

SUMMARY

Population and employment trends indicate a continued need for more housing for San Mateo, as well as the region, for several years to come. As part of the Bay Area regional planning for housing, each city is assigned a specific Regional Housing Needs Allocation (RHNA) to ensure enough land is available to support new housing units. During the next Housing Element cycle beginning 2009, San Mateo will ensure that its current zoning can accommodate its RHNA allocation of 3,051 units. However, even an adequate amount of land dedicated for housing and a strong demand for housing will not mean that enough units will be built to meet that demand. Based on past development trends, public resources for affordable housing, and a look at projects currently in the pipeline, it is very likely that only a portion of the RHNA units will actually be built during the next Housing Element period. This is due to a variety of constraints on development such as high land and development costs, zoning restrictions including height and density limits, environmental conditions, and neighborhood resistance. This is especially true for affordable housing units. During the current Housing Element cycle the City has only met 19% of the RHNA goal and 65% of the City's goal it set for itself based on its financial resources to subsidize affordable housing and the projected units provided in the Below Market Rate Housing Program. Projections for the next planning period indicate even less financial resources available to the City to support affordable housing coupled with a greater need.

Although the City policies have some influence on housing development, it has little control over the market influences that impact the construction of housing by the private market. The affordable units achieved through the Below Market Rate Program are only provided if market rate housing is built by private developers. The City has some direct influence in the construction of affordable housing, providing it has financial resources to directly subsidize those projects.

Despite the City's limited ability to directly impact the construction of new housing, staff recommends the following policies to encourage the construction of affordable housing and still maintain the quality of life issues that are important to the community.

Below Market Rate Program Recommendations

- Increase the BMR requirement to 15% citywide at current income targets of "lower" income for rentals, and "moderate" income for ownership. Rental option: 10% "very low" income.
- Apply the citywide BMR income targets to the Redevelopment Areas.
- Adopt fees for fractional units for projects sized between 4 – 10 units. Adopt fees for fractional units of 0.1 – 0.4 for projects with 11 or more units.

- Allow developers to justify economic infeasibility based on submission of specific criteria to construct off site, and allow a land dedication option as described in California density bonus law as an alternative to offsite construction.
- Allow smaller units by square footage but establish minimum sizes in relation to market rate units.
- Allow flexibility of product type in single family detached projects as long as the exterior design is compatible.
- Allow different bedroom size distribution if the City determines it meets a need. At all times, at least 10% must be provided and a minimum total bedroom count must be provided.

Commercial Linkage Fee Recommendation

- Adopt a commercial linkage fee of \$5 per square foot on new commercial developments subject to revision after taking into consideration other new development fees imposed by the City.

General Land Use Recommendations

- No change to existing density standards as established in the General Plan and Zoning Code.
- Amend the Zoning Code to require a special use permit for residential development on E-I, Executive Park, zoned properties.

Density Bonus Recommendation

- Update the City's Density Bonus Ordinance to fully address recent legislation, including more specific language on concessions and incentives.

IX. ACKNOWLEDGEMENTS

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