

VI. RESIDENTIAL DENSITY

POLICY ISSUE

Examine residential density regulations, looking at the potential for lowering densities and the impact on the City's Housing Element of the General Plan.

BACKGROUND

The issue of residential density in the City was raised during General Plan workshops, discussions regarding the extension of Measure H (approved by the voters as Measure P), and during the review of the Rail Corridor Transit-Oriented Development Plan. The Rail Corridor Plan would allow a maximum development of 4,031 residential units over the next 20 years (Rail Corridor Plan EIR) including the potential for approximately 2,097 – 2,347 new dwelling units on properties where residential land use was not previously delineated in the General Plan. In addition, State of California Density Bonus Law allows for a density bonus up to 35% which could create a maximum density of 67.5 units per acre, as opposed to the 50 units per acre expressed in the General Plan and Measure P, for a qualifying development.

As a result, there has been discussion of reducing multi-family densities on a City-wide basis to offset this potential increase in residential density. Of specific concern, was the high density range that allows a maximum of 50 units per acre. While the City can determine the appropriate level of development for the community, there is a need to analyze the impacts of any potential density reductions on the City's ability to meet its "fair share" housing numbers and to maintain a State certified Housing Element. Furthermore, any changes to density regulations must conform to Measure P as approved by the voters in 2004.

In addition to citywide density discussions, public comments have expressed that zoning for multi-family development is not consistent with the existing development patterns in certain neighborhoods. Neighborhoods identified include: portions of both Central and North Central neighborhoods and the 42nd Avenue/El Camino Real area. In total, there are 14 specific areas in the City that have been suggested for evaluation of residential density and neighborhood compatibility (see Appendix B).

There are several factors that must be taken into consideration when creating or making changes to land use designations, including: review of the existing predominant land uses and patterns in a given area; the potential for creating legal non-conforming uses of property; and potential issues of eliminating buffers or transitional land use densities between high density and commercial uses to lower density residential areas. Property owners of the affected parcels must also be notified of the proposed land use changes so that staff may evaluate their input prior to making any suggested

changes. For these reasons, staff has added the review of these 14 specific areas into the work program for the General Plan Update and/or Downtown Specific Plan Update.

City of San Mateo Residential Densities

Residential densities in the City of San Mateo range from 1 to 9 dwelling units per acre in single family neighborhoods, up to 50 units per acre in the highest density multi family residential areas. (Some areas in the City, as defined in Measure P, are eligible for increases up to 75 units per acre upon the provision of “public benefit” above and beyond the normal code requirements.) It should be noted that the size of property affects the potential density of residential development. For example, in order to achieve the maximum density permitted on a multi family designated property, the lot size would need to be a minimum of 15,000 square feet, roughly three average size lots in the City of San Mateo. In most cases, this situation would require a developer to accumulate properties over time in order to develop a site at the high end of the density range.

Measure P maintains sections of the General Plan as approved by the voters under Measure H, with some amendments (see Appendix D for full text of Measure P). Measure P policies and text pertaining to residential density are as follows:

An excerpt of the text following Policy LU 1.4 (Development Intensity/Density) states:

“The plan permits new multi-family residential development at a range of densities from 9 to 50 units net per acre, with the higher end of the density range to be used only for projects which provide substantial public benefits or amenities. Residential development is also allowed in commercial districts. If expected development takes place, the city-wide average density is expected to increase from 10 to at least 12 units per net acre.”

The text following Policy LU 1.9 (Single Family and Duplex Preservation) states:

“Maximum permitted density ranges for development are established to promote the increase of housing stock consistent with the desired character of development. Residential density ranges are:

DENSITY	UNITS/ NET ACRE	POPULATION/ NET ACRE
<i>Single-Family</i>	<i>0-9</i>	<i>0-20</i>
<i>Low-Density Multi-Family</i>	<i>9-17</i>	<i>21-39</i>
<i>Medium-Density Multi-Family</i>	<i>18-35</i>	<i>40-80</i>
<i>High-Density Multi-Family</i>	<i>36-50</i>	<i>81-115</i>

The low-density category is intended for duplex and townhouse development which is generally in close proximity to single-family areas, and often provides a buffer from higher density residential or non-residential uses.

The medium-density category generally consists of apartment and condominium buildings developed at two to four stories in height. The high density category includes multi-unit buildings of up to 55 feet and three to five stories in height, generally located on or near major streets, in non-residential areas, surrounding the Downtown, and near train stations.”

Multi-Family Residential Development Trends in San Mateo

The history of multi-family residential development in the City of San Mateo from the implementation of Measure H in 1992 through August 2007 shows that 33 developments of 6 or more units have been approved and/or constructed in the City (See Figure 8, Approved Residential Projects for details of these developments).

Of the 33 total projects, 20 developments were proposed on properties designated in the high density land use category (36 to 50 units per acre). Of these 20 developments, one half (10) reached or exceeded 80% (40 units per acre) of the maximum density allowed on site, and 7 (35%) reached or exceeded 90% of the maximum allowed density (see Figure 7). Three of the projects in the high density category exceeded 50 units per acre utilizing the provisions of density bonus law. And of these 3 developments over the allowed density, 2 of them were constructed specifically for senior housing.

Figure 7
Projects Approved in the High Density Land Use Category

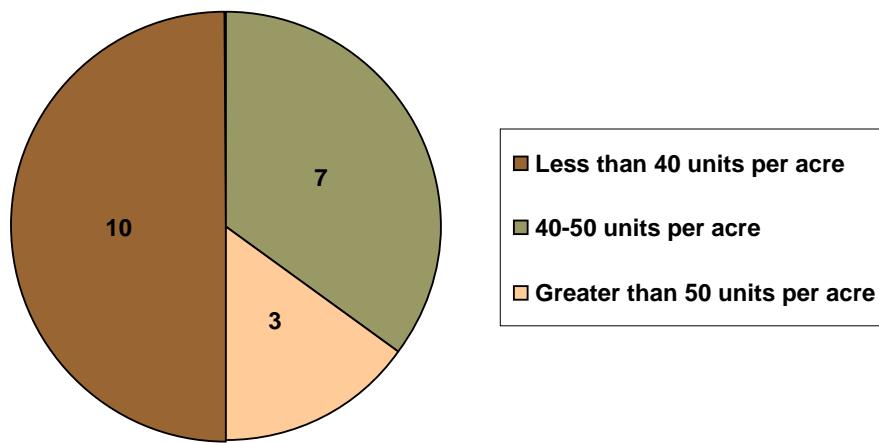


Figure 8
Approved Residential Projects 1992-2007

Site	Address	Approved Units	Max Units	% of Max	Actual Density DU/acre	Max Density DU/acre
Verona Ridge	Campus Drive	34	291	12%	3	35
Bay Meadow Mixed Use	1000 Park Place	19	NA*	NA*	3	NA*
Ritz Development	1520 S. ECR	10	41	24%	10	43
Madison Place	121-27 Madison	7	17	41%	14	35
College San Mateo	3401 CSM Dr.	44	88	50%	17	35
Creekside	Creekside Ln	25	48	52%	18	35
Humboldt Square	300 Humboldt St	26	69	38%	19	50
Hacienda Mateo	613/701 2nd Avenue	8	14	57%	19	35
Edison Place	2750 Edison	6	13	46%	20	43
Park Bayshore	801 S. Bayshore	21	48	44%	22	50
Ryland Bay Meadows	Wayne and Yates	153	NA*	NA*	22	NA*
Baywood Place	131-141 W Third Ave	17	26	65%	23	35
One Engle Road	1 Engle Rd	6	10	60%	24	43
Norfolk Townhomes	2868 S. Norfolk	10	14	71%	24	35
Rushmore	346 N El Camino	13	22	59%	29	50
Villa Terrace	701 Woodside Way	10	12	83%	29	35
Fountainglen	4000 S El Camino	135	225	60%	30	50
Stradbally	222 6th Ave	9	14	64%	31	50
Madrid	319-21 N SM Ave	13	19	68%	33	50
Stonegate	20-30 Madison	45	42	107%	37	35
St. Matts Place	109 St. Matt Ave	34	43	79%	39	50
Grant St Condos	827 4th Ave	17	21	81%	39	50
Delaware Place	2090 S. Delaware	111	137	81%	41	50
Palm Residences	1705 Palm Ave	19	22	86%	41	50
Norfolk Gardens	401 S. Norfolk	67	54	124%	43	35
Jefferson at Bay Meadows	1101 Park Place	575	NA*	NA*	46	NA*
Bridgepointe	2248 Fashion Blvd	396	416	95%	48	50
Corte Bella	274 W. 20th	124	124	100%	50	50
Nazareth Plaza	800 S. B St.	54	54	100%	50	50
Santa Inez	240 N. ECR	44	44	100%	50	50
Versailles	36 S. ECR	61	56	109%	54	50
Metropolitan	East Third Ave	218	178	122%	61	50
Rotary Floritas	2701 Flores	50	40	125%	61	50
	Total	2381	Average:	73%		

* Bay Meadows Specific Plan required range of 720-734 dwelling units. Jefferson and Ryland Homes combined is 728 units. Blended density is 37 units per acre if parks and retail SF is included. Note that the Approved

Residential Projects chart does not include density calculations for Bay Meadows Phase I developments since the Bay Meadows Specific Plan required a unique set of development standards that established both a minimum and maximum number of dwelling units in the residential areas. While the total of 728 units equals 99% of the maximum allowed 734 units for the residential area under the Specific Plan, the overall density for the residential developments is 37 units per acre for Jefferson and Ryland combined, and 3 units per acre for the 19 live-work units in the Mixed-Use area.

Furthermore, a review of Figure 8 shows that developers are not building to the maximum density allowed on their sites. In fact, only 8 or 21% of the total projects approved since 1992 equal or exceed the maximum density allowed.

Public Comments on Reducing Density

Development of the Rail Corridor Plan TOD zones and State density bonus law has resulted in discussions of potentially reducing multi-family densities on a City-wide basis. There has been public comment on the physical impacts of density (traffic, parking, open space, increased demand on City park space, and buffers/transitions to lower density parcels).

On February 28, 2007, the Housing and Land Use Study TAC discussed this issue and opinions varied. Some TAC members wanted staff to look at lowering densities (citywide and in specific areas) while other TAC members did not see the need to reduce densities to compensate for increased residential development opportunities in TOD areas. They mentioned the need for more housing. Developers on the TAC pointed out that there are already constraints to reaching maximum density, including: the City's design guidelines; neighborhood opposition; parking requirements; floor area ratio; setbacks; and building height.

Can the City Reduce Residential Densities on a Citywide Basis?

Measure P established the residential density ranges for the land use categories delineated in the General Plan. These density ranges are fixed and cannot be changed by action of the City Council. The only way to lower specific density ranges citywide is to place an initiative on the ballot allowing the citizens of San Mateo to decide if density ranges for residential development should be revised.

In addition to the requirements contained in Measure P, the State of California adopted Government Code establishes law pertaining to regional housing need and potential reductions in residential densities. Section 65863 (b) of the Government Code states that a city may not reduce residential density on a parcel unless the city develops written findings that: 1) the reduction is consistent with the general plan and housing element, and 2) the remaining sites identified in the housing element are adequate to accommodate the city's fair share of regional housing need. If a reduction in residential density results in a city not meeting their regional housing need, they must identify other areas with equal or greater residential density so that there is no net loss in residential unit capacity.

What Residential Density Changes Can Be Made?

The City may re-designate specific areas or properties in the City to lower density land use categories and revise zoning standards as long as there are no conflicts with Measure P and State law. Assuming that it would be appropriate to re-designate specific properties to lower densities, the City may need to amend the Land Use Map of the General Plan, and subsequently the Zoning Map, to reflect the any changes in residential densities.

There are designated areas of the City that are covered by the Area Specific Policies in the Land Use Element of the General Plan that may not be changed, since density ranges are specifically called out for these areas in Measure P. Areas that contain Measure P text that establishes high density for residential land use include:

- North El Camino Real between Peninsula and Tilton avenues (PA 1.1)
- South Norfolk between Susan Court and SR 92 (PA 4.6)
- South El Camino Real from Ninth Avenue to SR 92 (PA 5.1)
- The SR 92, Grant Street, Concar Drive, Delaware Street area (PA 5.2)
- Mariner's Island area (PA 6.3)
- South El Camino Real from SR 92 to the City limits (PA 7.6, PA 8.1, PA 9.2)
- Twentieth Avenue from Elkhorn Court to O'Farrell Street (PA 8.2)
- The Downtown area (Downtown Policies section).

The Measure P text of these General Plan policies is included in Appendix C.

City staff looked at the option of re-designating R4 zoned properties, throughout the City, from the current density maximum of 50 units per acre to 40 units per acre. Prior to the implementation of Measure H, the R4 zoning district was a medium-high density designation (36 to 75 units per acre) that provided a transition from high density to lower density areas. After Measure H eliminated the medium-high designation, the R4 became a high density land use designation (36 to 50 units per acre). R4 designated areas are generally located near R1, R2, and R3 zoned parcels. It is estimated that such a change in density could result in the reduction of approximately 471 potential dwelling units in the R4 District over time. This estimate is based on the review of all R4 zoned parcels that currently have approximately 70% or less in existing building floor area, therefore, making it easier for those parcels to be combined to obtain the maximum density. Existing large condominium developments were excluded on the assumption that it would be extremely difficult to convince all of the owners of the units to sell their property and/or give approval for additional construction of units. Reducing the maximum units per acre from 50 to 40 would not conflict with Measure P specific area policies regarding high density residential land use since the 40 units per acre maximum would fall within the high density range.

Another option to reduce density would be to select specific parcels in the R4 zoning district, rather than reducing density across the board on all R4 properties. This option would result in fewer potential housing units lost than the approximately 471 dwelling units lost by re-designating the entire R4 district.

Housing Element Certification

With the potential for up to 4,031 new residential dwelling units in the Rail Corridor Plan area, it is anticipated that the City will meet its fair share regional needs allocation of 3,051 total dwelling units for the next Housing Element revision. However, in reality, the number of new dwelling units proposed for development or constructed depends on the development community. As such, it is not known whether the total number of units (including affordable units) will be approved or constructed during the next Housing Element time period (2009-2014).

If a reduced density standard was adopted, such as the reduction in the R4 zone of approximately 471 units, the City would still be able to meet its upcoming fair share housing allocation as long as the proposed reductions do not exceed the expected new units created in the Rail Corridor Plan area. Reductions in density standards could have an impact on the City's ability to obtain future certifications of the Housing Element. If the State of California Housing and Community Development Department (HCD) finds that the City does not have the proper zoning and density standards to meet its "fair share" of housing, future Housing Elements will not be certified, which could jeopardize the City's ability to receive loans and/or grants from the state, and potentially expose the City to lawsuits for noncompliance.

Potential Impacts of Reducing Density

In addition to the potential impact on certification of the Housing Element, reduced density levels may result in a reduction in the production of housing units, and subsequently affordable housing units in the City. Owners of properties that are proposed for density reductions may experience a loss in land value. This outcome was discussed by the TAC, and the real estate professionals indicated that property value decreases are a distinct possibility with density reductions.

Another issue associated with density reductions is the potential for creating non-conforming use of properties if new density standards cause existing residential development to exceed the maximum density permitted on a given site. The impact of creating legal non-conforming uses of properties is unknown since the City's Zoning Code allows legal residential structures to be rebuilt to the same use and size as the previous building in case of damage or destruction.

Furthermore, density reductions could result in more requests by developers for density bonuses, which will allow developers to obtain reduced parking requirements, and other concessions (floor area ratio & building height increases, reduced setbacks, etc.) as prescribed in State density bonus law.

DISCUSSION/RECOMMENDATION

Measure P text in the General Plan has established density ranges that must be retained. Staff is not proposing a reduction in density standards to land use categories on a citywide basis. It is important to acknowledge the City's need to provide for the development of housing, both market

rate and affordable units. While the City may meet its regional fair share housing allocation in the near term, it is important to recognize long range efforts to promote additional housing to meet regional fair share allocations in the future, and maintain a certified Housing Element.

The history of multi-family residential development from 1992 through August 2007 indicates that developers are not maximizing the development potential of their properties. Multi-family development trends since the adoption of Measure H and Measure P clearly show that only 35% of all residential development proposals in the high density category approached the maximum allocated density of 50 units per acre. In addition, only 50% have reached or exceeded 40 units per acre. Residential density within a given development may be limited by several factors, including but not limited to: the amount of parking required to be provided on-site to meet City standards; the maximum building envelope dictated by building height and floor area ratio standards; City setback requirements; a lack of land accumulation to maximize unit density; type of construction; providing transitions in building bulk to adjacent land uses; and the public review process. These factors result in land use constraints and have the effect of limiting density on specific properties.

Since there have been 5 developments since 1992 that have utilized a density bonus, the history of development in the City does not demonstrate that there is an overwhelming demand to increase project density through the provisions of density bonus law. The 71 density bonus units created by these 5 developments represent less than 3% of all units constructed during this time period and were approved before the changes of SB 1818.

The economic consultant, EPS, tested several development scenarios using various affordability and density bonus at the SB 1818 levels. Although the extra density can be attractive to developers to help recover costs of the affordability requirements, there is a point that the affordability requirements cost too much for the project and will not be attractive. This suggests that developers may be looking at options that provide density bonuses at levels higher than the City's BMR requirements, but not as likely to utilize the options that maximize the 35% bonus.

Maintaining citywide densities at current levels complies with Measure P and does not impact certification of the Housing Element by HCD. Property owners and developers have an understanding of existing regulations, and there would not be potential reductions in land value resulting from reducing densities in the City.

RECOMMENDATION:

No change to existing density standards as established in the General Plan and Zoning Code.