. Six policies have been identified to support this goal.
- **Protection** – Protect current residents to prevent displacement. Seven policies have been identified to support this goal.
- **Promotion** – Promote social resilience through public education and community outreach to make information more available and accessible. Four policies have been identified to support this goal.
- **Affirmatively Further Fair Housing** – Address the issues of fair housing, equity and access while reinforcing the objective that affirmatively furthering fair housing is both a stand-alone priority and decisively inseparable from achieving the Housing Element’s other goals. Thirteen policies have been identified to support this goal.

8. Quantified Objectives

In addition to the sites inventory and the Housing Plan, the city needs to provide an estimate of actual housing units that can be preserved and produced given available resources, permits issued and projected pipeline projects expected to be completed within the next housing cycle. State law recognizes that the city’s total housing needs exceed available resources and the community’s ability to satisfy this need within the content of the general plan. Thus, the quantified objectives do not need to completely account for San Mateo’s RHNA but should establish the maximum number of housing units that can be constructed, rehabilitated, and conserved in the City over an eight-year timeframe.

For the upcoming housing cycle, the city’s quantified objectives for conservation are 470 units, with 74 being affordable units, and the quantified objectives for construction are 5,358 units, with 1,441 being affordable units. The total of quantified objectives for the city are 5,828 units, including 1,515 affordable units. For a full breakdown of units by affordability level and by project or category, see Table 13 – Quantified Objectives for Cycle 6 (2023 – 2031), in this Section.

9. Review of Prior Housing Element

The final section provides a summary of the key accomplishments, challenges, and opportunities learned from the city’s previous Housing Element. The city’s RHNA for the fifth housing cycle was 3,100 units. The city was able to achieve many its goals through successful implementation of most of its policies and programs but fell short of its affordable housing goals. Key accomplishments include increased accessory dwelling unit (ADU) production, new funding sources, protecting existing affordable housing units, and using new technology to speed up development. Significant progress was also made on the design and entitlement of two affordable housing projects on city-owned properties in Downtown. Overall, through the first seven years of this cycle, the city has been able to achieve a total of 2,133 new housing units and exceed its market rate housing target; however, this only represents 69 percent of the city’s RHNA. A variety of factors have contributed to this production shortfall, including high land and construction costs, outdated policies, and community division over growth and building heights. The lessons learned over this past cycle have been used to help inform the Housing Plan in this Housing Element.



2. INTRODUCTION AND BACKGROUND

The Bay Area continues to see growth in both population and jobs, which means more housing of various types and sizes is needed to ensure that residents across all income levels, ages, and abilities have a place to call home. While the number of people drawn to the region over the past 30 years has steadily increased, housing production has not kept pace, contributing to the housing shortage that communities around the Bay Area are experiencing today. In many cities, this has resulted in residents being priced out, increased traffic congestion caused by longer commutes, and fewer people, particularly those in the middle- and lower-income tiers, being able to purchase homes or meet surging rents.

The Housing Element is part of the City's General Plan and sets forth the policies and programs to address the housing needs for San Mateo. It is the City's eight-year housing strategy from the period of 2023-2031 for how it will meet the community's housing needs. State law (Government Code Sections 65580-65589.8) requires that every city and county in California adopt a Housing Element, subject to State approval, as part of its General Plan. Per SB 375 (Statutes of 2008), the planning period for the Housing Element is eight years.

Since 1969, State law requires that jurisdictions throughout California complete a Housing Element. The City itself is not responsible for building or producing this housing, but it must demonstrate that it has policies and programs in place to support housing construction for all income levels, as well as available land appropriately zoned to accommodate new housing. The Housing Element must include a variety of statistics on housing needs, constraints to development, and policies and programs to implement a variety of housing-related land use actions, and a detailed inventory of "opportunity sites" on which future housing may be built.

The Housing Element is the only element of a locality's General Plan that must be approved ("certified") by the State, through its Department of Housing and Community Development (HCD) to ensure it meets all statutory requirements. Having a certified Housing Element is a prerequisite for many State grants and funding programs. This is the sixth cycle of the Housing Element and covers the eight-year period from 2023 to 2031.

2.1 The History of San Mateo

One of only two charter cities in San Mateo County, the City of San Mateo was incorporated in 1894 and is governed by a five-member City Council. The city encompasses 15.9 square miles in the San Francisco Bay Area in the center of the Peninsula and is currently home to an estimated 105,661 residents.¹ Its strategic location at the crossroad of the east-west coastal stagecoach and the north-south railroad drew a number of residents after its incorporation. The land around this settlement was controlled by some of the wealthiest families in the state, who created large suburban estates. San Mateo emerged in the postwar periods as a rapidly expanding and progressive city when the population of the city nearly quadrupled between 1940 and 1990.² Some of the current land use constraints, such as voter approved

¹ US Census estimate, April 2020. <https://www.census.gov/quickfacts/sanmateocitycalifornia>

² Mitchell P. Postel, *San Mateo – A Centennial History*, "Foreword", 1994, Page ix.

Measure H, P, and Y in 1991, 2004, and 2020, respectively, which limit heights to 55 feet and density to no more than 50 units per acre in the city were a direct result of this rapid expansion.

Despite the Measure Y growth limitations, San Mateo has seen a significant amount of growth over the past two decades. Recent development activity includes a mix of single-family homes, multi-family dwellings, senior housing, office space, retail areas, hotels, and mixed-use (commercial and residential) projects.

San Mateo has very few remaining vacant sites with development potential (approximately 40 parcels). The areas that are undeveloped are generally protected as open space, parks, and waterways. However, there are many sites that have aging buildings or are under-developed that provide opportunity for new mixed-use and higher-density housing development. Development interest in San Mateo remains high with a variety of projects in the pipeline, including those in the early planning stages.

San Mateo's economy has grown quickly in recent years, in large part due to the strength of Silicon Valley technology companies and the city's strategic geographic location. Current low vacancy rates for retail, office, and industrial space confirm that businesses find San Mateo a desirable location, and new development projects will produce more non-residential space to help meet that demand. Between 2010 and 2019, the number of jobs in San Mateo increased by 33 percent, and there are approximately 52,800 people³ employed in the city. The "professional and technical services" sector, which includes technology jobs, makes up about 20 percent of local jobs, about the same proportion as in San Francisco and more than in Silicon Valley. Retail, health care, food services, public agencies, are other primary employment sectors in the community.

San Mateo's vibrant Downtown, desirable neighborhoods, diversity of employment options, high quality public services, and recent developments such as Hillside/Bay Meadows and Station Park Green, make it an ever-popular place to live and work. Major new development in San Mateo is concentrated primarily near the three Caltrain stations (in the Downtown, Hayward Park and Hillside areas), and along El Camino Real. The city's three Caltrain stations, extensive bicycle and pedestrian network, SamTrans bus system, and well-maintained local roadways lead efficiently to destinations in the city, on the Peninsula, and beyond.

The city has many distinct and diverse individual neighborhoods, including two designated historic districts, the Downtown and the Glazenwood Historic Districts. The Downtown area, which maintains a 1930s character, is of particular importance and interest with respect to historic structures. The residential neighborhood of Glazenwood is a unique early 1920's development of Spanish Colonial Revival homes. Other areas of the city contain buildings of exceptional architectural interest and reflect local historical periods.

San Mateo has about 41,250 housing units, roughly half are rental units and half are occupied by homeowners, which are also split almost evenly between single-family and multi-family residences. Older

³ City of San Mateo, *General Plan Update - Alternatives Evaluation*, 2019.



homes are common in San Mateo, with almost 50 percent being 60 years or older. Local housing costs are very high, driven by high demand and a lack of production, which is due to a variety of factors including lack of available land and regulatory limits. The average cost for a single-family home in San Mateo is about \$1.7 million, up more than 80 percent in just five years.⁴ A typical rental unit costs \$2,900 a month, 31 percent higher than five years ago. With the current median annual income of \$118,000, a four-person household in San Mateo could comfortably afford to purchase a home priced at up to \$700,000 – less than half of the realistic cost.⁵ Even with the high housing costs, the city population continues to increase and is anticipated to grow by 30,000 to 54,000 people by 2040, depending on which land use scenario is selected as part of the City's 2040 General Plan Update.

2.2 Legislative Context

Since the city's last Housing Element was adopted and certified in 2014, many pieces of housing legislation have been signed into law, resulting in substantive changes to State housing law and Housing Element requirements.

Affordable Housing Streamlined Approval Process. Senate Bill 35 (2017), Assembly Bill 168 (2020) and Assembly Bill 831 (2020). SB 35 created a streamlined, ministerial review process for qualifying multifamily, urban infill projects in jurisdictions that have failed to approve housing projects sufficient to meet their State-mandated RHNA. Among other requirements, to qualify for streamlining under SB 35, a project must incorporate one of two threshold levels of affordable housing: (1) 10 percent of the project's units in jurisdictions that have not approved housing projects sufficient to meet their RHNA for above moderate- income housing or have failed to submit an annual progress report as required under state law; or (2) 50 percent of the project's units in jurisdictions that have not approved housing projects sufficient to meet their RHNA for below moderate-income housing. AB 168 added a requirement to provide a formal notice to each California Native American tribe that is affiliated with the area of the proposed project. The Housing Element must describe the City's processing procedures related to SB 35. This is discussed further in Appendix B.

Additional Housing Element Sites Analysis Requirements. Assembly Bill 879 (2017) and Assembly Bill 1397 (2017). These bills require additional analysis and justification of the sites included in the sites inventory of the city's Housing Element. The Housing Element may only count non-vacant sites included in one previous housing element inventory and vacant sites included in two previous housing elements if the sites are subject to a program that allows affordable housing by right. Additionally, the bills require additional analysis of non-vacant sites and additional analysis of infrastructure capacity, and place size restrictions on all sites.

Affirmatively Furthering Fair Housing. Assembly Bill 686 (2017). AB 686 law ensures that public entities, including local governments, administer their programs relating to housing and urban development in a manner affirmatively to further the purposes of the federal Fair Housing Act and do not take any action that is materially inconsistent with its obligation to affirmatively further fair housing. It also requires that

⁴ San Mateo County Association of Realtors, 2018

⁵ CoStar; Economic & Planning Systems, Inc., 2018.

housing elements of each city and county promote and affirmatively further fair housing opportunities throughout the community for all persons regardless of race, religion, sex, marital status, ancestry, national origin, color, familial status, or disability, and other characteristics protected by the California Fair Employment and Housing Act, Government Code Section 65008, and any other state and federal fair housing and planning law. AB 686 requires jurisdictions to conduct an assessment of fair housing in the housing element, prepare the housing element site inventory through the lens of affirmatively furthering fair housing, and include program(s) to affirmatively further fair housing.

No-Net-Loss Zoning. Senate Bill 166 (2017). SB 166 amended the No-Net-Loss rule to require that the land inventory and site identification programs in the Housing Element include sufficient sites to accommodate the unmet RHNA. When a site identified in the Housing Element as available to accommodate the lower-income portion of the RHNA is actually developed for a higher income group, the city must either (1) identify, and rezone if necessary, an adequate substitute site or (2) demonstrate that the land inventory already contains an adequate substitute site.

AB 1397, Low (Chapter 375, Statutes of 2017). The law made several revisions to the site inventory analysis requirements of Housing Element Law. In particular, it requires stronger justification when nonvacant sites are used to meet housing needs, particularly for lower income housing, requires by right housing when sites are included in more than one housing element, and adds conditions around size of sites, among others.

Safety Element to Address Adaptation and Resiliency. Senate Bill 1035 (2018). SB 1035 requires the General Plan Safety Element to be reviewed and revised to include any new information on fire hazards, flood hazards, and climate adaptation and resiliency strategies with each revision of the housing element.

By Right Transitional and Permanent Supportive Housing. Assembly Bill 2162 (2018) and Assembly Bill 101 (2019). AB 2162 requires the city to change its zoning to provide a “by right” process and expedited review for supportive housing. The bill prohibits the city from applying a conditional use permit or other discretionary review to the approval of 100 percent affordable developments that include a percentage of supportive housing units, either 25 percent or 12 units, whichever is greater. The change in the law applies to sites in zones where multifamily and mixed uses are permitted, including in nonresidential zones permitting multifamily use. Additionally, AB 101 requires that a Low Barrier Navigation Center development be a use by right in mixed-use zones and nonresidential zones permitting multifamily uses if it meets specified requirements.

Accessory Dwelling Units (ADUs). Assembly Bill 2299 (2016), Senate Bill 1069 (2016), Assembly Bill 494 (2017), Senate Bill 229 (2017), Assembly Bill 68 (2019), Assembly Bill 881 (2019), Assembly 587 (2019), Senate Bill 13 (2019), Assembly Bill 670 (2019), Assembly Bill 671 (2019), Assembly Bill 3182 (2020). In recent years, multiple bills have added requirements for local governments related to ADU ordinances. The 2016 and 2017 updates to State law included changes pertaining to the allowed size of ADUs, permitting ADUs by right in at least some areas of a jurisdiction, and limits on parking requirements related to ADUs. More recent bills reduce the time to review and approve ADU applications to 60 days, remove lot size requirements and replacement parking space requirements and require local jurisdictions



to permit junior ADUs. AB 68 allows an ADU and a junior ADU to be built on a single-family lot, if certain conditions are met. The State has also removed owner-occupancy requirements for ADUs, created a tiered fee structure that charges ADUs based on their size and location, prohibits fees on units of less than 750 square feet, and permits ADUs at existing multi-family developments. AB 671 requires the Housing Element to include plans to incentivize and encourage affordable ADU rentals. AB 3182 prohibits homeowner's associations from imposing rental restrictions on ADUs.

Density Bonus and Development Incentives. Assembly Bill 1763 (2019) and Assembly Bill 2345 (2020).

AB 1763 amended California's density bonus law to authorize significant development incentives to encourage 100 percent affordable housing projects, allowing developments with 100 percent affordable housing units to receive an 80 percent density bonus from the otherwise maximum allowable density on the site. If the project is within half a mile of a major transit stop, the city may not apply any density limit to the project, and it can also receive a height increase of up to three additional stories (or 33 feet). In addition to the density bonus, qualifying projects will receive up to four regulatory concessions. Additionally, the city may not impose minimum parking requirements on projects with 100 percent affordable housing units that are dedicated to special needs or supportive housing. AB 2345 created additional density bonus incentives for affordable housing units provided in a housing development project. It also requires that the annual report include information regarding density bonuses that were granted.

Housing Crisis Act of 2019. Senate Bill 330 (2019). SB 330 enacts changes to local development policies, permitting, and processes that will be in effect through January 1, 2025. SB 330 places new criteria on the application requirements and processing times for housing developments; prevents localities from decreasing the housing capacity of any site, such as through downzoning or increasing open space requirements, if such a decrease would preclude the jurisdiction from meeting its RHNA housing targets; prohibits localities from imposing a moratorium or similar restriction or limitation on housing development; prevents localities from establishing non-objective standards; and requires that any proposed demolition of housing units be accompanied by a project that would replace or exceed the total number of units demolished. Additionally, any demolished units that were occupied by lower-income households must be replaced with new units affordable to households with those same income levels. The City's processing procedures related to SB 330 are described further in Appendix B.

Surplus Land Act Amendments. Assembly Bill 1486 and AB 1255 (2019). AB 1486 refines the Surplus Land Act to provide clarity and further enforcement to increase the supply of affordable housing. The bill requires the city to include specific information relating to surplus lands in the Housing Element and Housing Element Annual Progress Reports, and to provide a list of sites owned by the city or county that have been sold, leased, or otherwise disposed of in the prior year. AB 1255 requires the city to create a central inventory of surplus and excess public land each year. The city is required to transmit the inventory to HCD and to provide it to the public upon request. As of April 2022, the City of San Mateo has identified three surplus sites, two of which are under negotiations for affordable housing development (4th Avenue and Railroad Avenue known as the Talbot's Site), and one is a city parking lot available for affordable housing development (located at 308 5th Avenue).

AB 1486, Ting (Chapter 644, Statutes of 2019). The law expanded the definition of surplus land and added additional requirements on the disposal of surplus land. In addition, local agencies must send notices of availability to interested entities on a list maintained by HCD. This list and notices of availability are maintained on HCD's website. Local agencies must also send a description of the notice and subsequent negotiations for the sale of the land, which HCD must review, and within 30 days submit written finding of violations of law. Violations of the Surplus Land Act can be referred to the Attorney General. Finally, it adds a requirement in Housing Element Law for the jurisdiction to identify which of the sites included in the inventory are surplus property.

Housing Impact Fee Data. Assembly Bill 1483 (2019). AB 1483 requires the city to publicly share information about zoning ordinances, development standards, fees, exactions, and affordability requirements. The city is also required to update such information within 30 days of changes. This Housing Element describes governmental constraints on the production of housing, including a look at zoning requirements, development standards, fees, exactions, and affordability requirements. Changes in requirements made during the Housing Element planning period will also be reported as part of the city's annual Housing Element Progress Report.

SB 6, Beall (Chapter 667, Statutes of 2019). Jurisdictions are required to prepare the housing site inventory on forms developed by HCD and send an electronic version with their adopted housing element to HCD. HCD will then send those inventories to the Department of General Services by December 31 of each year.

Housing Opportunity and More Efficiency (HOME) Act. Senate Bill 9 (2022). Effective January 1, 2022, SB 9 requires the City to allow up to two residential dwelling units and residential lot splits in single-family zones. SB 9 allows for reduced standards, such as setbacks, minimum parcel dimensions, and parking. The city must apply objective zoning standards that do not preclude construction of up to two 800 square-foot units. To prevent displacement, the State does not allow SB 9 projects to demolish any affordable or rent controlled housing, or housing that has been occupied by a tenant within the last three years. Projects that meet the qualifying criteria and requirements must be ministerially approved and are not subject to CEQA review. The City is in the process of developing code amendments for SB 9 as described in Policy H 1.11.

Senate Bill 10 (2022). SB 10 authorizes cities to adopt an ordinance to zone for up to ten units of residential density on any parcel located within transit rich or urban infill areas. If adopted, the ordinance allows ministerial approval of up to ten units (not counting ADUs or JADUs) at a height specified by the City. The intent of this bill is to streamline production of housing in urban infill neighborhoods with access to transit. SB 10 includes a sunset date of January 1, 2029; the City has identified Policy H 1.13 to evaluate sites and "Missing Middle" housing policies consistent with SB 10 by 2024.

2.3 Consistency with the General Plan

As this Housing Element is being developed, the city is also undertaking a larger effort to comprehensively update the General Plan. The Housing Element is the only chapter in a general plan with statutorily-



prescribed timelines for completion, so it is being prepared on a shorter schedule than the rest of the General Plan Update, which is anticipated for adoption by the end of 2023. To ensure internal consistency among all General Plan elements, work on both the General Plan Update and the Housing Element Update is being coordinated. Other elements of the General Plan that specifically require updates statutorily triggered by the Housing Element include:

- Flood Hazard and Management (Gov. Code § 65302 subds. (d)(3) and (g)(2)(B))
- Fire Hazard (Gov. Code § 65302 and 65302.5) (Safety Element updates)
- Environmental Justice (Gov. Code § 65302 subd. (h))
- Climate Adaptation (sustainability throughout the General Plan Update)

2.4 Water/Sewer Capacity

As part of the Housing Element, jurisdictions must provide information regarding water and sewer capacity to accommodate future development. In addition, jurisdictions must include narratives about how they will comply with two specific pieces of legislation, SB 1087 and SB 244.

- **SB 1087 – Housing Elements** – Requires a city to immediately forward its adopted Housing Element to its water providers so they can grant priority for service allocations to proposed housing developments that include units affordable to lower-income households.
- **SB 244 – Land Use and General Plans** – Requires cities and counties, prior to adoption of a housing element, to address the infrastructure needs of disadvantaged unincorporated communities outside the city’s limits but within the city’s planning area. Because the city’s planning area does not contain any unincorporated areas, no such conditions exist.

The cities, water districts and private utilities represented by the Bay Area Water Supply and Conservation Agency (BAWSCA) rely upon the Hetch Hetchy system for water to protect the health, safety and economic well-being of 1.8 million citizens, businesses and community organizations. Together, the BAWSCA agencies account for two-thirds of water consumption from the system and pay for two-thirds of its upkeep.

The regional water system provides water to 2.7 million people in San Francisco, Santa Clara, Alameda and San Mateo counties. Eighty-five percent of the water comes from Sierra Nevada snowmelt stored in the Hetch Hetchy reservoir situated on the Tuolumne River in Yosemite National Park. Hetch Hetchy water travels 160 miles via gravity from Yosemite to the San Francisco Bay Area. The remaining 15 percent of water comes from runoff in the Alameda and Peninsula watersheds and is captured in reservoirs located in San Mateo and Alameda counties. Overall, this regional system, which consists of over 280 miles of pipelines, over 60 miles of tunnels, 11 reservoirs, five pump stations and two water treatment plants, delivers approximately 260 million gallons of water per day.

The City’s water providers are California Water Company (Cal Water) and Estero Municipal Improvement District (EMID). Cal Water’s Mid-Peninsula District, which includes the City of San Carlos, serves the

majority of San Mateo, and EMID serves the bayside portions of San Mateo east of Seal Slough and the City of Foster City.

The City's wastewater treatment plant, which is currently undergoing upgrades that are expected to be completed in 2024, is jointly owned by the City of San Mateo and the City of Foster City/Estero Municipal Improvement District. The treatment facility serves more than 130,000 people and businesses in its service area at an average flow of 12 million gallons each day. By effectively treating wastewater at an advanced biological treatment facility, the plant helps keep San Francisco Bay environmentally clean and safe.

An assessment of Cal Water's Urban Water Management Plan combined with increased water efficiency and conservation requirements for new development found that there is sufficient water capacity to serve at least 7,015 new housing units by 2031. The upgrades to the sewage treatment facility will result in increased capacity to serve San Mateo and Foster City well into the future. Based on this information, it is anticipated that the City has sufficient water service capacity and sewage processing capacity to meet new housing development needs for this housing cycle. The current facilities and/or infrastructure are reported to be in good operating condition. Therefore, it is determined that the City has sufficient capacity to serve the 7,015 housing units stipulated the 2023-2031 Regional Housing Needs Allocation.



3. HOUSING NEEDS AND SITES INVENTORY

3.1 Housing Needs Summary

The Plan Bay Area 2050 Final Blueprint⁴ forecasts that the nine-county Bay Area will add 1.4 million new households between 2015 and 2050. For the eight-year timeframe covered by this Housing Element, the Department of Housing and Community Development (HCD) has identified the region's housing need as 441,176 units. The total number of housing units assigned by HCD is separated into four income categories that cover housing types for all income levels, from extremely low-income households to market rate housing.

Every year, the US Department of Housing and Urban Development (HUD), in conjunction with the State of California, establish income categories based on the median income in each county. Based on new requirements for the completion of the Housing Element, jurisdictions must now report on the following categories of income:

- Extremely Low Income: 0-30% of Area Median Income, or AMI
- Very Low Income: 30-50% AMI
- Low Income: 50-80% AMI
- Moderate Income: 80-120% AMI
- Above Moderate Income: 120%+ AMI

The following table illustrates the income categories for San Mateo County in 2021. The median income for a family of four is \$149,600.

Table 1: Income Limits for San Mateo County, 2021

Number of Persons in Household:		1	2	3	4	5	6	7	8
San Mateo County Area Median Income: \$149,600	Acutely Low	\$15,700	\$17,950	\$20,200	\$22,450	\$24,250	\$26,050	\$27,850	\$29,650
	Extremely Low	\$38,400	\$43,850	\$49,350	\$54,800	\$59,200	\$63,600	\$68,000	\$72,350
	Very Low Income	\$63,950	\$73,100	\$82,250	\$91,350	\$98,700	\$106,000	\$113,300	\$120,600
	Low Income	\$102,450	\$117,100	\$131,750	\$146,350	\$158,100	\$169,800	\$181,500	\$193,200
	Median Income	\$104,700	\$119,700	\$134,650	\$149,600	\$161,550	\$173,550	\$185,500	\$197,450
	Moderate Income	\$125,650	\$143,600	\$161,550	\$179,500	\$193,850	\$208,200	\$222,600	\$236,950

Source: State of California Department of Housing and Community Development, December 31, 2021.

<https://www.hcd.ca.gov/grants-funding/income-limits/state-and-federal-income-limits.shtml>

The Regional Housing Needs Determination (RHND) is based on population projections produced by the California Department of Finance (DOF) as well as adjustments that incorporate the region's existing

housing need. The adjustments result from recent legislation requiring HCD to apply additional adjustment factors to the baseline growth projection from the DOF, in order for the regions to get closer to healthy housing markets. To this end, adjustments focus on the region's vacancy rate, level of overcrowding and the share of cost burdened households and seek to bring the region more in line with comparable ones.⁵ These new laws governing the methodology for how HCD calculates the RHND resulted in a significantly higher number of housing units for which the Bay Area must plan compared to previous RHNA cycles.

Almost all jurisdictions in the Bay Area received a larger RHNA this cycle compared to the last cycle, primarily due to changes in state law that led to a considerably higher RHND compared to previous cycles. The allocation that San Mateo received from the Draft RHNA Methodology is broken down by income category as follows:

Table 2: Final Regional Housing Needs Allocations

Income Group	San Mateo Units	San Mateo County Units	Bay Area Units	San Mateo Percent	San Mateo County Percent	Bay Area Percent
Very Low Income (<50% of AMI)	1,777	12,196	114,442	25.3%	25.6%	25.9%
Low Income (50%-80% of AMI)	1,023	7,023	65,892	14.6%	14.7%	14.9%
Moderate Income (80%-120% of AMI)	1,175	7,937	72,712	16.7%	16.6%	16.5%
Above Moderate Income (>120% of AMI)	3,040	20,531	188,130	43.3%	43.1%	42.6%
Total	7,015	47,687	441,176	100.0%	100.0%	100.0%

Source: Association of Bay Area Governments Final Regional Housing Needs Allocations Plan, adopted on December 16, 2021 and approved by California Housing and Community Development on January 12, 2022.

3.2 Demographics

The following are key facts regarding the City's demographic data and housing needs and issues from the demographic report, which can be found in Appendix A.

- **Population** – Generally, the population of the Bay Area continues to grow because of natural growth and because the strong economy draws new residents to the region. The population of San Mateo increased by 11.5% from 2000 to 2020, which is below the growth rate of the Bay Area.
- **Age** – In 2019, San Mateo's youth population under the age of 18 was 21,827 and senior population 65 and older was 16,093. These age groups represent 20.9% and 15.4%, respectively, of San Mateo's population.
- **Race/Ethnicity** – In 2020, 40.9% of San Mateo's population was White while 1.9% was African American, 26.2% was Asian, and 25.1% was Latinx. People of color in San Mateo comprise a proportion below the overall proportion in the Bay Area as a whole.



- **Employment** – San Mateo residents most commonly work in the *Financial & Professional Services* industry. From January 2010 to January 2021, the unemployment rate in San Mateo decreased by 3.6 percentage points. Since 2010, the number of jobs located in the jurisdiction increased by 16,810 (42.7%). Additionally, the jobs-household ratio in San Mateo has increased from 1.17 in 2002 to 1.45 jobs per household in 2018.
- **Number of Homes** – The number of new homes built in the Bay Area has not kept pace with the demand, resulting in longer commutes, increasing prices, and exacerbating issues of displacement and homelessness. The number of homes in San Mateo increased 3.6% from 2010 to 2020, which is *below* the growth rate for San Mateo County and *below* the growth rate of the region’s housing stock during this time period.
- **Home Prices** – A diversity of homes at all income levels creates opportunities for all San Mateo residents to live and thrive in the community.
 - **Ownership** The largest proportion of homes had a value in the range of \$1M-\$1.5M in 2019. Home prices increased by 115.6% from 2010 to 2020.
 - **Rental Prices** – The typical contract rent for an apartment in San Mateo was \$2,380 in 2019. Rental prices increased by 74.2% from 2009 to 2019. To rent a typical apartment without cost burden, a household would need to make \$95,240 per year.
- **Housing Type** – It is important to have a variety of housing types to meet the needs of a community today and in the future. In 2020, 44.3% of homes in San Mateo were single family detached, 9.9% were single family attached, 6.3% were small multifamily (2-4 units), and 39.4% were medium or large multifamily (5+ units). Between 2010 and 2020, the number of multi-family units increased more than single-family units. Generally, in San Mateo, the share of the housing stock that is detached single family homes is below that of other jurisdictions in the region.
- **Cost Burden** – HUD considers housing to be affordable for a household if the household spends less than 30% of its income on housing costs. A household is considered “cost-burdened” if it spends more than 30% of its monthly income on housing costs, while those who spend more than 50% of their income on housing costs are considered “severely cost-burdened.” In San Mateo, 20.8% of households spend 30%-50% of their income on housing, while 16.8% of households are severely cost burden and use the majority of their income for housing.
- **Displacement/Gentrification** – According to research from The University of California, Berkeley, 0.0% of households in San Mateo live in neighborhoods that are susceptible to or experiencing displacement, and 0.0% live in areas at risk of or undergoing gentrification. 63.4% of households in San Mateo live in neighborhoods where low-income households are likely excluded due to prohibitive housing costs. There are various ways to address displacement including ensuring new housing at all income levels is built.
- **Neighborhood** – 56.4% of residents in San Mateo live in neighborhoods identified as “Highest Resource” or “High Resource” areas by State-commissioned research, while 0.0% of residents live in areas identified by this research as “Low Resource” or “High Segregation and Poverty” areas. These neighborhood designations are based on a range of indicators covering areas such as

education, poverty, proximity to jobs and economic opportunities, low pollution levels, and other factors.

- **Special Housing Needs** – Some population groups may have special housing needs that require specific program responses, and these groups may experience barriers to accessing stable housing due to their specific housing circumstances. In San Mateo, 9.1% of residents have a disability of some kind and may require accessible housing. Additionally, 9.0% of San Mateo households are larger households with five or more people, who likely need larger housing units with three bedrooms or more. 9.1% of households are female-headed families, which are often at greater risk of housing insecurity.

3.3 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.

3.3.1 Preservation and Replacement Options

Based on City records and information from the California Housing Partnership Corporation, a total of 65 units have expiring affordability covenants in San Mateo during the next ten years (2023-2033):

Bridgepointe Condominiums. This development from 1999 contains the City's first Below Market Rate (BMR) units, 59 in all, of which 24 are very low income (50% AMI) and the remainder (35) are at 120% of AMI, at the top of the moderate-income level. The expiration date for the 59 units is 2027, and the city has included a program (H 2.2) to assist in the preservation of these units. However, the 24 very low-income units are most at risk since rents at 120% of median are closer to market rate.

Belmont Building. Originally financed in 1993, this project involved the conversion of six units to family rentals, serving very low-income households (50% AMI). The affordability of the project was created through loans in two programs. An RDA loan was made for the acquisition of the property while a CDBG loan was made for the rehabilitation of the building. These loans are set to expire on 2032. As the developer of this project was a private entity, the risk of loss of this development is high.

Preservation of at-risk projects can be achieved in a variety of ways, with adequate funding availability. Alternatively, units that are converted to market rate may be replaced with new assisted multi-family units with specified affordability timeframes.

3.3.2 Rental Assistance



State, local, or other funding sources can be used to provide rental subsidies to maintain the affordability of at-risk projects. These subsidies can be structured to mirror the Housing Choice Voucher/Section 8 program, whereby the subsidy covers the cost of the unit above what is determined to be affordable for the tenant's household income (including a utility allowance) up to the fair market value of the apartment. Unit sizes for the at-risk properties range from studios to two-bedroom units and are generally reserved for very low-income households. The total annual subsidy to maintain the 30 at-risk units (the 24 from Bridgepointe and the six from Belmont Building) is estimated at about \$600,000.

3.3.3 Transfer of Ownership

If the current organizations managing the units at risk are no longer able to maintain the project, transferring ownership of the affordable units to a nonprofit housing organization is a viable way to preserve affordable housing for the long term. The estimated market value for the 30 affordable units that are potentially at high risk of converting to market rate is nearly \$350,000 per unit, or \$10.5 million total.

3.3.4 Construction of Replacement Units

The construction of new low-income housing can be a means to replace at-risk units, though extremely costly. The cost of developing new housing depends on a variety of factors including density, size of units, construction quality and type, location, land and development costs. Using the Turner Center's research on the cost to develop affordable housing around the Bay Area, the cost to replace the units could be as much as \$700,00 per unit, or \$21 million.

3.3.5 Entities Interested in Participating in California's First Right of Refusal Program

An owner of a multi-family rental housing development with rental restrictions (i.e., is under agreement with federal, State, and local entities to receive subsidies for low-income tenants), may plan to sell their "at risk" property. The California Department of Housing and Community Development (HCD) have listed qualified entities that may be interested in participating in California's First Right of Refusal Program. If an owner decides to terminate a subsidy contract or prepay the mortgage or sell or otherwise dispose of the assisted housing development, or if the owner has an assisted housing development in which there will be the expiration of rental restrictions, the owner must first give notice of the opportunity to offer to purchase to a list of qualified entities provided to the owner.

HCD has identified six entities that may be interested in participating in California's First Right of Refusal Program in San Mateo County:

- ROEM Development Corporation
- Northern California Land Trust, Inc.
- Housing Corporation of America
- Mid-Peninsula Housing Coalition
- Affordable Housing Foundation
- Alta Housing (previously Palo Alto Housing Corp)

Of these entities, some have worked specifically in San Mateo, and others have completed projects in surrounding areas. If a development becomes at risk of conversion to market-rate housing, the city will maintain contact with local organizations and housing providers who may have an interest in acquiring at-risk units and will assist other organizations in applying for funding to acquire at-risk units.

3.3.6 Funding Sources

A critical component to implement any of these preservation options is the availability of adequate funding, which can be difficult to secure. In general, Low-Income Housing Tax Credit funding is not readily available for rehabilitation and preservation, as the grant application process is highly competitive and prioritizes new construction. The City's previous ongoing funding source, Low/Mod Housing Funds available through the Redevelopment Agency, no longer exists due to the dissolution of Redevelopment more than a decade ago. However, affordable housing impact fees are a new, local funding source, and the city may consider developing inclusionary zoning in lieu fees as well. Additional available funding sources that can support affordable housing preservation include sources from the federal and state governments, as well as local and regional funding.

Federal Funding

- HOME Investment Partnerships (HOME) Program
- Project-Based Vouchers (Section 8)
- Section 811 Project Rental Assistance
- Veterans Affairs Supportive Housing (VASH) Vouchers

State Funding

- Affordable Housing and Sustainable Communities (AHSC) Program
- Golden State Acquisition Fund (GSAF)
- Project Homekey
- Housing for a Healthy California (HHC)
- Multifamily Housing Program (MHP)
- National Housing Trust Fund
- Predevelopment Loan Program (PDLP)

Regional, Local, and Nonprofit Funding

- San Mateo Affordable Housing Fund
- San Mateo Housing Innovation Fund

As noted in the Goals, Policies and Programs, the City will work with the owners of both the Bridgepointe and Belmont Building projects prior to the expiration of their affordability restrictions to develop a plan to retain the units as affordable, replace the units elsewhere, or relocate tenants into alternative housing that is affordable to them.

3.4 RHNA Allocation Summary and Methodology

3.4.1 Legislative Context for the Housing Element's Inventory of Sites

Per State law, the State of California, in conjunction with Association of Bay Area Governments (ABAG),



has projected future population figures for the nine Bay Areas counties which translates into the need for additional housing units. Each jurisdiction is then assigned a portion of the regional need based on factors such as growth of population and adjusted by factors including proximity to jobs, and high resource areas that have excellent access to amenities such as good school and employment centers. This assignment is known as the Regional Housing Needs Allocation (RHNA). Each jurisdiction must ensure that there is enough land at appropriate zoning densities to accommodate its RHNA in its Housing Element in four income categories (very low-, low-, moderate- and above moderate-income). The RHNA for City of San Mateo for the Housing Element 2023-2031 is 7,015 units, which are broken down by income category in Table 3.

Table 3: San Mateo RHNA Targets Summary

Income Category	Very Low 50% AMI	Low 80% AMI	Moderate 120% AMI	Above Market Rate	Total
2023-31 Allocation	1,777	1,023	1,175	3,040	7,015

Table Source: Housing Element Cycle 6 RHNA Allocation

A key component of the Housing Element is a projection of a jurisdiction's housing supply. State law requires that the element identify adequate sites for housing, including rental housing, factory-built housing, and mobile homes, and make adequate provision for the existing and projected needs of all economic segments of the community. This sites list is required to include an inventory of land suitable for residential development, including vacant sites and sites having potential for redevelopment, including analysis of the development capacity that can realistically be achieved for each site.

The purpose of the Sites Inventory is to evaluate whether there are sufficient sites with appropriate zoning to meet the RHNA goal. It is based on the City's current land use designations and zoning requirements. The analysis does not include the economic feasibility of specific sites, nor does it take into consideration the owner's intended use of the land now or in the future. It does not dictate where residential development will actually occur, and the decision whether or not to develop any particular site always remains with the owner of the property, not the City. Based on previous Housing Elements, the City anticipates that some of the sites on the list will be developed with new housing, some will not, and some housing will be built on sites not listed in the inventory.

Although the Sites Inventory was prepared after extensive analysis, it is still in draft form and may be revised throughout 2022 in response to public input or HCD reviews before including into the final 2023-2031 Housing Element. The Sites Inventory is further outlined below, with a breakdown of the units in Table 7. The complete Sites Inventory is included as Appendix C.

A number of new housing laws have significantly changed how a sites inventory is developed, introducing changes to the following components of the site inventory:

- Design and development of the site inventory (SB 6, 2019)
- Requirements in the site inventory table (AB 1397, 2017 AB 1486, 2019)
- Capacity calculation (AB 1397, 2017)
- Infrastructure requirements (AB 1397, 2017)
- Suitability of nonvacant sites (AB 1397, 2017)
- Size of site requirements (AB 1397, 2017)

- Locational requirements of identified sites (AB 686, 2018)
- Sites identified in previous housing elements (AB 1397, 2017)
- Non-vacant site replacement unit requirements (AB 1397, 2017)
- Rezone program requirements (AB 1397, 2017)

These laws are further described in Section 2.2 (Legislative Context) of the Housing Element.

3.4.2 Site Inventory Methodology

City staff inventoried vacant and underutilized parcels in San Mateo to determine what land is available for development at various levels of density. Types of sites included:

- Vacant sites zoned for residential use.
- Vacant sites zoned for nonresidential use that allow residential development.
- Residentially zoned sites, including non-residentially zoned sites with a residential overlay, that are capable of being developed at a higher density (non-vacant sites, including underutilized sites).
- Sites owned or leased by a city, county, or city and county.

The number of units that might be able to be developed at various affordability levels was then estimated, e.g., available land zoned at higher densities can be counted toward the very low- and low-income level needs, and land zoned at lower densities are counted toward the moderate and above moderate-income housing need. The analysis was then completed using the actual average residential densities for developments built on land with various zoning designations over the past five years.

The City of San Mateo's Sites Inventory for future housing includes property zoned for multi-family use that is currently vacant as well as land that is severely underutilized. Sites that are zoned commercial or office but allow residential uses

were included. As seen in Table 7 below, the adequate sites analysis demonstrates that there is enough land to meet the City's RHNA. The analysis for affordable housing units for extremely low, very low, and low-income households is based on the assumption that land zoned at densities higher than 30 units to the acre can facilitate affordable housing development, given the City's inclusionary requirements of 15%. More than 50% of the City's below market rate housing would be developed on lands that are underutilized. However, the city is experiencing a high volume of residential and mixed-use development projects looking to revitalize these sites and seeking density bonus and other incentives to achieve higher density residential development.

3.4.3 Site Inventory Approach

Staff conducted a site-by-site review of all potential development sites, citywide. As will be demonstrated below, staff currently believes that the RHNA, plus a reasonable buffer, can be accommodated within the existing zoning densities and the growth limits of the voter-approved initiative known as Measure Y.⁶

Development Potential Ranking. Each site – or potential aggregation of sites – was analyzed to discern the likelihood and feasibility of development during the period 2023-2031. Factors such as underperforming or vacant uses, owner or developer interest, age and size of current improvements, site

⁶ Measure Y imposes height and density limits that will limit the amount of development that can be built on any site in San Mateo through 2030.



size, and site constraints were reviewed. Depending on these considerations, sites were ranked from 1 to 5, with 1 being a site unlikely to develop/redevelop within the planning period, and 5 being highly likely to develop/redevelop during the period. Samples of these rankings include, but are not limited to:

- National chain gas stations, national chain fast food restaurants, and community-serving grocery stores. The State has indicated these types of sites are the most difficult to justify including in an inventory. Generally, no sites in this category are included in the inventory; however, the city has identified two sites with redevelopment interest that are ranked 4 (i.e. Bridgepointe Shopping Center and Olympic Shopping Plaza).
- Sites that are extremely small with little opportunity for aggregation, sites that may require substantial environmental clean-up, and other heavily constrained sites. No sites in this category are included in the inventory.
- Sites with existing uses that could be redeveloped along with adjacent parcels but which may have multiple owners, small underperforming strip malls, and certain office developments. Many of the City's sites are within this category.
- Sites that have uses on them but in which a developer has expressed interest in the site, shopping malls with significant potential for redevelopment, adjacent sites with only one or two owners, and low-density commercial developments in high-density areas. Many of the City's sites are within this category.
- Large sites with potential for substantial development, vacant sites, or sites with proposed or soon to be proposed projects and approved projects that have not yet been built. Majority of the City's sites are in this category and have either proposed or approved projects that have not yet been built.

Zoned versus Realistic Capacity. When establishing realistic unit capacity calculations, the jurisdiction must consider current development trends of existing or approved residential developments at a similar affordability level in that jurisdiction, as well as the cumulative impact of standards such as maximum lot coverage, height, open space, parking, and floor area ratios. The capacity methodology must be adjusted to account for any limitation as a result of availability and accessibility of sufficient water, sewer, and dry utilities. For non-residential zoned sites (i.e., mixed-use areas or commercial sites that allow residential development), the capacity methodology must account for the likelihood of residential development on these sites. While a site may be zoned to accommodate, say, 100 units, site constraints or other development standards may preclude development to the full 100 units.

Residential Zones. Since the certification of the last Housing Element, a series of new laws have been implemented that make it easier for developers to use the State density bonus provisions by providing a certain percentage of units in proposed developments as affordable.⁷ As a result, many developers are taking advantage of the additional density offered, which has resulted in significant changes to the realistic capacity for development. The following table illustrates that for last five years, from 2017-2021, residential development projects have been proposed and/or approved at densities even above 100% of zoned density. Although the State has specifically stated that cities cannot rely on density bonuses alone to calculate capacity (primarily because use of the density bonus is optional), cities can

⁷ For more than forty years, California's Density Bonus Law (Government Code Section 65915 et seq.) has been a mechanism to encourage developers to incorporate affordable units within a residential project in exchange for density bonuses and relief from other base development standards through concessions and waivers. The amount of additional density allowed depends on the level of affordability provided

use up to 100% of zoned density as the realistic capacity as long as the city can demonstrate that as-built densities are consistently above zoned density.

Table 4: 2017 – 2021 Residential Project Densities

Address Development Type	Acre	No of Units	Percent of Base Density	Resulting Units Per Acre
1, 2 and 3 Waters Park Dr.	11.1	190	34%	17
1650 Delaware St.	1.1	73	136%	68
Promenade, 220 N. Bayshore Blvd.	2.1	42	39%	20
BM Montara, 2775 S. Delaware St.	1.0	68	136%	68
Central Park South, 31 9th Avenue	1.1	60	113%	56
Station Park Green, 1790 S. Delaware St	12.0	599	100%	50
210 S. Fremont St.	0.4	15	85%	43
BM Morgan, 2901 E. Kyne St.	1.6	82	103%	51
BM Res 6, 3069 E. Kyne St.	1.1	54	99%	50
Essex, 99-157 E. 5th Ave	1.2	80	133%	67
Passage, 666 Concar Dr.	14.5	961	133%	66
Kiku Crossing, 480 E. 4 th Ave.	1.2	224	386%	193
Peninsula Heights, 2988 Campus Drive	15.5	290	38%	19
1919 O Farrell St.	0.7	49	138%	69
Average Units per Acre				60

Although the maximum base densities of Multi-family Zones R3, R4 and R5 ranges from 35 to 50 dwelling units per acre, the average residential project has resulted in 60 dwelling units per acre (du/ac) due to the attractiveness of density bonus provisions to developers. Based on this history, the City's inventory generally calculates the realistic capacity as follows:

- 100% of base zoned density for sites zoned as multi-family residential (R3, R4, R5)
- Calculated at either 50 du/ac or 35 du/ac in accordance with base zoning
- For sites smaller than 0.5 acre, 50% of base density

Mixed-Use/Commercial Zones. San Mateo has several office and commercial zones that also allow residential development. As a result, a significant number of projects in the last five years located in commercial or mixed-use zones have included a residential component. The only commercial zone that prohibits residential uses is the C-4 Service Commercial district, which includes uses such as auto repair and light industrial uses and encompasses less than 1% of the total commercial-zoned land within the city. The following table shows the number of approved projects on sites in commercial and mixed-use zones from 2017-2021.

Although the percentage of residential uses in these projects varied widely, the average density was 48 units to the acre. Since historically 75% of the commercially zoned sites included housing, the State guidance is to extrapolate the trend by multiplying the 75% probability times the 48 du/ac average, which results in 36 du/ac. For those sites that assume mixed use with residential components in the sites inventory, potential density is assumed more conservatively at 30 du/ac. For small sites less than 0.5 acres, it was generally assumed that the realistic capacity would be approximately 50% of zoned capacity, given



the physical constraints associated with maximizing use of those sites.

Table 5: 2017 – 2021 Planning Development Approvals

Address Development Type	Description	No. of Dwelling Units	% of Project Residential (approx.)	Base Zoning	Lot Size/ Acres	Dwelling Units per Acre
2946 S. Norfolk St. Hotels	Demo 166-room hotel. Construct new 5-story building with 182 hotel rooms.	0	0%	C2-1: Commercial that allows hotel	2.28	N/A
1 Franklin Pkwy Office	New 4-story office building located within Bay Meadows Phase I	0	0%	BMSP: Office per the Bay Meadows Specific Plan	9.86	N/A
520 S. El Camino Real Office	Addition and renovation of 9-story office building.	0	0%	E2-2: Office	2.32	N/A
2750 S. Delaware St. Mixed Use	New 4-story office buildings	0	0%	BMSP: Office per the Bay Meadows Specific Plan	5.37	N/A
180 E. 3rd Ave. Mixed-Use	Demo commercial building. New 3-story mixed-use building with retail and office uses.	0	0%	CBD: Commercial, office, DT residential	0.16	N/A
21 Lodato Ave. Triplex	Demo single-family dwelling. Construct new, detached townhomes.	3	100%	C2-1: Commercial	0.21	14
2089 Pacific Blvd. Mode Apartments	Conversion of eight two-bedroom units into 16 studio units for a net increase of 8 units.	8	100%	TOD: Mixed-Use	2.37	3
405 E. 4th Ave. Mixed-Use	Demo 2 historic structures. New 4-story office and residential building.	15	16%	CBD-S: Commercial and DT Residential	0.51	30
406 E 3rd Ave. Mixed-Use	Demo existing commercial buildings. New 4-story office and residential building.	25	14%	CBD-S: Commercial and DT Residential	0.88	28

1919 O'Farrell St. Multi-Family	Demo existing office building. New 5-story residential apartment building.	49	100%	E1-1/R4: Office with residential overlay	0.71	69
303 Baldwin Ave. Mixed-Use	Demo existing grocery store. New 5-story mixed-use building with ground floor commercial and office and residential uses above.	64	40%	C1-2/R5: Commercial, office with residential overlay	0.93	68
2700 S. El Camino Real Mixed-Use	Demo two commercial buildings. New 5-story commercial and residential building.	68	80%	C3-1/R4: Commercial with residential overlay	1.00	68
Site Address to be assigned Mixed-Use	New 4-story mixed-use building on MU2 Block with ground floor retail uses and office above; and new 4-story mixed-use building on MU3 Block with ground floor retail uses and residential above.	67	15%	BMSP: Mixed-Use per Bay Meadows Specific Plan	1.51	44
2775 S. Delaware St. Multi-Family	New residential apartment building (100% affordable)	68	100%	BMSP: Mixed-Use per Bay Meadows Specific Plan	1.00	68
1650 S. Delaware St. Multi-Family	Demo the existing office building. New 5-story 73-unit residential apartment building	73	100%	TOD: Mixed-Use	1.07	68
99-157 E. 5th Ave. Mixed-Use	Demo existing surface parking lot. New 5-story mixed-use building with retail and residential uses.	80	90%	CBD/R: Commercial with residential overlay	1.20	67
1, 2 and 3 Waters Park Dr. Multi-Family	Demo office campus. New multi-family buildings with single-family, townhouses and condominium units.	190	100%	Rezoned from E1: Office to R3 multi-family	11.13	17



480 E 4 th Ave. Multi-Family	Demo surface parking lot. Construct new 7-story multi-family building with 225 affordable units. New separate 5-level public/private parking garage at 400 E. 5 th Ave.	225	53%	CBD-S: Commercial and DT residential	2.41	93
2988 Campus Dr Multi-Family	Demo 4 office buildings on 2 sites. New multi-family residential buildings on two parcels.,	290	100%	E1-1: Office	15.45	19
666 Concar Dr. Mixed-Use	Demo existing shopping center. New mixed-use development with commercial, office and residential uses.	961	97%	TOD: Mixed use	14.51	66
Total Projects		20				
Total with Residential		15 (75%)				
Average Dwelling Unit per acre for projects with Residential						48

Identification of Sites for Affordable Housing. Sites on the Inventory must also be classified as suitable for various income levels including very low, low, moderate and above moderate. Several housing laws impact how sites are selected for inclusion by income category. In general, sites less than 0.5 acres cannot be considered as available for lower income development *unless* the jurisdiction demonstrates that it has a track record of affordable developments at this size of lot. For this inventory, no individual site less than 0.5 acres is allocated toward lower income units; however, as per State guidance, such small sites can be considered either for moderate income, above moderate income, or both.

Sites larger than 10 acres are generally considered unavailable for affordable housing, unless the Housing Element can demonstrate a track record for developing such sites of this size, or the city can demonstrate it is otherwise feasible to develop affordable housing. The City has a demonstrated track record of large site development, typically completed in phases, that includes affordable residential development. Station Park Green (12 acres), Concar Passage (14.5 acres), and Bay Meadows (175 acres) are examples of approved large development projects that include substantial numbers of affordable units.

In this inventory, there are only two sites larger than 10 acres. The Hillsdale Shopping Mall is approximately 47 acres in total, of which about 40 acres are included in the inventory. The property owner, the Bohannon Organization, has expressed interest in redeveloping the entire site to address what it calls “a changing retail landscape.” In a recent article in the Daily Journal, David Bohannon (President) stated that his organization is interested in bringing more vibrancy to the place, with additional office and housing on site. In 2019, more than 4,000 people provided input on what should happen with the Hillsdale

Mall on the <https://reimaginehillsdale.com/> website, and 54.2% stated that providing new housing, including affordable workforce housing, was very important to respondents. Based on the express interest in providing housing for the 47-acre site, the inventory shows a distribution of affordable units based on the RHNA calculations at 50 units per acre.

The inventory also includes portions of Bridgepointe, an underutilized commercial area, with the largest parcel at about 12 acres. There have been a variety of discussions with owners of many parcels who have expressed interest in housing as well as some commercial. By assuming mixed-use development on these parcels, the City is calculating the realistic capacity at 40 units per acre.

The new requirements for Affirmatively Further Fair Housing (AFFH; AB 686) dictate that the city avoid, to the extent possible, the location of potential affordable housing in the inventory in a manner that would exacerbate existing concentrations of poverty, as well as contribute to increasing the number of lower-income households in lower-income neighborhoods. The city must also consider locating housing away from environmental constraints such as sea level rise, and near areas of higher or highest opportunities, including quality schools, parks, and educational opportunities. The State indicates that jurisdictions consider the following factors when determining the best locations for affordable housing.

- Proximity to transit.
- Access to high performing schools and jobs.
- Access to amenities, such as parks and services.
- Access to health care facilities and grocery stores.
- Locational scoring criteria for Low-income Housing Tax Credit (TCAC) Program funding.
- Proximity to available infrastructure and utilities.
- Sites that do not require environmental mitigation.
- Presence of development streamlining processes, environmental exemptions, and other development incentives.

One measurement tool to evaluate neighborhood amenities and resources is the Tax Credit Allocation Committee (TCAC) Opportunity Area Map. Each site in the inventory list is rated as either Low, Moderate, High or Highest Resource area utilizing the mapping tool (there are no “Low” resource areas in San Mateo). The Sites Inventory, which includes properties citywide, many of which are in high resource areas, appears to comply with these requirements as currently understood. Overall, the sites identified as suitable for lower income housing in San Mateo are located in moderate or high resource areas. The inventory currently does not project affordable housing to be developed in the Shoreview, North Central, and similar areas, which include higher concentration of lower-income households than other areas of the city. Information about how the AFFH requirements for the Sites Inventory is included in Appendix D.

Distribution of Units by Affordability. Consistent with State guidance, individual sites less than 0.5 acres were assumed to be developed with moderate- and above-moderate income, split 50% to each. For sites larger than 0.5 acres, the distribution of units by income category fell into two types:

1. For sites in the pipeline, the actual proposed distribution of units by affordability was included.



For example, Concar Passage (Planning Application PA-2018-052) includes a total of 961 units, of which 73 will be very low-income. These are the figures used in the spreadsheet.

2. For all other sites, the distribution of units by affordability is in the same proportion as the RHNA allocation.

The State recommends using the proportion of units in the RHNA allocation as a guide for allocating units among sites. This mathematical process is intended to demonstrate that there are enough sites zoned at appropriate densities to accommodate all of the RHNA allocation, rather than an assumption about where affordable units will actually be built. In part, this is because the city does not determine specific sites for affordable housing, but rather reviews and evaluates projects as they are proposed by outside developers.

Table 6: Example RHNA Income Distribution

RHNA Allocation Income Distribution				
Very Low Income	Low Income	Moderate Income	Above Moderate Income	Total
26%	15%	17%	43%	100%

Thus, for a 1-acre site at 50 du/ac, the distribution would be as follows:

RHNA Allocation Income Distribution				
Very Low Income	Low Income	Moderate Income	Above Moderate Income	Total
13	7	8	21	50

In addition, because of new rules in the Housing Accountability Act's "No Net Loss" provisions (SB 166 of 2017), the land inventory and site identification programs in the Housing Element must always include sufficient sites to accommodate the unmet RHNA, in terms of the number of housing units, as well as the level of affordability. When a site identified in the Element as available for the development of housing to accommodate the lower-income portion of the RHNA is developed at a higher income level, the locality must either (1) identify and rezone, if necessary, an adequate substitute site, or (2) demonstrate that the land inventory already contains an adequate substitute site. By distributing units to sites according to the distribution of the RHNA allocation – including above moderate income – it will be easier to ensure ongoing compliance with the No Net Loss provisions.

3.4.4 Pipeline Projects

In addition to the sites potentially available for development or redevelopment, projects that have been approved, permitted, or received a certificate of occupancy since the beginning of the RHNA projected period may be credited toward meeting the RHNA allocation based on the affordability and unit count of the development. For these projects, affordability is based on the actual or projected sale prices, rent levels, or other mechanisms establishing affordability in the planning period of the units within the project. These sites are included in the Sites Inventory (Appendix C), as each is presumed to receive its Certificate of Occupancy (C of O) after June 30, 2022. If any of these sites receive their C of O before this date, or the project does not continue, the spreadsheet will be modified accordingly.

3.4.5 Accessory Dwelling Units

The State now allows jurisdictions to count projected development of accessory dwelling units (ADUs) based on prior years' production averages. Substantial changes in State law pertaining to ADUs in the last several years have made it much easier for homeowners to create ADUs throughout San Mateo. According

to City records, 68 ADUs or JADUs were permitted in 2021, demonstrating an increase in their development over the prior year, 2020, where 52 permits were issued. This inventory includes a projection of 60 ADUs annually over the eight-year Housing Element period, resulting in 480 new ADUs.

A study conducted by the Association of Bay Area Governments (ABAG) from September 2021 found that ADUs are rented at a variety of rates and often meet lower income affordability requirements based on the incomes of the occupants and/or their rental rates. Based on these findings, local jurisdictions are justified in using certain percentages to meet their affordable housing allocations. Although the State has not yet officially approved the conclusions of the study, it has agreed that jurisdictions can allocate ADUs towards a range of income levels.

The study's recommended affordability breakdown that a Bay Area jurisdiction can use for ADUs, which is as noted as being conservative, is 30% very low, 30% low, 30% moderate and 10% above moderate. The report also notes that if a jurisdiction has fair housing concerns, they may want to use more conservative assumptions and go with 5% very low, 30% low, 50% moderate and 15% above moderate. This affordability mix is consistent with the data in its study of market rate Peninsula ADUs, which specified 6% very low, 31% low, 48% moderate, and 15% above moderate. Thus, the Sites Inventory will be using this affordability mix (5/30/50/15) to estimate ADU affordability in San Mateo.

3.5 Sites Inventory

Based on the methodology and approach outlined above, the Sites Inventory includes a range of sites located citywide that could be developed with up to 10,922 new housing units. Table 7 provides a high-level summary of the sites listed on the Sites Inventory broken down by income. Figure 1 shows a map of where each site is located within the city and the housing opportunity areas.

Table 7: Sites Inventory Affordability Breakdown

Housing Opportunity Areas	Total Units	Very Low	Low	Moderate	Above Moderate	Pipeline
Bridgepointe	1,845	405	274	281	885	-
Hillsdale Station South	2,465	629	364	409	1,063	67
101/92 Interchange	2,076	360	165	191	1,381	961
Other Sites	4,056	615	636	489	2,295	1,320
ADUs	480	24	144	240	72	
Totals	10,922	2,033	1,583	1,610	5,696	
RHNA	7,015	1,777	1,023	1,175	3,040	
Buffer	3,907 (56%)	256 (14%)	560 (55%)	435 (37%)	2,656 (87%)	

Table Source: Housing Resources Sites Inventory

The Sites Inventory was developed to meet all applicable statutory requirements and provide a realistic and achievable roadmap for the city to meet and potentially exceed its RHNA. The Sites Inventory is summarized as follows:



- The housing sites are spread throughout the city, with a significant number located in high resource areas, to meet AFFH requirements.
- The housing projections utilize existing land use and zoning densities, and no rezoning is necessary.
- It includes conservative production and density assumptions for the identified housing sites.
- The city has a significant number of pipeline projects that are anticipated to be completed by the end of this housing cycle.
 - 1,100+ housing units are currently under construction; and
 - 1,500+ housing units are approved or entitled.
- The housing projections do not have any reliance on new units developed under SB9 and a low reliance on new ADU production.

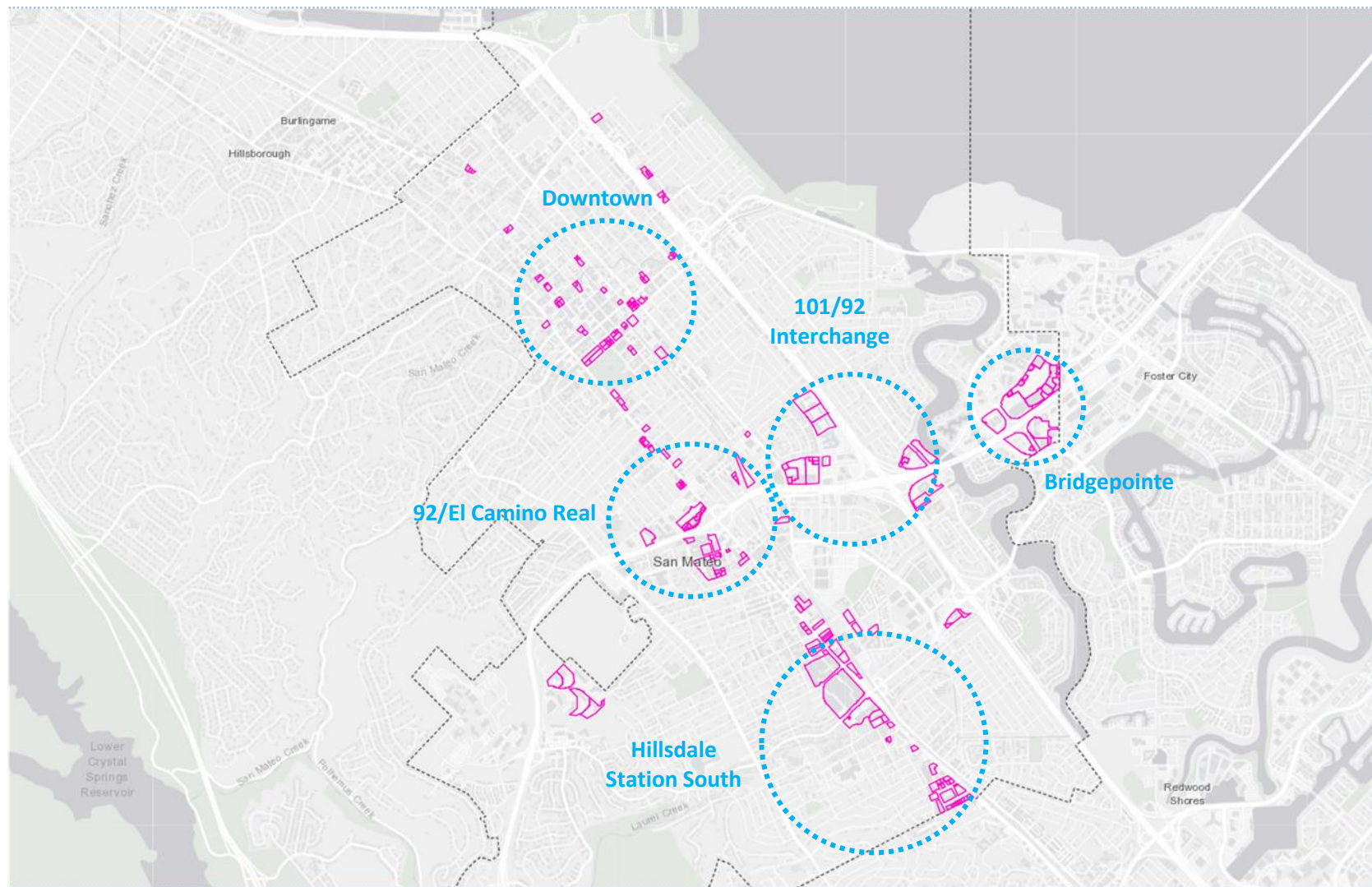
In addition, the City's General Plan Update process is currently underway, with a target for adoption at the end of 2023. Most of the properties listed in the Sites Inventory are located within one of the ten General Plan Land Use Study Areas that are being evaluated for change and increased density. Adoption of the updated General Plan, which is anticipated to increase density on some, if not many, of the housing sites will further increase development capacity and the City's RHNA buffer.

The analytical process that went into creating the Sites Inventory and the justification for commercial site redevelopment are fully detailed in the Sites Inventory Approach and Methodology sections above. The full list of sites adequate for housing development identified by the city is included in Appendix C.

Figure 1: Sites Inventory Map

Universe: Sites Inventory

Notes: The individual sites identified as suitable for housing redevelopment are marked in pink while blue circles indicate groupings of sites. Site affordability breakdown by grouping is seen in Table 7.





4. OTHER REQUIRED HOUSING ELEMENT COMPONENTS

4.1 Constraints Analysis Summary

The purpose of the constraints analysis section, per Government Code Section 65583(a)(5-6), is to identify and analyze potential and actual nongovernmental and governmental constraints to the maintenance, improvement, or development of housing that hinder a jurisdiction from meeting its share of the regional housing needs. A summary of governmental and non-governmental constraints is provided below, and a more detailed analysis is contained in Appendix B.

4.1.1 Governmental Constraints

State law (California Government Code, Section (a)[5]) requires Housing Elements to contain an analysis of governmental policies and regulations that can result in both positive and negative effects on the availability and affordability of housing. Potential constraints to housing include zoning regulations, development standards, infrastructure requirements, development impact fees, and the development approval processes. While government policies and regulations are intended to serve public objectives and further the public good, the City of San Mateo recognizes that its actions can potentially constrain the availability and affordability of housing to meet the community's future needs. The City has implemented several measures to reduce development costs and streamline the approval process and has identified additional opportunities for streamlining the City's review process. The City has identified outdated zoning code regulations in several areas that may pose as a barrier to housing development and have included Housing Element implementation programs to review zoning code requirements and amend as necessary to remove these barriers. Further detail is provided in Appendix B.

4.1.2 Non-Governmental Constraints

State law (California Government Code, Section 65583(a)[6]) requires Housing Elements to contain an analysis of nongovernmental constraints to the maintenance, improvement, or development of housing for all income levels, including the availability of financing, the price of land, the cost of construction, and the length of time between receiving entitlement approval for a housing development and submittal of an application for building permits for that development. Potential nongovernmental constraints are largely determined by market conditions or other factors, over which local jurisdictions have little control. However, local governments can influence market conditions and their associated costs indirectly. Governmental interventions that affect nongovernmental constraints are explored in more detail in Appendix B.

4.2 Housing Resources Summary

The Housing Resources of the City of San Mateo can be summarized into three sections. The first is the various funding sources the City is able to pool together for affordable housing production, preservation, and protection. The second is a list of the existing programs the City manages and supports to increase the housing supply or otherwise serve past, current, and prospective residents of affordable housing. The third is an inventory of sites that are adequate for projected housing needs. A full description of each funding source and housing program are included in Appendix C - Housing Resources, including detailed inventory.

4.2.1 Funding Opportunities

Activities that housing funding may be used for includes but is not limited to the following: predevelopment, acquisition, construction, rehabilitation, conversion and preservation. Also included is funding that is used for housing related activities, which provide service to the residents of low-income housing. A list of the most relevant funding sources is as follows:

Federal Programs

- Community Development Block Grant (CDBG)
- HOME Investment Partnerships Program (HOME)
- Low Income Housing Tax Credits (LIHTC)
- Section 8 Rental Assistance Program

State Programs

- Permanent Local Housing Allocation (PLHA)
- Other State Sources (CALHome, CalHFA, etc.)

Other Public Funds

- Housing Successor Agency for the Redevelopment Agency
- Below Market Rate Program (BMR)
- Commercial Linkage Fee (CLF)

Private For-Profit and Nonprofit Sources

- Community Reinvestment Act (CRA)
- Private Developers
- Non-Profit Agencies
- Housing Endowment and Regional Trust (HEART)

4.2.2 Existing Housing Programs

The city manages and supports several programs that aim to either increase the housing supply, improve existing housing, or serve residents of San Mateo within the scope of housing or homelessness. While many of these programs are a direct effort of the City, some are part of a regional collaboration across San Mateo County, of which the City is an active participant. A list of these programs are as follows:

- Minor Home Repair
- Home Rehabilitation
- Lead-Based Paint Hazard Reduction
- First Time Home Buyers Program
- Acquisition of Land
- Acquisition and Rehabilitation of Existing Housing
- Community Housing Development Organizations (CHDO)
- New Construction
- Accessory Dwelling Units
- Special Needs Housing Operation Subsidies
- Homeless Programs
- Regional Collaborations
- Chronic Homelessness
- Homeless Prevention
- Discharge Policy



4.3 Climate Change and Energy Conservation

Home energy efficiency has become an increasingly significant factor in housing construction, particularly in the past few years with the increasing demand to build energy efficient and sustainable buildings 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 Part 6 is the California Energy Code, first enacted in the 1980s, permits builders of new residential units to achieve compliance either by calculating energy performance in a prescribed manner or by performance based on computer modeling. The energy code is updated every three years by the Energy Commission to advance the energy efficiency standards for building construction. In addition to the energy code, the state Green Building code establishes sustainable building construction standards. The Green Building code addresses the use of sustainable materials, methods of construction, recycling of construction waste, and electric vehicle infrastructure. These measures contribute to overall building energy efficiency and sustainability and have an added ongoing benefit throughout the useful life of a building.

In order to save natural resources and to make utilities more affordable, the City's Home Repair programs, implemented under Policy H 2.3, 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).

All new development, including housing projects, are also subject to compliance with applicable greenhouse gas (GHG) emission reduction strategies contained in the City's Climate Action Plan (CAP). The CAP, which was last updated in 2020, demonstrates the City's leadership to reduce GHG emissions and provides a comprehensive list of community-wide actions that will help reduce the community's GHG emissions. Specifically, for housing and new construction, the CAP includes Measures EE 1, EE 2, EE 3, ME 1 and ME 2 for exceeding minimum state energy efficiency requirements, providing education and outreach on benefits and financial incentives associated with energy upgrades, and continuing support for energy efficiency upgrades through utility programs and programs with local and regional agencies.

The CAP also identifies building electrification strategies (Measures BE 1, BE 2 and ME 3) to encourage the transition from gas to electric equipment, in line with the City's goal to phase out natural gas in existing buildings by 2030. Strategies include outreach and education to residents, businesses and contractors on the benefits of building electrification and rebates for electric technologies (e.g., induction cooktops, heat pump water heaters, electric clothes dryers) and adopting policies to encourage or require eliminating the use of natural gas in new or existing buildings.

Policies and programs that explicitly address the City's CAP, as well as energy efficiency and sustainability, will be contained in other elements of the City's updated General Plan, but are not contained the Housing Element. However, as outlined above, addressing climate change, continuing to improve energy efficiency and building homes sustainably are key City priorities and will be applied to housing projects and housing program implementation for the upcoming housing cycle.

5. PUBLIC PARTICIPATION

5.1 Overview

The City of San Mateo recognizes an engaged community is essential to drafting and implementing a strong Housing Element. A key strength of this draft Housing Element is the incorporation of key findings collected at over nineteen public and community meetings and workshops, five intercept/pop-up events, and four surveys. A summary of public participation and community outreach activities and key takeaways are included here. The collected public input received is included as an appendix to this draft Element (Appendix F). To reach as many community members who live in or are a part of the San Mateo as possible, the city developed and implemented a proactive outreach plan at the outset of the draft Housing Element development process. Its goals were to:

- Raise awareness among San Mateo residents of the importance of the Housing Element update on shaping the future of the community
- Have robust and diverse community participation throughout the process that is representative of the full range of demographics, perspectives, and experiences in the San Mateo community
- Build a level of public trust in the update process and support for the Housing Element that will lead to its successful implementation after adoption.

The city proactively engaged community members for whom English was not spoken at home, renters, those under 45 years of age, low-income and very low-income households, people with disabilities, seniors, single female heads of household, people experiencing homelessness, and those from under-represented neighborhoods.

In recent years, the community has participated in many conversations about affordable housing, tenant rights, displacement, and fair housing. In addition to conversations focused on the Housing Element, the City's efforts to establish district elections, the ongoing General Plan Update effort, and the 2019 Community Conversations: Housing in San Mateo event series have provided opportunities for many additional collaborative outreach activities. For other outreach work, we partnered with other San Mateo County jurisdictions for a first-of-its-kind countywide outreach effort, through an award-winning collaboration called [21 Elements](#). Specific activities included:

Website, Social Media, and Printed Mailing. The City of San Mateo launched a [Housing Element Update website](#), and conducted extensive email and social media outreach beginning in March 2021. Physical mailers were sent city-wide in October 2021, and a second targeted mailer was sent out in January 2022. City staff and consultants also participated in and helped shape the *Let's Talk Housing initiative*. Through this award-winning collaborative, the jurisdictions of San Mateo County worked together to increase awareness of and participation in the Housing Element Update process and make sure everyone is involved in shaping our shared future.

Community Meetings. The city organized three public Housing Element workshops and presented at five public commission/council meetings. These included:

- Community and Housing Needs Workshop /Community Relations Commission 9/29/21
- Housing Element Update/Planning Commission 10/12/21
- Housing Policy Workshop 11/2/21



- Housing Element Update/Senior Commission 11/8/21
- Housing Element Update/City Council 11/15/21
- Fair Housing Workshop 1/13/22
- Joint PC/CC Study Session - Housing Programs /Policies Study Session 2/7/22

Focus groups and presentations at the meetings of local community-based organizations included:

- Housing Element and General Plan Update/ Bay Area Community Health Advisory Council (BACHAC) 9/9/21
- Builders Focus Group 11/15/21
- Housing Element Update/Chamber of Commerce 12/14/21
- Housing Element Update/Downtown Merchants Association 12/14/21
- Housing Element Update/ SMFCSD PTA Association 1/10/22

The city also participated in several meetings and webinars in partnership with 21 Elements, including:

- Let's Talk Housing - Introduction to the Housing Element
 - 3/25/21 (Joint with Millbrae Burlingame, Hillsborough, East Palo Alto)
 - 7/26/21 (Virtual countywide meeting about the Housing Element update in Spanish)
- All About RHNA - 4/23/21 (countywide)
- Listening Sessions (countywide)
 - Fair Housing 9/27/21
 - Housing Advocates 10/18/21
 - Builders 11/01/21
 - Service Providers 11/15/21

Outreach Activities. City staff and consultants conducted an online survey, in-person intercept surveys at pop-up events and other community events, and a statistically reliable community survey that included some Housing Element-related questions.

These efforts included:

- Harvest Festival at King Park in North Central 10/16/21
- Central Park Storytime in the Park 10/27/21
- Mi Rancho Market in North Central 10/29/21
- Chavez Market in Shoreview 11/18/21
- Macedonia Food Distribution, Various Tuesdays October to December
- Online Survey 10/11/21 to 1/16/22
- Intercept Surveys 10/16/21 to 12/21/21
- True North Community Survey 1/21/22 to 2/2/22

The City also supported an Equity Advisory Group with 21 Elements to ensure outreach was set up to meet people where they were at as much as possible.

5.2 Accomplishments and Key Takeaways

5.2.1 Website, Social Media, and Printed Mailing

As a starting point for accomplishing extensive research, San Mateo launched a [Housing Element Update website](#) that included links to past event video recordings, meeting materials, outreach and survey summaries, and information about upcoming meetings and ways to get involved. It also contained draft

Housing Element documents and collected community feedback. Email Blasts and social media efforts from March 2021 through January 2022 included invitations to participate in community workshops, public meetings, and online survey to several city-maintained email lists. The City was also successful in similar messages being circulated in the newsletters of at least five community groups including: San Mateo High School District Employees Newsletter, San Mateo-Foster City School District Parent Teacher Association (SMFCSD PTA) Newsletter, Chamber of Commerce Newsletter, Downtown San Mateo Association Newsletter, and to the affordable housing residents of Human Investment Project (HIP) Housing and MidPen Housing properties within San Mateo.

A Citywide mailer was sent to every household on October 18, 2021 and a second mailer targeted to renters was sent on January 2, 2022 also inviting community members to participate in community workshops, public meetings, and online surveys.

From September to November 2021, four joint Housing Element and General Plan Update-focused Facebook live events were conducted in Spanish by Peninsula Conflict Resolution Center (PCRC), a trusted community partner in Spanish-speaking communities to introduce the Housing Element and General Plan Update and keep community members informed about events and updates. Participants expressed an interest in a variety of housing and community safety topics and supported the City's emphasis on getting input from the Latinx community.

The City also participated in, and helped shape, the [Let's Talk Housing initiative with 21 Elements](#), which included a countywide website available in five languages, detailing our timeline, engagement activities, and resources, videos about the process in several languages, and a social media presence. As of February 2022, the website had been visited more than 17,000 times, with more than 20% from mobile devices.

5.2.2 Community Meetings

The city held three public Housing Element workshops, presented at five public commission/council meetings, hosted a focus group discussion with housing architects and developers, and provided presentations to local community-based organizations including the Chamber of Commerce, Downtown Merchants Association, San Mateo-Foster City School District Parent Teacher Association (SMFCSD PTA) and neighborhood associations.

In partnership with 21 Elements/Let's Talk Housing: *an Introduction to the Housing Element* event, provided a housing element overview with breakout discussion rooms that was part of a series of introductory meetings attended by more than 32 people in San Mateo and over 1,000 community members countywide. Additionally, *Let's Talk Housing* held an *All About RHNA* webinar and a countywide four-part webinar series to help educate and inform San Mateo County residents and stakeholders on regional and local housing issues. The four-part series took place on Zoom in fall of 2021, focusing on the following topics and how they intersect with the Bay Area's housing challenges and opportunities: Why Affordability Matters, Housing and Racial Equity, Housing in a Climate of Change, Putting it All Together for a Better Future. The series included speaker presentations, audience Q&A, breakout sessions for connection and debrief discussions.

The sessions were advertised and offered in Spanish, Mandarin and Cantonese, though participation in non-English channels was limited. The *All About RHNA* webinar provided an in-depth dive into sites methodology. On July 26th, San Mateo joined a virtual countywide meeting about the Housing Element update in Spanish, hosted by El Comité, a trusted community organization. English interpretation was



provided so non-Spanish speaking staff could participate in the conversation, and a total of 57 people participated.

5.2.3 Key Takeaways

- Housing is personal: People often have differing views on housing because it is a very personal issue tied to feelings of safety, belonging and identify. Often the comments reflected people's current housing situation. Many people shared meaningful stories of being priced out of their communities or of their children not being able to live in the community where they grew up.
- The price of housing is a major concern: Many voiced concerns about the high cost to rent or buy a home today, either for themselves, friends, or family. It is an issue that touches a lot of lives. There was significant concern raised that service workers, teachers, first responders, and small business owners were being priced out of San Mateo.
- More housing is needed: Generally, people believe we need more housing, particularly affordable housing. However, there are diverging views on how to accomplish this, where housing should go, and what it should look like. There was strong interest in locating higher density developments close to transit, in walkable, mixed-use areas.
- Single-family neighborhoods are polarizing: While some people voiced their interest in up zoning single-family neighborhoods or eliminating them altogether, other homeowners want to protect them and are concerned with the future of investments they have made.
- Affordable housing is a top concern: Many felt that more needed to be done to promote affordable housing. They also felt that developers should be eligible for incentives and opportunities that make them more competitive, and that affordable housing should be spread throughout the entire city.
- Specific concern for individuals with all types of disabilities: There was interest in prioritizing the creation of new units and prioritizing accessible units for people with disabilities.
- Other common themes: equity, regional considerations, the difficulty of the development process, the interconnected nature of land-use and transportation decisions, and diversity.

Also, in partnership with 21 Elements/Let's Talk Housing, a series of four stakeholder listening sessions allowed jurisdictions to listen to and interact with stakeholder groups arranged by topic: Fair Housing, Housing Advocates, Builders, Service Providers. More than 30 groups participated. Key takeaways include:

- Fair Housing: Concern for the end of the eviction moratorium, the importance of transit-oriented affordable housing and anti-displacement policies, and the need for education around accessibility regulations and tenant protections. Eight (8) stakeholder groups provided this feedback.
- Housing Advocates: Concern for rent increases and the need for ongoing outreach to underserved and diverse communities, workforce housing, deeply affordable and dense infill, and tenant protections for the most vulnerable. 6 stakeholder groups provided this feedback.
- Builders and Developers: Local funding, tax credit availability, and concern that appropriate sites limit their ability to develop affordable housing while limited sites, construction costs, and city development review requirements and processes limit the development of market-rate housing. 12 stakeholder groups provided this feedback.
- Service Providers: More affordable housing and vouchers or subsidies for market-rate housing are needed, along with on-site services and housing near transit, and jurisdictions should work with

providers and people experiencing issues before creating programs. Ten (10) stakeholder groups provided this feedback.

The following key themes were collected as part of a builder's focus group discussion with housing developers, builders, and architects on policies and programs for San Mateo's Housing Element on November 15, 2021. The Constraints Analysis Section also includes key themes from the builders focus group and related feedback. Seven external participants, including non-profit housing developers, for-profit housing developers, and architects familiar with multi-family construction provided feedback. Key themes include:

- Relaxing height restrictions, particularly as they can conflict with minimum height requirements for ground floor uses.
- Streamlining the development review and entitlement process and establishing clearer objective development standards.
- Expanding incentive programs for affordable housing, including local density bonus incentives.
- Relaxing parking requirements, particularly in walkable areas close to transit.
- A walkable downtown is an amenity and could be a rationale for exceptions to other required amenities, including required open space.

5.2.4 Outreach Activities

San Mateo conducted a Housing Element online survey from October 11, 2021 to January 16, 2022. The online survey received 594 responses. In the fall, to ensure survey results were as representative as possible, City staff and their consultant team also organized pop-up events and conducted an intercept survey and received 156 responses in the North Central and Shoreview Neighborhoods, as well as Macedonia food distribution events. True North Research, Inc. was retained to conduct statistically reliable community survey in January and February of 2022 across a variety of topics, including some housing-related questions.

Community-wide survey. In order to provide decision makers with a statistically reliable understanding of its residents' satisfaction, priorities, opinions, and concerns as they relate to city services, facilities, and policies, True North Research, Inc. was retained to conduct a community-wide survey. The survey was specifically designed to avoid the self-selection bias common in informal feedback mechanisms, public comment fora, and other mechanisms for public engagement. A statistically reliable community survey was conducted in January and February of 2022 across a variety of topics, including some housing-related questions and was completed by 775 community members. Key Housing Element-related themes include:

- When residents were asked to indicate the one thing city government could change to make San Mateo a better place to live, now and in the future, providing more affordable housing was the most common (19%)
- Respondents were less satisfied with the City's efforts to facilitate the creation of affordable housing (33%), and address homelessness (42%)
- Approximately two-thirds of residents indicated that there is currently too little housing that is affordable
- Factors that were viewed as most important in planning for future housing were ensuring adequate water supplies, minimizing greenhouse gases, creating homes that are affordable for



low- and middle-income residents, preserving open space and parklands, and creating pedestrian friendly areas that encourage people to walk rather than drive.

- 63% were willing to support higher density buildings up to 12 stories near downtown/transit

Housing Element Online Survey. Results of the “Housing Needs in San Mateo – Housing Element 2023-31” online survey conducted by the City between October 11, 2021 and January 16, 2022 are presented below. A total of 594 surveys were completed online by community members. The information in this report should be considered with a similar weight as other qualitative forms of feedback and should not be treated as statistically reliable. When compared to City averages overall, survey respondents tended to be older, more white, more likely to own their own home, more likely to live in a single-family home, and less likely to be low income. Some areas resulted in conflicting input from the community with many commenters emphasizing their belief that increasing housing supply was a top priority for the city, while many others emphasizing the view that “new housing is not needed or desired”. Key themes are summarized below:

- Most important housing related challenges: “Service workers’ salaries cannot support existing rents in San Mateo” and “Service workers, teachers, first responders, and small business owners are moving out of San Mateo.”
- Best location to place additional housing: “New housing should be walkable/bikeable to shops and services,” and “New housing should be concentrated near public transit.” Key themes from open ended responses: “new housing should be located in high opportunity areas,” and “new housing is not needed or not desired.”
- Best strategies to manage production of new housing: “Encourage mixed-use projects that have both commercial and residential uses,” “Create housing by redeveloping existing properties that have additional potential,” and “Increase allowable density in areas that are close to transit.” Key themes from open ended responses: “increase density throughout the city,” “new housing is not needed or not desired” and “prioritize single family housing.”
- What types of housing should be prioritized: “Smaller units that are less expensive to live in.” Key themes from open ended responses: “support for building housing in general,” “prioritize affordable housing, require affordable housing, or establish mandatory inclusionary zoning,” and “prioritize senior housing.”
- Best ways to address housing affordability: “Incentives for private developers to build more affordable housing,” “Locate affordable housing near transit and jobs,” and “Financial assistance for people who cannot afford housing, such as subsidized rent and down payment loans.” Key themes from open ended responses: “strengthen rent regulations or establish rent control” and “streamline regulations: reduce height, density, parking, or other regulations.”
- Most important ways to ensure housing opportunities are available to all members of San Mateo, especially those who have not had fair access to housing in the past: “Ensure affordable housing opportunities are created throughout the entire city” and “Improve infrastructure, transit and services in underserved neighborhoods.” Key theme from open ended responses: “more housing equals more opportunity, focus on expanding supply.”
- Common themes: Additional comments (296 open-ended responses) were analyzed for common themes, these included:
 - Housing is a priority issue: use whatever means are available to substantially increase supply

- Improve public transportation and make walking and biking safer, this is also better for the environment
- Infrastructure improvements should happen before housing is built, with particular emphasis on traffic congestion, roads, parking, and water
- Locate new housing in Transit Oriented Developments (TOD)/increase density most in transit-rich areas
- New housing is not needed or not desired

Intercept surveys. In the Fall, to ensure survey results were as representative as possible, City staff and their consultant team also organized pop-up events and conducted an intercept survey and received 156 responses in the North Central and Shoreview Neighborhoods, as well as Macedonia food distribution events. The locations, dates, and times of these events were selected with the advice of Peninsula Conflict Resolution Center (PCRC), who also helped to staff these events. Events at Mi Rancho Market in North Central (10/29/21), Chavez Market in Shoreview (11/18/21), and Macedonia food distribution events were staffed by English-Spanish bilingual community outreach staff. The information in this report should be considered with a similar weight as other qualitative forms of feedback and should not be treated as statistically reliable. When compared to City averages overall, intercept survey respondents were more likely to be Hispanic or Latinx, 35-50 years old, and reside in the 94401 zip code, which includes. Key themes are summarized below:

- To manage the production of housing overall, there was notable interest in redeveloping existing properties that have potential for more housing (45%), creating accessory units on existing single-family properties (22%), and encouraging mixed-use projects that have both commercial and residential uses (21%).
- To address housing affordability, there was substantial interest in financial assistance programs for people who cannot afford housing, such as subsidized rent and down payment loans (47%), and public funding to construct new housing (26%).
- The current housing situation in San Mateo is affecting them or people they know due to the high cost of housing in general; the cost of housing's impact on types of individuals (childcare workers, adult children, older adults); inability to purchase a home due to cost; self or others moving away due to price, traffic, and difficulty commuting.
- Some direct quotes: "Include up-scale neighborhoods in zoning changes," "Always include preferences for people w/ developmental disabilities + others," "I have to move b/c its getting too expensive, I will move away from County to an in-law unit with relatives in Marin," and "I'm homeless, I sleep on street behind the gas station. I can't afford rent, I can hardly get food."

Equity Advisory Group. In partnership with 21 Elements / Let's Talk Housing, and in alignment with community outreach best practices, it was important to include the guidance of and foster partnerships with community organizations to help ensure everyone's voices were heard during the Housing Element update. In response, an Equity Advisory Group (EAG) was formed consisting of 15 organizations or leaders across the county that are advancing equity and affordable housing. To date, EAG members have facilitated and hosted community meetings in partnership with 21 Elements, collected community housing stories to put a face to housing needs, advised on messaging, and amplified events and activities to their communities. All participating organizations are featured on the Let's Talk Housing [website](#).



San Mateo County Fair Housing Survey. In partnership with 21 Elements / Let's Talk Housing, and conducted by Root Policy, the San Mateo County Fair Housing Survey has gathered 108 responses from residents in the City of San Mateo as of January 20, 2022. Key challenges include:

- Income is too low to find housing
- Housing unit is too small
- Displacement
- Denied housing when looking due to "income too low"
- Difficulty for voucher holders to find an affordable unit
- Homes not meeting needs of a household member with a disability
- When asked what type of help they needed to improve their housing security, top answers included: Help me with a down payment/purchase (39%); Help me get a loan to buy a house (27%); and Help me with the housing search (23%). Other resources to improve quality of life were also identified in the survey results.

5.3 How We Incorporated What We Heard into the Plan

The extensive outreach and community engagement conducted over the past year played a significant role in the development of the goals, policies, and programs within the 2023-2031 Housing Element. Feedback and insights from tenants, non-English speakers, lower-income residents, property owners and developers helped to highlight new policy opportunities and ways to strengthen and improve existing policies. And the overarching challenge of housing affordability and availability was heard during most every meeting and conversation. In addition, themes such as investing in disadvantaged communities, improving walkability in neighborhoods and access to transit, and addressing climate change helped inform policies in the Housing Element as well as the General Plan Update which is being prepared concurrently. The following is a summary list of topics and the associated policy(s) that were added or improved as a result of that community and stakeholder feedback.

- Support the production of more missing middle housing. *(Policies H1.4, H1.11 and H1.13)*
- Improve awareness and availability of resources for landlords and tenants. *(Policies H4.1, H4.2, H4.3 and H4.4)*
- Streamline the permitting process and simplify the rules and regulations for new housing development. *(Policies H1.6, H1.7 and H1.8)*
- Fair housing – setup a rental registry, adopt first right of refusal for existing tenants rules. *(Policies H3.4 and H3.6)*
- New housing should be sustainable and support the City's climate action plan. *(Policies H2.3 and H2.5)*
- Provide more materials and information in languages other than English. *(Policies H4.1 and H4.4)*
- Improve walkability and access to transit in disadvantaged communities. *(Policy H2.4)*
- Provide training/education about fair housing laws to landlord. *(Policy H3.2)*
- Support the construction of more accessory dwelling units (ADUs). *(Policy H1.4)*
- Establish a BMR unit set-aside for tenants with physical or developmental needs. *(Policy H3.5)*
- Support the development of larger units with more bedrooms for families. *(Policy H1.5)*

5.4 Attachments included in Appendix F

Appendix F includes all of the community feedback, communications and documentation that support the findings and conclusions in this Section.

- True North Survey Results – February 21, 2022
- Community Engagement, Pop Ups and Intercepts – Feedback received from the public during popup outreach events and surveys distributed in person.
- Online Survey Results – Feedback received from the Housing Element Survey hosted on the City Website.
- City of San Mateo Builders Focus Group – Feedback received from local developers during a focus group on policies and programs to increase ease of constructing new housing.
- City of San Mateo Fair Housing Workshop – January 13, 2022: Discussion and Poll Summary
- City of San Mateo Housing Policy Workshop – November 2, 2021: Discussion and Poll Summary
- Community Needs and Housing Needs Workshop - Community Relations Commission – September 29, 2021: Speaker Notes
- Elements Listening Sessions – Summaries of public engagement events held at the San Mateo Countywide level for Housing Element Issues.
 - Fair Housing – September 27, 2021
 - Housing Advocates – October 18, 2021
 - Builders – November 1, 2021
 - Service Providers – November 15, 2021
- Root Policy Fair Housing Survey Summary – Feedback received from the public through a countywide survey on Fair Housing issues
- Community Correspondence received by the city as of March 30, 2022



6. AFFIRMATIVELY FURTHERING FAIR HOUSING (AFFH) SUMMARY

6.1 What is Affirmatively Furthering Fair Housing?

California Assembly Bill 686, which was signed into law in 2018 requires that all public agencies in the state affirmatively further fair housing (AFFH) beginning January 1, 2019. Public agencies receiving funding from the U.S. Department of Housing and Urban Development (HUD) are also required to demonstrate their commitment to AFFH. The federal obligation stems from the fair housing component of the federal Civil Rights Act mandating federal fund recipients to take “meaningful actions” to address segregation and related barriers to fair housing choice.

AB 686 requires all public agencies to “administer programs and activities relating to housing and community development in a manner that affirmatively furthers fair housing, and take no action inconsistent with this obligation”^[1]

AB 686 also makes changes to Housing Element Law to incorporate requirements to AFFH as part of the housing element and general plan to include an analysis of fair housing outreach and capacity, integration and segregation, access to opportunity, disparate housing needs, and current fair housing practices.

Affirmatively Furthering Fair Housing

“Affirmatively furthering fair housing” means taking meaningful actions, in addition to combating discrimination, that overcome patterns of segregation and foster inclusive communities free from barriers that restrict access to opportunity based on protected characteristics. Specifically, affirmatively furthering fair housing means taking meaningful actions that, taken together, address significant disparities in housing needs and in access to opportunity, replacing segregated living patterns with truly integrated and balanced living patterns, transforming racially and ethnically concentrated areas of poverty into areas of opportunity, and fostering and maintaining compliance with civil rights and fair housing laws. The duty to affirmatively further fair housing extends to all of a public agency’s activities and programs relating to housing and community development. (Gov. Code, § 8899.50, subd. (a)(1).)”

Figure 2: AFFH Definition

Source: California Department of Housing and Community Development Guidance, 2021, page 14.

6.2 History of segregation in the region.

The United States’ oldest cities have a history of mandating segregated living patterns—and Northern California cities are no exception. ABAG, in its recent Fair Housing Equity Assessment, attributes segregation in the Bay Area to historically discriminatory practices—highlighting redlining and discriminatory mortgage approvals—as well as “structural inequities” in society, and “self-segregation” (i.e., preferences to live near similar people).

Researcher Richard Rothstein’s 2017 book *The Color of Law: A Forgotten History of How Our Government Segregated America* chronicles how the public sector contributed to the segregation that exists today. Rothstein highlights several significant developments in the Bay Area region that played a large role in where the region’s non-White residents settled.

Pre-civil rights San Mateo County faced resistance to racial integration, yet it was reportedly less direct than in some Northern California communities, taking the form of “blockbusting” and “steering” or intervention by public officials. These local discriminatory practices were exacerbated by actions of the Federal Housing Administration which excluded low-income neighborhoods, where the majority of people of color lived, from its mortgage loan program.

According to the San Mateo County Historical Association. San Mateo County’s early African Americans worked in a variety of industries, from logging, to agriculture, to restaurants and entertainment. Expansion of jobs, particularly related to shipbuilding during and after World War II attracted many new residents into the Peninsula, including the first sizable migration of African Americans. Enforcement of racial covenants after the war forced the migration of the county’s African Americans into neighborhoods where they were allowed to occupy housing—housing segregated into less desirable areas, next to highways, and concentrated in public housing and urban renewal developments.

The private sector contributed to segregation through activities that discouraged (blockbusting) or prohibited (restrictive covenants) integrated neighborhoods. In the City of San Mateo, builders of the Hillsdale neighborhood in the mid-1900s recorded deeds that specified that only “members of the Caucasian or White race shall be permitted” to occupy sold homes—the exception being “domestics in the employ[ment] on the premises.”^[2] This developer went on to develop many race-restricted neighborhoods in the Bay Area, became president of the National Association of Home Builders (NAHB), became national president of the Urban Land Institute (ULI), and was inducted into California’s Homebuilding Foundation Hall of Fame.

The timeline of major federal Acts and court decisions related to fair housing choice and zoning and land use appears on the following page. As shown in the timeline, exclusive zoning practices were common in the early 1900s. Courts struck down only the most discriminatory practices and allowed those that would be considered today to have a “disparate impact” on classes protected by the Fair Housing Act. For example, the 1926 case *Village of Euclid v. Ambler Realty Co.* (272 U.S. 365) supported the segregation of residential, business, and industrial uses, justifying separation by characterizing apartment buildings as “mere parasite(s)” with the potential to “utterly destroy” the character and desirability of neighborhoods. At that time, multifamily apartments were the only housing options for people of color, including immigrants.

The Federal Fair Housing Act was not enacted until nearly 60 years after the first racial zoning ordinances appeared in U.S. cities. This coincided with a shift away from federal control over low-income housing toward locally-tailored approaches (block grants) and market-oriented choice (Section 8 subsidies)—the latter of which is only effective when adequate affordable rental units are available.

6.3 San Mateo’s Fair Housing Assessment

The Fair Housing Assessment (Appendix D) follows the April 2021 State of California State Guidance for AFFH. The study was conducted as part of the 21 Elements process, which facilitates the completion of Housing Elements for all San Mateo County jurisdictions. It includes the following sections:



6.3.1 Primary Findings

Primary findings from the Fair Housing Assessment for the City of San Mateo describes fair housing enforcement and outreach capacity, integration and segregation, access to opportunity, disparate housing needs, and contributing factors and the city's fair housing action plan.

- **16% of fair housing complaints filed in San Mateo County from 2017 to 2021 (57 total) were in the City of San Mateo (9 total), which is approximately aligned with the city share of the county's population (14%).** The most common issues cited in the city were refusal to rent and discrimination in terms, conditions, privileges relating to rental. Most complaints were on the basis of disability status (6 complaints) and race (3 complaints) in the city.

Racial and ethnic minority populations are **disproportionately impacted by poverty, low household incomes, overcrowding, and homelessness** compared to the non-Hispanic White population in the City of San Mateo. Additionally, racial and ethnic minorities are more likely **to live in moderate resource areas and be denied for a home mortgage loan.**

- Racial and ethnic minority populations generally have higher rates of poverty (Figure II-5) and lower household incomes (Figure II-4) compared to the non-Hispanic White population in the City of San Mateo.
- Racial and ethnic minorities are more likely than non-Hispanic White households to experience overcrowding (Figure IV-17). Low- and moderate-income households are also more likely to be overcrowded (Figure IV-18).
- People who identify as American Indian or Alaskan Native, Black, White, and Hispanic are overrepresented in the homeless population compared to their share of the general population (Figure IV-22).
- Hispanic, Asian, and Black residents are more likely to live in moderate resource areas compared to high resource areas (Figure III-12). It is important to note there are no designated low resource areas in the City of San Mateo.
- **Hispanic and American Indian or Alaska Native households have the highest denial rates for mortgage loan applications in 2018 and 2019 (Figure IV-33).**

Geospatially, **the northeast area of the city** is disproportionately impacted by high poverty, low education opportunity, low economic opportunity, low environmental scores, high social vulnerability scores, concentrations of cost burdened households, overcrowding, and moderate resource scores. These areas are generally on either side of Highway 101 and stretch to the San Francisco Bay waterfront, encompassing the North Central and Shoreview neighborhoods. These areas have:

- Higher poverty rates between 10% and 20% (Figure II-28).
- Education opportunity scores between 0.25 and 0.5—meaning they have lower education scores compared to the rest of the city (Figure III-1).
- Low economic opportunity scores between zero and 0.5 (Figure III-7).
- Low environmental scores—which account for PM2.5, diesel PM, drinking water, pesticides, toxic release, traffic, cleanup sites, groundwater threats, hazardous waste, impaired water bodies, and solid waste sites (Figure III-9). The northeast area of the City of San Mateo has particularly poor environmental outcomes for traffic, impaired water, groundwater threats, hazardous waste, and asthma.

- The composite opportunity score for the City of San Mateo shows Census Tracts in the northeast area of the city fall within moderate resource areas while the rest of the city is within high or highest resource areas (Figure III-14).
- The Social Vulnerability Index (SVI) provided by the Centers for Disease Control and Prevention (CDC) ranks census tracts based on their ability to respond to a disaster and includes four themes of socioeconomic status, household composition, race or ethnicity, and housing and transportation. The northeast area of the city is most vulnerable according to the SVI (Figure III-15).
- **Concentration (60% to 80% of households) of cost burdened households (Figure IV-13).**
- Overcrowded households are concentrated in the same areas as cost burdened households (Figure IV-19).
- These areas are also within Special Flood Hazard Areas (Figure IV-31) and are vulnerable to displacement (Figure IV-28).

The City of San Mateo has a slight concentration of residents with a disability with 9% of the population compared to 8% in the county (Figure III-17). Residents living with a disability in the city are more likely to be unemployed and are largely concentrated in areas around Highway 101. Finally, the aging population is putting a strain on paratransit access countywide.

- **Unemployment is disproportionately high among residents living with a disability at 12% compared to 3% for residents without a disability** in the City of San Mateo—particularly when compared to the county (Figure III-20).

Racial and ethnic minority students in the City of San Mateo—served by the San Mateo Union High School District and the San Mateo-Foster Elementary School District—**experience lower educational outcomes compared to other students**. Many high schoolers in the county met admission standards for a University of California (UC) or California State University (CSU) school. However, **Pacific Islander, Hispanic, and Black students in the San Mateo Union district were less likely to meet the admission standards**. Although San Mateo Union High School has relatively low dropout rates—4% of students—compared to other districts in the county, **dropout rates among Hispanic (7%), Black (6%), and Pacific Islander students are higher** (Figures will be included in the access to education supplement).

- Nearly **half of all renter households in the City of San Mateo are cost burdened**—spending more than 30% of their gross income on housing costs—and one in four are extremely cost burdened—spending more than 50% of their gross income on housing costs (Figure IV-9). **There are disparities in housing cost burden in the City of San Mateo by race and ethnicity and family size (Figure IV-11 and Figure IV-12).**
- 15% of respondents to the resident survey conducted for this AFFH said that schools in their neighborhood were of poor quality.

Resident needs collected through local survey. A survey administered to capture residents’ needs and support the AFFH found the following housing challenges. Nearly 150 residents completed the survey:

- About 26% of residents said their house or apartment is too small for their family;
 - 36% for racial and/or ethnic minority households;



- 42% for single parent households
- 14% of renters said they worry that if they request a repair they will experience rent increase or get evicted;
 - 16% for racial and/or ethnic minority households
 - 21% for single parent households
- 27% of respondents indicated they had been discriminated against when looking for housing in San Mateo County;
 - 31% for racial and/or ethnic minority respondents;
 - 43% for residents with a disability;
- 10% (14% for single parent households) of renters are often late on rent and 14% (20% for residents with a disability) can't keep up with utilities.

6.3.2 Contributing factors and Fair Housing Action Plan.

The disparities in housing choice and access to opportunity discussed above stem from historical actions, socioeconomic factors that limit employment and income growth, the inability of the broader region to respond to housing demand, regional barriers to open housing choice, and, until recently, very limited resources to respond to needs.

Fair housing issue: Hispanic households have disproportionate housing needs. These needs are evident in mortgage denial gaps, geographic distribution of affordable housing, cost burden, and overcrowding.

Contributing factors:

- Higher rates of mortgage denial rates among Hispanic households stems from decades of discrimination in housing markets and challenges building wealth through economic mobility and homeownership.
- Although voucher holders and affordable housing (as captured in the HCD Location Affordability Index) are not as highly concentrated in the City of San Mateo as in many surrounding jurisdictions, the northern portion of the city offers the most affordable homes. As such, residents living in these areas have lower incomes and higher rates of poverty. Preference may be at play as well: A recent article in Cityscape found that Hispanic homebuyers—when controlled for demographics, loan characteristics, and finances—are more likely to purchase homes in neighborhoods with fewer non-Hispanic White homeowners and lower economic opportunity.^[1]
- Hispanic residents are more likely than others to work low wage jobs that do not support the City's or region's housing prices, resulting in higher rates of cost burden and overcrowding. Although, it is customary for Hispanic households to live in multigenerational settings, which may account for higher rates of perceived overcrowding, overcrowding is also an indicator of lack of access to affordable and right-sized housing.
- Hispanic residents are primarily concentrated in the northeastern area of the city where residents face higher poverty and cost burden as well as poor opportunity outcomes according to TCAC's opportunity maps.

Fair housing issue: Hispanic residents and single female parent households are concentrated in census tracts with higher poverty, low economic and environmental opportunity, high-cost burden, overcrowding, and flood hazards compared to the rest of the City of San Mateo.

Contributing factors:

- Concentration of naturally occurring affordable ownership and rental housing opportunities in the northeast areas of the city further concentrates poverty, cost burden, and overcrowding in areas with low economic and environmental outcomes.
- There is a relative lack of affordable housing opportunities in higher resourced areas of the city.
- Highway 101 creates a major barrier between the Shoreview neighborhood—where the geographic concentrations of these groups exist—and the rest of the City of San Mateo.

Fair housing issue: Persons with disabilities have higher housing needs due to challenges accessing employment and housing discrimination and are concentrated in areas with lower environmental and economic opportunity scores.

Contributing factors:

- The unemployment rate for the City of San Mateo's residents with a disability is four times that of persons without a disability. The exact reasons for this disparity are unclear and are likely related to limited job opportunities, access to employment, and market discrimination.
- The undersupply of accessible housing units, particularly for renters, creates a scarcity of units for residents living with a disability.
- There were six complaints—out of the nine total complaints in the city—filed with HUD in the City of San Mateo from 2017 to 2020 where the issues cited included a failure to make reasonable accommodations. Landlords and property owners are required to provide reasonable accommodations to residents living with a disability upon request.
- There are concentrations of the population living with a disability west of Highway 101 in the North Central neighborhood. This area of the city has a concentration of low- and moderate-income households (more than 50% per census tract) and scores low on TCAC's environmental and economic opportunity scores.

Fair housing issue: Persons with disabilities and persons of color are most likely to file complaints of housing discrimination due to discriminatory terms, conditions, privileges, or services and facilities and failure to make reasonable accommodations.

Contributing factors:

- Housing discrimination residents with disabilities and Hispanic households.
- Lack of understanding of reasonable accommodation requirements by landlords and property owners.

The Affirmatively Furthering Fair Housing (AFFH) Action Plan, developed in response to this analysis as well as community input, is included in Appendix D and as Goal 5 in the Housing Element. The AFFH Action Plan details how the city proposes to respond to the factors contributing to the fair housing challenges identified in this analysis.



7. HOUSING PLAN

The City of San Mateo has many positive attributes, especially being a desirable residential community to live in, work, and play in. The City's primary 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 housing that supports special needs populations, including farmworkers, single female heads of household, people with disabilities, and those who are unhoused. 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.

In addition, San Mateo will need to increase its housing supply to meet the housing demand caused by current and future job growth. The types of new housing created should accommodate all income levels consistent with the Regional Housing Needs Allocation. The goals, policies, and actions contained in this Housing Plan support these overarching objectives while also ensuring that the City will meet its statutory obligations, affirmatively further fair housing and facilitate housing production at all income levels.

7.1 Goals, Policies, and Programs Summary

The City has identified five goals to guide the Housing Element's policies and programs. The first three are based upon the "3Ps" framework that seeks to address the region's housing needs through a combination of Production, Preservation and Protection and is endorsed by the Association of Bay Area Governments (ABAG). The fourth goal, or "fourth P," is Promotion of community engagement and public outreach to support social resilience, and the fifth goal is to Affirmatively Further Fair Housing (AFFH). This goal provides a framework for how the City will comprehensively address fair housing issues and meet State law requirements. Many of the policies and programs that support AFFH also support the Housing Element's other goals, which just further highlights how the issue of fair housing is interwoven with achieving the City's larger housing production, preservation, protection and promotion goals.

The first goal, Goal H1, is to facilitate and support the production of new housing at all income levels, but especially affordable housing. Eighteen policies have been identified to achieve this goal.

- Policy H 1.1 - Monitor Regional Housing Need Allocation
- Policy H 1.2 - Utilize Public Funding for Low/Moderate Income Housing
- Policy H 1.3 - Increase Below Market Rate Unit Production through Density Bonus/Community Benefits Programs
- Policy H 1.4 - Incentivize Accessory Dwelling Units Development
- Policy H 1.5 - Encourage Family Housing
- Policy H 1.6 - Streamline Housing Application Review
- Policy H 1.7 - Update Floor Area Ratio Calculation
- Policy H 1.8 - Adopt Objective Design Standards
- Policy H 1.9 - Create Minimum Densities for Mixed-Use Residential Projects
- Policy H 1.10 - Establish By-Right Housing Designation for Prior Housing Sites
- Policy H 1.11 - Adopt an SB 9 Ordinance
- Policy H 1.12 - Encourage Residential Uses within Housing Overlay
- Policy H 1.13 - Encourage Development of Missing Middle Housing
- Policy H 1.14 - Evaluate and Update Special Needs Group Housing Requirements
- Policy H 1.15 - Evaluate and Update Supportive Housing Requirements

- Policy H 1.16 - Update Requirements for Mobile Home Parks
- Policy H 1.17 - Update Requirements for Farmworker Housing
- Policy H 1.18 – Fee Schedule Review

The second goal, Goal H2, is to preserve existing housing that is affordable to lower- and middle-income residents. Six policies have been identified to support this goal:

- Policy H 2.1 - Fund Housing Rehabilitation Efforts
- Policy H 2.2 - Support Retention of Existing Lower Income Units
- Policy H 2.3 - Encourage Energy and Water Efficiency in Existing Units
- Policy H 2.4 - Explore Capital Improvements in lower-resourced Neighborhoods
- Policy H 2.5 - Promote Housing Resilience
- Policy H 2.6 - Require Replacement Units

The third goal, Goal H3, is to protect current residents and prevent displacement. Seven policies have been identified to support this goal:

- Policy H 3.1 - Prevent Homelessness
- Policy H 3.2 - Investigate Fair Housing Cases
- Policy H 3.4 - Evaluate Housing Revenue Sources
- Policy H 3.5 - Expand Tenant Protections
- Policy H 3.6 - Explore Below Market Rate Set Asides
- Policy H 3.7 - Examine a Rental Registry Option
- Policy H 3.8 - Explore Code Amendments and Collaboration opportunities for Expanding Homeless Shelters

The fourth goal, Goal H4, is the promotion of social resilience through public education and outreach, which is a priority identified by staff based on community input and feedback. This can be achieved by making information more available and accessible, and conducting targeted outreach to ensure more universal awareness of housing programs and policies. Four policies have been identified to support this goal:

- Policy H 4.1 - Update the Housing Webpage
- Policy H 4.2 - Support a Countywide Below Market Rate Unit Waitlist
- Policy H 4.3 - Expand Community Outreach
- Policy H 4.4 - Enable Affirmative Marketing

The fifth goal, Goal H5, is simultaneously the Fair Housing Action Plan, meant to implement the overarching goal of Affirmatively Furthering Fair Housing (AFFH), with many policies overlapping with those in the previous goals. This approach is intentional and meant to reinforce that the objective of that Fair Housing is both enough a stand-alone priority that warrants its own section but decisively inseparable from achieving the main goals of the Housing Element. To address the many fair housing issues that disparately impact Hispanic, single-female, and disabled households, as identified in the AFFH summary, thirteen policies have been identified:

- Policy H 5.1.1 - Adjust the City's Below Market Rate (inclusionary) program to provide larger density bonuses, and/or increased city support in exchange for affordable units that address the needs of residents with disproportionate housing needs
- Policy H 5.1.2 - Participate in a regional down payment assistance program with affirmative marketing to households with disproportionate housing needs including persons with disabilities, single parents, and Hispanic households
- Policy H 5.1.3 - Support the design of a regional forgivable loan program for homeowners to construct an ADU that is held affordable for extremely low-income households for 15 years



- Policy H 5.2.1 - Add more City supported housing with affordability restrictions in moderate and high resource areas. Affirmatively market the housing to households with disproportionate housing needs including persons with disabilities, farmworkers, single parents, and Hispanic households
- Policy H 5.2.2 - Incentivize developers through direct subsidies, fee waivers, and/or density bonuses, to increase accessibility requirements beyond the federal requirement of 5% for subsidized developments
- Policy H 5.2.3 - Prioritize City funding proposals for city funded affordable housing that are committed to serving hard to serve residents
- Policy H 5.3.1 - As part of the General Plan, conduct an area plan for the North Shoreview and North Central neighborhoods and prioritize land use and design around Highway 101 to improve access and reduce the division of the urban form produced by the highway
- Policy H 5.3.2 - Continue to fund minor home repairs and implement a preference for projects in low opportunity census tracts identified in the analysis
- Policy H 5.3.3 - Monitor affordable housing projects that are at risk of conversion to market rate. Support regional and local efforts to examine displacement of affordable housing and lower income households. Assist with the retention of special needs housing that is at risk of expiring affordability requirements
- Policy H 5.4.1 - Establish tenant protections in local ordinance to extend measures of AB1482 related to relocation, documentation, and right to return policy in eviction cases
- Policy H 5.4.2 - Partner with Project Sentinel to perform fair housing training for landlords and tenants. Focus enforcement efforts on race-based discrimination and reasonable accommodations
- Policy H 5.4.3 - Create a webpage specific to fair housing including resources for residents who feel they have experienced discrimination, information about filing fair housing complaints with HCD or HUD, and information about protected classes under the Fair Housing Act
- Policy H 5.4.4 - Ensure that all multifamily residential developments contain signage to explain the right to request reasonable accommodations for persons with disabilities. Make this information available and clearly transparent on the city's website and fund landlord training and outreach on reasonable accommodations

To implement each of these policies, the city has identified specific programs and actions, which are outlined in the Implementation Plan (Tables 8, 9, 10, 11, and 12).

7.2 Implementation Plan

7.2.1 GOAL H1: Production of new housing at all income levels, with a focus on affordable housing

The need for additional affordable housing was the most prominent and pervasive sentiment noted throughout the Housing Element outreach process. Households of various sizes and socioeconomic backgrounds have reported feeling the pressure of the high costs of housing. To meet the targets set by RHNA, the city must facilitate the production of abundant and affordable new housing in a wide diversity of forms. To support this goal, the city will be employing two approaches, with the first being directly involved in housing production. This can be done by utilizing public funds to build more units, partnering with nonprofits and other groups to establish pre-approved ADU plans that are available to property owners, and using local ordinances to require that developers create more affordable units that can serve a diverse variety of populations and providing incentives for additional affordable unit development. In addition, the policies outlined below would also encourage and streamline housing development through the adoption of objective design standards, updates to the Zoning Code, creating minimum densities for housing projects, developing policies for missing middle housing, and streamlining the application review and processing timelines for affordable development projects.

Table 8: Goal H1: Production - Implementation Plan

Number	Policy	Lead Agency/Department/Division	Funding Source(s)	Program Measure(s)	Targets	Implementation Timeline
Policy H 1.1	Monitor Regional Housing Need Allocation	Neighborhood Improvement and Housing Division	N/A	Monitor housing production against ABAG Fair Share Allocation in compliance with no net loss requirements during planning period.	Track every year in March, prior to the preparation of the Annual Progress Report (which is sent to HCD on April 1).	2023 - 2031 (Annually)
Policy H 1.2	Utilize Public Funding for Low/Moderate Income Housing	City of San Mateo	City	Add more City supported housing with affordability restrictions to the market. Use City funds to produce additional affordable housing projects and to leverage other funding sources to support the construction of affordable housing.	Set aside 20% of general fund property tax revenues from former RDA areas (aka "Boomerang Funds") to use for affordable housing development. Prioritize available local housing funds to assist the production of 535 below market rate units. This item is connected to Policy H 5.1.2.	2023 - 2031 (Ongoing)
Policy H 1.3	Increase Below Market Rate Unit Production through Density Bonus/Community Benefits Programs	Community Development Department	City	Update the City's Inclusionary Policy on ownership and rental residential developments to allow for alternative compliance options other than on-site construction and establish updated Density Bonus/Community Benefits program.	Explore alternative compliance options to onsite inclusionary unit development within one year of Housing Element adoption. Establish an updated density bonus/community benefits program. This item is connected to Policy H 5.1.1 and 5.2.2.	2023 - 2024



Number	Policy	Lead Agency/Department/Division	Funding Source(s)	Program Measure(s)	Targets	Implementation Timeline
Policy H 1.4	Incentivize Accessory Dwelling Units Development	Planning Division	N/A	Implement and maintain programs to encourage and support ADU and JADU production to increase lower income housing opportunities.	Provide technical ADU design tools and resources to homeowners to encourage ADU development; collaborate with other countywide jurisdictions to establish uniform standards and requirements; adopt HEART pre-approved ADU plans; periodically review permitting fees and adjust as needed to avoid cost barriers. This item is connected to Policy H 5.1.3.	2023 – 2031 (Ongoing)
Policy H 1.5	Encourage Family Housing	Planning Division	N/A	Prioritize acquisition and new construction of housing that accommodates families (larger units) when possible and require subsidized projects to include family sized units.	Investigate the feasibility of requiring three-bedroom units in City subsidized projects and in market projects that are subject to the City's Inclusionary Policy. This item is connected to Policy H 5.1.1 and 5.2.3.	2023 - 2031 (Ongoing)
Policy H 1.6	Streamline Housing Application Review	Community Development Department	N/A	Reduce the development review timeline for housing projects by streamlining the development review process, simplifying submittal requirements.	Update the City Council resolutions that establish the pre-application and development review processes, review and update submittal requirement, and evaluate zoning code amendments to align City requirements with SB 330.	2023 - 2024
Policy H 1.7	Update Floor Area Ratio Calculation	Planning Division	N/A	Revise the Floor Area Ratio provisions to incentivize production of additional affordable units.	Amend the Zoning Code's Floor Area Ratio (FAR) provisions to exclude ground level parking from FAR calculation when a project is providing BMR units.	2024 - 2025
Policy H 1.8	Adopt Objective Design Standards	Planning Division	N/A	Adopt Objective Design Standards to expedite production of housing.	Adopt Objective Design Standards for multi-family residential projects and mixed-use projects with a residential component.	2023 - 2024
Policy H 1.9	Create Minimum Densities for Mixed-Use Residential Projects	Planning Division	N/A	Create minimum residential density requirements to ensure mixed-use development will contain an appropriate amount of housing in commercial/office developments.	Establish a minimum residential density for mixed-use projects that include a residential component.	2023 - 2024

Number	Policy	Lead Agency/Department/Division	Funding Source(s)	Program Measure(s)	Targets	Implementation Timeline
Policy H 1.10	Establish By-Right Housing Designation for Prior Housing Sites	Planning Division	N/A	Designate housing sites that have carried over from the prior Housing Element to allow housing development by-right.	Amend the Zoning Code to establish a By-Right designation for housing sites from prior Housing Element when housing projects that meet certain criteria are proposed.	2023 - 2024 (must be completed within three years of certification)
Policy H 1.11	Adopt an SB 9 Ordinance	Planning Division	N/A	Update the Zoning Code to allow duplexes and lot splits on appropriate single-family sites consistent with SB 9.	Adopt an ordinance to implement the provisions of SB 9 in single-family zones.	2023 - 2024
Policy H 1.12	Encourage Residential Uses within Housing Overlay	Planning Division	N/A	Amend Housing Overlay to encourage residential projects in commercial zones (not just mixed-use).	Amend Housing Overlay to allow multi-family housing as a permitted use in applicable commercial zones.	2025 - 2026
Policy H 1.13	Encourage Development of Missing Middle Housing	Planning Division	N/A	Encourage small infill residential construction (Missing Middle) through site analysis and policy updates.	Evaluate sites that have potential for Missing Middle development. Research and evaluate policies and code amendments to allow for Missing Middle housing under SB 10 and schedule for City Council consideration.	2023 - 2024
Policy H 1.14	Evaluate and Update Special Needs Group Housing Requirements	Planning Division	N/A	Research current code requirement regarding special needs group homes for consistency with Fair Housing Requirements.	Research current code requirement of requiring a Special Use Permit for group homes for more than 6 residents and make amendments as appropriate to allow as a permitted use. This item is connected to Policy H 5.1.1 and 5.2.3	2027 - 2028
Policy H 1.15	Evaluate and Update Supportive Housing Requirements	Planning Division	N/A	Review and amend zoning code regarding multi-family housing development.	Update zoning to be consistent with AB 2162 to allow by right 100% affordable housing that has 25% or 12 units of support housing where multifamily or mixed-use housing is permitted. This item is connected to Policy 5.1.1 and 5.2.3.	2027 - 2028
Policy H 1.16	Update Requirements for Mobile Home Parks	Planning Division	N/A	Review and amend zoning code regarding mobile home parks.	Update zoning to allow mobile home parks as a special use in all residential zones to be consistent with GCS 65852.7	2027 - 2028



Number	Policy	Lead Agency/Department/Division	Funding Source(s)	Program Measure(s)	Targets	Implementation Timeline
Policy H 1.17	Update Requirements for Farmworker Housing	Planning Division	N/A	Review and amend zoning code regarding farmworker housing.	Update zoning to allow farmworker housing within the Agriculture district consistent with state requirements. Add farmworker as a category of special needs groups.	2027 - 2028
Policy H 1.18	Fee Schedule Review	Community Development	N/A	Periodically review development application, building permit and impact fees.	Review and update fee schedule every 5-8 years, evaluate fees for potential barriers to housing production.	2023 - 2031 (Ongoing)

7.2.2 GOAL H2: Preservation of existing housing that is affordable to lower- and middle-income residents

As the City continues to grow, it remains important to maintain and preserve existing affordable housing as well as non-deed restricted housing that is naturally affordable for middle and lower-income households. The most direct method of achieving this goal would be to prevent the conversion of existing affordable units from becoming market rate by renegotiating agreements, using public funds to acquire the units, or requiring developers to replace any lost units. Alternatively, the city can indirectly preserve affordable housing by improving the quality of life for individuals and families who currently reside in them. Residents that are able to thrive in low-income housing are less likely to be displaced. Therefore, the city proposes to incentivize upgrades to low-income homes through rehabilitation, accessibility modifications, or energy efficiency changes. In addition, enhancements to low-income neighborhoods can also be achieved through capital improvements and resiliency projects that protect against threats posed by climate change.

Table 9: Goal H2: Preservation - Implementation Plan

Number	Policy	Lead Agency/Department/Division	Funding Source(s)	Program Measure(s)	Targets	Implementation Timeline
Policy H 2.1	Fund Housing Rehabilitation Efforts	Neighborhood Improvement and Housing Division	CDBG/CALHome	Fund minor home repairs and accessibility improvements. Provide opportunity for home rehabilitation loans for low- income residents. Allow accessibility improvements on rental properties with owner permission.	Complete annual goals of 10 minor home repairs and 14 accessibility modifications through grants for low-income residents. Provide home rehabilitation loans for low- income residents. This item is connected to Policy H 5.3.2.	2023 - 2031 (Annually)
Policy H 2.2	Support Retention of Existing Lower Income Units	Neighborhood Improvement and Housing Division	TBD	Monitor affordable housing projects that are at risk of conversion to market rate. Support regional and local efforts to examine displacement of affordable housing and lower income households. Assist with the retention of special needs housing that is at risk of expiring affordability requirements.	Bridgepointe Condominiums affordability requirements for 59 affordable units expire in 2027. Belmont Building affordability requirements for 6 units expire in 2032. The rental property is owned by a for-profit entity, potential for loss of units is high. Humboldt House affordability requirements for 9 units expire in 2041. Proactively coordinate with owners to advertise conversion units to non-profits, provide tenant education, add a displacement preference for new affordable housing for people displaced. Outreach and negotiate with owners for affordability extensions. This item is connected to Policy H 5.3.3.	2025 - 2026



Number	Policy	Lead Agency/Department/Division	Funding Source(s)	Program Measure(s)	Targets	Implementation Timeline
Policy H 2.3	Encourage Energy and Water Efficiency in Existing Units	Community Development Department, City Manager's Office	CDBG	Encourage energy and water efficiency in all existing residential units. Fund weatherization upgrades for low- and moderate-income homeowners.	Complete annual goal of 7 weatherization upgrades through grants for low-income residents. Implement energy-efficiency and electrification strategies identified in the City's Climate Action Plan. This item is connected to Policy H 5.3.2.	2023 - 2031 (Annually)
Policy H 2.4	Explore Capital Improvements in lower-resourced Neighborhoods	Neighborhood Improvement and Housing Division	CDBG	Invest more resources in lower resource neighborhoods (utilize federal CDBG to provide capital improvements).	Use available CDBG funds to make CIP improvements in target neighborhoods. Implement Bike Master Plan and Pedestrian Master Plan through capital improvements in low-income neighborhoods.	2023 - 2031 (Annually)
Policy H 2.5	Promote Housing Resilience	Public Works Department	CDBG	Use resources to protect housing at risk of damage due to changing environmental conditions.	Provide Flood Improvements for the North Shoreview neighborhood through the levee project with Public Works.	Started in Fall 2020, with completion anticipated in Spring 2023
Policy H 2.6	Require Replacement Units	Planning Division	N/A	Require replacement units for low-income households and below market rate units lost during any construction or demolition projects.	Evaluate SB 330 and existing city requirements for updating the tenant protection ordinance code to require replacement of units when occupied by lower income households within the last five years.	2025 - 2026

7.2.3 GOAL H3: Protection of current residents to prevent displacement

San Mateo’s demographics will fluctuate as the city continues to grow and evolve. But while change is inevitable, the loss of the existing community is not. Therefore, it remains a priority for the city to prevent gentrification and displacement through protection of lower-income residents. Policy tools included within this goal such as commercial linkage fees, relocation fees, documentation requirements for landlords, and right to return policies help balance the scales against the market forces that lead to displacement while extending vital tenant protections. Programs are included to address homelessness and increase shelter capacity that can protect housing insecure individuals and families from having to leave the City entirely. These programs allow service providers an opportunity to intervene and lead clients to housing stability. The City also proactively affirms its commitment to combat inequities in housing that exist across people of protected classes through affirmative marketing, prioritizing special needs tenants in below market rate units, establishing a rental registry to monitor trends in evictions, and undertaking several actions to affirmatively further fair housing.

Table 10: Goal H3: Protection - Implementation Plan

Number	Policy	Agency/Dept/Division Lead	Funding Source(s)	Program Measure(s)	Targets	Implementation Timeline
Policy H 3.1	Prevent Homelessness	Neighborhood Improvement and Housing Division	CDBG/PLHA/City	Support where feasible programs and facilities to prevent homelessness through city actions, while coordinating with County and Continuum of Care.	Use PLHA, CDBG, and other local funds to support the following programs: LifeMoves Rapid Rehousing Program, Safe Harbor Shelter, Vendome Hotel supportive units, LifeMoves First Step for Housing program, HIP Housing home sharing, Montara formerly homeless assisted units. Support County efforts for the Homekey Hotel Stone Villa Conversion.	2023 - 2031 (Annually)
Policy H 3.2	Investigate Fair Housing Cases	Neighborhood Improvement and Housing Division	CDBG	Continue funding and support for outreach services for homeowners and renters at risk of being displaced and/or facing fair housing challenges.	Use CDBG funding to achieve the Annual Fair Housing Activity Goals: Investigate 23 cases, Provide consultation to 45 individuals, Public Education/ Outreach to 100 individuals. Annual legal assistance to renters: 125 individuals. See Goal H5/AFFH Action Plan for full list of items.	2023 - 2031 (Annually)
Policy H 3.3	Evaluate Housing Revenue Sources	Community Development Department	N/A	Evaluate a potential increase of the Commercial Linkage Fee to ensure commensurate housing funding with commercial development. Explore other funding opportunities to support affordable housing development.	Research feasibility of increasing fee to raise housing funds gathered from commercial development. Examine other possible revenue sources. Bring the proposals before City Council for consideration.	2025 - 2026



Number	Policy	Agency/Dept/Division Lead	Funding Source(s)	Program Measure(s)	Targets	Implementation Timeline
Policy H 3.4	Expand Tenant Protections	Community Development Department	N/A	Expand tenant protections in local ordinance to extend measures of AB1482 related to relocation, documentation, and right to return policy in eviction cases.	Extend AB1482 provisions to require tenant relocation payments for No Fault evictions for those with tenure less than one year and documentation from landlords who use remodel exemption to evict tenants. Establish Right to Return policy for tenants displaced from homes due to demolition or substantial remodels. This item is connected to Policy H 5.4.1.	2023 - 2024
Policy H 3.5	Explore Below Market Rate Set Asides	Community Development Department	N/A	Examine the feasibility of establishing priorities in City-assisted projects by unit size.	Conduct a best practices research on prioritization of households with special needs and extremely low-income tenants using set asides in small units of affordable housing projects, and large families for large units of affordable housing projects.	2025 - 2026
Policy H 3.6	Examine a Rental Registry Option	Community Development Department	N/A	Explore a rental registry to track rents and evictions citywide.	Research options and best practices for a rental registry list. Make recommendations to City Council.	2023 - 2024
Policy H 3.7	Explore Code Amendments and Collaboration opportunities for Expanding Homeless Shelters	Community Development Department	N/A	Examine zoning code and extend connections to other entities to expand shelter capacity for individuals experiencing homelessness. Study feasibility of new shelter programs.	Study opportunities to partner with faith-based organizations and nonprofits to convert existing buildings into shelters. Study feasibility of adopting a scatter shelter site policy and study for consistency with buffer zone policy. Regularly evaluate zoning to ensure enough sites to accommodate the capacity for emergency shelters based on the countywide Point in Time Homeless Count. Amend zoning code to allow low barrier navigation centers on the same sites as emergency shelters. Explore a safe parking ordinance.	2023 - 2031 (Ongoing)

7.2.4 GOAL H4: Promotion of community engagement and public outreach

To increase effectiveness and successfully achieve the Housing Element’s goals and policies, the City should increase access and awareness of housing programs through use of new technology as part of a robust and proactive public outreach strategy. By expanding availability of digital resources, the barriers of proximity, transportation, and time opportunity cost can be reduced for many. In addition, by providing education and information on regulatory requirements and specific programs and protections offered locally, regionally, and by the state, the city can improve access to housing for all income groups and special needs communities. Public outreach in a diversity of methods, forms and languages can be used to reach the widest breadth of residents and program beneficiaries to ensure those in need can find supportive programs and service providers. Targeted digital, print, and in-person outreach and engagement methods can also be effective at reaching the communities most affected by housing policies and programs.

Table 11: Goal H4: Promotion - Implementation Plan

Number	Policy	Agency/Dept/Division Lead	Funding Source(s)	Program Measure(s)	Targets	Implementation Timeline
Policy H 4.1	Update the Housing Webpage	Neighborhood Improvement and Housing Division	N/A	Increase community outreach and availability of resources through the Housing Webpage.	Maintain and improve webpage with comprehensive housing related information and materials, coordinate with providers to market programs electronically, and expand information presented in multiple languages. This item is connected to Policy H 5.4.3.	2023 - 2031 (Ongoing)
Policy H 4.2	Support a Countywide Below Market Rate Unit Waitlist	County of San Mateo	N/A	Support development of countywide affordable rental waitlist to streamline and centralize occupancy of BMR units.	Support the county in developing online portal for a BMR waitlist.	2023 - 2031 (Ongoing)
Policy H 4.3	Expand Community Outreach	Community Development Department	N/A	Support and engage in efforts to educate community stakeholders and residents, including those with special needs (such as farmworkers), about housing gaps and the effects of programs and policies on addressing those gaps.	Conduct community outreach for housing policy updates and new programs including: ADUs, SB 9, SB 10, General Plan, and others. Participate in Countywide Home For All "Learning Network" to share best practices.	2023 - 2031 (Ongoing)
Policy H 4.4	Enable Affirmative Marketing	Neighborhood Improvement and Housing Division	N/A	Develop Marketing Plan with developers of affordable housing projects during final phase of construction. Focus outreach to special needs individuals and those least likely to apply based on racial make-up of neighborhood.	Research other cities to create an affirmative marketing strategy. Include farm workers as new target group where appropriate. Include Spanish marketing materials and ensure bilingual interpretation services are available. This item is connected to Policy H 5.1.2 and 5.2.1.	2025 - 2026



7.2.5 Goal H5: Affirmatively Furthering Fair Housing

To reinforce the objective that AFFH is a top priority for the city, an AFFH Fair Housing Action Plan with programs and actions has been included as the fifth goal of the Housing Element. This Action Plan cross references items that are interwoven with the Housing Plan’s other four goals, policies, and programs. The actions to achieve the Fair Housing goal are meant to address the fair housing issues found in the AFFH analysis, specifically for groups that have disparate housing impacts when compared to the whole of San Mateo. This includes, for example, Hispanic and single-female heads of households who have disproportionate housing needs while being concentrated in census tracts that have high rates of poverty. Persons with disabilities are also more likely to experience housing discrimination due to low economic opportunity and failure of landlords to provide reasonable accommodations. Each of the actions identified in Table 12 have specific quantified objectives to reach the target households.

Table 12: Goal H5: AFFH - Implementation Plan

Actions	Fair Housing Issues	Contributing Factors	Fair Housing Category	Action	Type of Action	Responsible Party	Objectives	Quantified Objectives	Timeline
Action Area 1. Enhancing housing mobility strategies: consist of removing barriers to housing in areas of opportunity and strategically enhancing access.									
Policy 5.1.1: Adjust the city's Below Market Rate (inclusionary) program to provide larger density bonuses, and/or increased City support in exchange for affordable units that address the needs of residents with disproportionate housing needs (e.g., accessible/visit able units for persons with disabilities, child-friendly developments with day care on site for single parents, and 3-4 bedroom units for larger families).	Hispanic and single female parent households are concentrated in low opportunity census tracts.	Lack of affordable housing in high opportunity areas; Lack of accessible affordable units	Disparities in access to opportunities	Assist in development of housing for low-income households and households with special needs	Land use resources	City of San Mateo	Expand the variety of housing units produced under the inclusionary housing program. Currently developments of 11 or more units require 15% affordable to moderate income families for ownership and 15% for low -income families for renters.	Perform a feasibility analysis to redesign the program to allow a menu of options. This item is connected to Policy H 1.3, Policy H 1.5., Policy H 1.14, and Policy H 1.15.	Complete feasibility analysis by Fall 2023; Implement redesigned program by Spring 2024.

Actions	Fair Housing Issues	Contributing Factors	Fair Housing Category	Action	Type of Action	Responsible Party	Objectives	Quantified Objectives	Timeline
Policy 5.1.2: Participate in a regional down payment assistance program with affirmative marketing to households with disproportionate housing needs including persons with disabilities, single parents, and Hispanic households (e.g., Spanish and English, targeted to northeast neighborhoods).	Hispanic households have disproportionate housing needs.	Historic discrimination and continued mortgage denials; Concentration in low opportunity census tracts; High housing costs and low wages	Disparities in access to opportunities	Promote equal housing opportunity	Financial resources	Regional Partnership with HEART (San Mateo County has program with them)	Improve accessibility to home mortgage loans for Hispanic households who have the highest loan denial rates. Provide wealth building through homeownership for moderate income households.	Affirmatively market down payment assistance to 20 Hispanic households; Provide down payment assistance to 30 total households; Provide homebuyer education to 200 households. This item is connected to Policy H 4.4.	Meet quantified objectives by the end of the Housing Element period in 2031; Conduct homebuyer education quarterly in partnership with HEART
Policy 5.1.3: Support the design of a regional forgivable loan program for homeowners to construct an ADU that is held affordable for extremely low-income households for 15 years.	Hispanic and single female parent households are concentrated in low opportunity census tracts.	Lack of affordable housing in high opportunity areas; Lack of accessible affordable units	Disparities in access to opportunities	Incentivize accessory dwelling units (ADUs)	Land use resources	21 Elements/HEART	Increase opportunities for lower-income households to find housing that is affordable.	Design a regional loan forgiveness program. This item is connected to Policy H 1.4.	Begin design in Summer 2025 and complete by winter 2026.
Action Area 2. Encouraging new housing choices and affordability in high resource areas: promoting housing supply, choices, and affordability in areas of high opportunity and outside of areas of concentrated poverty.									



Actions	Fair Housing Issues	Contributing Factors	Fair Housing Category	Action	Type of Action	Responsible Party	Objectives	Quantified Objectives	Timeline
Policy 5.2.1: Add more city supported housing with affordability restrictions in moderate and high resource areas. Affirmatively market the housing to households with disproportionate housing needs including persons with disabilities, farmworkers, single parents, and Hispanic households (e.g., Spanish and English, targeted to northeast neighborhoods).	Hispanic and single female parent households are concentrated in low opportunity census tracts.	Lack of affordable housing in high opportunity areas; Lack of accessible affordable units; Concentration of Naturally Occurring Affordable Housing (NOAH) in low opportunity census tracts.	Disproportionate housing need for low-income households and protected classes	Assist in development of housing for low-income households and households with special needs	Financial resources	City of San Mateo	Affirmatively market the housing to households with disproportionate housing needs including persons with disabilities, single parents, farmworkers, and Hispanic households (e.g., Spanish and English, targeted identified neighborhoods).	Require developers to affirmatively market 1,000 units to those with disproportionate housing needs over the eight-year period (approximately 125 annually). This item is connected to Policy H 1.2. and Policy H 4.4.	2023 - 2031 (Annually)
Policy 5.2.2: Incentivize developers through direct subsidies, fee waivers, and/or density bonuses, to increase accessibility requirements beyond the federal requirement of 5% for subsidized developments.	Persons with disabilities have disproportionate housing needs. AND Persons with disabilities and persons of color are most likely to file fair housing complaints with HUD.	Lack of accessible affordable units; Lack of access to economic opportunity; Concentration in low income and low opportunity census tracts.	Disproportionate housing need for low-income households and protected classes	Promote equal housing opportunity	Financial resources	City of San Mateo	Increase development of accessible units beyond minimum requirements	Modify developer agreements when appropriate; update inclusionary policy. This item is connected to Policy H 1.3	2026

Actions	Fair Housing Issues	Contributing Factors	Fair Housing Category	Action	Type of Action	Responsible Party	Objectives	Quantified Objectives	Timeline
Policy 5.2.3: Prioritize city funding proposals for city funded affordable housing that are committed to serving hard to serve residents (e.g., extremely low income, special needs, on site services)	Persons with disabilities have disproportionate housing needs. AND Persons with disabilities and persons of color are most likely to file fair housing complaints with HUD.	Lack of accessible affordable units; Lack of access to economic opportunity; Concentration in low income and low opportunity census tracts.	Disparities in access to opportunity	Promote equal housing opportunity	Financial resources	City of San Mateo	Create more housing for hard to serve households.	Conduct a best-practices review and develop a program to prioritize City funding for housing projects. This item is connected to Policy H 1.5, Policy H 1.14, and Policy H 1.15.	2026
Action Area 3. Improving place-based strategies to encourage community conservation and revitalization including preservation of existing affordable housing: involves approaches that are focused on conserving and improving assets in areas of lower opportunity and concentrated poverty.									
Policy 5.3.1: As part of the General Plan, conduct an area plan for the North Shoreview and North Central neighborhoods and prioritize land use and design around Highway 101 to improve access and reduce the division of the urban form produced by the highway.	Hispanic and single female parent households are concentrated in low opportunity census tracts.	Lack of affordable housing in high opportunity areas; Lack of accessible affordable units; Concentration of NOAH in low opportunity census tracts.	Segregation/ integration patterns; disparities in access to opportunities	Conserve and improve the existing affordable housing stock	Land use resources	City of San Mateo	Reduce overcrowding, improve health and safety, and improve mobility and access to services in impacted neighborhoods.	Prepare an area plan for North Shoreview and North Central neighborhoods.	2027-28



Actions	Fair Housing Issues	Contributing Factors	Fair Housing Category	Action	Type of Action	Responsible Party	Objectives	Quantified Objectives	Timeline
Policy 5.3.2: Continue to fund minor home repairs and implement a preference for projects in low opportunity census tracts identified in the analysis.	Hispanic and single female parent households are concentrated in low opportunity census tracts.	Lack of affordable housing in high opportunity areas; Lack of accessible affordable units	Disparities in access to opportunity	Conserve and improve the existing affordable housing stock	Financial resources	City of San Mateo	Fund minor home repairs and accessibility improvements. Provide opportunity for home rehabilitation loans for low-income residents. Allow accessibility improvements on rental properties with owner permission.	Complete annual goals of 10 minor home repairs and 14 accessibility modifications through grants for low-income residents. Provide home rehabilitation loans for low-income residents. Affirmatively market to Hispanic and single female heads of household. This item is connected to Policy H 2.1 and Policy H 2.3.	2023-2031 (Annually; consistent with Policy H2.1)

Actions	Fair Housing Issues	Contributing Factors	Fair Housing Category	Action	Type of Action	Responsible Party	Objectives	Quantified Objectives	Timeline
Policy 5.3.3: Monitor affordable housing projects that are at risk of conversion to market rate. Support regional and local efforts to examine displacement of affordable housing and lower income households. Assist with the retention of special needs housing that is at risk of expiring affordability requirements.	Hispanic households have disproportionate housing needs.	Historic discrimination and continued mortgage denials; Concentration in low opportunity census tracts; High housing costs and low wages	Outreach capacity and enforcement	Conserve and improve the existing affordable housing stock	Human resources	City of San Mateo	Monitor affordable units whose subsidies are set to expire within the planning period develop a plan for preservation of the units to keep them affordable long term.	Bridgepointe Condominiums affordability requirements for 59 affordable units expire in 2027. Belmont Building affordability requirements for 6 units expire in 2032. The rental property is owned by a for-profit entity, potential for loss of units is high. Humboldt House affordability requirements for 9 units expire in 2041. Proactively coordinate with owners to advertise conversion units to non-profits, provide tenant education, add a displacement preference for new affordable housing for people displaced. Outreach and negotiate with owners for affordability extensions. This item is connected to Policy H 2.2	2025-26; Consistent with general GPP # H2.2
Action Area 4. Protecting existing residents from displacement: strategies that protects residents in areas of lower or moderate opportunity and concentrated poverty and preserves housing choices and affordability.									



Actions	Fair Housing Issues	Contributing Factors	Fair Housing Category	Action	Type of Action	Responsible Party	Objectives	Quantified Objectives	Timeline
Policy 5.4.1: Establish tenant protections in local ordinance to extend measures of AB1482 related to relocation, documentation, and right to return policy in eviction cases.	Persons with disabilities have disproportionate housing needs. AND Persons with disabilities and persons of color are most likely to file fair housing complaints with HUD. AND Hispanic households have disproportionate housing needs.	Lack of accessible affordable units; Lack of access to economic opportunity; Concentration in low income and low opportunity census tracts; Historic discrimination and continued mortgage denials; High housing costs and low wages	Disparities in access to opportunity	Address governmental and non-governmental constraints	Human resources	City of San Mateo	Increase tenant protections to prevent displacement of those with disproportionate housing needs.	Extend AB1482 provisions to require tenant relocation payments for No Fault evictions for those with tenure less than one year and documentation from landlords who use remodel exemption to evict tenants. Establish Right to Return policy for tenants displaced from homes due to demolition or substantial remodels. This item is connected to Policy H 3.4.	2023-24; consistent with general GPP #H 3.4
Policy 5.4.2: Partner with Project Sentinel to perform fair housing training for landlords and tenants. Focus enforcement efforts on race-based discrimination and reasonable accommodations.	Persons with disabilities have disproportionate housing needs. AND Persons with disabilities and persons of color are most likely to file fair housing complaints with HUD.	Lack of accessible affordable units; Lack of access to economic opportunity; Concentration in low income and low opportunity census tracts; Lack of understanding of reasonable accommodation requirements by landlords and property owners.	Outreach capacity and enforcement	Promote equal housing opportunity	Human resources	City of San Mateo/Project Sentinel	Increase awareness of fair housing laws and tenants' rights to reduce unlawful discrimination and displacement.	Provide annual funding to Project Sentinel to provide training every two years in the Spring, targeting 200 landlords each training.	Ongoing

Actions	Fair Housing Issues	Contributing Factors	Fair Housing Category	Action	Type of Action	Responsible Party	Objectives	Quantified Objectives	Timeline
Policy 5.4.3: Create a webpage specific to fair housing including resources for residents who feel they have experienced discrimination, information about filing fair housing complaints with HCD or HUD, and information about protected classes under the Fair Housing Act.	Persons with disabilities have disproportionate housing needs. AND Persons with disabilities and persons of color are most likely to file fair housing complaints with HUD.	Lack of accessible affordable units; Lack of access to economic opportunity; Concentration in low income and low opportunity census tracts; Lack of understanding of reasonable accommodation requirements by landlords and property owners.	Outreach capacity and enforcement	Promote equal housing opportunity	Human resources	City of San Mateo	Increase awareness of fair housing laws and tenants' rights to reduce unlawful discrimination and displacement.	Provide information on the City's website about housing discrimination, laws, and protections. This item is connected to Policy H 4.1.	2024; consistent with general GPP #H 3.4
Policy 5.4.4: Ensure that all multi-family residential developments contain signage to explain the right to request reasonable accommodations for persons with disabilities. Make this information available and clearly transparent on the city's website and fund landlord training and outreach on reasonable accommodations.	Persons with disabilities have disproportionate housing needs. AND Persons with disabilities and persons of color are most likely to file fair housing complaints with HUD.	Lack of accessible affordable units; Lack of access to economic opportunity; Concentration in low income and low opportunity census tracts; Lack of understanding of reasonable accommodation requirements by landlords and property owners.	Outreach capacity and enforcement	Promote equal housing opportunity	Human resources	City of San Mateo	Increase awareness of fair housing laws and tenants' rights to reduce unlawful discrimination and displacement.	Initially, create ongoing condition of approval to ensure both BMR and all-affordable developments contain this information. Explore options for recording against the property and/or including in the affordable housing agreement.	2024



8. QUANTIFIED OBJECTIVES

The quantified objectives section estimates the number of units likely to be constructed, rehabilitated, or conserved/preserved by income level during the 2023-2031 planning period. The quantified objectives do not represent a ceiling on development, but rather set a target goal for the jurisdiction to achieve, based on needs, resources, and constraints.

According to HCD, 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 an eight-year time frame. The quantified objectives do not necessarily meet the goals of RHNA because they are not a full projection of anticipated housing development within the Housing Element Cycle. It is an estimate of actual production, given available resources and projected pipelines projects.

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 be completed within the next eight years.

Based on residential building permits issued in the last year and residential projects that have been initially reviewed or approved by the Planning department that have not been built, the quantified objective for non-subsidized units developed in market projects is 1,070 units. The total quantified objectives for housing production over the next eight years and how they align with the City's overall RHNA are outlined in the two tables below.

Table 13: Quantified Objectives for Cycle 6 (2023 – 2031)

Conservation/Preservation	Affordable Total	ELI	VLI	LI	MOD	Market
Bridgepointe Condominiums	59		24		35	396
Belmont Building	6		6			
Humboldt House	9		9			
Sub Total	74	0	39	0	35	396
Total Conservation						470

New Construction	Affordable Total	ELI	VLI	LI	MOD	Market
Kiku Crossing	223	43	45	135		2
Talbots Parking Lot	52	20	20	12		
Future Affordable (City Funded) TBD	260	70	120	70		
Concar Passage	73		73			888
303 Baldwin	6		6			58
Bay Meadows Res 6	5			5		49
Bay Meadows MU 3	7			7		60

New Construction	Affordable Total	ELI	VLI	LI	MOD	Market
Waters Park	19		19			180
Windy Hill 406 E Third	3		3			22
Windy Hill Block 21	10		10			58
Hillsdale Terrace	6		6			62
200/210 S. Fremont St.	2				2	13
Peninsula Heights	29			29		261
222 S Fremont	4			4		36
Hillsdale Inn	23			23		129
Draeger's	10			10		
Hayward Park	28		16		12	161
Nazareth Vista	5		5			43
477 9th Ave	12		12			108
1919 O'Farrell	4		4			45
ADUs (5% VLo, 30% Lo, 50% Mod, 15% over)	408		24	144	240	72
Future Private Development TBD	252		152	60	40	1,670
Sub Total	1,441	133	515	499	294	3,917
Total Construction						5,358

Total Quantified Objectives	Affordable Total	ELI	VLI	LI	MOD	Market
Total (Preserved Units plus New Construction)	1,515	133	554	499	329	4,313
Grand Total						5,828

Table 14: Quantified Objectives Alignment with San Mateo's RHNA

Income	Quantified Objective	Eight-Year RHNA Figure	% of RHNA to be Produced
ELI/VLI	687	1,777	39%
LI	554	1,023	54%
MOD	329	1,175	28%
Market	4,313	3,040	142%
TOTAL	5,828	7,015	83%



9. PRIOR ACCOMPLISHMENTS SUMMARY

The update of the Housing Element provides an opportunity to reflect on past achievements and challenges. The following summary highlights key accomplishments and challenges from the previous Housing Element's planning period (2015 to 2023), as well as identifies opportunities for where the city took lessons learned and applied them as future tasks for current Housing Element. A detailed evaluation of the prior housing element can be found in Appendix E - Review of Prior Housing Element.

The following achievements were made:

- Progress towards meeting affordable housing goals
- New policies to generate affordable housing funds
- Market rate housing goals were met
- The rate of ADU production have increased greatly
- Accessing new funding sources from non-local sources
- Increasing efficiency in the housing development process
- Interventions to preserve affordable housing

The following challenges were experienced:

- A divided and polarized vision for the future of the city
- High land and construction costs
- Outdated housing programs and policies
- Falling short of the quantified objectives

The following opportunities were identified:

- Rewrite the zoning code
- The General Plan update
- New opportunities for Transit Oriented Development
- Creative solutions to site limitations
- More uses for technology to increase efficiency of housing programs
- New affordable housing opportunities identified

The 2015-2023 quantified objectives goal for total housing units, including market rate housing, was 3,164 units. Through the seventh year of this housing cycle, a total of 2,573 units have been completed. The following two tables summarize the quantified objectives from the last Housing Element Update and detail the City's progress in achieving those objectives.

Table 15: Quantified Objectives, 2015 - 2023

Conservation/Preservation	Total	ELI	VLI	LI	MOD
Lesley Park Towers	200		200		
Humboldt House	9		9		
Sub Total	209	0	209	0	0

New Construction	Total	ELI	VLI	LI	MOD
2000 S. Delaware	60				60
Bay Meadows Affordable Site	60	20	40		

New Construction	Total	ELI	VLI	LI	MOD
Bay Meadows BMR	65			25	40
Station Park Green BMR	60		60		
Other BMR	150		45	25	80
Other Affordable TBD	85	30	45	10	
Sub Total	480	50	190	60	180
AFFORDABLE TOTAL	689	50	399	60	180
Private Sector/Market Rate	2,475				
GRAND TOTAL	3,164				

Table 16: Accomplishments, 2015 - 2023

Conservation/Preservation	Total	ELI	VLI	LI	MOD
Lesley Park Towers	200		200		
Humboldt House	9		9		
1110 Cypress	7			7	
Sub Total	216	0	209	7	0

New Construction	Total	ELI	VLI	LI	MOD
2000 S. Delaware	60				60
Bay Meadows Affordable Site	67	14	36	17	
Bay Meadows BMR	54			31	23
Station Park Green BMR	60		60		
Other BMR	117		82	23	12
Other Affordable Kiku Crossing	223	43	45	135	
Sub Total	581	57	223	206	95
AFFORDABLE TOTAL	797	57	432	213	95
Private Sector/Market Rate	1,776				
GRAND TOTAL	2,573				