

Analysis of Impediments to Fair Housing Choice

for

San Mateo County

and the Cities of

Daly City

Redwood City

San Mateo

South San Francisco

With special focus on

East Palo Alto

Half Moon Bay

Menlo Park

North Fair Oaks

San Bruno

July 2004

Prepared by Project Sentinel

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1. EXECUTIVE SUMMARY

This Analysis of Impediments to Fair Housing Choice (AI) examines policies and practices that may limit San Mateo County residents' ability to choose housing in an environment free from discrimination. San Mateo County, together with Daly City, Redwood City, San Mateo, and South San Francisco funded the AI.

The U.S. Department of Housing and Urban Development requires entitlement jurisdictions to develop action plans to overcome the effects of identified impediments to fair housing choice. Therefore, the Analysis of Impediments is the necessary first step in the Fair Housing Planning process. HUD wants entitlement jurisdictions to become fully aware of the existence, nature, extent, and causes of all fair housing problems and resources available to solve them.

Affordability

San Mateo County is relatively affluent (Fig. 1.4). However, although per capita income and household income are 59 percent and 48 percent higher than the state average, housing prices are 120 percent higher than the state median. Relative to the rest of the state, San Mateo residents have only 72 percent of the per capita income required to qualify for home ownership. On the other hand, rents are about 53 percent higher than the state average and overall affordability of rental units is near that of the state.

The home ownership affordability index defined in Fig. 1.2 ranges from less than half in East Palo Alto and North Fair Oaks to about three-fourths in the City of San Mateo and other cities in the county not explicitly appearing in the table. As a result, market rate home ownership is out of reach of not only lower-income residents but also much of the moderate-income population earning over the county mean.

While San Mateo County rental housing is affordable relative to the rest of California, affordability is driven by high per capita incomes of primarily White and Asian residents. Five cities that have high minority concentrations and lower incomes, highlighted in Fig. 1.2, also are significantly less affordable than the remainder of the

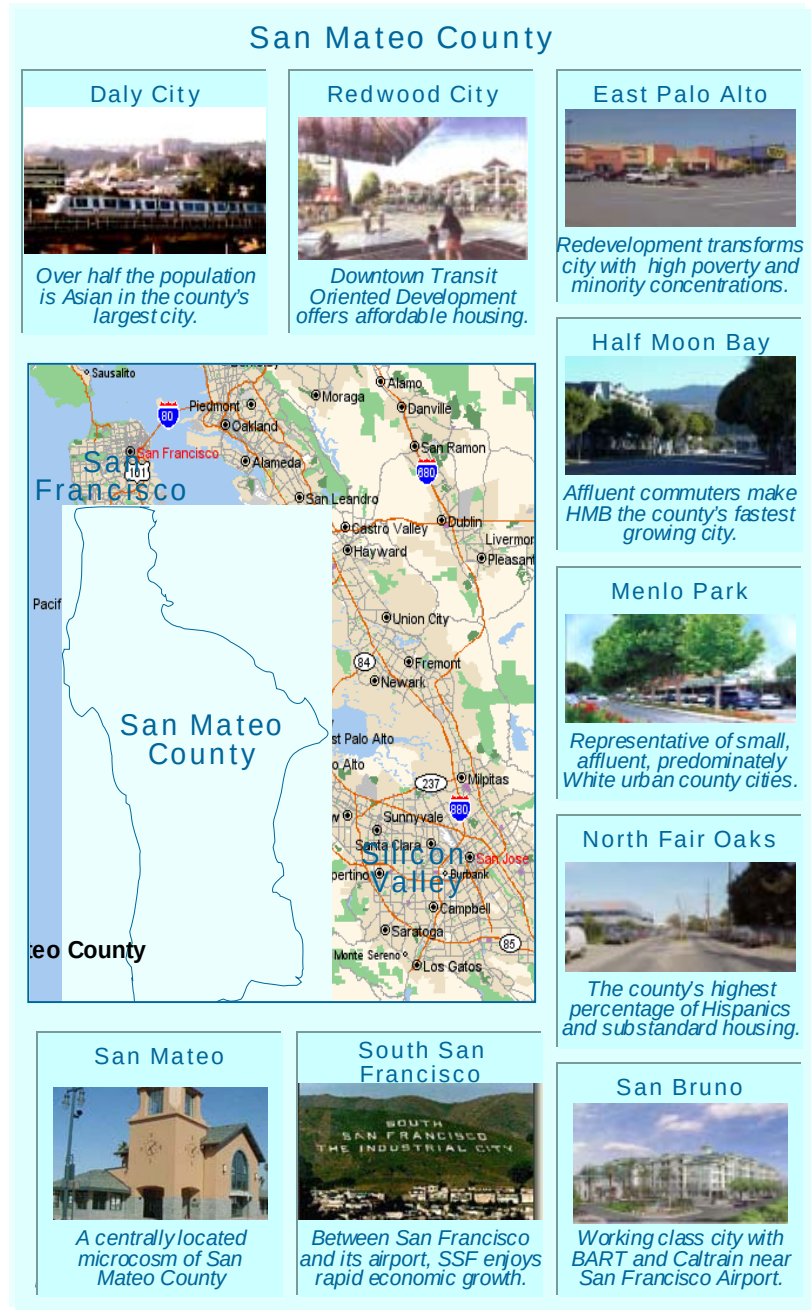


Fig. 1.1. Located between San Francisco and Silicon Valley, San Mateo County has the highest housing prices in the nation.

San Mateo County Affordability Profile								
	Pe Capit Incom	Media Househol Incom	Percent Family Household	% Povert Leve	Media Home (dollars	Media Ren (dollars	Housing Cost Affordability Ratio	Rental Affordability Ratio*
					)			
Californi	\$22,71	\$47,49	23.2	14.2	\$211,50	\$747	100%	100%
San Mateo County	\$36,04	\$70,81	19.2	5.8	\$465,20	\$1,14	72%	104%
Daly City	\$21,90	\$62,31	31.3	7.1	\$335,00	\$1,07	61%	67%
East Palo Alto	\$13,79	\$45,00	48.5	16.2	\$302,10	\$854	43%	53%
Half Moon Bay	\$37,96	\$78,47	17.8	6.1	\$499,50	\$1,26	71%	98%
Menlo	\$53,34	\$84,60	14.4	6.9	\$778,50	\$1,31	64%	133%
North Fair Oaks	\$18,33	\$55,60	41.3	15.4	\$359,60	\$967	48%	62%
Redwood City	\$34,04	\$66,74	17.2	6.0	\$517,80	\$1,10	61%	101%
San Bruno	\$26,36	\$62,08	18.7	4.4	\$385,10	\$1,16	64%	75%
San Mateo City	\$36,17	\$64,74	15.6	6.1	\$477,30	\$1,16	71%	102%
South San Francisco	\$23,56	\$61,76	25.0	5.2	\$352,90	\$1,05	62%	74%
		* Ratio of Per Capita Income to Median Home Value normalized to California						
		** Ratio of Per Capita Income to Median Rent normalized to California						

Fig. 1.2. Housing ownership is relatively unaffordable throughout the county while rents are less affordable in lower income cities with high concentrations of minorities.

county based on housing ownership and rental costs relative to per capita income. These five cities are characterized as having large minority concentrations, low median incomes, unaffordable housing both for owners and tenants, and significant cost burden and overcrowding. While San Mateo County has only one-third the degree of poverty as the state overall, the communities of East Palo Alto and North Fair Oaks exceed the state average.

One in five families in San Mateo County is defined as “large”, having five or more household members. In small urban cities on the bay side of the peninsula with predominately White populations, the number of large families is low. However, there are many more large families in cities with concentrations of lower income minorities, 48.5 percent in East Palo Alto, 41.3 percent in North Fair Oaks, and 31.3 percent in Daly City. Large families that rent in these cities face a very competitive market and overcrowding, cost burden or both.

For those who can qualify for mortgage loans, housing throughout San Mateo County is accessible to all ethnic groups and family types. However, high cost severely restricts availability of affordable housing to lower- and moderate-income residents. Census data identifies those groups most affected, including high poverty rates for Blacks and Hispanics, high poverty rates for single females with children under 5 years old, high cost burden for very low-income and extremely low-income renter households and low-income owner households, and overcrowding in cities with low per capita income, such as East Palo Alto, North Fair Oaks, and Daly City. High correlation exists between poverty level, substandard housing, cost-burdened and overcrowded households and Black and Hispanic neighborhoods. In this housing environment, a shortage of affordable housing units can constitute an impediment to fair housing choice.

Land Use and Zoning

Public policy is a major factor driving each city’s housing environment. Often employed as a tool to prevent change and maintain a majority population’s concept of “neighborhood value,” restrictive practices can pose significant impediments to fair housing choice, sometimes in violation of federal or state law. On the other hand, used constructively, elements of zoning and land use policy can be major tools in efforts to provide affordable housing and remove impediments to fair housing choice for lower income residents, groups protected under Federal and State Fair Housing laws, and others.

Impediments to fair housing choice identified from review of land use and zoning policy include:

- The definition of family in the Daly City zoning code, “two or more persons related by blood or marriage”, is overly restrictive. This definition discriminates against a broad range of groups under federal and state fair housing statutes relating to familial status. This impediment can be removed by changing Daly City’s family definition to not preclude persons unrelated by blood or marriage and to not restrict household size below requirements of the health and safety code.
- Redwood City requires a Conditional Use Permit for group homes for persons with disabilities. This is in conflict with federal and state statutes and discriminates against persons with disabilities. This impediment can be removed by eliminating the requirement for a Conditional Use Permit for group homes and by allowing group homes of six or less persons in all residential neighborhoods.
- San Mateo City restricts occupants of senior housing to persons over 60 years old and their spouses, thereby discriminating against unmarried senior couples. To remove this impediment, San Mateo should reword the definition of occupancy requirements for senior housing to allow unmarried senior couples.

Strategies and Policies to Preserve and Construct Affordable Housing

City and County strategies and policies to preserve and develop affordable housing were reviewed to assess the extent to which they address affordability issues in the community, mitigate the housing problems of major groups in need, and meet the Association of Bay Area Governments’ Regional Housing Needs Determination (RHND) housing development targets. Lack of affordable housing has most direct impact on low-income residents disproportionately represented by ethnic minorities, persons with disabilities, large families with children, and other groups protected by fair housing laws.

A number of factors influence the identification of impediments created by public policies, including the magnitude of local housing affordability problems, the jurisdiction’s use of planning tools such as inclusionary zoning, the viability of its affordable housing strategies and plans, and the degree to which it will meet or miss its RHND affordable housing targets.

One of the most powerful tools available to increase the supply of affordable housing is inclusionary zoning policy. Within the county, some cities have effective inclusionary zoning ordinances that apply citywide with a wide scope of application. Other cities have weaker or non-existent ordinances. If an inadequate supply of affordable housing exists, weakness of a jurisdiction’s housing policy, as reflected in lack of use of available planning tools, can become an impediment to fair housing choice.

The following impediments to fair housing choice exist in regard to public affordable housing plans:

- San Mateo County’s overall housing plan is very good and comprehensive actions are underway throughout the county to rehabilitate substandard housing, construct new affordable housing, and open home ownership to low income families. Despite these services, communities with high poverty rates, overcrowding, substandard housing, and minority concentrations still exist within the County’s sphere of influence that remain underserved. Three examples of this scenario are North Fair Oaks, with a poverty rate second only to East Palo Alto; Pescadero, where code enforcement of farm worker housing has become a major issue; and Broadmoor with a 56% minority, low-income population. Each of these unincorporated communities has a high concentration of minorities, poverty and substandard housing with no detailed plan to address housing issues. Plans need to be developed for each one of these communities, taking into account the desire to preserve local culture, and the need to provide affordable housing which will preserve the local population.
- Nearly one-third of Daly City households are large families and one-third are overcrowded, many

experiencing housing cost burden. An inclusionary zoning ordinance has potential to tap private funding to supplement public funds yet it currently is constrained in scope, generating only a few BMR units annually. To remove this impediment, Daly City should evaluate strengthening its inclusionary zoning ordinance, making its application citywide and reducing the project size falling within its scope.

- Redwood City has a laudable plan to revitalize its downtown and generate significant numbers of affordable housing units. However, the city will fall short of meeting its targets. Redwood City has no inclusionary zoning ordinance. Lack of a citywide ordinance eliminates over one hundred affordable units along the Route 82 and 84 corridors adjacent to North Fair Oaks that could contribute to meeting Redwood Cities RHND targets. Furthermore, public meeting input from residents voiced frustration over lack of a more aggressive affordable housing strategy.

To remove this impediment, Redwood City should consider extending inclusionary zoning citywide. This directly benefits lower income residents within the city limits and provides additional affordable housing in the immediate neighborhood of North Fair Oaks.

- San Mateo City has an effective inclusionary zoning ordinance that generates significant numbers of BMR units each year. However, new housing construction is very unbalanced in the city. While 1999-2006 RHND targets for above moderate income housing have already been surpassed, lower income housing is deficient. The City of San Mateo can reduce the shortfall by increasing the percentage of BMR units required under its inclusionary zoning ordinance or by requiring an in-lieu fee for smaller projects.

While jurisdictions in San Mateo County make relatively widespread use of granny units to increase their supply of affordable housing, modifications to existing policy are available to each jurisdiction to help relieve the affordability crisis in San Mateo County. Potential actions include increasing maximum limits on granny unit size, reducing occupancy restrictions (e.g., not limiting occupancy to relatives), reducing obstacles to and expediting permitting of granny units (e.g., by making available a selection of pre-approved designs), and providing financial incentives (e.g., reduced fees) for construction of granny units. Each jurisdiction within the county should evaluate incorporating these modifications to help gain maximum effectiveness in generating affordable units.

Banking and Lending Policies

Analysis of Home Mortgage Disclosure Act (HMDA) data in San Mateo County suggests that inadequate access to low cost, prime credit, especially for African American and Hispanic residents and their neighborhoods is an impediment to housing choice. Two areas of concern are the higher denial rates of Blacks and Hispanics for home mortgage loans and the higher reliance of Blacks and Hispanics on sub-prime loans, even when they qualify for prime rate loans. Predatory lending, targeting and marketing of sub-prime loans to susceptible individuals lacking knowledge of home loan information, is often associated with excessive sub-prime lending in minority communities.

The recommended action to remove this impediment is to conduct an on-going education and outreach campaign in minority communities to provide residents facts on home mortgage lending, data on the negative impact of sub-prime loans, and information on how to maintain a good credit record so they are not denied access to prime loans based on a sub-par credit record. East Palo Alto already funds such a program that can serve as a pathfinder for other communities throughout the county.

Transportation Policy

San Mateo's low income neighborhoods and primary job centers are well aligned with the County's comprehensive public transportation system. Transportation throughout the San Francisco Bay Area is readily available to most county residents through SamTrans bus, Caltrain and BART. Extension of BART to Millbrae and connection to Caltrain this year further expands service and usage. Improvements in 2004 to Caltrain's rail system allowing high-speed trains will improve commute times. Although this public transportation system appears to be in close proximity to lower income minority neighborhoods, access is still beyond the reach of many seniors and those with disabilities. The AI Public Hearing held on June 10, 2004, revealed strong public sentiment that many residents were unable to access shopping centers, doctors' offices and other needed social services due to their inability to walk the distance to public transportation sites. Participants at this public hearing asked for a process through which this issue could be pursued.

Advertising

42 U.S. § 3604 (c) of the Fair Housing Act makes it unlawful to "make, print, or publish, or cause to be made, printed, or published any notice, statement, or advertisement, with respect to the sale or rental of a dwelling that indicates any preference, limitation, or discrimination based on membership in a protected class, or an intention to make any such preference, limitation or discrimination".

The consultants for this AI reviewed three months of real estate ads published in the San Francisco Examiner and San Jose Mercury News in March, April and May 2003 to determine if the terminology used was neutral, if any preferences were evident, and if the use of human models demonstrated diversity. Two thirds of the 178 real estate ads for new housing developments did not use human models in their graphics, but instead focused on the benefits of the homes or neighborhoods. Of those ads that employed human models, nearly half promoted diversity by including minorities. Classified advertisements for both housing re-sales and rentals were also reviewed weekly over the same three month period. No cases of housing discrimination were identified in over five thousand classified ads. Based on the widespread use of minority models and the very low percentage of "all-White" groups in real estate ads, and the lack of discriminatory advertising in classified ads, there are judged to be no impediments to fair housing with regard to advertising in San Mateo County.

Assessment of Local Fair Housing Services

Fair housing enforcement services are conducted throughout the county by Mid-peninsula Citizens for Fair Housing (MCFH) and Project Sentinel. The enforcement process is rigorous with testing conducted routinely for complaints of housing discrimination. From January 1996 to December 2002, 1059 complaints of housing discrimination were investigated, of which half revealed insufficient supporting evidence. Of those with evidence of discrimination, one-fourth resulted in the tenant obtaining the unit as a result of the investigation. Other complaint outcomes included fair housing training for owners and managers of rental housing. One-fourth was litigated successfully in court with settlements ranging from a few hundred dollars up to \$300,000. During the five-year period, complaints of disability and family status discrimination increased while racial and ethnic discrimination decreased.

The fair housing agencies provided routine outreach and education services using mass media public service announcements and bus posters. Brochures and pamphlets were available in English and Spanish. Flyers were translated into Tagalog and Chinese. While educational material on each protected category is readily available in English and Spanish, this same material needs to be available in the various Asian languages. Other social service agencies should be able to lend assistance to translate and distribute this material on behalf of their minority and new immigrant clientele.

Another area of need identified during the course of conducting this AI, was the lack of fair housing

awareness on the part of housing providers. This issue was considered a problem across the spectrum of most protected categories, but one specific example highlighted was licensed Home Day Care.

The lack of sufficient educational opportunities to assist housing providers as well as home seekers is an impediment to fair housing choice. Additional written material is needed in English, Spanish and the various Asian languages, along with seminars and workshops. Fair Housing will not be a reality if people are unaware of their rights and where to go to get help.

Accessibility for Persons with Disabilities

This section evaluates compliance of new construction of multi-family dwellings with mobility requirements of the Fair Housing Amendments Act (FHAA) of 1988 that ensure housing accessibility for persons with disabilities. As a protected class, people with disabilities are unique because they are the only minority that can be discriminated against solely by design of the housing unit. The FHAA remedies that in part by establishing design and construction requirements for multifamily housing built for first occupancy after March 13, 1991. The law provides that failure to design and construct covered multifamily dwellings to include certain features of accessible design will be regarded as unlawful discrimination.

During July and August 2003, accessibility audit site visits were completed at five residential buildings in San Mateo County. All sites visited had at least one violation, some major and most minor. The minor violations can be easily remedied. However, violations indicate that the flow-down of requirements from the FHAA to the California Building Code to each jurisdiction's planning department and individual building inspectors is uneven. Failure to comply with the accessibility provisions of the FHAA is an impediment to fair housing choice. An FHAA accessibility checklist employed by each jurisdiction's planning department would improve compliance with all provisions of the Act.

Identified Impediments to Fair Housing Choice and Recommended Actions

Impediments relating to a shortage of affordable housing fall into three categories. Under the county's jurisdiction, plans to address housing issues North Fair Oaks, an unincorporated community with high concentrations of lower income minorities and substandard housing are lacking. North Fair Oaks is 70 percent Hispanic with a high percentage of substandard housing and second highest poverty rate (12 percent) in the County, but very few units of new affordable housing are being constructed. In Daly City and Redwood City, the need for affordable housing is high, as indicated by housing cost burden and overcrowding, yet a significant shortfall is projected in meeting RHND affordable housing targets. Very weak inclusionary zoning policies in these jurisdictions contribute to the shortage in affordable housing and associated cost burden. Finally, while the City of San Mateo has an effective inclusionary zoning policy and an aggressive affordable housing plan, far more above moderate income than affordable housing units are being constructed so that RHND targets will be missed. These jurisdictions should reevaluate their inclusionary zoning policy to reduce the shortfall in affordable housing.

HMDA data indicates that Black and Hispanic residents face higher home mortgage denial rates, even when their household income is higher than White's. They also rely more on non-prime loans and are susceptible to predatory lending practices. To remove this impediment, the County should conduct an education campaign targeting at-risk groups countywide similar to that already funded and available in East Palo Alto.

Audits of new construction revealed uneven compliance with accessibility requirements of the 1988 FHAA. An accessibility checklist should be provided to all planning departments for use by developers of new multi-family housing. Local planning departments should also consult with the State Architect's Office regarding accessibility compliance issues.

The public transportation system has been expanded significantly, however it still does not reach many

high- need residents who are unable to walk the distances to public transportation stops. This information needs to be communicated to the transportation authorities so they can take corrective action.

While fair housing has been vigorously enforced, more outreach and education needs to be provided to housing providers and home seekers with an emphasis for those with limited English language proficiency. Educational material and presentations need to be prepared on issues such as Home Day Care and Reasonable Accommodations.

2. PURPOSE AND SCOPE OF THE AI

An Analysis of Impediments is a broad spectrum review of private and public practices and policies which may impact people's ability to choose housing in an environment free from discrimination. The stated purpose of the AI is to increase housing choice, identify problems and assemble fair housing information. (HUD Fair Housing Planning Guide, p. 2-4) The AI:

- serves as the substantive, logical basis for Fair Housing Planning.
- provides essential and detailed information to policy makers, administrative staff, housing providers, lenders and fair housing advocates.
- assists in building public support for fair housing efforts both within entitlement jurisdictions' boundaries and beyond.

The U.S. Department of Housing and Urban Development (HUD) requires entitlement jurisdictions to develop action plans to overcome the effects of identified impediments to fair housing choice (HUD Fair Housing Planning Guide, p. 2-1). Therefore, the Analysis of Impediments is the necessary first step in the Fair Housing Planning process.

HUD wants entitlement jurisdictions to become fully aware of the existence, nature, extent, and causes of all fair housing problems and the resources available to solve them. Without this information, an entitlement jurisdiction's Fair Housing Plan could fall short of measurable results. HUD's goal in requiring the production of an AI is to conserve valuable energy and resources while producing efficient and effective fair housing services.

2.1 Information Gathering and Analysis

To assist policy makers the AI consolidates fair housing information otherwise located in a variety of sources. It also brings together information not otherwise perceived as fair housing related. This AI is a review of and search for impediments to fair housing choice in San Mateo County, the entitlement cities of Daly City, Redwood City, San Mateo, and South San Francisco, as well as the other incorporated cities and unincorporated communities within the county. Primary emphasis in this report is placed on the county and four entitlement cities, each of which receives federal CDBG and HOME funds for which this report is required. Of the remaining cities and communities within San Mateo County, five have been selected for special focus, East Palo Alto, Half Moon Bay, Menlo Park, North Fair Oaks, and San Bruno. East Palo Alto and North Fair Oaks have large concentrations of minorities and relatively high rates of poverty. Half Moon Bay is the largest of the coast side communities. Menlo Park is representative of the predominantly white, relatively affluent smaller cities ranging down the San Francisco Peninsula from Burlingame south to Menlo Park. San Bruno is a diverse city with a range of ethnic groups and many demographic attributes close to the county mean. The remaining cities and communities are also reviewed, but in less detail.

HUD defines fair housing impediments as:

- 1) Any actions, omissions, or decisions taken because of race, color, religion, sex, disability, familial status or national origin which restrict housing choices or the availability of housing choices, or
- 2) Any actions, omissions, or decisions which have the effect of restricting housing choices or the availability of housing choices on the basis of race, color, religion, sex, disability, familial status or

national origin.

The information sought for conducting an AI includes the following:

- Practices and procedures involving housing and housing-related activities;
- Zoning and land use policies;
- The nature and extent of fair housing complaints/suits or other data that may evidence achievement of fair housing choice;
- Demographic patterns;
- Home Mortgage Disclosure Act (HMDA) data;
- Allegations of discrimination;
- Patterns of occupancy in Section 8, Public and Assisted Housing, and private rental housing.

The AI evaluates policies and practices of the entitlement jurisdictions, nonprofit agencies and private entities for the existence of impediments. In analyzing possible impediments, HUD also requests that entitlement jurisdictions review the number and types of complaints filed with the Department of Justice or private plaintiffs, HUD, and the California Department of Fair Employment and Housing (DFEH).

2.2 Assembling Fair Housing Information

The production of the AI involved extensive data collection. HUD does not intend AI's to be the product of original research. Therefore, Project Sentinel relied primarily on existing data throughout the report. Primary sources included City and County websites, the Zoning Code, Housing Plan, and other information directly applicable to this AI. Most demographic data was available from US Census 2000 and US Census 1990. Other sources included Consolidated Plans, Home Mortgage Disclosure Act (HMDA) data, fair housing non-profit agencies and numerous documents developed by these entities. Results of housing industry and housing consumer surveys are also included. The San Francisco Chronicle and San Jose Mercury News were reviewed for three months for applicable current issues and for signs of discriminatory housing advertisements. Since local jurisdictions do not always collect data in the same way, different data sources are sometimes used for similar information.

To produce this Analysis of Impediments, Project Sentinel reviewed relevant demographic data to identify housing patterns and assess efforts to avoid segregation and isolation. We also analyzed land use and zoning for legality of terminology and fair housing practice. Land use and zoning were also reviewed to identify practices used to promote or inhibit development of affordable housing. Condition of the housing stock and prevalence of predatory rental practices were assessed. Transportation policy was analyzed from the perspective of impact to those groups protected by fair housing law. Impact of banking and insurance industry policies on ability of protected groups to buy homes was analyzed. We also reviewed cases of housing discrimination documented with the California Department of Fair Employment and Housing (DFEH) and HUD. Prevalence of discriminatory practices in advertising was assessed. Efforts of each jurisdiction to promote affordable housing and fair housing were reviewed. Results of these analyses and assessments identified potential and actual impediments to fair housing, which then formed the basis of a recommended fair housing strategy to mitigate each impediment.

Throughout the report we have solicited the assistance and input of government offices, advocacy groups,

housing providers and community service organizations.

2.3 Approach to racial and ethnic group census data comparisons

In analyzing data from the US Census, numerous difficulties arise because Hispanics are treated as an ethnic group and not a race. Therefore, when comparing data by race, Hispanics are not shown in census tables but are included mainly in either “Other” or “White” and to some degree in each of the other races. When comparing Hispanic and non-Hispanic ethnicity, categories of non-Hispanic White and Hispanic White, Non Hispanic Asian and Hispanic Asian, etc, appear in the census tables. To be completely precise with our demographic data, we would show all categories in all figures. However, this complicates the analysis and makes the graphics nearly unreadable. Furthermore, most census information is not broken down to the “Hispanic Asian” level so that the precise approach can’t be employed for most data comparisons.

There is no completely satisfactory way to resolve this issue. Much of our data analysis compares the major cultural groups White, Hispanic, Asian and Black. If a person is a Hispanic White, is he counted as Hispanic or White? Is a Hispanic Asian counted as Hispanic or Asian? The fact is that if ten thousand Hispanic Whites were asked to choose a category, Hispanic or White, the response would not be unanimous and some would refuse to choose. If, on the other hand, we stick with the purely racial definition, a large segment of Hispanics are counted as “other”, and clarity of the data is lost.

Our solution is pragmatic (Fig. 2.1). We have assigned each census category to a cultural group as follows:

Cultural Group	Census Category
Non- Hispanic White	Non-Hispanic White
Hispanic	Hispanic
Asian	Asian
Black	Black or African American
Native American	American Indian and Alaska Native
Pacific Islander	Native Hawaiian and other Pacific Islander
Other	Part of total population not counted above
Total	Total Population

PRESENTATION OF CENSUS 2000 DATA

San Mateo County Hispanic and Racial Census 2000 Data								
	San Mateo County							
	White	Black or African American	American Indian and Alaska Native	Asian	Native Hawaiian and other Pacific Islander	Some Other Race	Two or More Races	Total
Non-Hispanic	352355	23778	1546	140313	9112	2217	23132	552453
Hispanic	68328	1062	1594	1371	291	69693	12369	154708
Total	420683	24840	3140	141684	9403	71910	35501	707161
	Data available for most census categories							
	Data presented in AI report							

Data as Presented in AI Report	
San Mateo County	
Non-Hispanic White	352355
Hispanic	154708
Asian	141684
Black	24840
Pacific Islander	9403
Native American	3140
Other	21031
Total	707161

Part of total population not counted above. Not equal to or representative of any census category.

Fig. 2.1. A subset of Census 2000 Hispanic and racial data provides an accurate portrayal of the major ethnic and racial groups in San Mateo County.

With this approach, all persons who labeled themselves Hispanic are counted as Hispanic. All persons who labeled themselves as Asian, Black, American Indian, and Pacific Islander are counted in those groups. Only non-Hispanic Whites are counted as White. Using this method, a handful of Hispanic Asians, Hispanic Blacks, etc, are counted twice. They are taken back out in the “other” category so that the total population remains accurate. This approach gives 100% accuracy to the Asian, Black, American Indian, and Pacific Islander races, the Hispanic ethnic group, and the total population. It undercounts the White race by assigning all Hispanics to the Hispanic category. “Other” is the difference between the sum of these categories and the total population and is used to keep the total population accurate as we count “apples and oranges”.

In nearly all figures, we use the cultural groups defined above for data comparisons. Demographic maps from Census 2000, however, present only the racial groups and the ethnic Hispanic group. Therefore, demographic map data presents the entire White race, Hispanic and non-Hispanic. Other demographic map data for Asians, Blacks, and Hispanics conform to the above definitions.

3. DEMOGRAPHIC OVERVIEW

3.1 Summary of San Mateo County Demographics

San Mateo County sits astride the San Francisco Peninsula (Fig. 3.1), one of the most attractive locations in the nation in which to reside. Largely developed in the first half of the twentieth century, little new land is available for housing in the urban area between the coastal mountains and the Bay. In this highly developed area, population pressure has driven housing prices to the highest in the nation. Many homes, now over 40 years old, are in need of repair and maintenance.

A robust economy tied to Silicon Valley just to the south and San Francisco to the north has provided sufficient high tech jobs that per capita income is high, both relative to the nation and the state. However, high per capita income is associated mainly with White and Asian professionals in high tech industries. A large and growing immigrant population, predominantly from Mexico and Asia, has not shared in the wealth. Hispanic per capita income is only one third that of Whites. A small Black population also has relatively low per capita income.

Over the past decade, the White and Black populations have declined. Many younger families can't afford the high cost of housing in San Mateo's older neighborhoods and instead seek homes in newer, less costly subdivisions within commuting distance of peninsula employment centers. Many older families migrate out as they reach retirement age. In spite of the net loss of White and Black households, the county's population has continued to grow by nearly nine percent in the past decade. Asians and Hispanics are replacing Whites and Blacks. In the past ten years, the net Asian and Hispanic population each has increased by over one third, many of whom are immigrants arriving through the port of San Francisco and from Mexico. To meet the high cost of housing, these new arrivals live in large households, many in overcrowded conditions.

The resulting population mix is relatively diverse at the county level, with high proportions of Whites (49.8 percent), Hispanics (21.9 percent), and Asians (20.0 percent). However, at the city level, segregated housing patterns exist. Communities such as East Palo Alto have predominantly lower income Hispanic and Black residents. Others such as Hillsborough and Woodside have mainly affluent White and Asian residents. Many communities with multiple ethnic groups have upper income White residents living in the hills to the west of El Camino Real and lower income minorities to the east towards the Bay.

Throughout the county, housing is older than the state average. In upper income communities, homes built before WWII are well maintained. In lower income minority communities, potential for substandard housing and predatory housing practices is high.

In this context, San Mateo County faces significant housing challenges:

- Housing is very expensive, and unaffordable to much of the minority population, as well as other middle income households, particularly large families.

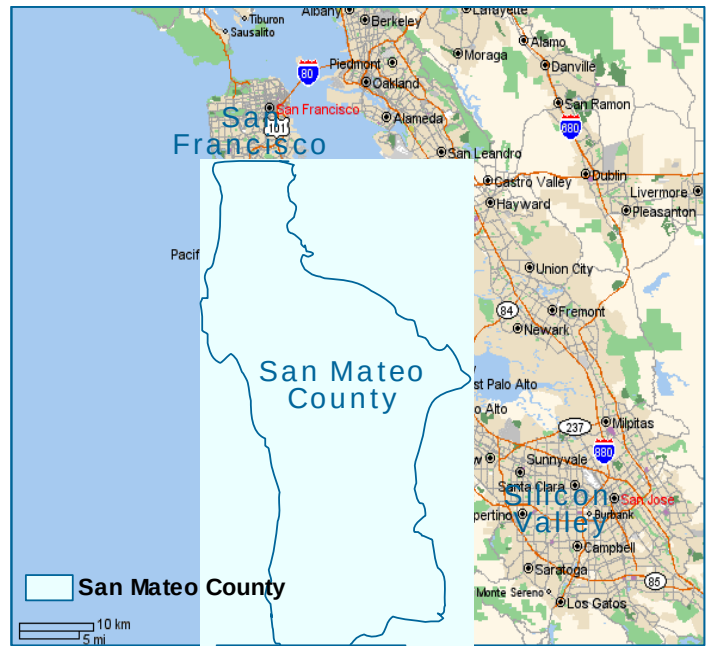


Fig. 3.1. San Mateo County covers the San Francisco Peninsula with San Francisco to the north and Silicon Valley to the south.

- Housing is old and much is in need of rehabilitation or replacement, particularly in minority communities. Potential for predatory housing practices is high in lower income minority neighborhoods with high numbers of non-citizen, non-English speaking immigrants.
- Patterns of ethnic segregation exist with high concentrations of minorities and Whites in adjacent areas, often in close proximity separated by freeways or railroad tracks.

These challenges are discussed in more detail in subsequent sections of this report.

3.2 Northern California Region

San Francisco has been the port of entry for Asian immigrants since the Gold Rush and construction of the transcontinental railroad in the 1850s and 1860s. Immigration continued throughout the twentieth century, accelerating rapidly in the 1980s and 1990s with arrival of Vietnamese War refugees and educated professionals supplying labor for the “dot.com” economic boom. Concurrently, Hispanic immigration was ongoing. With political sovereignty over California until 1850, Hispanics have always comprised a significant portion of California’s population. Since 1980, immigration from Mexico has increased. Today one in five San Mateo County residents is Hispanic, one in five Asian, and nearly half White.

San Mateo County has seen rapid population growth (Fig. 3.2) and change in demographics throughout the twentieth century. During the 1920s and 1930s residents of San Francisco migrated south along the Southern Pacific rail line (Fig. 3.3) and established many of the neighborhoods in existence today near the central downtown areas along El Camino Real. After the Second World War, the economy boomed, freeways were built, and the population grew rapidly, primarily migrants from other parts of the country. By 1970, the eastern portions of San Mateo County along the freeways and rail line were largely built out, new construction limited to higher end housing further up the slopes of the Santa Cruz Mountains and infill projects nearer the city centers. In the 1980s, new waves of foreign immigrants began to arrive, primarily Hispanics from Mexico and Asians from Southeast Asia, China and India. Although the rapid population growth experienced from the 1910s through the 1970s had declined to about 10 percent in the 1980s and 1990s, new immigrants settled into a constrained housing environment that could not keep pace with

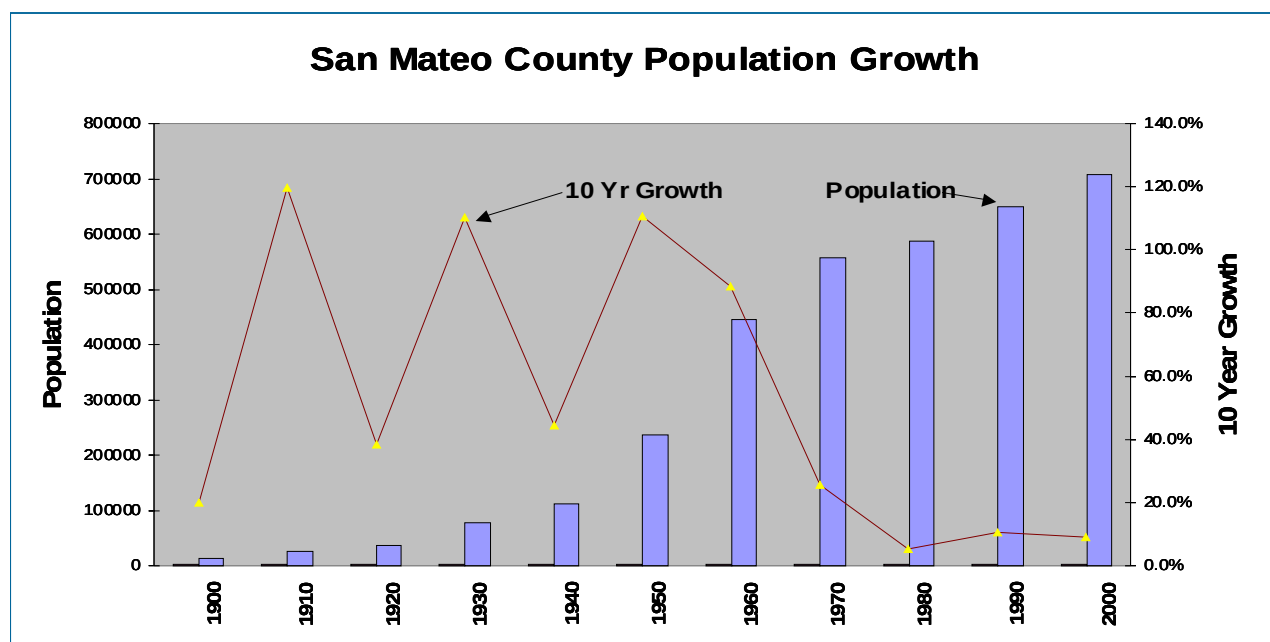


Fig. 3.2. Greatest San Mateo County population growth occurred in the early Twentieth Century.

demand. Large increases in housing prices in the 1980s were followed in the late 1990s by exorbitant increases driven by the Silicon Valley economic boom. Moreover, whereas most domestic migrants of the 1960s and 1970s were prosperous, most new Hispanic and some new Asian immigrants were poor, without educational degrees or job training, and able to speak English only poorly.

Figure 3.4 provides census data defining the effect of these interactive demographic forces. The Bay Area counties of San Francisco, San Mateo, Santa Clara and Alameda, containing the major cities of San Francisco, San Jose, and Oakland have very large immigrant and minority populations. Due to constraints on available land, however, population growth is relatively modest while housing prices have skyrocketed to the highest in the country. Census data indicates that large numbers of residents, immigrants and locals alike, have migrated inland to the more affordable Central Valley. The Central Valley is characterized by rapid population growth, rising numbers of minorities and immigrants, and lower housing prices. In comparison, the Sierra Nevada foothills to the east of Sacramento are experiencing even higher population growth and rapidly rising housing prices, fueled primarily by White baby boomers cashing in on their homes bought in the 1960s and 1970s and retiring to resort and senior communities.

The net result for the Bay Area is small population growth heading into the Twenty First Century with continued emigration of residents inland seeking more affordable housing. In this context, the outlook for San Mateo County includes favorable job growth, relatively unaffordable but stable housing prices, an attractive recreation and cultural environment, an increasingly diverse population (Fig. 3.5), and continued transportation congestion.

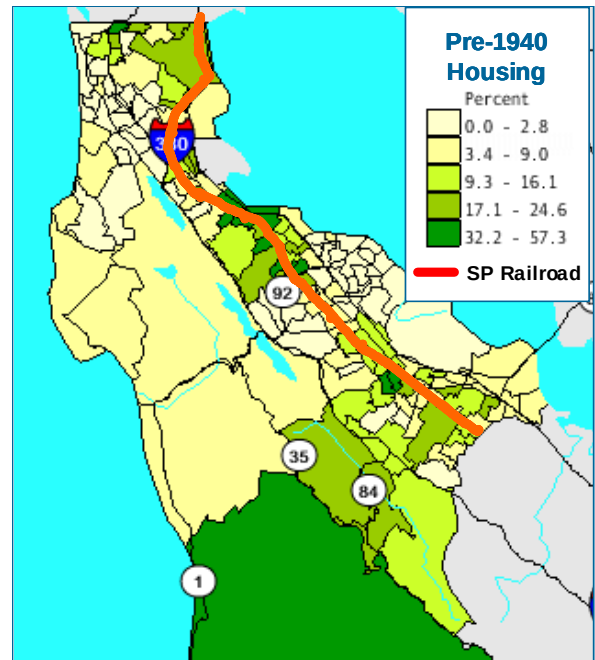


Fig. 3.3 Housing built before 1940 showing development of San Mateo County cities along the SP rail line.

Region	County	Population	10 year Growth	% Immigrant	% Minority	Median Home Price	Median Rent
San Francisco Bay Area	San Francisco	776,733	7.3%	36.8%	56.4%	\$396,400	\$928
	Santa Mateo	707,161	8.9%	32.3%	50.2%	\$469,200	\$1144
	Santa Clara	1,682,585	11.0%	34.1%	55.8%	\$446,400	\$1185
	Alameda	1,443,741	12.9%	27.2%	59.1%	\$303,100	\$852
	Total	4,610,220	10.0%	31.9%	56.0%	\$394,100	\$1024
Central Valley	Sacramento	1,223,499	17.5%	16.1%	42.2%	\$144,200	\$659
	San Joaquin	563,598	17.3%	19.5%	52.6%	\$142,400	\$617
	Stanislaus	446,997	20.6%	18.3%	42.7%	\$125,300	\$611
	Yolo	168,660	19.5%	20.3%	40.7%	\$169,800	\$687
	Total	2,402,754	18.2%	17.8%	44.7%	\$142,588	\$646
Sierra Nevada Foothills	El Dorado	156,299	24.1%	7.2%	15.1%	\$194,000	\$702
	Placer	248,399	43.8%	7.1%	16.6%	\$213,900	\$780
	Total	404,698	36.4%	7.1%	16.0%	\$206,400	\$751

Fig 3.4. Northern California includes the nation's highest immigrant percentage, highest housing prices, and highest population growth rate. Source: 1990 and 2000 Census.

3.3 San Mateo County

The history of San Mateo County has long been one of exodus from the port town of San Francisco. Spanish missionaries at the mission in San Francisco, wishing to bring Christianity to the Ohlone Indians living on the peninsula, established a branch of the mission in the San Mateo City area in 1793. This mission became a center of agriculture, religion, and life in what was to be the County until the Mexican Revolution in 1822. When Mexico freed itself from Spanish rule, the missions became secularized, former Church land became open for settlement, and soon free trade between these settlements and the United States and Mexico opened up, bringing an influx of growth to the port town of San Francisco, and the smaller communities around the Bay Area.

The peninsula became incorporated into San Mateo County, separating from San Francisco in 1856. With the opening of railroad service in San Mateo County in the 1860s, there came an influx of many wealthy San Franciscans, attracted by the affordability of large tracts of land. Estates were built for some of the most powerful people in the West. The resulting population that developed in San Mateo was largely made up of people employed in the service of these great mansions.

As San Francisco has grown and flourished, and especially with the establishment of the San Francisco International Airport in northern San Mateo County, the County has also grown in population and wealth. People continued to move into San Mateo County, searching for housing more affordable than what could be found in San Francisco. The economic boom of the 1990s and the rise of the “dotcoms” led to widespread growth and increase in immigration from Asian countries (Fig. 3.6). San Mateo County’s place between the port of San Francisco and the growing economy in the “Silicon Valley” led to the inevitable exodus into the county as the growing population created a growing demand for housing.

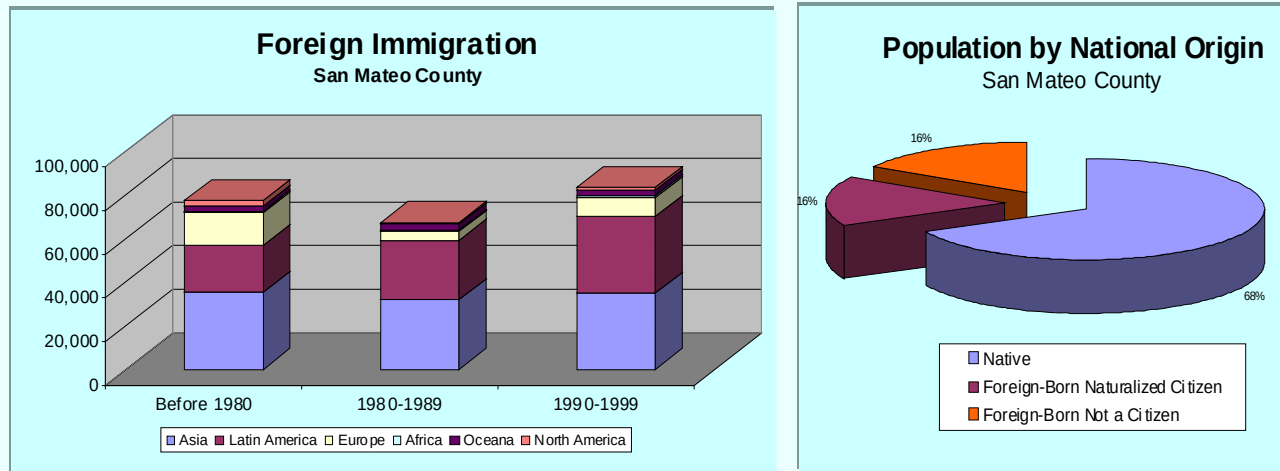
That a large percentage of this population growth comes from new immigrants, attracted by a hungry job market and high salaries, is reflected in the fact that almost one-third of San Mateo County’s population is foreign-born. Of these immigrants, over one-half entered the County in the last fifteen years – right at the start of the Silicon Valley boom. A large portion of immigration into California comes from Latin America and particularly Mexico.

As shown in Fig. 3.7, over the decade of the 1990s the county’s Asian and Hispanic population both grew by over one third. Over the same period, the White and Black populations decreased. Blacks, with slightly more than half the per capita income as Whites, are less able to afford the very high housing prices in San Mateo County. As a result, many Black families have migrated to the less expensive housing available in Oakland and other communities in Alameda County. Still others have migrated inland to the Sacramento Area, where not only is housing even less expensive, but neighborhoods are more diverse with fewer segregated communities. Today, Blacks constitute only 3.5 percent of San Mateo County’s population, and

	San Mateo County Population by Ethnic Group									
	San Mateo County	Daly City	Redwood City	San Mateo city	South San Francisco	East Palo Alto	Menlo Park	North Fair Oaks	San Bruno	Other San Mateo County
Total	707,161	103,621	75,402	92,482	60,552	29,506	30,785	15,440	40,165	259,208
Non-Hispanic White	49.8%	17.7%	53.9%	56.5%	30.5%	6.5%	63.7%	23.2%	46.9%	69.2%
Hispanic	21.9%	22.3%	31.2%	20.5%	31.8%	58.8%	15.6%	69.6%	24.1%	10.5%
Asian	20.0%	50.7%	8.9%	15.1%	28.9%	2.2%	7.1%	3.0%	18.7%	15.5%
Black	3.5%	4.6%	2.5%	2.6%	2.8%	23.0%	7.0%	1.9%	2.0%	1.6%
Pacific Islander	1.3%	0.9%	0.9%	1.6%	1.6%	7.6%	1.3%	1.3%	2.9%	0.5%
Native American	0.4%	0.4%	0.5%	0.5%	0.6%	0.8%	0.4%	0.8%	0.5%	0.3%
Other	3.0%	3.4%	2.0%	3.2%	3.7%	0.9%	4.9%	0.2%	5.0%	2.5%

Fig. 3.5. San Mateo County’s diverse population includes large numbers of Hispanics, Asians, and Blacks.

FOREIGN IMMIGRANT POPULATION



Total Foreign Immigrants = 228,118

Fig. 3.6. Immigrants in the 1990s, primarily Asian and Hispanic, exceeded all immigration before 1980.

in the entire county, only East Palo Alto has a significant population of Blacks.

The decreasing White population in San Mateo County can also be attributed to high housing costs. Even though Whites have the highest per capita income in the county, well above average in California, new younger families are reluctant or unable to buy into the high housing market. Instead they have settled into bedroom communities in the East Bay, Livermore Valley, Southern Santa Clara County, Santa Cruz County, and even San Joaquin and Stanislaus Counties in the Central Valley, often trading long commutes for cheaper housing. Many older White families, on the other hand, cash in their homes and head for retirement communities springing up in the foothills of the Sierra Nevada Mountains. The net result is that the White population in San Mateo County is now less than half the total, down from nearly 80 percent in the 1950s.

The population of the county is also relatively old, as compared to the rest of the state (Fig. 3.8). The median age is 37 years old, indicating a larger working population than the rest of the state. The state median, in contrast, is 33 years old. Households tend to be smaller than those in the rest of the state; the

San Mateo County Demographics by Ethnic Group						
Ethnic Group	CY2000 Population	% of Population	Population Growth since 1990	Occupied Housing Units	Average Household Size	Per Capita Income
White	352,355	49.8%	-10.1%	157,093	2.29	49,157
Hispanic	154,708	21.9%	35.0%	36,421	4.02	16,351
Asian	141,684	20.0%	38.3%	43,059	3.24	30,119
Black	24,840	3.5%	-29.6%	8,892	2.68	26,079
Pacific Islander	9,403	1.3%	38.3%	1,930	4.7	16,470
Native American	3,140	0.4%	5.1%	963	3.12	24,528
Other	21,031	3.0%	NA	82	3.58	\$11,170
Total	707,161	100.0%	8.9%	254,103	2.74	36,045

Fig. 3.7. In the past decade, Hispanics and Asians have displaced Whites and Blacks in San Mateo County.

Income and Age Distribution

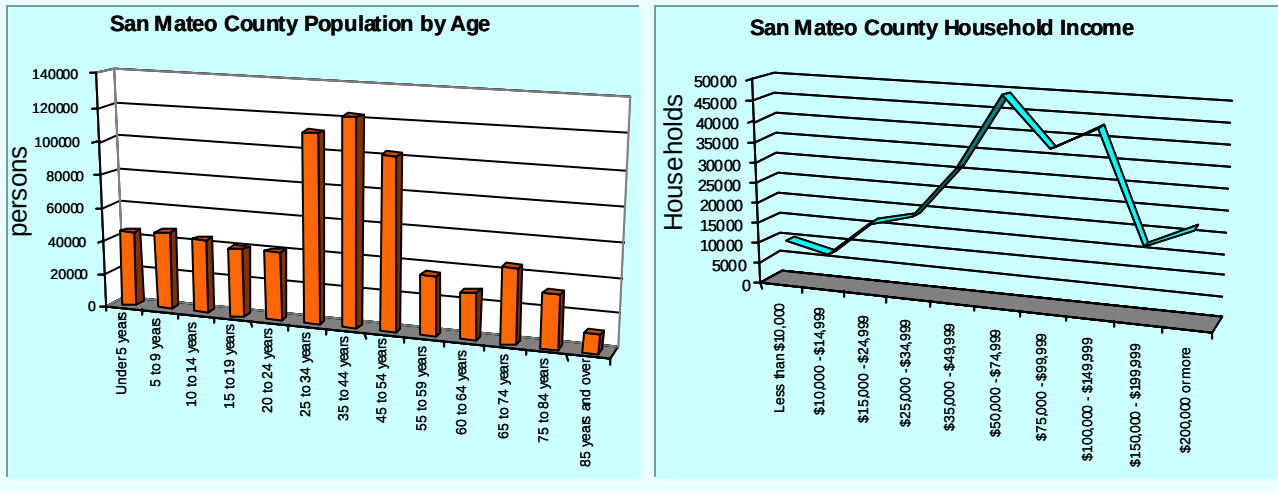


Fig. 3.8. Population distribution is weighted towards middle age , higher income wage earners.

average household size for San Mateo County is 2.78 persons per household, as opposed to 2.94 for California. The data reflects the fact that fewer young families are settling in San Mateo County.

As the White and Black populations have declined, and immigrant Asian and Hispanic population has increased, the face of the County has also changed. The greatest part of the Hispanic population has settled in the older, lower income neighborhoods to the east of El Camino Real, from East Palo Alto north through North Fair Oaks and Redwood City continuing through San Mateo to San Bruno and South San Francisco. The Asian population, with much higher mean household income, is concentrated in the upscale community of Foster City, wealthy neighborhoods in the mountain foothills, and the less affluent Daly City, home to large numbers of Filipinos. The four largest cities in the County, Daly City, San Mateo, Redwood City, and South San Francisco, have large concentrations of minorities (Fig. 3.9), 82.3 percent, 43.5 percent, 46.1 percent and 69.5 percent respectively. Four other communities are home to most of the remaining minority population: San Bruno (53.1 percent), East Palo Alto (93.5 percent), North Fair Oaks (76.8 percent), and Foster City (44.1 percent). All other cities in San Mateo County, taken together, are predominately non-Hispanic White

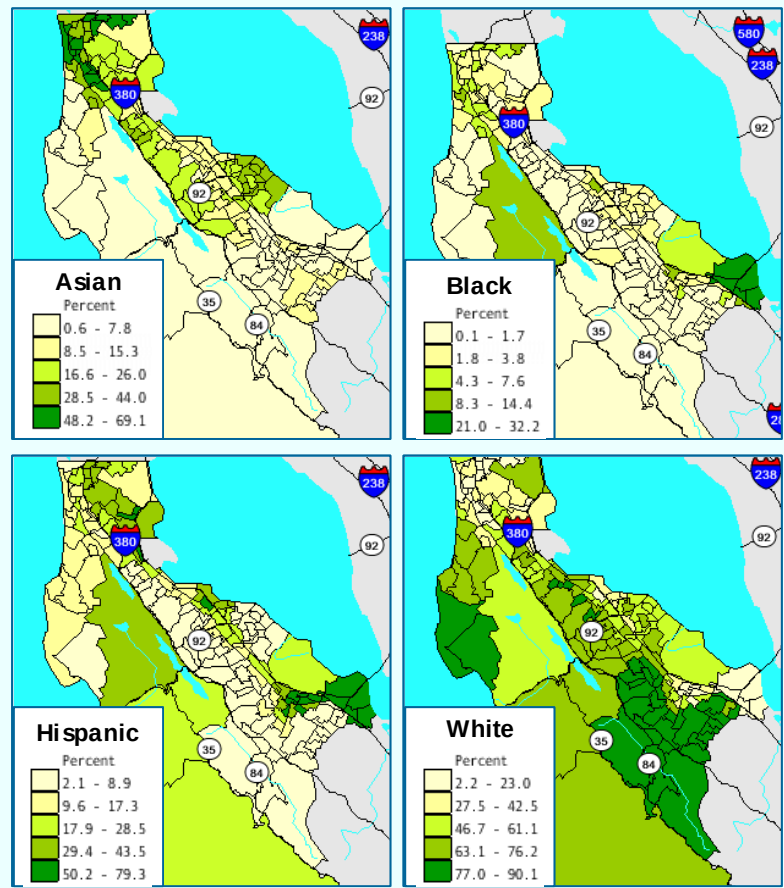


Fig. 3.9. Population densities of each of the major ethnic groups in San Mateo County.

(70.9 percent). The populations of the other cities in the county are only 13.3 percent Asian, 12.5 percent Hispanic, 1.5 percent Black, and less than 1 percent other races.

When ethnic distribution and per capita income are viewed together, the data portrays a somewhat polarized demographic landscape. Approximately one third of the population resides to the west of El Camino Real in the foothills of the coastal mountains and in smaller cities along the peninsula that can be characterized as above moderate income, predominately White residents living in very expensive, owner occupied upper middle class and upper class neighborhoods.

Nearly half of San Mateo County's residents live in the four largest entitlement cities (Fig. 3.10). These have large minority populations, older housing stock primarily built prior to 1970, and significant housing challenges, yet each is different. Daly City is over half Asian, with per capita income below the County average. Redwood City is one third Hispanic, a population with per capita income only a third that of Whites and with a significant number living below the poverty level. South San Francisco is the most diverse City in the County, about one third each White, Hispanic, and Asian. San Mateo is over half White, with smaller minority concentrations, and is somewhat segregated, with very expensive neighborhoods built before WWII to the west of downtown and poorer, minority neighborhoods to the east towards the bay.

While San Mateo's population as a whole is very diverse, with large numbers of Hispanics and Asians as well as Whites, its cities and communities tend to be more segregated with less diversity at the city and neighborhood levels. For instance, Asians are concentrated in Daly City and Foster City. Hispanics are concentrated in East Palo Alto, North Fair Oaks, and San Bruno. The smaller cities and neighborhoods to the west of El Camino Real are predominantly White. East Palo Alto has the only significant concentration

San Mateo Communities Demographic Overview

Jurisdiction	Total Population	Percent Minority	Occupied Housing Units	Household Size	Per Capita Income
California	33,871,648	51.20%	11,502,870	2.87	\$22,711
San Mateo County	707,161	50.2%	254,103	2.74	\$36,045
Entitlement Cities					
Daly City	103,621	82.3%	30,775	3.34	\$21,900
Redwood City	75,402	46.1%	28,060	2.62	\$34,042
San Mateo City	92,482	43.5%	37,338	2.44	\$36,176
South San Francisco	60,552	69.5%	19,677	3.05	\$23,562
Special Focus Cities					
East Palo Alto	29,506	93.5%	6,976	4.20	\$13,774
Half Moon Bay	11,842	33.4%	4,004	2.75	\$37,963
Menlo Park	30,785	36.3%	12,387	2.41	\$53,341
North Fair Oaks	15,440	76.8%	3,997	3.84	\$18,331
San Bruno	40,165	53.1%	14,677	2.72	\$26,360
Other Communities					
Atherton	7,194	14.4%	2,413	2.85	\$112,408
Belmont	25,123	29.6%	10,418	2.35	\$42,812
Brisbane	3,597	35.3%	1,620	2.20	\$37,162
Broadmoor	4,026	56.4%	1,275	3.11	\$24,608
Burlingame	28,158	28.7%	12,511	2.21	\$43,565
Colma	1,191	72.3%	329	3.47	\$20,241
EL Granada	5,724	20.0%	2,028	2.82	\$38,832
Emerald Lake	3,899	11.4%	1,437	2.69	\$68,966
Foster City	28,803	44.1%	11,613	2.47	\$45,754
Highlands/Baywood Park	4,210	28.7%	1,536	2.63	\$46,584
Hillsborough	10,825	30.2%	3,689	2.93	\$98,643
Millbrae	20,718	43.7%	7,956	2.56	\$33,193
Montara City	2,950	16.7%	1,010	2.80	\$44,360
Moss Beach	1,953	10.7%	740	2.64	\$41,283
Pacifica	38,390	34.9%	13,994	2.73	\$30,183
Portola Valley	4,462	9.2%	1,700	2.58	\$99,621
San Carlos	27,718	19.8%	11,455	2.40	\$46,628
West Menlo Park	3,629	13.0%	1,420	2.55	\$62,302
Woodside	5,352	12.4%	1,949	2.74	\$104,667

Fig. 3.10. Demographic overview of cities and unincorporated communities in San Mateo County.

of Blacks. Only a few cities, San Mateo, South San Francisco, and San Bruno among them, have significant concentrations of three or more ethnic groups. This may be in part due to the fact that San Mateo County was built out in the mid 1900s and few new “family housing tracts” have been constructed since. Housing prices are so expensive that only above moderate-income families can buy a home in the county, a high percentage White or Asian. In contrast, many Central Valley communities constructed over the past two decades have filled with young families from a variety of ethnic groups able to afford the much less expensive housing available and open under today’s fair housing laws. New central valley communities often will have four ethnic groups represented on the same street.

The most affluent communities in the county, Atherton, Woodside, Portola Valley, and Hillsborough, have per capita incomes nearly three times the county average. These communities have between 70 percent and 90 percent non-Hispanic White population. Most minorities in these communities are Asian so that 95 percent or more of residents are non-Hispanic White or Asian. Geographically, these cities lie to the west of El Camino Real up to and around Highway 280.

About one eighth of the County’s population resides in two communities that can be characterized as having high minority concentrations, low per capita income, and significant amounts of older, substandard housing. These communities, East Palo Alto and North Fair Oaks, represent the greatest housing, economic, and social challenges in the county.

Distinct patterns of segregated housing are apparent in San Mateo County. Concentration of ethnic groups by city, as described above, is one pattern. The only significant concentration of Blacks in the county is in East Palo Alto. Daly City is more than half Asian, mostly Filipino. Affluent cities like Hillsborough and Atherton are predominantly White. North Fair Oaks is predominantly Hispanic. Foster City has the largest concentration of non-Filipino Asians. A second geographical pattern of segregation is readily apparent. With the exception of the planned communities of Foster City and Redwood Shores, to the east of Bayshore Freeway, the population is predominately low income Hispanic and Black. Conversely, to the west of Caltrain, the population is increasingly affluent White and Asian up into the foothills of the coastal mountains.

Most of San Mateo County’s population is concentrated in the valley between the coastal mountain range and the San Francisco Bay. However, about 10 percent live in coastal communities along the Pacific Ocean on Highway 1 and in large, lightly populated rural areas west of the coastal range. Coastside communities have grown most rapidly over the last decade. These communities are about two thirds non-Hispanic White with per capita incomes near the county average. One of these, Half Moon Bay, is highlighted in this report.

In the remainder of this section, each of the entitlements is highlighted, with an additional four cities and one Census Designated Place set aside for special interest. The remaining communities are also briefly discussed.

3.3 Entitlement Cities

Daly City

Daly City is the first city south of San Francisco. As such, the city has earned itself the nickname “Gateway to the Peninsula.” The city was named upon its incorporation in 1911 in honor of John Daly, a wealthy dairy farmer who had owned much of the land upon which the city sat. After the 1906 San Francisco earthquake and fire, Daly opened up his land as an emergency shelter for the thousands fleeing the devastation in the city. Many of these refugees stayed on the land, moving into developments created when John Daly subdivided his land to build new homes.

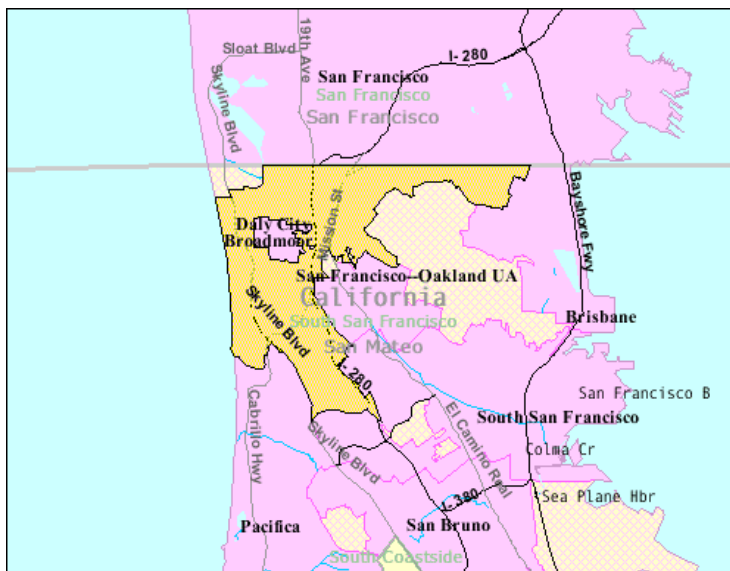


Fig. 3.11 San Mateo County's largest City, Daly City lies just south of San Francisco.

Since then, Daly City has grown in population and diversity, now a city of 103,000. The greater half of the city's population (52.4 percent) is foreign-born, many new immigrants. The city's immigrant population is the largest of any in the county.

Less than one-fifth the city's population is white (17.7 percent) while over half (50.7 percent) is Asian (Fig. 3.12). Daly City is home to more than half the county's Filipino population, 34.1 percent of the city's residents. At 22.2 percent, the city's proportion of Hispanics is close to that of the rest of the county. Both the Hispanic and the Asian populations are distributed rather evenly around the city, with Asians being a majority population in many parts of the city.

Because nearly three-fourths of Daly City's population is either Asian or Hispanic, both of which have larger family sizes relative to Whites and Blacks (Fig. 3.13), Daly City has the fourth highest average household size of the twenty-eight San Mateo County communities profiled in this report. The average household size varies widely from census tract to tract in Daly City, with large average sizes in the tracts

Daly City Demographics by Ethnic Group					
Census 2000					
Ethnic Group	Population	Percent of Population	Occupied Housing Units	Household Size	Per Capita Income
Non-Hispanic White	18,341	17.7%	8,564	2.14	30,191
Hispanic	23,072	22.2%	5,714	4.04	16,422
Asian	52,522	50.7%	13,422	3.91	21,626
Black	4720	4.6%	1,833	2.57	25,451
Pacific Islander	940	0.9%	207	4.54	16,635
Native American	456	0.4%	130	3.51	23,402
Other	3570	3.5%	905	3.94	16,818
Total	103,621	100.0%	30,775	3.34	21,900

Fig. 3.12. Over 50% Asian, Daly City has low per capita income and large household size relative to county averages.

along the Daly City border with San Francisco, and along the hillside border with Colma.

Daly City is less affluent than the rest of the county. The median household income is \$62,310, lower than the county median of \$70,819, but still significantly higher than that of the state. The areas of higher income include the edges of the city along the coast and inland among the hills, as well as neighborhoods south of the civic center. Lower-income households are focused in the inner city area along Mission Street and around the Civic Center, as well as in the Bayshore neighborhood. More than half of Daly City's residents work in San Francisco, but reside in Daly City to take advantage of more affordable housing.

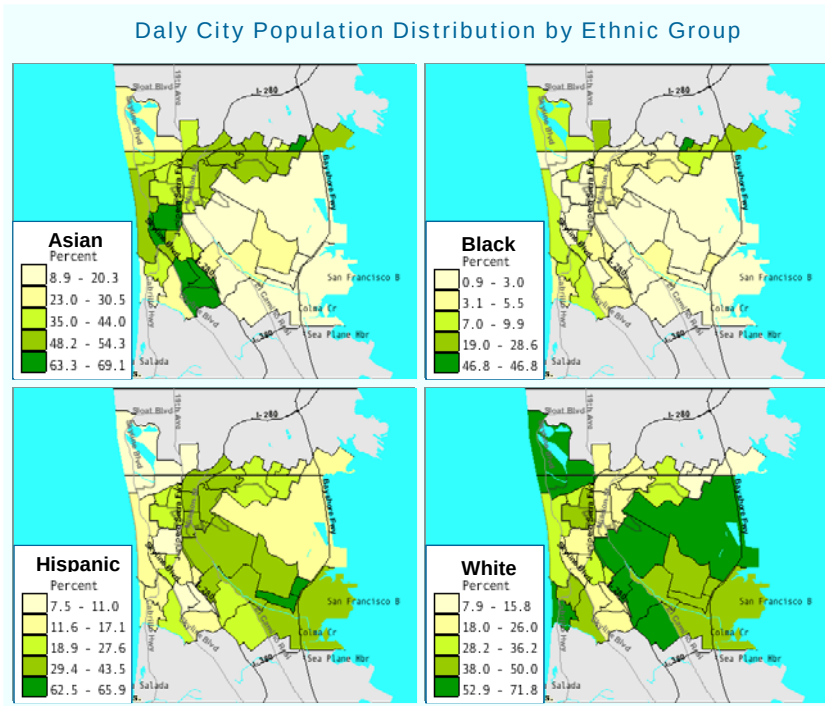


Fig. 3.13. A mix of ethnic groups exists throughout Daly City.

Daly City's median age is about 35 years old. This is younger than the county median, but still older than that for the state. There is fairly little variation between census tracts; the tracts in the center of Daly City, near Broadmoor, tend to have younger median ages, while the eastern-most tracts along the Colma and Brisbane borders tend to be a little older.

Daly City is located in close proximity to San Francisco, with a large Asian and Hispanic population that commutes into the neighboring city to work. Residents are less affluent than average for the county, and households are larger. However, as will be discussed in more detail in section 5 of this report, there is relatively little poverty. Daly City is one of the more diverse communities in the county and can be

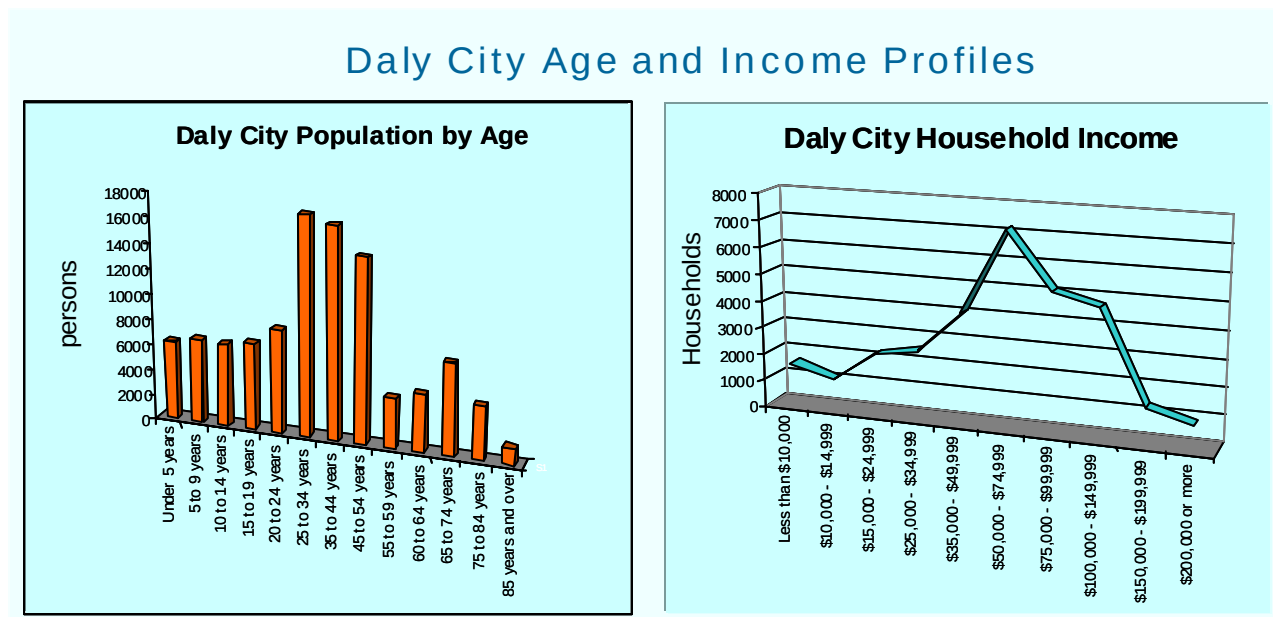


Fig. 3.14 Daly City resident's age and income are less than the county average.

characterized as a working class city with high concentrations of minorities.

Redwood City

Redwood City is a suburban community halfway between the metropolises of San Francisco and San Jose. Originally a part of the Rancho de las Pulgas, owned by one of the wealthy Spanish landowners who controlled most of what is now San Mateo County, Redwood City grew quickly after the Mexican-American war that made California part of the United States. After a deep-water channel off San Francisco Bay was discovered near what is now downtown Redwood City in the mid-1800s, incoming Americans established a wharf for shipping lumber to San Francisco. With a new port established, the population of the area boomed, encouraging the parceling and selling off of land. Eventually, as the population increased, and after the incorporation of San Mateo County, Redwood City itself was incorporated in 1867, named after the natural resource that had spawned its growth, and became the seat of San Mateo County. Beginning as a small waterfront town with few industries beyond shipping and lumber, Redwood City is now a city with a booming high-tech economy, affected strongly by Silicon Valley to the south.

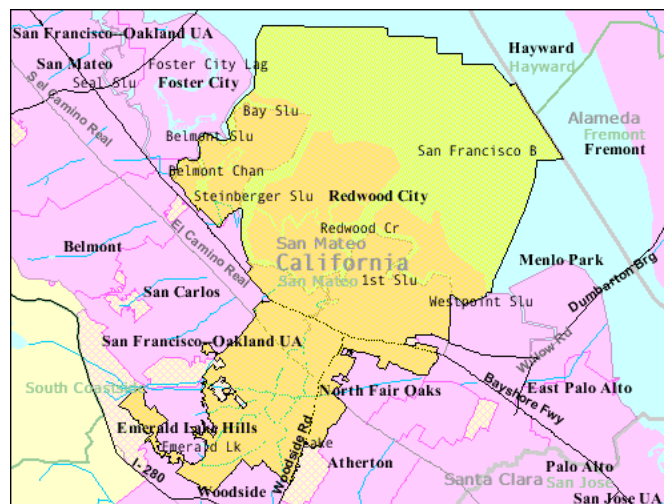


Fig. 3.15. Redwood City's large Hispanic population is contiguous with North Fair Oaks and East Palo Alto.

Redwood City has a majority white population, its 53.9 percent non-Hispanic White population higher than the 49.8 percent county average (Fig. 3.16). The City's Hispanic population is also larger than the county's – 31.2 percent versus 20.0 percent. In contrast, the Asian population is half that of the county, only 8.9 percent. Older parts of the city show strong patterns of segregation. Whites are heavily concentrated in the foothills west of El Camino Real. Hispanics and other minorities, especially African-Americans, are concentrated in census tracts that line the southeastern portion of the city that share a border with the county's poorest communities of East Palo Alto, North Fair Oaks, and east Menlo Park (Fig. 3.17).

The city's low-income populations are also concentrated in these same areas, the poorest census tract bordering the North Fair Oaks neighborhood. The city's richest tend to be in the Coastal Range hills and along the northern part of the San Francisco Bay coastline in the recently developed Redwood Shores community. These newer neighborhoods in Redwood Shores east of Bayshore Freeway are also more ethnically diverse.

Redwood City Demographics by Ethnic Group					
Ethnic Group	Population	Census 2000	Occupied Housing Units	Household Size	Per Capita Income
		Percent of Population			
Non-Hispanic White	40,656	53.9%	18,628	2.21	\$44,297
Hispanic	23,557	31.2%	5,565	4.03	\$15,914
Asian	6,715	8.9%	2,505	2.57	\$39,621
Black	1,916	2.5%	644	2.45	\$26,684
Pacific Islander	663	0.9%	152	4.09	\$20,505
Native American	384	0.5%	122	3.05	\$20,659
Other	1511	2.0%	444	3.4	\$18,375
Total	75,402	100.0%	28,060	2.62	\$34,042

Fig. 3.16. Redwood City's large Hispanic population earns little more than one third the White per capita income and lives in large households to afford rent.

Overall, though, Redwood City has a lower median household income than the county in general, at \$66,748 compared to the county median of \$70,819 (Fig. 3.18).

This same area along the North Fair Oaks and east Menlo Park borders with Redwood City is also where the Redwood City census tracts with the lowest median ages are located – tracts with median ages as low as 25 and 27. This, combined with high average household sizes – as high as 4.5 persons in the average household – indicates areas with large numbers of families with children.

In contrast, the richer census tracts generally are home to older populations; in tracts near the Emerald Lake Hills area, and along the southwestern border of the city, the median age is in the 40s. This is also true for the higher-income tracts in the northern part of the city by Foster City. These are also the census tracts with smaller households, ranging usually from 2 to 3 persons per household.

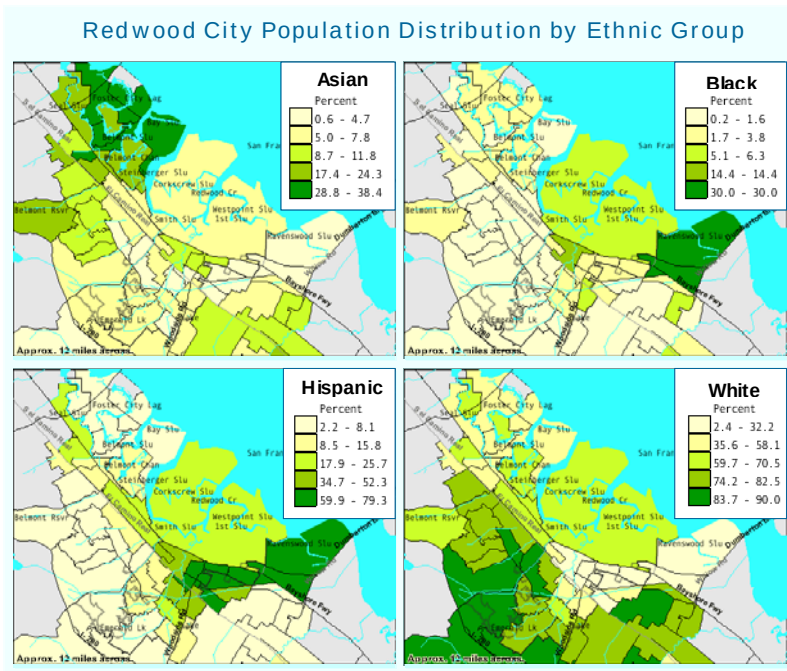


Fig. 3.17. Patterns of segregation show Blacks concentrated in East Palo Alto, Asians in Foster City, Hispanics in an arc from East Palo Alto into Redwood City, and Whites in the hills to the West.

The city is growing and diversifying. During the 1990s, population grew at an average annual rate of 1.33 percent, or 14.1 percent for the decade. This growth is related to economic expansion, immigration, and a housing cost advantage relative to other cities in the county. ABAG projects a slower average annual population growth rate between 2000 and 2010 as the dwindling supply of vacant land is built out.

As the seat of San Mateo County, Redwood City has experienced a succession of growth periods throughout the 19th and 20th centuries. It is now largely built out with much slower growth predicted in the future. Slightly more than half its residents are non-Hispanic Whites and about a third are Hispanic. The poor, heavily Hispanic neighborhoods adjoining North Fair Oaks form a continuous swath of poverty and older housing that extends from East Palo Alto, through North Fair Oaks, and into Redwood City. Redwood City's per capita income is lower than the county average. Household size is very high in the lower income Hispanic neighborhoods, and potential for predatory housing practices (discussed in next section) is high.

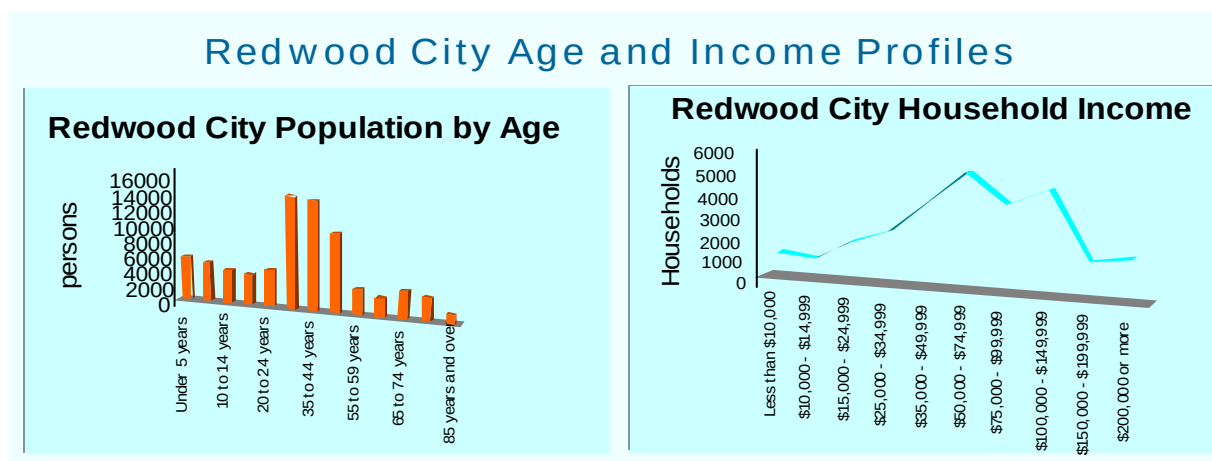


Fig. 3.18. Redwood City's household income and resident age are near the county average.

San Mateo City

The city of San Mateo, namesake for the county, began as a missionary outpost for the San Francisco mission, built along what later became known as San Mateo Creek. San Mateo City is located right in the heart of San Mateo County. After the Mexican Revolution separated the New World Spanish colonies from Spanish rule, mission lands were turned over to private landowners, or *rancheros*. This rancho period lasted three decades, until the ceding of California to the United States at the end of the Mexican-American War and an influx of American settlers to the area encouraged the landowners to sell off parcels of their land. San Mateo's geographic location became even more important with the establishment of a stagecoach stop in the old mission outpost and later with the construction of a railroad that went up the peninsula to San Francisco, with a stop in San Mateo. By train, it took only 40 minutes to travel from San Mateo to San Francisco, and thus San Mateo City became a center for business and shipping between the peninsula and the port city. This closeness also led to the city later becoming an attractive site for weekend and summer homes for wealthy merchants and other San Franciscans, looking for a home away from the noisy, busy city. San Mateo City was incorporated in 1894.

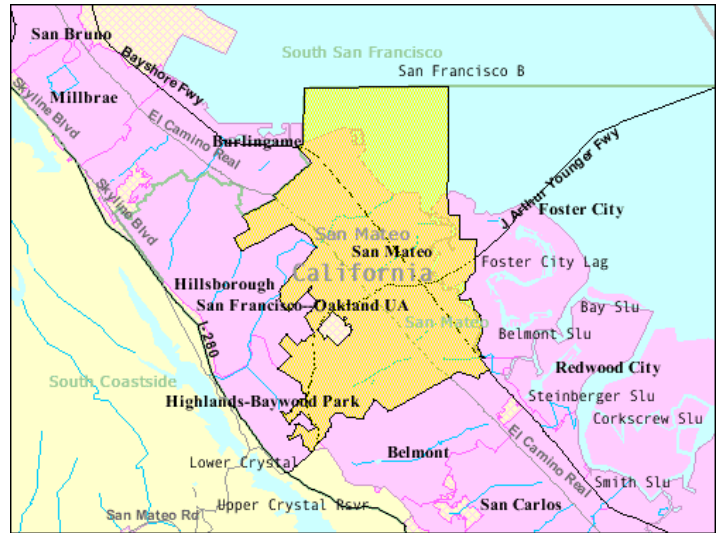


Fig. 3.19 San Mateo is centrally located in mid-county.

Since then, San Mateo has continued to grow into a prosperous city, now home to 92,482 residents. San Mateo is home to large numbers of Whites – more than half the population, Hispanics – about one in five, and Asians, nearly one in six (Fig. 3.20). Population of other ethnic groups is relatively small, the next largest group being Blacks, making up less than 3 percent of the city's population. The Hispanic population is concentrated in the northeastern portion of the city, along San Francisco Bay and the Bayshore Freeway. This is also the most ethnically diverse portion of the city, particularly in census tract 6062, which has the densest Hispanic population of any other tract in the City. As is typical of most cities along the peninsula, the White population is concentrated to the west of El Camino Real up into the foothills. Asians are well represented throughout most of the city (Fig. 3.21).

San Mateo City Demographics by Ethnic Group

Census 2000

Ethnic Group	Population	% of Population	Occupied Housing Units	Household Size	Per Capita Income
Non-Hispanic White	52,260	56.5%	25,107	2.12	\$45,373
Hispanic	18,973	20.5%	4,667	3.87	\$16,147
Asian	13,961	15.1%	5,306	2.58	\$34,915
Black	2,397	2.6%	980	2.33	\$36,087
Pacific Islander	1,517	1.6%	306	4.66	\$14,443
Native American	447	0.5%	139	2.91	\$19,371
Other	2,927	3.2%	833	3.51	\$18,133
Total	92,482	100.0%	37,338	2.44	\$36,176

Fig. 3.20. San Mateo is ethnically diverse with large numbers of Whites, Hispanics, and Asians.

While per capita income is close to the county average, the city's median household income is low, only \$64,757. This is due to the relatively large number of Whites with small household size together with the unusually low household size of San Mateo's Asian population.

San Mateo has a broad spectrum of wealth, however. Households with higher incomes tend to live in census tracts along the Coastal Range hills in beautiful, well-maintained neighborhoods of larger homes and mansions built in the 1920s and 1930s. The less affluent neighborhoods of the City, also the most ethnically diverse, center on Census Tract 6062, along the Bayshore Freeway, and also along the peninsula's "main street," El Camino Real. These census tracts are among the poorest, with median household incomes below \$60,000. This wide distribution in wealth is evident in per capita income statistics that show Hispanics making less than half the income of Asians and slightly more than a third of Whites. So while San Mateo City is statistically near the county average in many attributes, its individual neighborhoods are far from average in their character.

Median age for the city is 37.5 years, which is a bit older than the county median of 36.8, and still older than the state median. This high median age, together with small average household size (sixth smallest of the 28 communities shown in Fig. 3.10), indicates that San Mateo has fewer families with children than average.

In summary, San Mateo displays the typical pattern of segregation observed up and down the peninsula, with heavy concentrations of low income minorities, predominantly Hispanic, living along Bayshore Freeway while the affluent majority White and Asian population resides in the western hills.

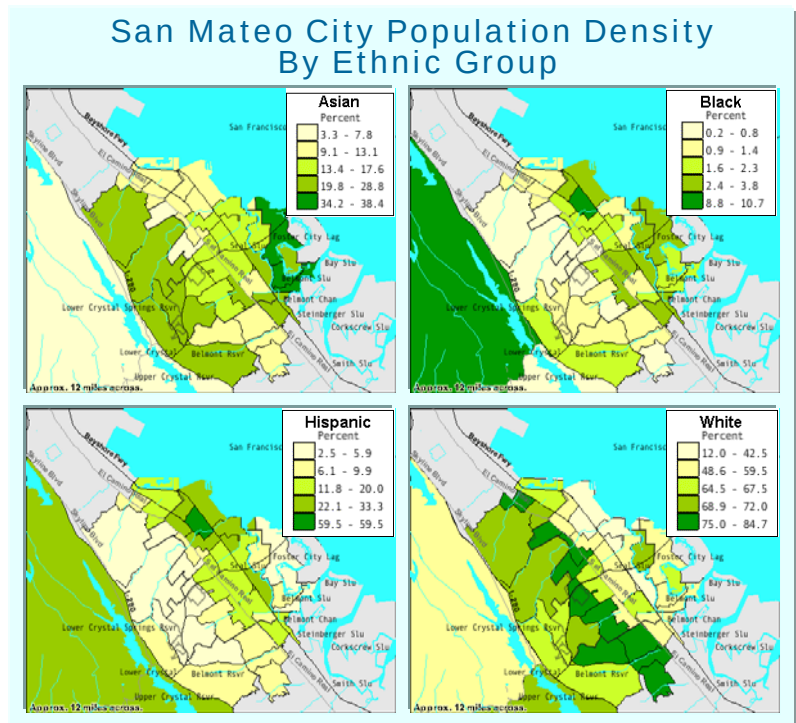


Fig. 3.21. Whites are concentrated to the west and Hispanics to the east of El Camino Real.

San Mateo City Age and Income Profiles

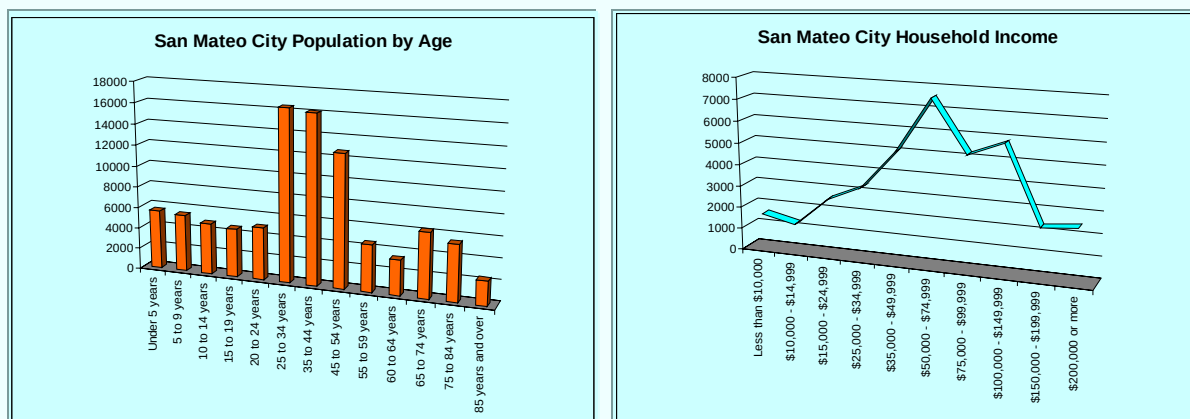


Fig. 3.22. San Mateo City's Age and Income profiles are near the county average.

South San Francisco

The city of South San Francisco is well-known for the large white letters erected in the hillside overlooking the city, proclaiming South San Francisco as “The Industrial City”. Indeed, South San Francisco is home to a large number of industries; it is the birthplace of the biotechnology industry. The city was originally a part of one of the large ranchos granted by the Mexican government following its revolution from Spain. The land that became the city was sold to white settlers first as a farm, and later to the G.E. Swift Company and Peter Iler of Omaha for the establishment of stockyards and a cattle marketplace in 1890. G.E. Swift took the name of this new “town” from the closest major city, San Francisco, in a pattern that had been repeated in his other plants, known as “South Chicago” and “South Omaha.” The city was eventually incorporated in 1908.

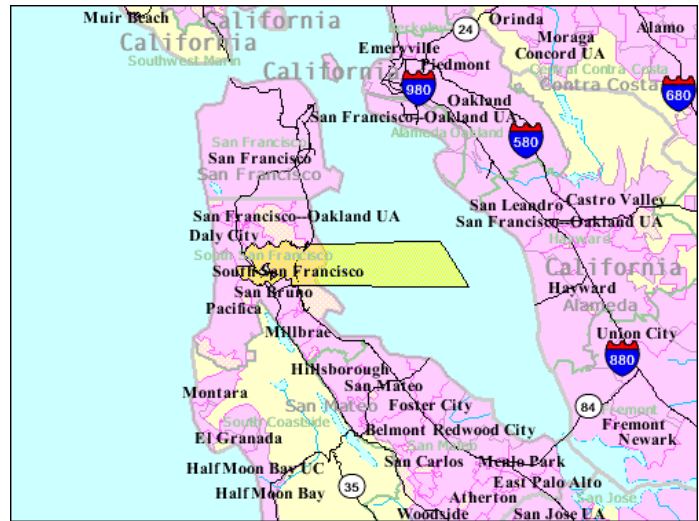


Fig. 3.23. Near San Francisco International Airport, South San Francisco is attracting high tech companies.

Following the First World War, the city opened itself up to new settlers, and new industries. In an attempt to encourage companies to establish bases in the city, the South San Francisco Chamber of Commerce had the original version of the famous “Industrial City” statement installed on what is now known as “Sign Hill.” The original letters were painted into the hillside in a mixture of white lime and cement, and later replaced with 60-inch concrete letters. This advertisement seems to have worked, as 30 industries relocated to South San Francisco. With a new job base for a burgeoning population, and also with the temporary explosion of a shipbuilding industry during the two World Wars, the population expanded and grew, with South San Francisco now home to over 60,000 residents. Industry is still important to the city, with approximately 2,250 acres of land devoted to manufacturing, wholesaling, transportation facilities and utilities.

The city’s population is extremely diverse, with about 39 percent of residents being foreign-born, a higher percentage than any other entitlement save Daly City. There is no majority population and the three largest ethnic groups, Hispanics, Whites, and Asians, each constitute about 30 percent of the population (Fig. 3.24).

The northeastern-most census tract, nearest San Francisco, and the Southwestern-most tract, adjacent to the

South San Francisco Demographics by Ethnic Group					
Census 2000					
Ethnic Group	Population	% of Population	Occupied Housing Units	Household Size	Per Capita Income
Non-Hispanic White	18,487	30.5%	8,348	2.31	\$30,791
Hispanic	19,282	31.8%	4,764	3.88	\$16,090
Asian	17,510	28.9%	4,985	3.51	\$24,864
Black	1,707	2.8%	651	2.68	\$26,076
Pacific Islander	944	1.6%	221	4.18	\$18,598
Native American	362	0.6%	119	2.96	\$18,513
Other	2,260	3.8%	589	3.84	\$17,111
Total	60,552	100.0%	19,677	3.05	\$23,562

Fig. 3.24. Hispanics, Whites and Asians each represent nearly one third of South San Francisco’s residents.

3.4 Special Focus Cities

Beyond the entitlements, which are the four largest cities within the urban part of the county, there are several cities that deserve attention either because they have significant issues that relate to fair housing choice or because they are representative of a larger group of similar cities. East Palo Alto and North Fair Oaks have high concentrations of Hispanics and Blacks, high poverty rates, and significant numbers of substandard housing units. Menlo Park is representative of the affluent, predominantly White cities that stretch down the peninsula from Burlingame, through Belmont and San Carlos, to Menlo Park. Half Moon Bay is representative of the rapidly growing coast-side communities stretching down the coast from Pacifica to Half Moon Bay. San Bruno is an ethnically diverse city with large Hispanic and Asian populations.

East Palo Alto

East Palo Alto is the county's youngest city, incorporated just 20 years ago in 1983. Formerly a part of the Mexican rancher-owned Rancho de las Pulgas that made up much of what is currently Redwood City and Menlo Park, the land was eventually purchased by Adams & Company and named "Ravenswood" after Isaiah Woods, a partner in the company that first saw a reason to speculate in the area. The land was laid out as a port town community and a wooden pier, at what is now known as Cooley's Landing, was erected in 1849. Ravenswood became the first planned community in what would later be known as San Mateo County. As the only port on the peninsula south of San Francisco, it became an important access way to San Jose for travelers from San Francisco, who would take a steamship down the San Francisco Bay coast to Ravenswood, and then take the stagecoach the rest of the way into San Jose. The town blossomed and grew with a steady income from port traffic and trade until the larger port at Redwood City opened up. From this point on, East Palo Alto's economy declined, and never fully reestablished itself, as competition from the surrounding cities drew most of the business away from the city. Business bloomed briefly with the opening of the Dumbarton Toll Bridge in 1920s, the first to cross the bay, but died down when the San Mateo Bridge was built and took much of the Dumbarton's traffic. The widening of the Bayshore Freeway in the 1950s decimated the business district of the town, as it displaced over 50 businesses located along the route of the highway.

The declining economy drove the rents in the East Palo Alto area down, attracting low-income and minority households, who were unable to afford the higher rents and costs of living in the surrounding communities, including Palo Alto, Menlo Park, and Redwood City. On the border of San Mateo and Santa Clara Counties, East Palo Alto has also been impacted by the economic boom and subsequent bust in Silicon Valley.

In the past few years, the area along University Road and Highway 101 has been undergoing significant redevelopment, with the opening of a big-block shopping center, including an Ikea, and new housing tracts intended to attract young urban professionals looking for less costly housing in an area with a tight housing market. This redevelopment displaced a number of small businesses and some of the poorer neighborhoods, and likely has had an impact on the demographics of the city. The demographic data as follows is for East Palo Alto as of April 1, 2000, just before this redevelopment began.

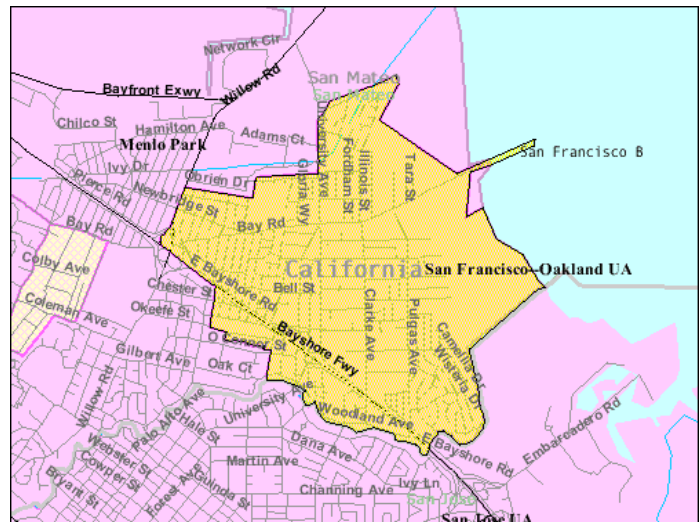
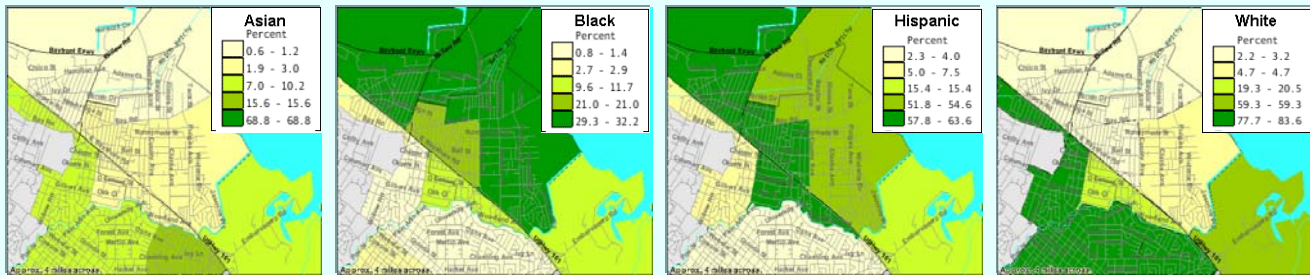


Fig. 3.27. East Palo Alto is at the southern tip of the county, adjacent to affluent Palo Alto.

East Palo Alto Demographics by Ethnic Group



Ethnic Group	Population	% of Population	Occupied Housing Units	Household Size	Per Capita Income
Non-Hispanic White	1,930	6.6%	1,002	1.96	\$32,169
Hispanic	17,346	58.8%	2,949	5.82	\$9,423
Asian	657	2.2%	207	3	\$24,025
Black	6,796	23.0%	2,267	3	\$18,328
Pacific Islander	2,252	7.6%	375	6.07	\$12,379
Native American	246	0.8%	58	4.03	\$9,045
Other	279	1.0%	118	3.98	\$11,089
Total	29,506	100.0%	6,976	4.2	\$13,774

Fig. 3.28. East Palo Alto has the highest concentration of minorities and highest poverty rate in the county.

East Palo Alto is home to a predominantly minority population (Fig. 3.28), with a large but declining African-American community, a significant Pacific Islander community, and a large and growing Hispanic community. Nearly fifty-nine percent of the population is Hispanic. This small city of 29,500 residents has almost a fourth of the countywide Pacific Islander population.

While the proportion of foreign-born persons in the city is just a little higher than that found countywide, a much larger percentage are non-citizens. Almost half of the immigrants living in East Palo Alto entered the country in the last ten years. More households in East Palo Alto speak Spanish than English.

The median household income for East Palo Alto is low compared to the rest of the county. East Palo Alto's median household income is \$45,006, more than \$25,000 under the countywide median of \$70,819. The city has nearly three times the percentage of population living below the poverty line – 16.2 percent as compared to the countywide average of 5.8 percent.

East Palo Alto's high average household size of 4.2 persons per household and relatively young median age of 25 years point to a large number of families with children. As well as being an area economically attractive for minorities, East Palo Alto draws large families with children, who are unable to afford larger accommodations in the surrounding Bay Area communities.

Half Moon Bay

Half Moon Bay is a rural seaside community about 30 miles south of San Francisco, reflecting two very different lifestyles: Whites living in a growing resort community in relative affluence and Hispanics, part of the older, agricultural community living in relative poverty.

Spanishtown, or Half Moon Bay as we know it, is the oldest settlement in San Mateo County, dating back to the 1840s. Traces of its past are visible in the many historic buildings in the communities that make up coast side San Mateo County. The area between Devil's Slide and Ano Nuevo boasts a very colorful past from the Spanish Land Grants in the 1840s to the Ocean Shore Railroad at the turn of the century, the rumrunners of the 1930s and the ever-increasing popularity of today.

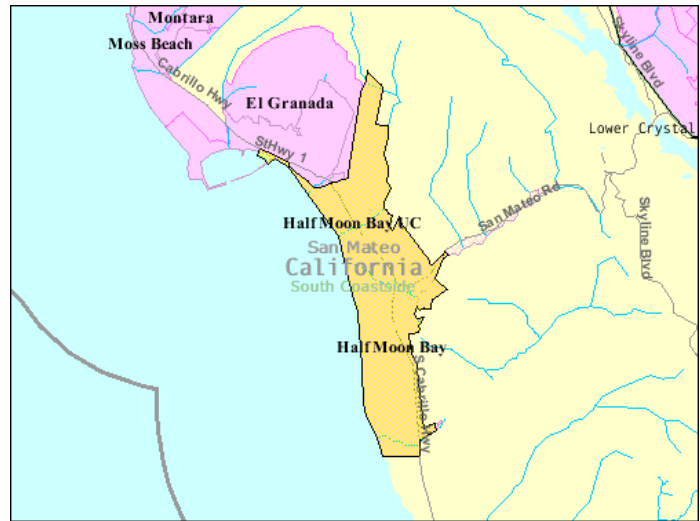
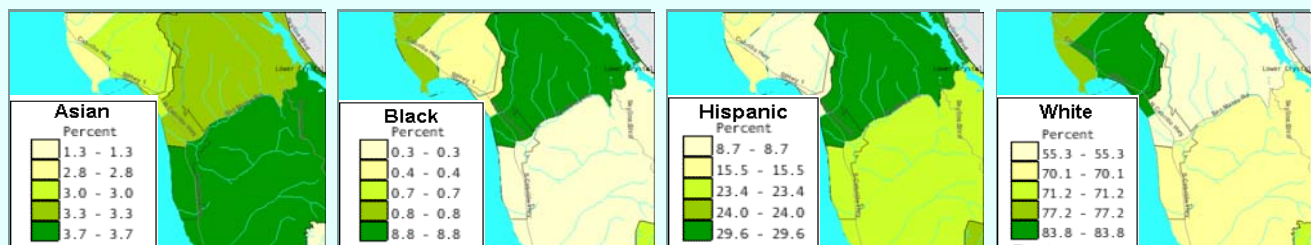


Fig. 3.29. Half Moon Bay is representative of the coastside cities stretching south from Pacifica.

The coast side is nestled between the Santa Cruz Mountains and the Pacific Ocean. Because of the perceived geographic isolation, the area had not changed dramatically over the years. Recently, however, Half Moon Bay has seen increasing development, from new residential tracts to resort hotels. The historic downtown is home to numerous shops, art galleries, restaurants, bed and breakfasts, and other businesses. Local beaches and parks are accessible to pedestrians, bikes and equestrians. Golf can be enjoyed at two of California's finest courses. The City and coast side are home to numerous nurseries and farms. The Pumpkin Festival held in October draws hundreds of thousands of people to the coast to enjoy its panoramic vistas, fine cuisine, arts, crafts and genuine hospitality. The largest industry is agriculture specializing in floriculture, seconded by tourism, then commercial fishing. Residential development and tourism development caters to

Half Moon Bay Demographics by Ethnic Group



Ethnic Group	Population	% of Population	Occupied Housing Units	Household Size	Per Capita Income
Non-Hispanic White	7,882	66.6%	3,303	2.39	\$49,179
Hispanic	2,751	23.2%	455	5.33	\$12,981
Asian	402	3.4%	123	2.96	\$34,904
Black	463	3.9%	20	2.5	\$15,938
Pacific Islander	14	0.1%	1	2	\$12,665
Native American	52	0.4%	14	3.64	\$16,316
Other	278	2.4%	88	3.16	\$10,048
Total	11,842	100.0%	4,004	2.75	\$37,963

Fig. 3.30. Half Moon Bay's residents are predominately affluent Whites living in newer upscale housing and Hispanic farm-workers living in nearby agricultural areas.

the executive lifestyle.

Half Moon Bay is the only incorporated city on the coast side south of Pacifica. The remaining communities of Montara, Moss Beach, Princeton-by-the-Sea, El Granada, Miramar, San Gregorio, Pescadero, and La Honda are un-incorporated areas of San Mateo County governed by the County Board of Supervisors.

Half Moon Bay's population is two thirds non-Hispanic White and nearly one-fourth Hispanic (Fig. 3.30). Asians, Blacks, and other ethnic groups constitute a small fraction of Half Moon Bay's population, only 10.2 percent in total. The Hispanic population is largely employed in agriculture with per capita income just over one-fourth that of the White population. Whites have increasingly settled in the newer affluent neighborhoods. Hispanics live in very large households, many severely overcrowded, nearer the agricultural areas south of town.

Menlo Park

The area of what is now known as Menlo Park was once a part of the Rancho de las Pulgas, the same rancho that incorporated Redwood City, East Palo Alto, and Atherton. When the rancho's land was parceled out and sold after the American acquisition of California, the area along County Road (later El Camino Real) that later became Menlo Park was purchased by two Irishmen married to two sisters. These Irishmen built two estate houses with a common gated entrance. The estate's name, "Menlo Park," was printed over the gate, later to be seen by a railroad official trying to decide on a name for the nearby train station. The name Menlo Park was applied to the station, and it stuck for the remainder of the area's history.

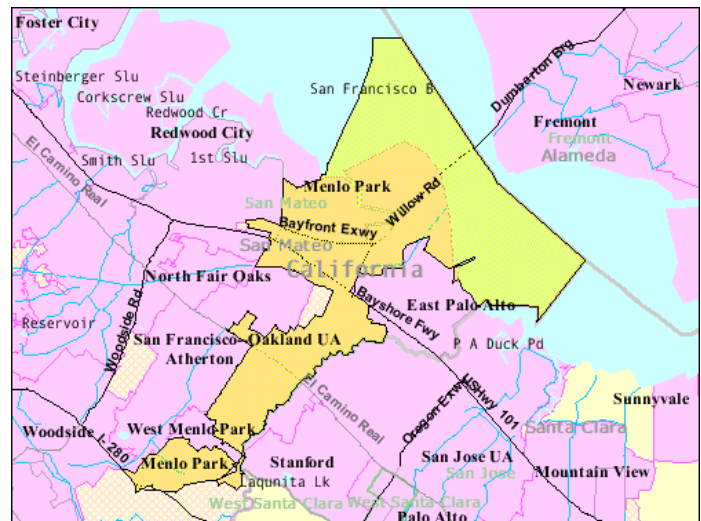
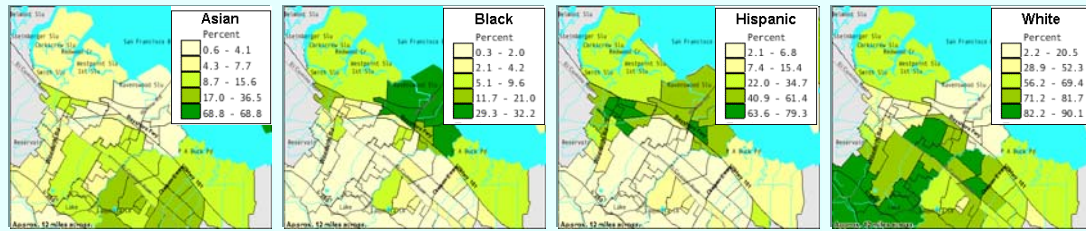


Fig. 3.31. Menlo Park lies at the southern end of the county adjacent to East Palo Alto.

San Mateo County became independent of San Francisco County in 1856, and with the construction of a county road that ran from San Francisco to San Jose, the Peninsula opened up to the residents of San Francisco who wished to establish summer residences in the country. Among the first to buy large tracts of land and build their mansions were the Athertons, Hopkins, Floods, Mills, Donohoes and Feltons. The great estates were largely self-sufficient and most of the workers lived on the premises. As the town around the Menlo Park station grew in population and business, traffic began to put a strain on the local roads, creating the need for repairs. In response to this problem, the City of Menlo Park incorporated briefly in 1874, an incorporation that lasted only two years. The City was later reincorporated in 1927, without the areas of Atherton and East Palo Alto that had been a part of the earlier incorporation.

As a city that shares a border with East Palo Alto, Menlo Park shows a sharp contrast to its poorer, more ethnically diverse neighbor. The city has very little ethnic diversity, with whites by far the majority population. Not even the Asian population, usually one of the most prevalent race groups in the county, makes an impressive showing in numbers, there being almost as many Blacks in the city as Asians. Only 15.6 percent of the city of Menlo Park is of Hispanic origin, as compared with 22 percent for the county, and 58.8 percent for its eastern neighbor, East Palo Alto. Most of the city's minority population is centered in the eastern part of the city, closest to ethnically diverse East Palo Alto. West of the Bayshore Freeway, there are few Hispanics or other minorities. The minority population of Menlo Park, especially the Hispanic

Menlo Park Demographics by Ethnic Group



Ethnic Group	Population	% of Population	Occupied Housing Units	Household Size	Per Capita Income
Non-Hispanic White	20,452	66.4%	9,551	2.12	\$67,110
Hispanic	4,803	15.6%	941	4.86	\$17,349
Asian	2,201	7.2%	901	2.3	\$50,785
Black	2,163	7.0%	710	2.87	\$19,812
Pacific Islander	389	1.3%	70	5.34	\$18,642
Native American	136	0.4%	31	3.55	\$116,980
Other	641	2.1%	183	3.5	\$18,512
Total	30,785	100.0%	12,387	2.41	\$53,341

Fig. 3.32. Menlo Park displays the pattern of segregation typical along the peninsula, affluent Whites in the foothills to the west and lower income Hispanics and Blacks along the Bayshore Freeway.

and African-American populations, is concentrated in the three census tracts to the east of Highway 101, bordering along East Palo Alto and the San Francisco Bay.

Menlo Park is divided in much the same way on the basis of age and household size. The median ages of the populations in the easternmost census tracts, 6117 and 6118, are low not only relative to the city as a whole, but to the county and the rest of the state, at 25 years of age. Households also tend to be large, with an average as large as 5.16 persons per household, pointing to a concentration of families with children in the eastern part of the City. The older households tend to be in western Menlo Park, with the oldest, where the median age is 48 years old, in the hills by Atherton, Palo Alto, and Stanford. These census tracts also are home to smaller households, average household size ranging in size from 1.75 to 2.68 persons.

The median incomes for census tracts throughout the city follow this same pattern; several tracts in central Menlo Park have median household incomes over \$100,000 in 1999. This is nearly that of the older, smaller households in the hills of western Menlo Park. East of Highway 101, census tracts have the lowest median household incomes of the city.

North Fair Oaks

While not an incorporated city in and of itself, the neighborhood of North Fair Oaks is deserving of special focus because of the high number of minorities and high poverty rate of households living within its borders. The neighborhood, once a part of the Rancho de las Pulgas during the Mexican rancho era, and later included in the temporary incorporation of Menlo Park, sits sandwiched between Menlo Park, Atherton, and Redwood City. The neighborhood shares much of

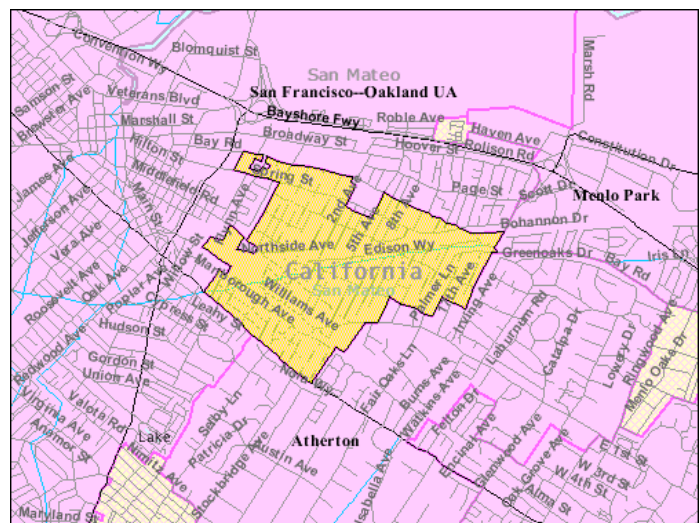
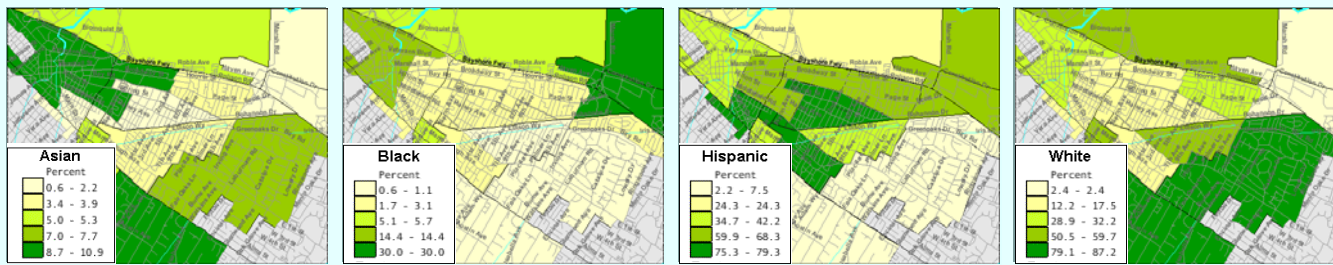


Fig. 3.33. Unincorporated, predominately Hispanic North Fair Oaks lies adjacent to Redwood City.

North Fair Oaks Demographics by Ethnic Group



Ethnic Group	Population	% of Population	Occupied Housing Units	Household Size	Per Capita Income
Non-Hispanic White	3,575	23.2%	1,596	2.21	\$38,006
Hispanic	10,741	69.6%	2,054	5.19	\$11,162
Asian	468	3.0%	152	2.91	\$23,919
Black	296	1.9%	105	2.71	\$28,615
Pacific Islander	203	1.3%	36	5.47	\$33,467
Native American	130	0.8%	31	3.9	\$21,412
Other	27	0.2%	23	4.2	\$17,223
Total	15,440	100.0%	3,997	3.81	\$18,331

Fig. 3.34. North Fair Oaks has the highest Hispanic population density in San Mateo County.

the same history as Menlo Park, being once an incorporated part of it. In June of 1987, the Board of Supervisors of the County of San Mateo, as part of the Community Development Block Grant program, authorized the development of a program to study the Economic Strategies in North Fair Oaks. Two task forces were formed to develop a number of action-oriented strategies that could be implemented within a couple of years. At the time of their final report to the Board of Supervisors in February 1988, they recommended that a permanent entity be formed to develop long-term economic strategies by active partnerships among community members, the private financial sector, and the private sector. This entity, voted into existence in December, 1990, became the North Fair Oaks Council.

North Fair Oaks' population is made up ethnically of Whites and persons of Hispanic origin. There are few Asians or African-Americans in North Fair Oaks. In comparison, the two Menlo Park census tracts to the east of North Fair Oaks have a fairly large African-American population, few of which have migrated into the North Fair Oaks neighborhood. In addition, well over two-thirds of the population is Hispanic. Roughly half of the neighborhood population is foreign-born, most from Latin American countries.

The neighborhood's population is relatively young, compared to both the county and the state, at 28.7 years old. The median income, \$55,603, is low compared to the county, but still higher than the state median, perhaps a reflection of the area's high cost of living.

In short, the demographic makeup of North Fair Oaks consists of poorer, predominantly Hispanic neighborhoods similar to those of adjacent census tracts of two of its neighbor cities, Redwood City and Menlo Park. In contrast, it reflects little of the wealth of its third neighbor, Atherton, where the median household income is over \$200,000 a year.

San Bruno

San Bruno, so named for both the mountain that looms over its city line and for the patron saint who founded the Carthusian order of monks, sits in the middle of the upper San Francisco peninsula, nestled between Pacifica, Millbrae, and South San Francisco. The land, after the secularization of the missions following the Mexican revolution in the 1820s, was granted to Jose Sanchez for his years of military service. When California was ceded to the United States as a result of the Mexican-American war, the Sanchez family lost the land through the court system, and the area that is now San Bruno was bought for the most part by Darius Mills, the founder of the Bank of California. Over the course of the next forty years, the San Bruno community grew, from rural ranchland to a small town centered around the San Bruno House, which was a way station and hotel built as a stopping-place for travelers up and down the peninsula when the railroad was installed along the route between San Jose and San Francisco. Following the 1906 San Francisco Earthquake, San Bruno became a refuge for those left homeless following the devastation. San Bruno incorporated into a city in 1914, and continued to grow, as land was developed along the hillsides and into the valley approaching the coast. In 1927, Mills Field, adjacent to San Bruno, was dedicated for use as an airport, eventually becoming the San Francisco International Airport, one of the major ports of entry for immigrants to the western United States.

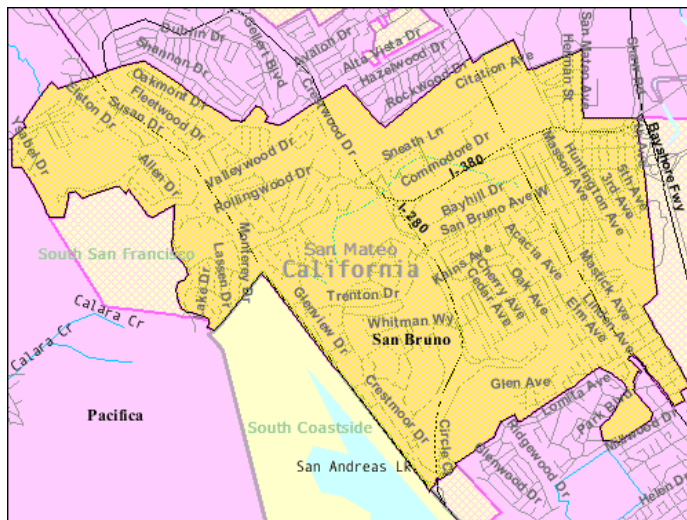
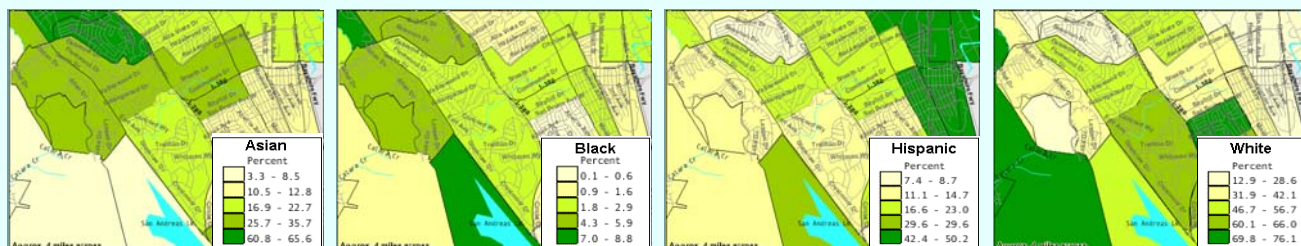


Fig. 3.35. San Bruno is located in the north county.

Because of its location in the midst of other cities, the hills, and the San Francisco International Airport, San Bruno has not been able to grow much in the last 50 years or so. Ethnically, San Bruno can be considered a

San Bruno Demographics by Ethnic Group



Ethnic Group	Population	% of Population	Occupied Housing Units	Household Size	Per Capita Income
Non-Hispanic White	18,822	46.9%	8,410	2.32	\$31,040
Hispanic	9,686	24.1%	2,555	3.58	\$18,101
Asian	7,506	18.7%	2,491	2.95	\$27,377
Black	807	2.0%	307	2.47	\$42,342
Pacific Islander	1,156	2.9%	232	4.86	\$16,384
Native American	189	0.5%	59	2.85	\$25,193
Other	1,999	4.9%	623	3.21	\$19,346
Total	40,165	100.0%	14,677	2.72	\$26,360

Fig. 3.36. San Bruno is an ethnically diverse working class city.

“slice of San Mateo County;” the proportions of the races are similar to the county’s, with about fifty-eight percent of the population being White and one-fifth of the population Asian. The Hispanic population in San Bruno is a little larger than that for the County as a whole, with 24 percent of the city being of Hispanic descent.

3.5 Other San Mateo County Communities

The other nineteen San Mateo County communities, extending down the valley between the Coastal Range Hills and San Francisco Bay and along the Pacific Coast against the Santa Cruz Mountains, are briefly discussed in terms of their location in relation to the rest of the county, their ethnic makeup, income, household size, and median age.

The Wealthy Communities

Four communities - Atherton, Hillsborough, Portola Valley, and Woodside – are extremely affluent with per capita incomes near \$100,000. They are characterized by predominantly White populations with a significant percentage of Asians. Few other ethnic groups are represented in large numbers in these cities. Homes range from large and very expensive to palatial.

The city of **Atherton**, with population of just over 7,200, borders Menlo Park to the north. Formerly a neighborhood called “Fair Oaks,” the name was changed to Atherton at the time of incorporation due to another town in the state with the same name. The current city of Atherton shares very little demographically with its northern neighbor, North Fair Oaks. The city is almost eighty-five percent white, with a small Asian population of 9.8 percent and an extremely small Hispanic population of 2.8 percent as compared to North Fair Oaks just to the north, which is 69.6 percent Hispanic. Atherton also shares in the affluence of its neighbors to the south, being the richest city in San Mateo County; the median household income was over \$200,000 in 1999. Households tend to be smaller in size for the county, with just under three persons per household on average. The city has one of the oldest populations in the county with median age just over 45 years.

The city of **Hillsborough** has long enjoyed a history of wealth and exclusivity. A wealthy merchandiser, William Davis Merry Howard, purchased a tract of land, Rancho San Mateo which included what is now the city of Hillsborough, from the Mexican government in the 1840s, and became even wealthier at the end of the decade during the Gold Rush, as his firm was one of the few provisions outlets for gold seekers on the west coast. Howard’s family sold parcels of the rancho land to other wealthy merchants, including merchants from San Francisco looking for a place to build their summer homes and retreats, and a community of wealthy landowners sprang up in the hillside area that came to be known as Hillsborough. At the turn of the century, fearful that its fast-growing neighbors San Mateo and Burlingame would attempt to incorporate them into their borders, the prosperous community voted to incorporate. Not only was this incorporation to prevent the community’s tax dollars from going to the neighboring city, but it was also to keep this same city lifestyle, including sidewalks and other urban amenities, out of their mostly-rural community. At incorporation in 1910, Hillsborough was a small community of 750; it is now a large town of 10,823. The city’s residents are still among the richest in the county, with the median household income of \$193,157, second only to Atherton. Just less than seventy percent of the population is White with a large Asian population of twenty-five percent. Less than three percent are Hispanic, compared to twelve percent for the city’s eastern neighbor, San Mateo. The population is also relatively older than the rest of the county, with median age of 45.5 years. The average household size is 2.93 persons.

The town of **Portola Valley** is one of the smaller incorporated communities in San Mateo County, and is also one of the most affluent. Portola Valley has carved itself a place up against the hills, sharing a border with Los Altos Hills to the south in Santa Clara County and Menlo Park to the east. Following World War II, as San Mateo County began to develop, increasing pressures for new housing and new development appeared. To protect their rural community from being affected adversely by this development, the town's residents voted to incorporate in 1964. Portola Valley is now home to 4,622 residents, living in about 1,791 households. The average household size is 2.58, smaller than that for much of the county, and residents tend to be much older, with median age of 47.5 years, fully 10 years older than the county median. The city is the least ethnically diverse of any other city in San Mateo County; over ninety percent of the population is White, and less than two percent is of Hispanic origin. It is also among the most affluent communities, following the pattern of the surrounding communities of Woodside, Stanford, Palo Alto and western Menlo Park; the median household income for the city is \$158,217, over twice as high as the median income for the county.

The small town of **Woodside** is said to be the oldest English-speaking settlement in the Southern part of the San Francisco Peninsula. The first English-speaking settlers arrived here in the 18th century to log the rich stands of Redwoods. In 1849, during the California Gold Rush, 20-year-old Mathias Alfred Parkhurst purchased 127 acres of timberland and called it "Woodside," a name that stuck as settlers began building homes in the area. In the late 1800s, Woodside was an area famed for its wines, with several successful wineries and their vineyards set up in the area. The town incorporated in 1956 in an attempt to slow development and keep the community a small, rural town. Over 5,000 people now call Woodside home. Nearly ninety percent of the population is White, with very few minorities living within the city limits. Woodside is the third-richest city in San Mateo County, with a median household income of \$171,126. The town's residents tend to be older than the county's population in general, with the median age at 44. The average household size is near that of the county as a whole, with 2.74 persons per household.

The Predominantly White Peninsula Cities

A number of small cities from Burlingame to Menlo Park have common demographic features, of which Menlo Park is typical. While each of these cities has its own unique character and no two are exactly alike, they all share certain characteristics: a non-Hispanic White population above 60 percent, per capita and household incomes well above the county average, strong patterns of ethnic segregation with affluent White and Asian residents in the hills to the west of El Camino Real and lower income Hispanics and Blacks along Bayshore Freeway, older neighborhoods with cities "built out" in the 1960s and 1970s, and an older population with smaller families that can afford the very high housing prices.

Belmont, "Beautiful Mountain," is nestled in the coastal mountains overlooking the San Francisco Bay. The city shares borders with San Mateo City, San Carlos, and Hillsborough, in the heart of San Mateo County. Belmont is over seventy percent White, and about fifteen percent Asian. There are few Hispanics, less than ten percent, living in the city. Belmont is one of the slightly more affluent cities of San Mateo, with a median household income in 1999 of \$80,903, an income higher than the county average and the median for the city's largest neighbor, San Mateo, but much lower than Hillsborough's median household income, which is over \$193,000. Households in Belmont tend to be small, with the average being 2.35 persons, while the city's median age, at 38 years, is close to the county median of 37.

The City of **Brisbane** shares with Daly City the distinction of being one of the two northernmost cities in the county, sharing a border with the port town of San Francisco. Despite its proximity to the large town, Brisbane (known originally as "Visitacion City") remained rather rural with a small population until the Great Depression era, when Realtor Arthur Annis began selling land parcels cheaply to families escaping the

poverty of the cities. Homes could be built without the restriction of building codes once the land was purchased, and this encouraged a growth in population, as people flocked in from San Francisco and other parts of the Bay Area, tempted by the chance to own their own land and house at a cheap price. The small rural village grew into a small urban town, incorporating in 1961 and continuing to grow to its current size of 3,523 residents. The city is 64.7 percent White, with an Asian population of 14.6 percent. Approximately 16.3 percent of the population is Hispanic, less than the county's overall percentage of 21.9 percent, and also less than the percentage of Hispanics living in Brisbane's western neighbor, Daly City. Brisbane's median household income is below the county median, but at \$63,684 is just a little higher than Daly City's median household income. The City's median age is older than the county median, at 41 years, and households in the city tend to be smaller, with the average household size being close to Belmont's, at 2.2 persons per household.

Just north of San Mateo City and Hillsborough, **Burlingame** rests on the coast of the San Francisco Bay. The city was originally founded as the private estate of Anson Burlingame, the U.S. Minister to China during Abraham Lincoln's presidency, and later developed as a private country club for rich San Francisco residents, including its own private train station and streetcar service up the bay to San Francisco. The land gradually opened up to general housing construction at the turn of the century; in the wake of the 1906 San Francisco earthquake and fire, many flocked to Burlingame as a choice location to start a new life. The city is now home to over 26,000 residents, three-quarters of whom are White. Less than ten percent of the population is Hispanic, and while there is a small Asian population, for the most part the city is not ethnically diverse. Households are small with an average household size of 2.21 persons. The median age of Burlingame residents is 38.4 years, just a little above the county average. Per capita income is \$43,665, over the countywide average, but due to the small household size, average household income is less than the county average.

Millbrae, named for the area's original landowner (Darius Ogden Mills; "brae" means "rolling hills") lies in the hillside region adjacent to Mill's Field, which is now the location of the San Francisco International Airport. Incorporated in 1948, the city is now home to 20,757 residents, with a large Asian population, about thirty percent, living within the city's boundaries. Only about ten percent of the population is Hispanic. The median household income for Millbrae is \$68,404, a little under the county median, but still higher than that of the state. Millbrae's residents, at 42.3 years average, are a little older than the county median. Households also tend to be smaller in Millbrae, with the average household size being 2.56 persons.

San Carlos lies between Belmont and Redwood City. The city shares some characteristics with census tracts along the border it shares with Redwood City. San Carlos is not very ethnically diverse, Whites making up over eighty percent of the population. Only about five percent of the population is Hispanic, and no other ethnic group has a significant showing within the borders of the city, especially when compared to the diversity of the county as a whole. The population tends to be older than that of the rest of the county, 40 years being the city's median age. Households tend to be a little smaller than the county average, at 2.4 persons per household. The median household income of San Carlos, at \$88,460, is a little higher than that for the rest of the county.

The Coastside Communities

The communities along the Pacific coast from Pacifica to Half Moon Bay share a number of common features. Increasingly rural in character the farther south from Pacifica, the predominantly White majority is somewhat more affluent than the county as a whole. The Hispanic population, relatively small to the north in Pacifica, grows larger from Half Moon Bay south as the area devoted to agricultural increases. Conversely, the Asian population drops with increasing distance south from San Francisco.

Pacifica, the only other incorporated Pacific coastal community besides Half Moon Bay in San Mateo County, was named upon its incorporation through a contest. The winning name was based on an 80-foot statue by sculptor Ralph Stackpole, created as the theme lady for the Golden Gate International Exposition of 1939. The city is now home to a diverse population of 38,413 residents. There is a relatively large African-American population – over three percent– and a Hispanic population making up about 13 percent of the populace living in the city limits. The average household size is close to the county median, at 2.73 persons per household, and median age of the population is also close to that for the rest of the county, at about 37.6 years. Pacifica’s per capita income of \$30,183 is approximately twenty percent less than the county average. At \$71,737, median household income is close to the county median.

Cities Uniquely Apart

The city of **Colma** is most well-known for the vast numbers of cemeteries that lie within the city’s boundaries, and is jokingly referred to throughout the Bay Area as the city “where there are more dead people than living people.” The city of Colma has been dedicated to the cemetery business for over a century; as San Francisco grew in both population and development, the space for cemeteries lessened, and further properties for the burial of the city’s dead were needed. Colma was selected as an ideal location, both for its proximity to San Francisco and the amount of land available. When San Francisco finally evicted all cemeteries from the city in the 1910’s, they were moved to Colma. Fearful that an eviction of cemeteries could occur again in northern San Mateo County, the town incorporated as a community dedicated to the preservation of these cemeteries. Colma has the smallest population of any incorporated city in San Mateo County, with an ethnically diverse population of 1,165. Less than fifty percent of the residents of Colma are White, and almost a quarter of the population is of Asian descent. In addition, over forty percent of the population is Hispanic. Households in the city tend to be large – on average 3.47 persons – and the median age of residents is about the same as that for the county, at 36.9 years. The city’s residents are much poorer than the county residents as a whole, with the median household income for the city being \$58,750 in 1999.

Foster City is San Mateo County’s only truly planned community, a city that until the 1960s did not exist. The community was constructed on land reclaimed from the San Francisco Bay by a series of dikes, and centers around a large lagoon that acts as a drainage route for water, keeping the city safe from flooding. The city is now home to over 28,000 residents, a population that is moderately ethnically diverse. Over thirty percent of the population is of Asian descent, though less than five percent of populace is Hispanic. The citywide median age is close to that of the county at 38.1 years, while like Burlingame and Belmont, households tend to be small, with an average household size of 2.47 persons. The median household income is high for the county, at \$95,279.

4. HOUSING PROFILE

Condition of a community's housing, household size, and tenancy, whether owned or rented, all can have a bearing on fair housing choice. This section assesses each factor relating to housing stock for its effect, whether detrimental or positive, on a resident's ability to procure adequate housing for themselves and their families. Poor housing condition, dilapidated housing in blighted neighborhoods or illegal housing nearly always impacts lower income residents and those living below the poverty level. People living in substandard housing are disproportionately represented by groups protected under fair housing laws, minority ethnic groups, immigrants, large families with children, and people with disabilities whose incomes are limited. These residents are often exposed to unsafe or unsanitary living conditions. At worst, they become victims of a particularly heinous form of housing discrimination categorized as predatory housing practices. In these situations, landlords rent unsafe or unsanitary dwellings to targeted ethnic groups, particularly immigrants who will not report code violations either from fear of authorities or because they don't know their housing rights.

San Mateo County is the most unaffordable region in the country for housing. Many housing units are owner occupied and, even at the lower end, are priced beyond the means of low-income families. While rental housing may be less expensive, in many communities the majority of rental housing is in smaller one and two bedroom units. Larger multi-family dwelling units are typically in short supply. Moreover, demographic data shows that minority families on average have lower per capita income and larger household size in nearly all communities. These are often the very families that find themselves in a highly competitive market for the few larger rental units available. Availability of larger multi-family rental units is therefore a strong indicator of adequate housing choice.

California's real estate property tax law also indirectly affects housing cost differently for each ethnic group. California's property tax is set at 1 percent of a home's assessed value at sale. Further tax increases are limited to 2 percent per year until the property is again sold. Since California's home values have increased at much more than 2 percent per year, people who live in their residence for longer periods have a tax rate that is "de facto" lower than those who have recently moved. Because earlier immigrants into San Mateo County were primarily White while more recent arrivals include significant numbers of Asians and Hispanics, "de facto" property tax rates can be significantly higher for minority groups. However, with time, differences in effective tax rate disappear as new owners gradually become old owners.

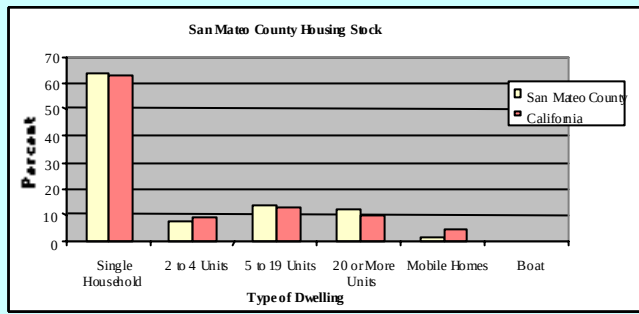
4.1 San Mateo County Housing Inventory

Figure 4.1 compares housing data for California as a whole with San Mateo County. San Mateo County has a higher percentage of owner-occupied units, a higher median house value, and higher rental cost, with median rent 53 percent higher than the California average. Although these figures have changed because of the recent economic downturn, San Mateo County remains an expensive and competitive housing market.

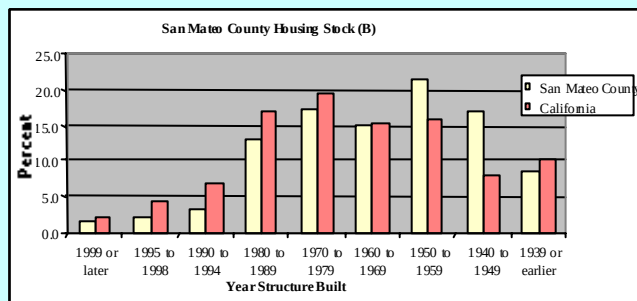
The county has a slightly higher percentage of single-family dwellings than the state average. The county also has a slightly higher percentage of 20-unit or more structures. The primary difference between the county and state housing inventories is in average age, 62.4 percent of the county's housing units having been constructed before 1970 compared to 49.7 percent of California's housing units. There is therefore more potential for substandard housing in San Mateo County. While there is a high need for maintenance and rehabilitation throughout the county, substandard housing characteristics measured in the census are not as pronounced in San Mateo County as in California as a whole. Fig. 4.2 illustrates that the county has a relatively low percentage of units that lack complete plumbing, kitchen facilities, and telephone service. Nonetheless, according to the County Housing Element, 18,751 housing units, or 7.2 percent of the housing stock, are in need of rehabilitation.

SAN MATEO COUNTY HOUSING PROFILE

	Housing Units	Median Age	Single Family Dwellings	Multi-family Units	Mobile Home, Other	Occupied Units	Owner Occupied	Median Home Value	Median Owner Costs	Median Monthly Rent
California	12,214,549	33 yrs	64.0%	31.4%	4.6%	11,502,870	56.9%	\$211,500	\$1,478	\$747
San Mateo County	260,576	41 yrs	66.4%	32.3%	1.3%	254,103	61.4%	\$469,200	\$2,140	\$1,144



TYPE OF DWELLING		
	San Mateo County	California
Housing Units	260,576	12,374,511
Single Household	63.9%	62.9%
2 to 4 Units	7.9%	9.7%
5 to 19 Units	13.4%	12.6%
20 or More Units	12.4%	10.3%
Mobile Homes	2.3%	4.5%
Boat	0.0%	0.2%

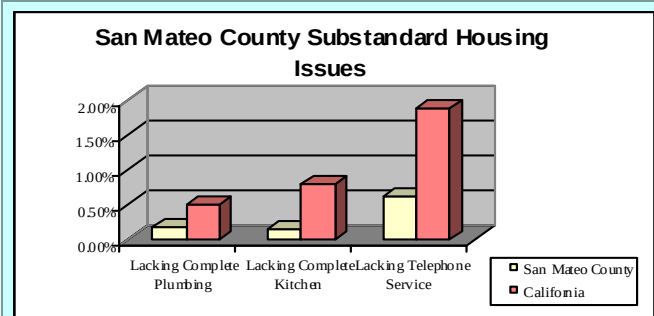


YEAR STRUCTURE BUILT		
	San Mateo County	California
1999 or later	1.7%	2.2%
1995 to 1998	2.2%	4.3%
1990 to 1994	3.4%	6.9%
1980 to 1989	12.9%	17.2%
1970 to 1979	17.3%	19.7%
1960 to 1969	15.2%	15.5%
1950 to 1959	21.5%	15.9%
1940 to 1949	17.1%	8.1%
1939 or earlier	8.6%	10.2%

Fig. 4.1. San Mateo County housing data compared to California averages.

Fig. 4.3 portrays housing tenure and vacancy data for the county. In general, San Mateo County residents have not moved into their current dwelling as recently as the state norm. This reflects many factors. Homeowners tend to move less frequently than renters and San Mateo County has a higher proportion of owner occupied units. Newer neighborhoods in rapidly growing communities have populations that have moved into their homes more recently on average than residents of San Mateo's older neighborhoods. The very competitive, high priced real estate market makes it financially more difficult to move within the county.

Fig. 4.3 shows rental vacancy rates for the county and state. San Mateo County's rental vacancy rate jumped dramatically from 2000 to 2001 while the statewide rate remained stable. This increase in vacancies resulted from the collapse of the Silicon Valley "dotcom" economy and associated high unemployment. With an increase in vacancy rates, average



SAN MATEO COUNTY SUBSTANDARD HOUSING ISSUES		
	San Mateo County	California
Lacking Complete Plumbing	0.18%	0.50%
Lacking Complete Kitchen	0.16%	0.81%
Lacking Telephone Service	0.62%	1.89%

Fig. 4.2. San Mateo County has few substandard housing issues identified by census data.

monthly rents have declined significantly over the past two years. This improvement in the rental housing market somewhat mitigates the crisis situation that had developed prior to the 2000 bust. A balancing factor, however, is that unemployment has reached the highest level (currently 5.7 percent) experienced in the past two decades.

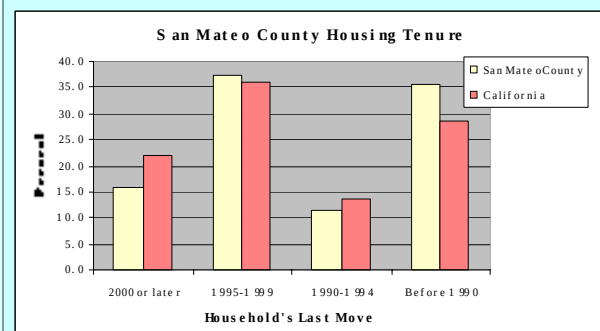
Summarizing the analysis that follows in this section, San Mateo County's housing market is very expensive compared to California as a whole and other nearby counties outside the Bay Area. Although the market appears to be ameliorating to some degree, San Mateo's housing prices are still among the highest in the nation. The wide gap in per capita income between Whites and Asians on the one hand, and Hispanics and Blacks on the other implies a very polarized housing market. While affluent residents enjoy the benefits of home ownership in the up-scale neighborhoods of the western foothills, many lower income minority residents live in overcrowded conditions in older substandard rental housing.

On average, San Mateo's housing stock is old. As shown in the San Mateo County Housing Element, 7.2 percent of the county's housing stock is in need of rehabilitation (Fig. 4.4). Data in the Housing Element is based on individual surveys conducted by each of the communities and cities. While the predominantly White smaller urban cities on the peninsula have substandard housing rates in the 0-1 percent range, the major entitlement cities are in the 8-12 percent range. The heavily minority communities of East Palo Alto and North Fair Oaks have 19.0 percent and 37.0 percent substandard housing respectively.

A high percentage of foreign immigrants, many without citizenship, provide a fertile environment for predatory housing practices. All four entitlement cities and five focus communities analyzed in this section shared common characteristics that set the stage for predatory housing practices: a large quantity of old substandard housing units, low vacancy rates, and high numbers of lower income foreign immigrants without good command of English or knowledge of fair housing law. East Palo Alto, North Fair Oaks and Redwood City are particularly vulnerable.

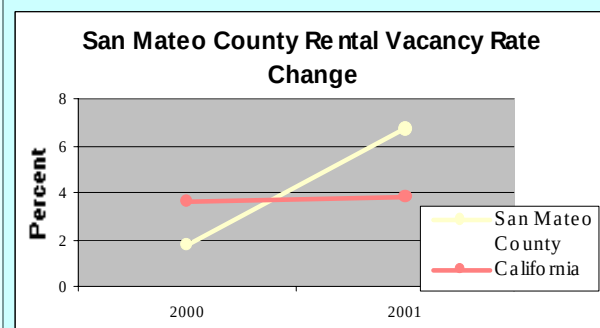
In the course of this analysis, it became clear that all jurisdictions are severely challenged to meet their ABAG Regional Housing Needs Determination (RHND) targets for affordable housing. ABAG determines what needs to be accomplished, not necessarily what can be accomplished. But the fact is that

County Tenure and Vacancy



SAN MATEO COUNTY HOUSING TENURE

	San Mateo County	California
Number of Households	246,701	11,551,928
Last Move		
2000 or later	39,041	2,549,916
1995-1999	91,688	4,142,520
1990-1994	28,058	1,563,150
Before 1990	87,914	3,296,342



SAN MATEO COUNTY VACANCY

	SM County (2001)	SM County (2000)	California (2001)	California (2000)
Total Housing Units	262,941	260,576	12,374,511	12,214,549
Vacant Units	16,240	6,473	825,181	822,583
Owner Vacancy Rate	1.1%	0.5%	1.3%	1.4%
Rental Vacancy Rate	6.7%	1.8%	3.8%	3.6%

Fig. 4.3. San Mateo housing tenure compared to California averages.

the greatest impediment to fair housing choice in San Mateo County is the affordable housing crisis that severely impacts hundreds of thousands of citizens. It should be taken very seriously by every jurisdiction.

In Section 7 of this report, each jurisdiction's strategy and plan for constructing affordable housing is assessed and the vitality of their efforts to meet their RHND targets is evaluated.

An overview of housing stock in each of the major communities within San Mateo County is provided in Fig. 4.4. These are discussed in greater detail below.

SAN MATEO COUNTY HOUSING PROFILE Census 2000									
Jurisdiction	Total Housing Units	Substandard Housing Units*	% Substandard Units	Vacancy Rate	Median Age (yrs)	Ownership Rate	Median House Value	Median Rent	Average Household Size
San Mateo County	260,576	18,751	7.2%	2.5%	41	61%	\$469,200	\$1,144	2.74
Entitlement Cities									
Daly City	31,253	2,764	8.8%	1.7%	41	60%	\$335,000	\$1,074	3.3
Redwood City	28,921	2,975	10.3%	2.9%	39	53%	\$517,800	\$1,105	2.62
San Mateo City	38,236	4,169	10.9%	2.4%	44	54%	\$477,300	\$1,168	2.44
South San Francisco	20,138	2,380	11.8%	2.3%	43	63%	\$352,900	\$1,057	3.05
Special Focus Cities									
East Palo Alto	7,059	1,349	19.0%	1.6%	43	44%	\$302,100	\$854	4.2
Half Moon Bay	4,151	N/A	N/A	2.7%	28	55%	\$499,500	\$1,269	2.75
Menlo Park	12,738	N/A	N/A	2.6%	45	57%	\$778,500	\$1,319	2.41
North Fair Oaks	4,059	1,500	37.0%	1.5%	44	51%	\$359,600	\$967	3.81
San Bruno	14,980	2,000	13.4%	2.0%	44	63%	\$385,100	\$1,162	2.72
Smaller Cities									
Atherton	2,505	N/A	N/A	3.7%	47	97%	>\$1000000	>\$2,000	2.85
Belmont	10,577	N/A	N/A	1.5%	40	55%	\$593,200	\$1,116	2.35
Brisbane	1,831	24	1.3%	11.5%	37	54%	\$382,300	\$975	2.2
Burlingame	12,869	20	0.2%	2.8%	48	42%	\$685,900	\$1,108	2.21
Colma	342	30	8.8%	3.8%	42	44%	\$312,000	\$1,003	3.47
Foster City	12,009	20	0.2%	3.3%	27	51%	\$566,500	\$1,620	2.47
Hillsborough	3,804	N/A	N/A	3.0%	44	93%	>\$1000000	>\$2,000	2.93
Millbrae	8,113	50	0.6%	1.9%	43	58%	\$552,500	\$1,161	2.56
Pacifica	14,245	N/A	N/A	1.8%	29	64%	\$367,700	\$1,261	2.73
Portola Valley	1,772	0	0.0%	4.1%	40	77%	>\$1000000	>\$2,000	2.58
San Carlos	11,691	N/A	N/A	2.0%	43	65%	\$626,400	\$1,181	2.4
Woodside	2,030	0	0.0%	4.0%	44	82%	>\$1000000	\$1,557	2.74
Unincorporated Communities									
Broadmoor	1,295	Not Provided	Not Provided	1.5%	52	81%	\$322,200	\$1,536	3.11
EL Granada	2,097	750*	Not Provided	3.3%	28	67%	\$523,400	\$1,147	2.82
Emerald Lake	1,466	Not Provided	Not Provided	2.0%	36	88%	\$807,100	\$1,780	2.69
Highlands/Baywood Park	1,548	Not Provided	Not Provided	0.8%	43	85%	\$646,000	>\$2,000	2.63
Montara	1,034	*In El Granada	Not Provided	2.3%	35	79%	\$469,000	\$1,402	2.8
Moss Beach	771	*In El Granada	Not Provided	4.0%	31	75%	\$505,200	\$1,646	2.64
West Menlo Park	11,451	Not Provided	Not Provided	2.1%	44	80%	\$815,600	\$1,875	2.55
* From San Mateo County General Plan Housing Element - June 2003									

Fig. 4.4. Housing characteristics of San Mateo County and its major communities.

4.2 Entitlement City Housing Profiles

Daly City

A neighbor of San Francisco, Daly City is the largest entitlement city in San Mateo County. There were 31,253 housing units recorded in the city for the 2000 Census (Fig. 4.5). Daly City's housing age is roughly the same as the county average. The percentage of rental housing is also about average for the county. The average household size is much larger than the county norm, reflecting higher-than-average concentrations of Asians and Hispanic families that typically are larger than White and Black families.

Housing values in Daly City are 28.6 percent less than the county average. However, Census 2000 data shows lower housing values have translated into only marginally lower monthly costs than the county average for renters (6.1 percent less).

A more detailed look at Daly City shows that the city's housing stock is also on par with county data. Figure 4.6 shows the type and age of Daly City housing. Daly City has a relatively high amount of multi-unit buildings. The city has an especially high percentage (16.4 percent) of units located in 20-unit or larger multi-family complexes.

Daly City Housing Profile

DALY CITY HOUSING PROFILE

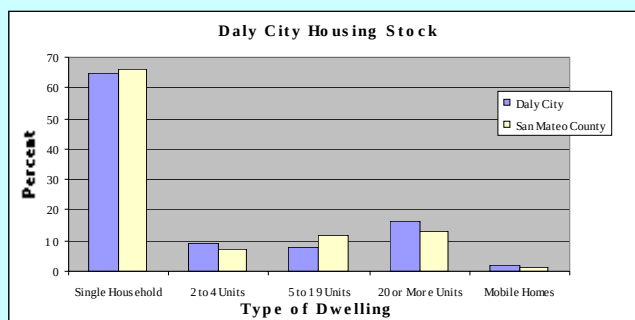
	Daly City	San Mateo County
Total Housing Units	31,253	260,576
Average Housing Unit Age	38	38
Occupied Housing Units	30,727	254,103
Owned	18,396	156,133
Rented	12,379	97,970
Vacant	536	6,473
Average Household Size	3.3	2.74

DALY CITY HOUSING COSTS

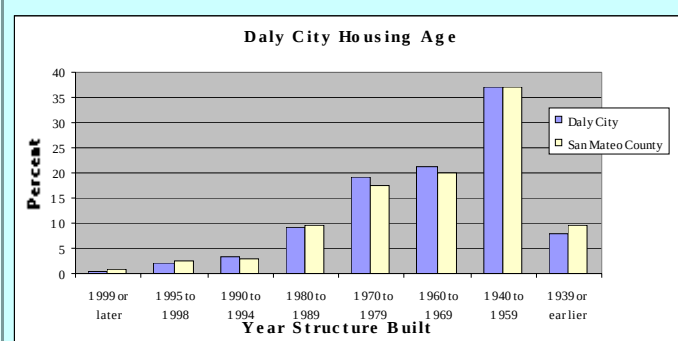
	Daly City	San Mateo County
Ownership Rate	59.9%	61.4%
Median House Value	335,000	469,200
Median Owner Costs (w/ Mortgage)	1,808	2,140
Median Rent	1,074	1,144

Fig. 4.5. Daly City's housing is lower cost than the county average.

DALY CITY HOUSING TYPE AND AGE



TYPE OF DWELLING		
	San Mateo County	Daly City
Housing Units	260,576	31,253
Single Household	63.9%	65.0%
2 to 4 Units	7.9%	9.0%
5 to 19 Units	13.4%	7.9%
20 or More Units	12.4%	16.4%
Mobile Homes	2.3%	1.7%



YEAR STRUCTURE BUILT		
	San Mateo County	Daly City
1999 or later	1.0%	0.3%
1995 to 1998	2.5%	2.2%
1990 to 1994	3.0%	3.3%
1980 to 1989	9.4%	9.2%
1970 to 1979	17.6%	19.0%
1960 to 1969	19.8%	21.1%
1940 to 1959	37.2%	36.9%
1939 or earlier	9.4%	7.9%

Fig. 4.6. Daly City's closely mirrors the County with nearly half its units built before 1960.

The age range of Daly City housing falls in line with the respective data from the county. The rate of new housing construction has slowed since the 1970s. About half the City's housing stock is more than 40 years old and therefore potentially requires significant maintenance. Potential exists for substandard housing in those older units. However, Daly City does not have a severe problem with substandard housing categories measured in Census data, such as lack of full plumbing and kitchen facilities (Fig. 4.7). The only factor in which Daly City's percentage is close to the county's is units lacking telephone service.

In 2001 the Daly City Housing and Community Development Division conducted a windshield survey to assess the condition of the city's housing stock. The previous survey was conducted in 1986. Of 19,870 structures surveyed, 2583 were found to have minor deficiencies requiring only routine maintenance to rectify, 161 were judged to have major deficiencies, requiring major repair to correct. Nine were in "critical" condition, either beyond repair or requiring repairs too expensive to be economically feasible.

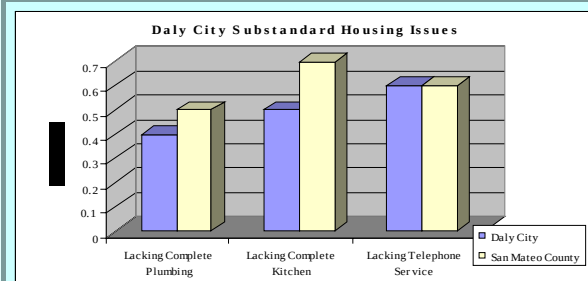
The number of housing units requiring repair, together with Daly City's large immigrant population, suggests high potential for predatory housing practices against the renter population.

Figure 4.8 shows Daly City's housing tenure and vacancy data. Tenant mobility data roughly mirrors that of the county. However, a higher percentage of Daly City residents moved into their dwelling before 1990 and a lower percentage moved into their units in the 1990-1995 and 1995-1998 intervals.

Daly City vacancy rates were nearly identical to county rates in 2000. However, because the overall county rental vacancy rate jumped to 6.7 percent in 2001, it can be assumed that the market has also become more favorable to renters in Daly City since the 2000 census. Median monthly rental costs have fallen over 20 percent since the 2001 peak reached at the height of the "dotcom" speculative economic bubble.

Redwood City

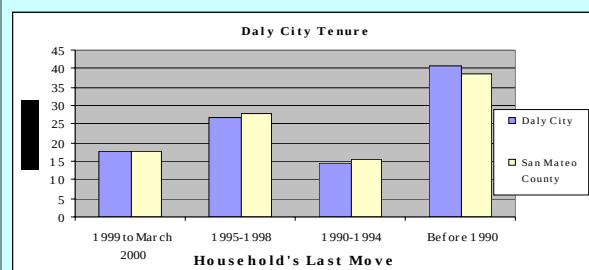
Daly City Substandard Housing



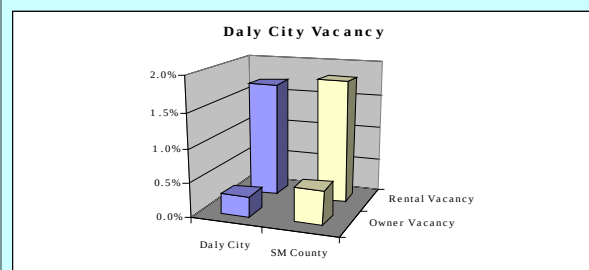
DALY CITY SUBSTANDARD HOUSING ISSUES		
	Daly City	SM County
Lacking Complete Plumbing	0.37%	0.49%
Lacking Complete Kitchen	0.46%	0.67%
Lacking Telephone Service	0.57%	0.53%

Fig. 4.7. Few Daly City homes lack full facilities.

Daly City Tenure and Vacancy Rates



DALY CITY HOUSING TENURE		
	Daly City	San Mateo County
Number of Households	30,775	254,103
Last Move		
1999 to March 2000	5,510	45,308
1995-1998	8,263	71,116
1990-1994	4,526	39,278
Before 1990	12,428	98,401



DALY CITY VACANCY RATES (CENSUS 2000)		
	Daly City	SM County
Total Housing Units	31,253	260,576
Vacant Units	536	6,473
Owner Vacancy Rate	0.3%	0.5%
Rental Vacancy Rate	1.7%	1.8%

Fig. 4.8. Daly City's tenure and vacancy rates closely mirror the County's.

Redwood City Housing Profile

REDWOOD CITY HOUSING PROFILE	
	Redwood City San Mateo County

Redwood City is the third largest entitlement city with a population of 75,402 and 28,921 housing units in Census 2000.

Unlike other entitlement cities, Redwood City's average housing age is somewhat younger than the county average. The data in Fig. 4.9 also shows that Redwood City's average household size is smaller than the corresponding county figure. Although rental rates in Redwood City are a bit lower than the county average, the median house value and average owner costs are relatively high. A major difference between the city and county is that Redwood City has a higher proportion of rental housing than the county as a whole (47.0 percent to 38.5 percent).

Redwood City's housing stock displays some positive trends in relation to housing choice. The city has a higher proportion of 2 to 4-unit buildings and 5 to 19-unit buildings than the county (Fig. 4.10). At 12.4 percent, the amount of units in 20-unit or larger complexes is only slightly lower than the county norm. In general, Redwood City has an above average number of multi-family dwellings.

When compared to the county, a higher percentage of Redwood City housing was constructed in the 1990s while a lower percentage was constructed before 1970. However, with completion of the Redwood Shores development, there has been little new housing constructed since 1999. Although census data shows Redwood City housing stock is somewhat younger than the county average, average age is still high with nearly half its housing units more than 40 years old.

As shown in Fig. 4.11, Redwood City has a higher percentage of units relative to the county average without complete plumbing, without proper kitchens, and without telephone service, reflecting a percentage of substandard units 43 percent higher than the county average.

Redwood City has a relatively high tenant mobility rate (Fig. 4.12). This results from the fact that much of

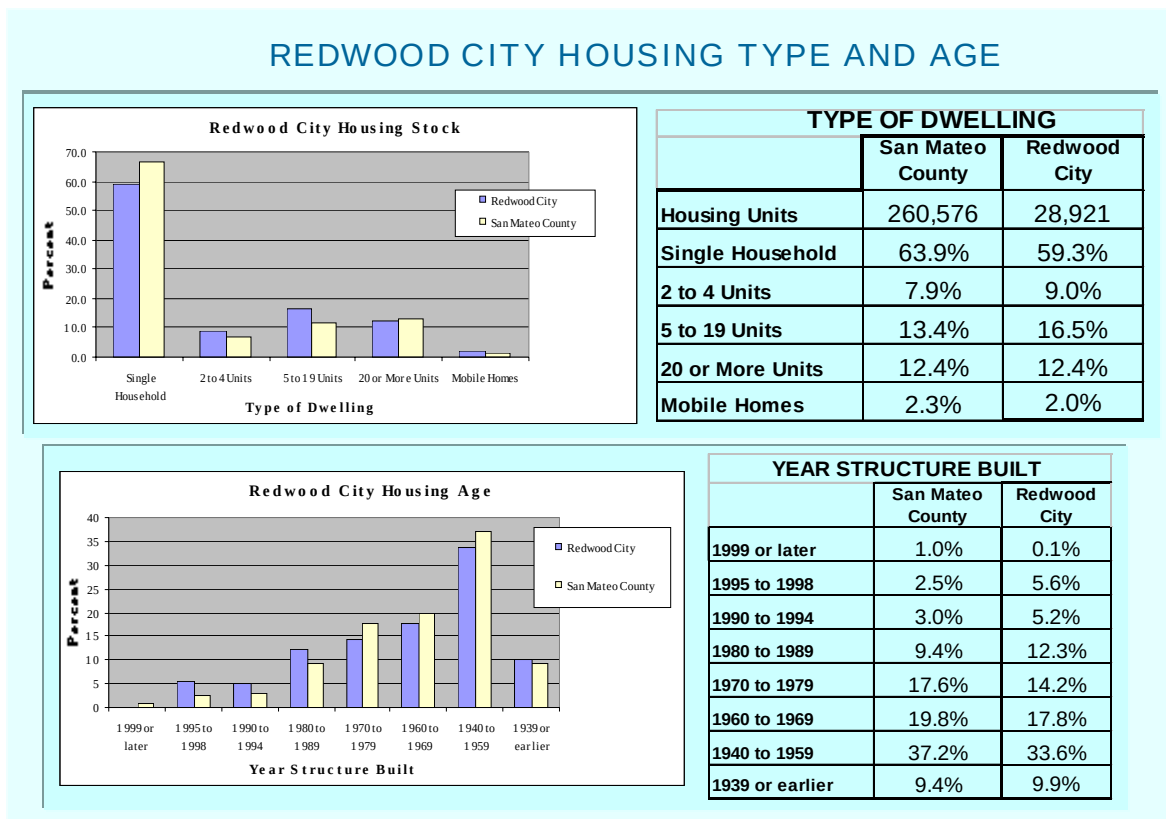


Fig. 4.10. Redwood City mirrors the County with nearly half its units built before 1960.

Redwood City Substandard Housing



Redwood City's housing is comprised of rental units and that many of these units are moderately priced and located in multi-family buildings. Redwood City also had a high rental vacancy rate in 2000 compared to the county average. This data indicates that Redwood City has a more favorable rental housing market than the county as a whole.

In summary, Redwood City has a larger rental population than the county norm; housing values are higher than average but rents are somewhat lower. Nearly half the housing inventory is older than 40 years and much requires major ongoing maintenance. The combination of a high number of substandard units and a large Hispanic population, many immigrants with limited command of English puts Redwood City at risk for predatory habitability practices.

San Mateo City

San Mateo City is the second largest entitlement city in terms of population. Figure 4.13 provides general data for the 38,236 units in the city. There are a few significant differences between San Mateo City's housing profile and the corresponding countywide statistics. Although the average housing unit age, median home value, and median rental rate are almost equal to that of the county, the average household size is low when compared to county average. Also, the home ownership rate in San Mateo City is relatively low and the percentage of rental units is higher than the county norm (46.2 percent compared to 38.5 percent). Thus, as with Redwood City, the condition of the city's rental units is of special interest.

A more detailed survey of San Mateo City's housing type and housing age has positive and negative implications for fair housing choice. First, as Figure 4.14 shows, a high proportion of housing units are located in 5- to 19-unit complexes and 20-unit or more complexes.

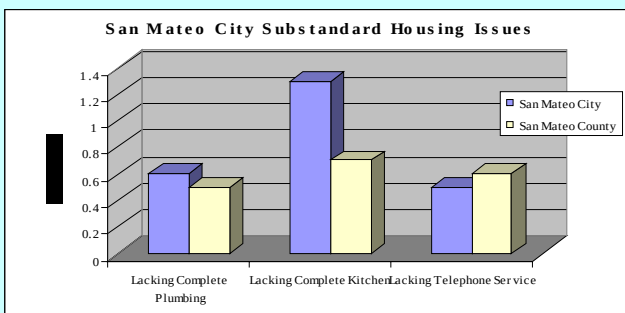
San Mateo City Housing Profile

SAN MATEO CITY HOUSING PROFILE			
		San Mateo City	San Mateo County
Total Housing Units		38,236	260,576
Average Housing Unit Age		39	38
Occupied Housing Units		37,318	254,103
Owned		20,119	156,133
Rented		17,219	97,970
Vacant		911	6,473
Average Household Size		2.44	2.74

SAN MATEO CITY HOUSING COSTS			
		San Mateo City	San Mateo County
Ownership Rate		54%	61%
Median House Value		477,300	469,200
Median Owner Costs (w/ Mortgage)		2,133	2,140
Median Rent		1,168	1,144

Fig. 4.13. San Mateo City's housing profile closely mirrors the county as a whole.

San Mateo City Substandard Housing

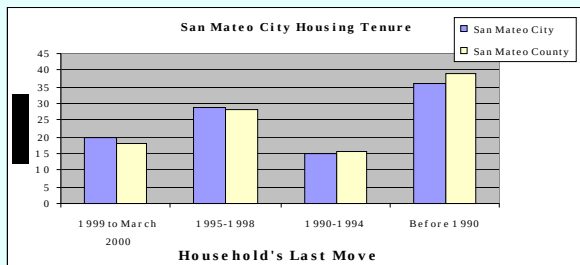


SAN MATEO CITY SUBSTANDARD HOUSING ISSUES

	San Mateo City	SM County
Lacking Complete Plumbing	0.58%	0.49%
Lacking Complete Kitchen	1.28%	0.67%
Lacking Telephone Service	0.47%	0.53%

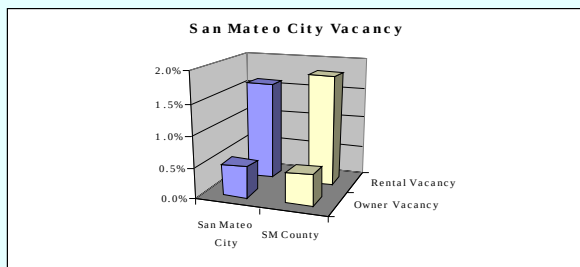
Fig. 4.15. A significant number of San Mateo City homes lack full kitchen and plumbing facilities.

San Mateo City Tenure and Vacancy Rates



SAN MATEO CITY HOUSING TENURE

	San Mateo City	San Mateo County
Number of Households	37,338	254,103
Last Move		
1999 to March 2000	7,412	45,308
1995-1998	10,798	71,116
1990-1994	5,618	39,278
Before 1990	13,490	98,401



SAN MATEO CITY VACANCY

	San Mateo City	SM County
Total Housing Units	38,236	260,576
Vacant Units	911	6,473
Owner Vacancy Rate	0.5%	0.5%
Rental Vacancy Rate	1.6%	1.8%

Fig. 4.16. San Mateo tenure reflects the county average .

However, a high proportion of the city's units were built before 1970. Since 1980, most new construction has been "infill". Therefore, substandard housing will become an increasing problem in the future. Indeed, Census 2000 data shown in Figure 4.15 already indicates that certain substandard housing issues are a problem. For example, the percentage of city units without a complete kitchen almost doubles the countywide percentage.

Substandard housing, however, does not correlate with age alone in the City of San Mateo. Much of San Mateo's most expensive and up-scale housing was built during the 1930s in the foothills to the west of El Camino Real. These homes are owner-occupied and well maintained. The major potential for substandard housing is in the lower income neighborhoods to the east of downtown that are predominantly renter-occupied.

Fig. 4.16 shows housing tenure and vacancy data for the city extracted from Census 2000 data. A slightly higher percentage of San Mateo City residents have moved into their units more recently than average for the county. Among other factors, this may reflect relatively comparable rental conditions in the city. The vacancy rates for San Mateo City are roughly the same as the rates for the county.

In sum, although San Mateo's housing statistics mirror those of the county as a whole, the City's housing covers a broad spectrum of types. Very large and expensive homes lie in older upscale neighborhoods to the west of downtown. Similarly old, but cheaper and not as well maintained housing exists in lower income neighborhoods nearer the Bay. Large numbers of multi-family rental units are located near downtown. So, while San Mateo City has a generally average housing market, its housing covers a wide range of types and value. Overall, there is above-average potential for condition of the housing stock to worsen. And because there are relatively more rental units in the city, this could have a disproportionate affect on those targeted for protection under the fair housing

SAN MATEO CITY HOUSING TYPE AND AGE

San Mateo City Housing Stock (A)



TYPE OF DWELLING

	San Mateo	San Mateo
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laws.

South San Francisco

The smallest of the entitlement cities examined in this section, South San Francisco has 20,138 housing units (Fig. 4.17). It is perhaps the most unique housing market of the four cities examined in this section. At 37.5 percent, the city has the smallest proportion of rental housing units of the entitlement cities and correspondingly high homeownership. The median house value is lower than the county average, making South San Francisco more affordable than other cities within the county.

South San Francisco has a high average household size when compared to the county norm. This reflects a higher percentage of Hispanics and Asians, who typically have higher than average family size, and a higher percentage of families with children than the county norm.

There is a relatively low amount of multi-family housing in the city (Fig. 4.18). The percentage of units located in complexes of 20 or more units is especially low. The majority of housing in the city was constructed between 1940 and 1970. In 2000, South San Francisco had equal to or less than the county percentage of units lacking complete plumbing, kitchen facilities, or telephone service (Fig. 4.19). The last detailed survey of city housing conditions conducted in 1990 showed that 87.3 percent of housing units

South San Francisco Housing Profile

SOUTH SAN FRANCISCO HOUSING PROFILE

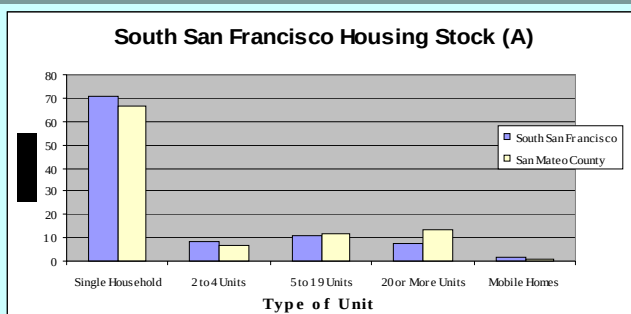
	SSF City	San Mateo County
Total Housing Units	20,138	260,576
Average Housing Unit Age	38	38
Occupied Housing Units	19,677	254,103
Owned	12,303	156,133
Rented	7,374	97,970
Vacant	461	6,473
Average Household Size	3.05	2.74

SOUTH SAN FRANCISCO HOUSING COSTS

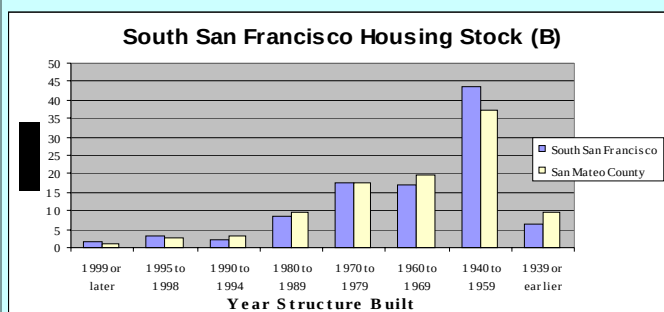
	SSF City	San Mateo County
Ownership Rate	63%	61%
Median House Value	352,900	469,200
Median Owner Costs (w/ Mortgage)	1,766	2,140
Median Rent	1,057	1,144

Fig. 4.17. South San Francisco home values are much lower than the county average.

SOUTH SAN FRANCISCO HOUSING TYPE AND AGE



TYPE OF DWELLING		
	San Mateo County	South San Francisco
Housing Units	260,576	20,138
Single Household	63.9%	71.3%
2 to 4 Units	7.9%	8.3%
5 to 19 Units	13.4%	11.2%
20 or More Units	12.4%	7.5%
Mobile Homes	2.3%	1.7%



YEAR STRUCTURE BUILT		
	San Mateo County	South San Francisco
1999 or later	1.0%	1.7%
1995 to 1998	2.5%	3.0%
1990 to 1994	3.0%	2.0%
1980 to 1989	9.4%	8.6%
1970 to 1979	17.6%	17.3%
1960 to 1969	19.8%	17.2%
1940 to 1959	37.2%	43.8%
1939 or earlier	9.4%	6.3%

Fig. 4.18. More than half South San Francisco's housing units were built before 1960.

were in good condition, requiring no repairs or cosmetic repairs such as paint. Another 10.7 percent were in fair condition, needing minor structural repairs such as a new roof. The other 2 percent were in poor condition, either substandard or dilapidated. Because of the relative age of the city's housing, the number of substandard units has increased over the last 13 years, now estimated at 2380 units. Irishtown, just north of the downtown commercial area, has the highest percentage of substandard units. This is within the downtown target area where CDBG rehabilitation funds are focused. Nonetheless, as this housing ages, potential for predatory habitability practices increases.

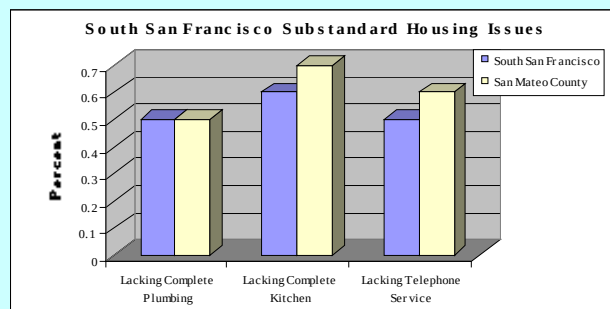
A relatively low percentage of South San Francisco residents moved into their dwellings between 1995 and 1998 and from 1999 to March of 2000 (Fig. 4.20). This results from the higher percentage of homeowners in the city, who as a group, move less often than renters. It also suggests that fewer rental units are available in South San Francisco. Fig. 4.20 shows the rental vacancy rate was much lower than the county rate in 2000.

In summary, South San Francisco can be characterized as a city whose housing stock is relatively old, more than half constructed before 1960. Although plumbing and kitchen facilities are as complete as in the county as a whole, the high percentage of older housing that requires ongoing major maintenance translates to a higher than average 11.8 percent substandard housing rate.

Low property values relative to the rest of the county make South San Francisco more affordable. As a result, a relatively large percentage of residents own their homes and have lived in the city over 10 years.

South San Francisco has significantly fewer large multi-family rental units than the county as a whole and a smaller percentage of renters. Because housing values are lower, rental costs are less than the county average.

South San Francisco Substandard Housing

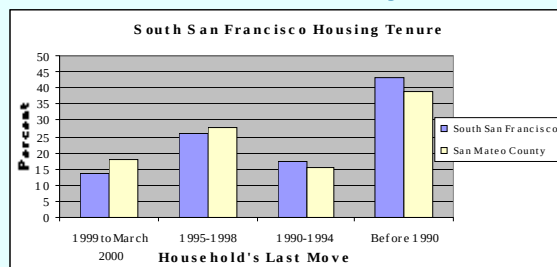


SOUTH SAN FRANCISCO SUBSTANDARD HOUSING ISSUES

	South San Francisco	SM County
Lacking Complete Plumbing	0.49%	0.49%
Lacking Complete Kitchen	0.62%	0.67%
Lacking Telephone Service	0.46%	0.53%

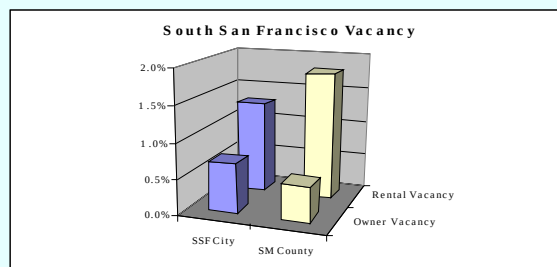
Fig. 4.19. South San Francisco homes lacking complete facilities reflect the county average.

South San Francisco Tenure and Vacancy Rates



SOUTH SAN FRANCISCO HOUSING TENURE

	SSF City	San Mateo County
Number of Households	19,677	254,103
Last Move		
1999 to March 2000	13.7%	17.8%
1995-1998	26.1%	28.0%
1990-1994	17.3%	15.5%
Before 1990	43.0%	38.7%



SOUTH SAN FRANCISCO VACANCY

	SSF City	SM County
Total Housing Units	20,138	260,576
Vacant Units	461	6,473
Owner Vacancy Rate	0.7%	0.5%
Rental Vacancy Rate	1.3%	1.8%

Fig. 4.20. Longer tenure reflects higher homeownership of South San Francisco residents.

Summary of Entitlement Cities

The four entitlement cities account for nearly half (45.6 percent) of the occupied housing units in the county. Because these cities have high concentrations of minorities and other protected groups under state and federal fair housing laws, the type and condition of housing within these cities is critical to the issue of fair housing choice within the county.

The housing stock in each of the four cities is old, with median age between 39 and 44 years. Large numbers of these units are substandard and ongoing maintenance and repairs of all units will continue to be a growing challenge. With the exception of South San Francisco, the percentage of rental units is higher than the county average and these are likely to be in most need of repair. These cities not only have heavy concentrations of minorities and lower income households, but also high numbers of foreign immigrants. For these reasons the potential for predatory housing practices is high and a major concern.

Housing prices in South San Francisco and Daly City are well below the county average and homeownership rates are relatively high, reflecting the working class character of these cities. Redwood City and San Mateo City, on the other hand, while more affluent have much higher housing prices. These cities have more renters, many of whom are minorities that do not share in the affluence of the White population, competing in a more costly rental market.

4.3 Special Focus City Profiles

The special focus cities have very different housing profiles, each unique to the communities they represent within the county. East Palo Alto and North Fair Oaks have the least expensive housing in the county and high percentages of substandard housing. Menlo Park has older expensive housing and new up-scale infill housing in predominately White neighborhoods, beyond the reach of all but affluent above moderate income households. Half Moon Bay, like its coast side neighbors, still has tracts of developable land available and is growing more rapidly than average. All coast side communities, including Half Moon Bay, have the youngest housing stock in the county with median age 6-13 years lower than the county average. San Bruno is a working class city with much in common with its neighbor South San Francisco.

East Palo Alto

East Palo Alto is currently engaged in a significant period of change. New businesses are moving to the city, the population is changing demographically, and there is great deal of new construction in the city. The city remains one of the most economically disadvantaged areas in the county.

There were actually fewer housing units in 2000 than in 1990 as efforts to redevelop certain neighborhoods put a strain on the housing market. Overcrowding has become a problem as the average household size grew to 4.2 people in 2000. However, 56.8 percent of the occupied housing is rental housing and there are new developments currently being constructed.

East Palo Alto Housing Profile

EAST PALO ALTO HOUSING PROFILE				
		EPA 1990	EPA 2000	San Mateo County
Total Housing Units		7,351	7,059	260,476
Average Housing Unit Age		31	40	38
Occupied Housing Units		6,953	6,938	254,103
Owned		3,098	3,033	156,133
Rented		3,855	3,943	97,970
Vacant		398	115	6,473
Average Household Size		3.31	4.2	2.74

EAST PALO ALTO HOUSING COSTS				
		EPA 1990	EPA 2000	San Mateo County
Ownership Rate		42%	43%	61%
Median House Value		159,700	302,100	469,200
Median Owner Costs (w/ Mortgage)		908	1,498	2,140
Median Rent		532	854	1,144

Fig. 4.21 East Palo Alto has the least expensive housing in the county.

EAST PALO ALTO HOUSING CHARACTERISTICS

A) TYPE OF DWELLING			
	EPA City	EPA City %	San Mateo County %
Total Housing Units	7,059	100	100
Housing Type			
Single Household	3,975	56.3	66.4
2 to 4 Units	358	5.1	7
5 to 19 Units	678	9.6	11.9
20 or More Units	1,890	26.8	13.3
Mobile Homes	140	2	1.1

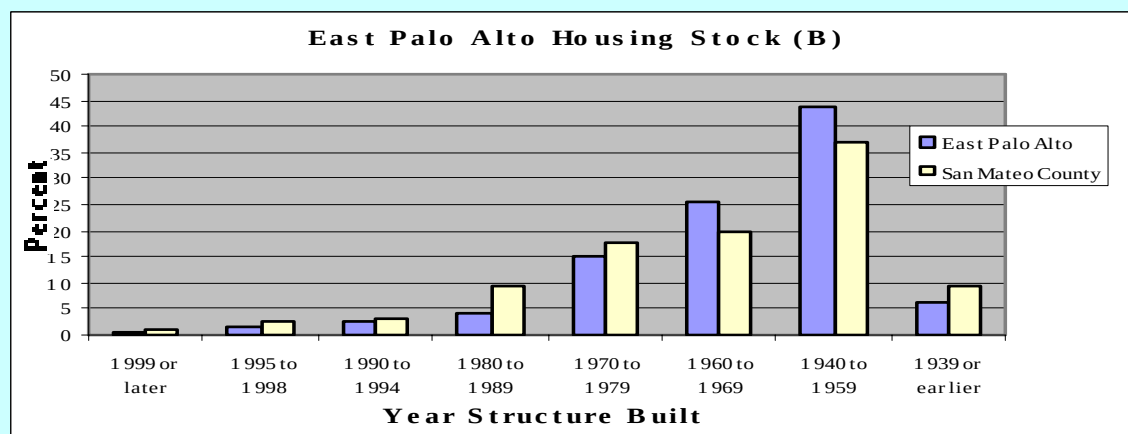
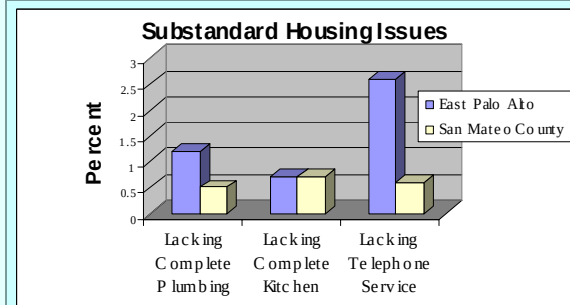


Fig. 4.22. Most East Palo Alto housing was built in the 1940s through 1970s and now needs maintenance.

The improvement in the quality of housing has made East Palo Alto a more expensive market. Median owner costs (with a mortgage) jumped \$600 from 1990 to 2000 and the median rent increased over \$300 in that time period.

Although the housing stock is undergoing a facelift and will no doubt look very different by 2010, the 2000 data shown in Fig. 4.22 characterizes the historical situation of East Palo Alto's housing inventory. A relatively large number of households reside in complexes with 20 or more units. Although large numbers of multi-family units have generally allowed more low-income households to live in East Palo Alto, the condition of some units may be questionable. Almost 70 percent of the city's housing was constructed between 1940 and 1970. According to the San Mateo County Housing Element, 1369 of these units are in need of rehabilitation and East Palo Alto has a high percentage of units that lack complete plumbing, kitchen facilities, and telephone service. Although East Palo Alto has spent more money on rehabilitation than most other jurisdictions in the county, the city has a long way to go before its housing stock reaches the quality of other cities in the county.

The emphasis on rehabilitation and the city's overall plan to encourage new businesses to locate in East Palo Alto will make the housing market more competitive. Indeed, East Palo Alto's rental vacancy rate is considerably lower than the county norm (1.0 percent in 2000). Although East Palo Alto is undergoing considerable efforts to improve the condition of its housing stock, there is risk that disadvantaged groups needing access to affordable housing will be adversely affected by this redevelopment. For these reasons, East Palo Alto has adopted the strongest affordable housing program in the county to keep housing costs within reach of its residents as efforts are made to remake the face of the city.

Half Moon Bay

Like the other coast side communities, Half Moon Bay has not yet been developed to “build-out”. Lying well off the major 19th and 20th century transportation arteries and major county employment centers, growth was slow relative to the urban peninsula communities east of the coastal range towards the Bay. During the 1950s Half Moon Bay was a coastal seaside community a one hour drive south of San Francisco whose residents worked in agricultural and fishing related occupations.

As the urban peninsula cities built out in the 1960s, more residents migrated to the coast side, attracted by the rural lifestyle and natural beauty of the region. Most of these migrants commute to work back in the urban communities. Growth accelerated in the 1960s, peaked in the 1970s, and continues strong today.

As Half Moon Bay has grown, its character has changed dramatically. New housing is upscale, often described as “Executive Housing”. Commercial development is oriented towards the tourist industry. Half Moon Bay is now a major weekend resort destination with growing conference facilities that also attract weekday business traffic.

Half Moon Bay’s housing stock reflects the changing character of the community. Over 75 percent of the

Half Moon Bay Housing Profile			
HOUSING PROFILE		Half Moon Bay	San Mateo County
Total Housing Units		4,151	260,576
Average Housing Unit Age (yrs)		28	41
Occupied Housing Units		4,025	254,103
Owned		3,048	156,133
Rented		977	97,970
Vacant		126	6,473
Average Household Size		2.75	2.74

HOUSING COSTS		Half Moon Bay	San Mateo County
Ownership Rate		75.7%	61.4%
Median House Value		499,500	469,200
Median Owner Costs (w/ Mortgage)		2,526	2,140
Median Rent		\$1,269	\$1,144

Fig. 4.23 Half Moon Bay’s housing is the youngest in the county.

HALF MOON BAY HOUSING CHARACTERISTICS

A) TYPE OF DWELLING			
	Half Moon Bay	Half Moon Bay %	San Mateo County %
Total Housing Units	4,151	100.0%	100.0%
Housing Type			
Single Household	3,138	75.6%	66.4%
2 to 4 Units	260	6.3%	7.0%
5 to 19 Units	241	5.8%	11.9%
20 or More Units	81	2.0%	13.3%
Mobile Homes	431	10.4%	1.1%

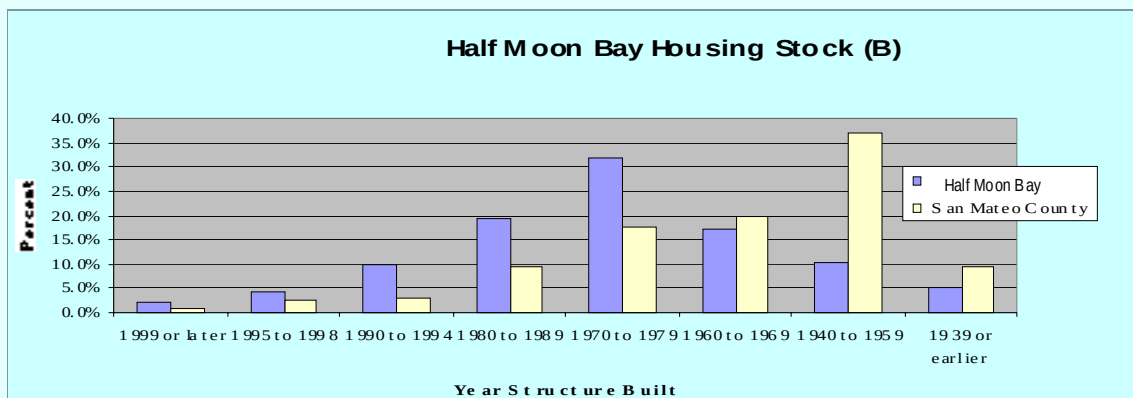
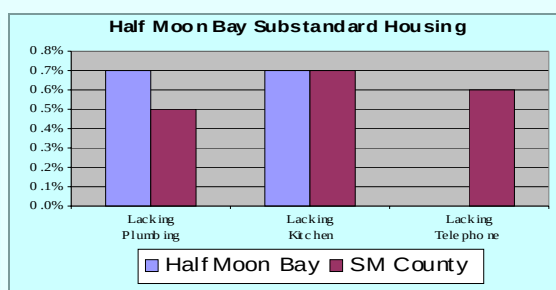


Fig. 4.24. Predominately owner occupied single family dwellings, most Half Moon Bay housing has been built within the last 30 years..

city consists of single family residences and 10 percent mobile homes. Only 14.1 percent is multi-family. Three fourths of this housing is owner-occupied. Median home values are above the county average and housing costs, both ownership and rental, are high.

When housing is viewed in terms of occupants, three major groups are of interest. The old-time White residents who have continually lived and worked in Half Moon Bay bought in early before prices skyrocketed and have generally benefited from the city's growth, either economically through increased business or through "trading up" in housing. New White migrants, who live in Half Moon Bay and commute to work in the urban county cities, are affluent "above moderate income" residents who can generally afford the high housing costs.

Half Moon Bay's third world, however, are those long term Hispanic residents generally associated with agricultural occupations that have very low per capita and household incomes. These households are under increased financial pressure as rents have risen much quicker than incomes. To make ends meet, they live in larger households in the oldest housing, much of it now substandard. As with all agricultural communities with high numbers of Hispanic farm workers, predatory housing practices are a concern.

Menlo Park

Located at the southern edge of the county, Menlo Park has 12,738 total housing units. Menlo Park deserves "special focus" consideration because it is characterized by an expensive and competitive housing market representative of the small urban peninsula cities stretching from Millbrae south to Menlo Park. Forty-three percent of the occupied units in Menlo Park are rental units. Fig. 4.25 shows that the median home value is considerably higher than the county median and that homeowner costs and rental prices are also considerably higher than the corresponding county numbers.

Examination of Menlo Park's housing stock shows that there is a lack of 20 or more unit complexes. However, Fig. 4.26 reveals that, relative to the county norms, Menlo Park has a high proportion of units located in 2- to 4- and 5- to 19-unit buildings. Overall, there are relatively more (38.9 percent) multi-family units in Menlo Park than in the county at large (32.2 percent).

Relatively few new units have been constructed since 1960. Roughly half of units in Menlo Park were constructed between 1940 and 1959. This puts the city's housing stock at a high risk in terms of rehabilitation need. Although it was not one of the cities highlighted as in greatest need of rehabilitation by the county government, significant CDBG funds have been used to rehabilitate housing units in the recent past and similar expenditures will likely be needed in the future. Certain substandard housing issues also raise concerns. For example, Fig. 4.26 shows that the percentage of units in Menlo Park that do not have complete plumbing doubles the countywide percentage. A significant Hispanic immigrant population in neighborhoods near Bayshore Freeway, together with large numbers of older units and high rental prices, raises concerns that the environment is ripe for predatory housing practices.

Tenancy patterns in Menlo Park are similar to those of the county. A low rental vacancy rate of 1.5 percent in 2000 reflects the competitiveness of the market in Menlo Park as both owner and rental

Menlo Park Housing Profile

MENLO PARK HOUSING PROFILE			
		Menlo Park	San Mateo County
Total Housing Units		12,738	260,576
Average Housing Unit Age		44	41
Occupied Housing Units		12,426	254,103
Owned		7,077	156,133
Rented		5,349	97,970
Vacant		312	6,473
Average Household Size		2.41	2.74

MENLO PARK HOUSING COSTS			
		Menlo Park	San Mateo County
Ownership Rate		56.8%	61.4%
Median House Value		778,500	469,200
Median Owner Costs (w/ Mortgage)		2,734	2,140
Median Rent		1,319	1,144

Fig. 4.25 Menlo Park typifies affluent White urban cities with very high housing costs.

MENLO PARK HOUSING CHARACTERISTICS

A) TYPE OF DWELLING			
	Menlo Park	Menlo Park %	San Mateo County %
Total Housing Units	12,738	100	100
Housing Type			
Single Household	7,784	61.2	66.4
2 to 4 Units	1,577	12.4	7
5 to 19 Units	2,038	16	11.9
20 or More Units	1,334	10.5	13.3
Mobile Homes	5	0.04	1.1

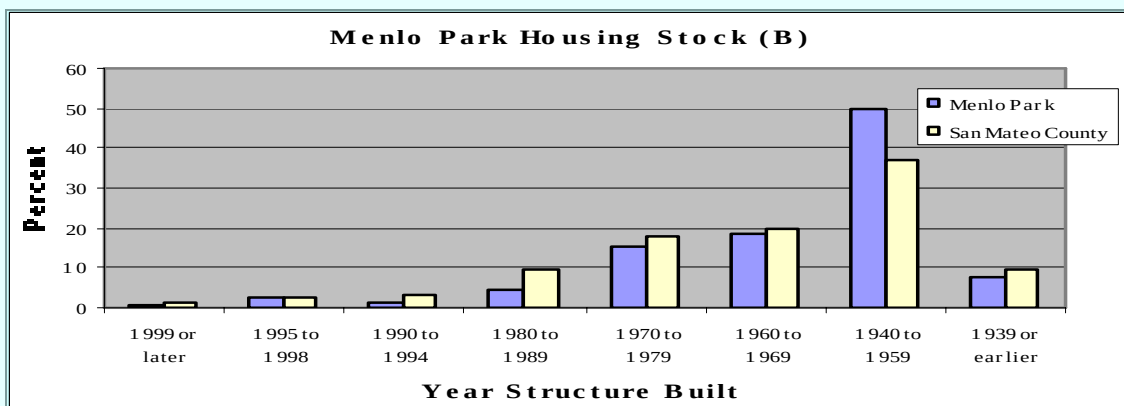
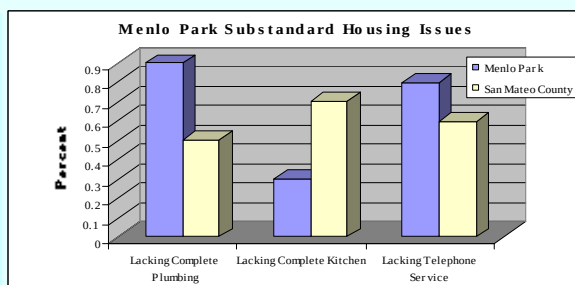


Fig. 4.26. With peak development in the years after WWII, Menlo Park was largely built out by the 1980s.

vacancies are lower than the corresponding county figures. Already an expensive place to live, because of low vacancy rates and the overall age of the housing stock, Menlo Park could become an even less accommodating city for those residents protected under fair housing laws.

North Fair Oaks

North Fair Oaks is an unincorporated area of the county adjacent to Redwood City. North Fair Oaks is highlighted because of the poor condition of its housing units, its high concentration of Hispanics, and its low per capita income. According to the San Mateo County Housing Element, North Fair Oaks has the highest percentage of housing units in need of rehabilitation of any city in the county (37.0 percent). An examination of the general data for North Fair Oaks shows that the average housing unit's age is a bit older than the county average and that the average household size is very high (Fig. 4.27). There is a high percentage of rental housing in North Fair Oaks (48.7 percent compared the countywide rate of 38.6 percent). Fig. 4.27 also shows that housing costs are lower than the county norms but this can be traced to the poor condition of housing in North Fair Oaks and to the poor economic condition of the neighborhood as a

North Fair Oaks Housing Profile

NORTH FAIR OAKS HOUSING PROFILE		
	North Fair Oaks	San Mateo County
Total Housing Units	4,059	260,576
Average Housing Unit Age	44	41
Occupied Housing Units	3,997	254,103
Owned	2,051	156,133
Rented	1,946	97,970
Vacant	62	6,473
Average Household Size	3.81	2.74

NORTH FAIR OAKS HOUSING COSTS		
	North Fair Oaks	San Mateo County
Ownership Rate	51.3%	61.4%
Median House Value	359,600	469,200
Median Owner Costs (w/ Mortgage)	1,834	2,140
Median Rent	967	1,144

Fig. 4.27. North Fair Oaks has very old and less costly housing.

NORTH FAIR OAKS HOUSING CHARACTERISTICS

A) TYPE OF DWELLING			
	North Fair Oaks	North Fair Oaks %	San Mateo County %
Total Housing Units	4,059	100	100
Housing Type			
Single Household	2,578	63.5	66.4
2 to 4 Units	586	14.4	7
5 to 19 Units	443	10.9	11.9
20 or More Units	256	6.3	13.3
Mobile Homes	144	3.5	1.1

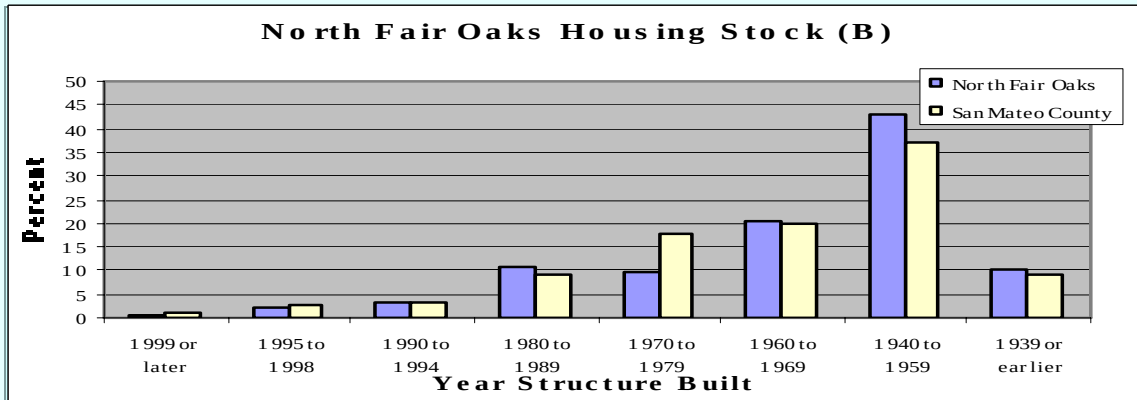
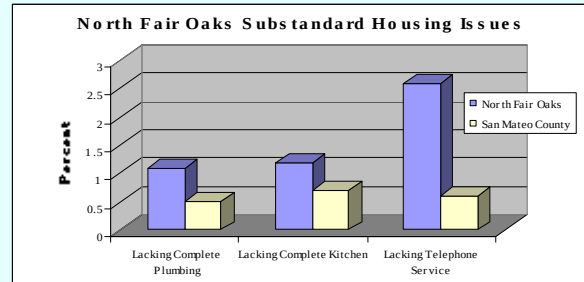


Fig. 4.28. Most North Fair Oaks housing was built during and after WWII.

whole.

Fig. 4.28 reflects the relatively high proportion of rental housing in North Fair Oaks. North Fair Oaks has a low proportion of units located in 20-unit or more complexes when compared to the county. A high proportion of North Fair Oaks residents live in mobile home parks. However, due to the large proportion of duplex and fourplex units, North Fair Oaks has close to the same proportion of multi-family units as the county overall. A high proportion of North Fair Oaks housing was built before 1970. These units comprise many of those in need of rehabilitation. In addition, North Fair Oaks has a high rate of housing without complete plumbing, kitchen facilities, or telephone service.

Market conditions in North Fair Oaks were also poor in 2000. The mobility rate from 1999 to March of 2000 was low compared to the county mobility rate. North Fair Oak's rental vacancy rate is an even greater cause for concern, 1.1 percent compared to a county level of 1.8 percent in 2000. With 49 percent of residents Hispanic immigrants, over 80 percent of whom are not citizens, and a high average household size, the environment is conducive to predatory housing practices. Thus, as foreshadowed by the number of older units, North Fair Oaks has a housing maintenance challenge. Along with the need to improve the condition of existing units, there is a clear need to construct new and affordable units.

San Bruno

San Bruno is another city that deserves special consideration because of the high percentage of its units that are older and require ongoing maintenance. Figure 4.29 provides the basic housing data for the city. The average housing age in San Bruno is three years older than the county average. The percentage of occupied rental units, 37.0 percent, is slightly lower than the county average of 38.6 percent. Housing prices are low and the costs of home ownership are correspondingly low. Therefore, in spite of its

relatively low per capita income, San Bruno enjoys a relatively high home ownership rate.

San Bruno housing stock shown in Fig. 4.30 displays a greater percentage of city units constructed between 1940 and 1970 than the county average, leading to its higher median age. However, Census 2000 data does not reveal San Bruno experiencing problems in regards to the lack of complete plumbing and kitchens.

There are no significant differences between the city and county on types of housing, San Bruno having the same spectrum of single family and multi-family housing that makes up the county.

San Bruno had a fairly average housing market in 2000. The city's vacancy rates were almost the same as the overall county rates at 2 percent. In sum, the housing market does not appear to be overly competitive or expensive for groups targeted by the fair housing laws. However, because of the age of San Bruno's housing stock and its high potential need for rehabilitation, its substandard housing rate of 13.3 percent, nearly double the county average, is a concern.

Summary of Special Focus Cities

San Bruno Housing Profile

SAN BRUNO CITY HOUSING PROFILE

	San Bruno	San Mateo County
Total Housing Units	14,980	260,576
Average Housing Unit Age	44	41
Occupied Housing Units	14,677	254,103
Owned	9,252	156,133
Rented	5,425	97,970
Vacant	303	6,473
Average Household Size	2.72	2.74

SAN BRUNO HOUSING COSTS

	San Bruno	San Mateo County
Ownership Rate	63.0%	61.4%
Median House Value	385,100	469,200
Median Owner Costs (w/ Mortgage)	1,830	2,140
Median Rent	1,162	1,144

Fig. 4.29. San Bruno has less costly housing and high ownership rates.

SAN BRUNO HOUSING CHARACTERISTICS

A) TYPE OF DWELLING	San Bruno	San Bruno %	San Mateo County %
Total Housing Units	14,980	100	100
Housing Type			
Single Household	9,605	64.2	66.4
2 to 4 Units	1,186	7.9	7
5 to 19 Units	1,858	12.4	11.9
20 or More Units	2,280	15.2	13.3
Mobile Homes	15	0.1	1.1

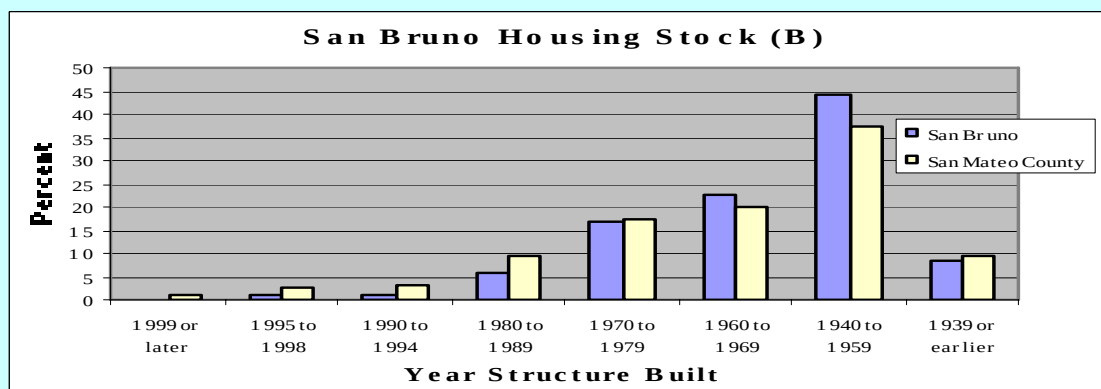
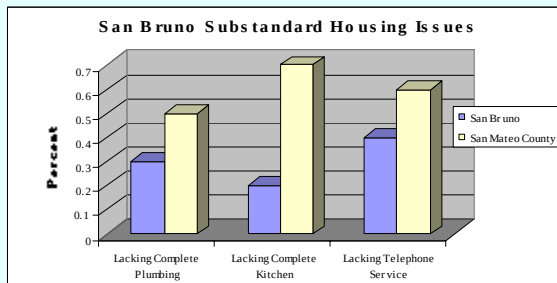


Fig. 4.30. San Bruno's housing stock mirrors that of the county in type and age..

This section has expanded the housing profile analysis beyond the four major “entitlement cities” to examine five other communities that have very different, and representative, housing stock. East Palo Alto, an economically disadvantaged city composed predominantly of minorities, is undergoing significant redevelopment. Although new housing is being constructed (and the housing data in 2003 may be somewhat different from the data portrayed here), East Palo Alto remains in need of further improvements to its housing stock. In particular, there is a continuing need to construct affordable housing.

North Fair Oaks is the most challenged “special focus” community. It has the highest percentage of units in need of rehabilitation in the county. In addition, its housing market is very competitive considering the overall quality of the units in the city. North Fair Oaks should also place a high priority on constructing new affordable units.

North Fair Oaks and East Palo Alto represent the epicenter of housing concerns in the county with high proportions of minorities and foreign immigrants, low per capita income and high poverty rates, overcrowded living conditions, large numbers of substandard housing units, and an environment conducive to predatory housing conditions.

Menlo Park is one of the more affluent cities given special attention in this chapter. Because its housing market is expensive and competitive, there is a high risk that low-income residents will face impediments when seeking housing in this city. The relatively old age of Menlo Park’s housing stock contributes to this problem as predatory habitability practices are a threat. Eastern parts of Menlo Park and similar small urban peninsula cities share many housing characteristics with East Palo Alto and North Fair Oaks.

Half Moon Bay is three worlds in one: the “old-timers” who live and work in the city and who as a group have benefited from the city’s recent growth, the “affluent commuters” with income from their urban peninsula jobs to support life in the new resort community, and the “third world” Hispanics whose income has not kept up with rapidly rising housing costs. The issue in Half Moon Bay is the degree to which affordable housing is created to keep Hispanic families from either being pushed out by rising costs or sinking lower into more overcrowded conditions in substandard housing.

San Bruno is a city with a high need for on-going maintenance. Although the 2000 census data does not reveal any significant problems with its housing market, the age of its units suggest that substandard housing could become an increasing problem.

4.4 Small City/Town/CPD Profiles

This section examines the rest of the cities, towns, and census designated places (CDPs) in the county. An in-depth analysis is not necessary for each entity but relevant data that differs from the county averages will be discussed. A housing profile of key data has been presented in Fig. 4.5 comparing the other cities, towns and communities in San Mateo County to those of the entitlement and special focus cities already discussed.

The Wealthy Communities

Four communities - Atherton, Hillsborough, Portola Valley, and Woodside – are extremely affluent with per capita incomes near \$100,000. They are characterized by predominantly White populations with a significant percentage of Asians. Homes range from large and very expensive to palatial.

Atherton has an almost 100 percent homeownership rate. The small amount of rental housing is highly priced. The age of the housing in Atherton is high but not in need of rehabilitation due to routine on-going maintenance.

Hillsborough has a very high home ownership rate as compared to the county norm. Its home values and rental rates are also exceedingly high. Like Atherton, although old, Hillsborough's mansions have been well maintained.

Portola Valley is another town with a high home ownership rate and expensive housing costs. Unlike Hillsborough and Atherton, Portola Valley is rural 'horse country'. Lot sizes are large, usually well over an acre with many running into the tens and hundreds of acres. NIMBYism (Not in My Back Yard) thrives in Portola Valley. Current city attempts to provide a few affordable housing units in a project with increased zoning density have met with sufficient resistance that the project has been placed on the city ballot for November.

Woodside is another extremely expensive town adjacent to Portola Valley and sharing many of Portola Valley's characteristics. It also has a high home ownership rate. A high vacancy rate reflects the costs of living in this area.

The Predominantly White Peninsula Cities

A number of small cities from Burlingame to Menlo Park have common demographic features, of which Menlo Park is typical. While each of these cities has its own unique character and no two are exactly alike, they all share certain characteristics: a non-Hispanic White population above 60 percent, per capita and household incomes well above the county average, strong patterns of ethnic segregation with affluent White and Asian residents in the hills to the west of El Camino Real and lower income Hispanics and Blacks along Bayshore Freeway, older neighborhoods with cities "built out" in the 1960s and 1970s, and an older population with smaller families that can afford the very high housing prices.

Belmont has relatively high amount of rental housing and has been a competitive market as demonstrated by the 1.5 percent overall vacancy rate in 2000. The age of the housing stock in Belmont does not pose a problem and there is no great need for rehabilitation in the city.

Brisbane has a very high vacancy rate in a small city of less than 2,000 total units. The median rent is also much lower than the county average. However, even though the housing market can be considered favorable to renters, there is some need for rehabilitation.

Burlingame has a more competitive ownership market than rental market. The vacancy rate is lower than the county average and the median rental rate is roughly the same. However, substandard housing may become an increasingly important issue in Burlingame as the average housing unit is seven years higher than the county figure. Burlingame also has a substantial need for newly constructed low-income housing units.

Emerald Lake Hills is an unincorporated area to the west of Redwood City and within that city's sphere of influence. Like most cities up and down the peninsula, Emerald Lake Hills' position in the foothills to the west of Redwood City makes it more affluent than the county norm. Most residents of Emerald Lake Hills own their homes. The existing rental housing is expensive but the vacancy rate is lower than the county's vacancy rate. The average housing age is also lower than the county's average housing age.

Millbrae has a good-sized rental market as its homeownership rate is only 58 percent. Although there was a lower-than-average vacancy rate in 2000, the median rental rate was roughly the same as the county median. One concern in regards to fair housing choice is the age and condition of the units. Millbrae is need of considerable rehabilitation.

San Carlos' housing data falls in line with the countywide averages. However, according to ABAG projections, there is a substantial need for newly constructed low and moderate income housing. The age

of the housing stock in San Carlos might also become a concern in the future as there are a large number of units built before 1940.

West Menlo Park is an expensive area affiliated with Menlo Park. It has a high home ownership rate and slightly lower vacancy rate than the county average. The average housing age could become a concern in the future.

The Coastside Communities

The communities along the Pacific coast from Pacifica to Half Moon Bay share a number of common features. Increasingly rural in character the farther south from Pacifica, the predominately White majority is somewhat more affluent than the county as a whole. The Hispanic population, relatively small to the north in Pacifica, grows larger from Half Moon Bay south as the area devoted to agricultural increases. Conversely, the Asian population drops with increasing distance south from San Francisco.

Like Half Moon Bay, the communities south of Pacifica are rural with ties to fishing and agriculture. While Pacifica and Half Moon Bay at the two ends of the string of coast side towns have experienced significant development in recent years, the smaller towns in-between, El Granada, Montara and Moss Beach, have grown more slowly.

El Granada is a small community comprised mostly of homeowners. The average housing age is low and the housing costs are not out of line with countywide data.

Montara has a young housing stock as gauged by the average housing unit age. Home ownership is high when compared the overall county rate and the vacancy rate is in line with the county average.

Moss Beach is a small community with a high vacancy rate and a relatively expensive housing and rental market.

Pacifica is located on the northern coast of San Mateo County. Pacifica has a need for newly constructed low to moderate income residences. Pacifica is a competitive market as its median rental rate is higher than the county average and the vacancy rate is substantially lower than the county figure. Thus, it is at higher risk for impediments to fair housing than some other cities of similar size.

Communities Uniquely Apart

Broadmoor is an unincorporated area surrounded by and in the sphere of influence of Daly City. The average housing unit age in this small town is a concern, the highest in the county. Housing values are low, second only to East Palo Alto. Substandard housing is an issue. The median rental rate is high and the vacancy rate is low when compared to the county. Thus, although the home ownership rate is higher than the county norm, these factors coupled with an average household size of over three suggest that there may be impediments to fair housing choice in Broadmoor.

Colma is very small community but has a high average household size when compared to the county average. The homeownership rate is low and this places the emphasis on the rental market. Judging by the relatively high vacancy rate in 2000, Colma is not an overly competitive market.

Foster City is a relatively large city compared to the other cities presented in this section. The market conditions are mixed: there is a high vacancy rate but both the median home value and median rent is high. Although the average housing age is one of youngest of any of the cities in the county, there is some need for rehabilitation in Foster City.

Highlands/Baywood Park is another community with a high homeownership rate and expensive home

values and rental rates. There is only a small rental market in Highlands/Baywood Park.

4.5 ABAG Regional Housing Needs Determination (RHND)

ABAG has determined that over 9000 housing units affordable to low and moderate income residents must be built in San Mateo County over the seven and a half year period from January 1999 through June 2006, nearly 5000 of those affordable to very low and low income residents (Fig. 4.31). Redwood City (1450 affordable units), San Mateo (1391 affordable units), East Palo Alto (847 affordable units), Daly City (813 affordable units) and South San Francisco (768 affordable units) have the greatest challenge in meeting those affordable housing targets. The unincorporated communities of the county have been allocated 852 affordable units, also a significant challenge for county planners.

Jurisdiction	Jurisdiction Need	Uninc. SOI Need	Total Projected Need	Very Low	Low	Moderate	Above Moderate	Average Yearly Need
ATHERTON	167	0	166	22	10	27	107	22
BELMONT	317	0	317	57	30	80	150	42
BRISBANE	426	0	426	107	43	112	164	57
BURLINGAME	564	1	565	110	56	157	242	75
COLMA	74	0	74	17	8	21	28	10
DALY CITY	1,323	68	1,391	282	139	392	578	185
EAST PALO ALTO	1,282	0	1,282	358	148	349	427	171
FOSTER CITY	690	0	690	96	53	166	375	92
HALF MOON BAY	458	0	458	86	42	104	226	61
HILLSBOROUGH	85	0	84	11	5	14	54	11
MENLO PARK	982	0	982	184	90	245	463	131
MILLBRAE	343	0	343	67	32	90	154	46
PACIFICA	666	0	666	120	60	181	305	89
PORTOLA VALLEY	80	2	82	13	5	13	51	11
REDWOOD CITY	2,352	192	2,544	534	256	660	1,094	339
SAN BRUNO	378	0	378	72	39	110	157	50
SAN CARLOS	344	24	368	65	32	89	182	49
SAN MATEO	2,414	23	2,437	479	239	673	1,046	325
SOUTH SAN FRANCISCO	1,330	0	1,331	277	131	360	563	177
WOODSIDE	40	0	41	5	3	8	25	5
SAN MATEO UNINCORPORATED	1,579	102	1,680	252	146	454	828	224
SAN MATEO COUNTY TOTAL			16,305	3,214	1,567	4,305	7,219	2,174

Fig. 4.31. Regional Housing Needs Determination for the period 1999-2006 showing need for nearly 5000 housing units affordable to low and very low income residents.

5. AFFORDABILITY

A shortage of affordable housing can impact fair housing rights. Families with children, especially minorities, immigrants, single-parent households, elderly people and disabled people, bear a disproportionate burden from a shortage of affordable housing. This is due to constraints on housing opportunities that occur because of income limitations. The relationship between fair and affordable housing is in the disproportionate impact affecting the above-protected classes of lower-income people. This class-based disproportionate impact is discriminatory under the disparate impact theory in the Federal Fair Housing Act.

San Mateo County has some of the least affordable housing in the nation. Low- and very low-income groups normally can't qualify for mortgages and must compete for housing in the rental market. Demographic data presented in Section 3 shows that minority groups, particularly Hispanics and Asians, have significantly larger households than Whites. Minority groups, particularly Blacks and Hispanics, also have lower per capita income. Therefore, a key indicator of housing affordability in a community is availability of larger multi-family units renting at rates within reach of lower income, large families. Traditionally, rental housing markets are dominated by one and two bedroom units too small for larger families. One measure of the severity of this problem in a community is the degree of overcrowded housing units.

5.1 San Mateo Affordability Overview

Economic data for the entitlement cities and special focus communities in San Mateo County is compared in Fig. 5.1 to regional data for San Mateo County and statewide data for California. As indicated by per capita income and household income, San Mateo County is relatively affluent. However, although per capita income and household income are 59 percent and 48 percent higher than the state average, housing prices are 120 percent higher than the state average. Relative to the rest of the state, San Mateo residents have only 72 percent of the per capita income required to qualify for home ownership relative to the state overall. On the other hand, rents are about 53 percent higher than the state average and therefore the overall affordability of rental units is near that of the state.

Looking at the last two columns of Fig. 5.1, which indicate the relative affordability of each city to the California average, home ownership is significantly less affordable across the entire county. The home ownership affordability index defined in Fig. 5.1 compares the ratio of home price to per capita income for

San Mateo County Affordability Profile								
	Per Capita Income	Median Household Income	Percent Large Family Households	% Below Poverty Level	Median Home Value (dollars)	Median Rent (dollars)	Housing Cost Affordability Ratio*	Rental Cost Affordability Ratio**
California	\$22,711	\$47,493	23.2%	14.2%	\$211,500	\$747	100%	100%
San Mateo County	\$36,045	\$70,814	19.2%	5.8%	\$465,200	\$1,144	72%	104%
Daly City	\$21,900	\$62,310	31.3%	7.1%	\$335,000	\$1,074	61%	67%
East Palo Alto	\$13,794	\$45,006	48.5%	16.2%	\$302,100	\$854	43%	53%
Half Moon Bay	\$37,963	\$78,473	17.8%	6.1%	\$499,500	\$1,269	71%	98%
Menlo Park	\$53,341	\$84,609	14.4%	6.9%	\$778,500	\$1,319	64%	133%
North Fair Oaks	\$18,331	\$55,603	41.3%	15.4%	\$359,600	\$967	48%	62%
Redwood City	\$34,042	\$66,748	17.2%	6.0%	\$517,800	\$1,105	61%	101%
San Bruno	\$26,360	\$62,081	18.7%	4.4%	\$385,100	\$1,162	64%	75%
San Mateo City	\$36,176	\$64,747	15.6%	6.1%	\$477,300	\$1,168	71%	102%
South San Francisco	\$23,562	\$61,764	25.0%	5.2%	\$352,900	\$1,054	62%	74%
* Ratio of Per Capita Income to Median Home Value normalized to California								
** Ratio of Per Capita Income to Median Rent normalized to California								

Fig. 5.1. Housing ownership is relatively unaffordable throughout the county while rents are less affordable in lower income cities with high concentrations of minorities.

San Mateo County cities relative to the California mean. An index less than 100 percent means that per capita income is insufficient to offset home prices higher than the California average. An index greater than 100 percent indicates that higher income than the California average more than offsets higher home prices. The index ranges from less than half in East Palo Alto and North Fair Oaks to about three-fourths in the City of San Mateo and other cities in the county not explicitly appearing in the table. As a result, market rate home ownership is out of reach of not only lower-income residents but also much of the moderate-income population earning over the county mean.

San Mateo County rental housing may seem affordable relative to the rest of California, but affordability is driven by high per capita incomes of primarily White and Asian residents. Five cities, highlighted in Fig. 5.1, are significantly less affordable to existing residents. These five cities are characterized as having large minority concentrations, lower incomes, relatively unaffordable housing for both owner-occupied and rental units, significant cost burden and overcrowding, and higher levels of poverty. While San Mateo County has only one-third the degree of poverty as the State overall, the communities of East Palo Alto and North Fair Oaks exceed the state average. In each of these five cities, while housing is the least expensive in the county, per capita incomes are sufficiently low that on average, residents experience higher housing cost burden.

Based on per capita income analysis, Daly City, South San Francisco, San Bruno, East Palo Alto, and North Fair Oaks can be seen as relatively unaffordable to existing lower income residents. However, these areas also represent some of the lowest-cost communities in which to live in San Mateo County for households who are seeking to buy or rent. For this reason, these cities continue to draw new residents under cost pressure from other communities in San Mateo County and other Bay Area counties.

About one in five families in San Mateo County are defined as “large,” having five or more members in the household. In the small urban cities on the Bay side of the Peninsula with predominantly White populations, the number of large families is smaller, typically like that of Menlo Park (14.4 percent). However, there are many more large families in cities with large numbers of lower-income minorities, 48.5 percent in East Palo Alto, 41.3 percent in North Fair Oaks, and 31.3 percent in Daly City. Large families that rent in these cities face a very competitive market and overcrowding or cost burden or both.

In summary, San Mateo County is one of the more affluent counties in California. However, its housing prices are extremely high, making it relatively unaffordable for purchasing a home. Rents are also high, but not unreasonable in cities with higher incomes. In lower income communities, however, rental housing is also unaffordable compared to the California average. High home prices and high rents have outpaced lower-income resident’s ability to pay.

For those who can qualify for mortgage loans, housing throughout San Mateo County is accessible to all ethnic groups and family types. However, the high cost of housing adds to a number of constraints that severely restrict availability of affordable housing to a broad range of residents. These include:

- High poverty rates for Blacks and Hispanics.
- High poverty rates for single females with children under 5 years of age.
- High cost burden for very low-income and extremely low-income renter households and low-income owner households.
- Overcrowding in many of the lower per capita income cities, such as East Palo Alto, North Fair Oaks, and Daly City.
- A high correlation of poverty level, cost-burdened, and overcrowded households with Black and

Hispanic neighborhoods in San Mateo County

This environment constitutes an impediment to fair housing choice for a broad range of affected residents. These conditions create significant challenges because there are many contributing factors: large influx of immigrants, significant numbers of substandard housing units, high housing cost growth outpacing income, racially segregated neighborhoods, high poverty levels in minority neighborhoods, overcrowded living conditions, and excessive cost burden.

5.1 Household Income by Ethnic Group

When viewed by ethnic group in Fig. 5.2, median household income provides deeper insight into affordability issues in San Mateo County. As an ethnic group, Asians average the highest household income in the county. High-income Asian heads of household include executives and businessmen, large and small

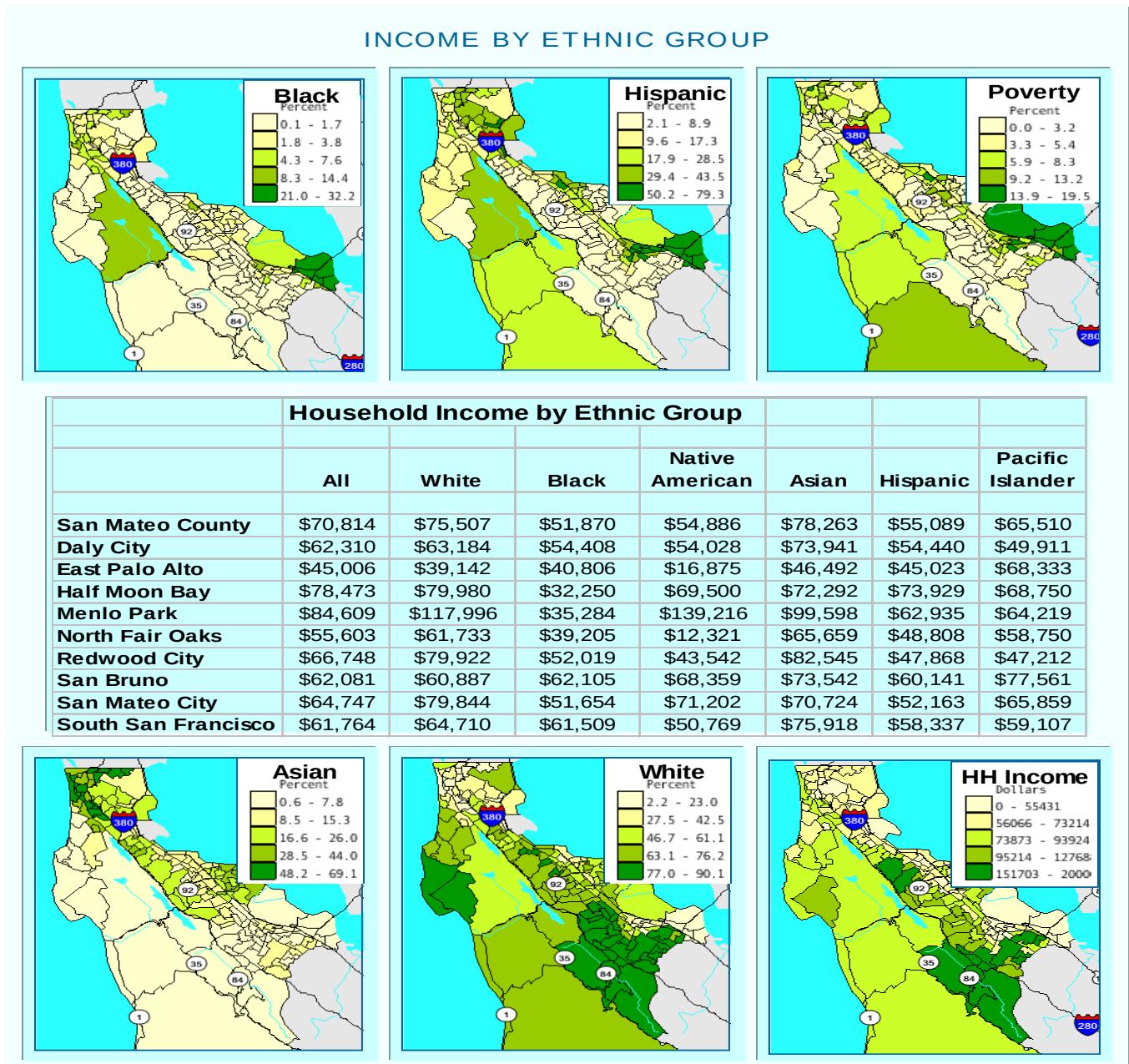


Fig. 5.2. Blacks and Hispanics have low household incomes relative to the county average.

business owners, and large numbers of highly educated engineers engaged in high tech industries within the county, in Silicon Valley to the south, and San Francisco to the north. These groups contrast strongly with Asian refugees in many other California communities. In the Central Valley from Sacramento to Fresno, Asians displaced by the Vietnam War and its aftermath arrived with little education, few skills, and little command of English. In San Mateo County, on the other hand, concentrations of Asians are found not only in middle class cities like Daly City and Foster City, but up the hillsides in the upper class enclave of Hillsborough.

Although earning the highest per capita income, due to small family size Whites as a group have slightly lower household incomes than Asians. However, the difference is small and both groups have approximately the same capability to rent or own a home throughout the county. Demographic maps in Fig. 5.2 show high correlation between household income and concentrations of Whites and Asians in the urban county to the east of the coastal mountains. Although Asians, who have had a large presence in San Francisco since the 1850s, have primarily penetrated into the northern half of the county, the concentration of Whites, Asians, and high per capita income between El Camino Real and Highway 280 is clear.

Hispanics and Blacks, on the other hand, have relatively low household income. Blacks have smaller families and therefore can't translate per capita income into household income as effectively as Hispanics. The demographic maps show that both ethnic groups display a strong correlation with areas of high poverty. Hispanics tend to reside in the area between the Caltrain tracks and the Bay from one end of the county to the other. Blacks have left the county in large numbers and now only have a significant presence in East Palo Alto, parts of Daly City, and the rural Coastside.

In summary, housing ownership lies beyond the means of most residents with moderate income or less. The relative non-affordability of San Mateo's housing stock is magnified for lower income minorities. Minority groups most affected are Hispanics and Blacks living eastward towards the Bay, particularly in North Fair Oaks and East Palo Alto. These cities not only have high poverty rates but unaffordable rents for many residents.

5.3 Poverty Rates

While San Mateo County is relatively affluent, with poverty rates far below the California average, specific groups protected by fair housing laws are not always so fortunate. Single females with children, for instance, as a group across the country tend to display higher-than-normal rates of poverty (Fig. 5.3).

In San Mateo County, the poverty rate among single females with children is less than half the California average. However, the poverty rate for this group county-wide is 13.2 percent. If the children are under five years old, that rate increases to 18.1 percent. And if the single mother with children under five lives in the heavily Black and Hispanic communities of East Palo Alto or North Fair Oaks, the poverty rate doubles again. More than one third of all single mothers with young children in these

Poverty Rate by Family Type			
	All Residents	Single Female with Children	Single Female with children < 5 yrs
California	14.2%	32.5%	42.3%
San Mateo County	5.8%	13.2%	18.1%
Daly City	7.1%	9.5%	17.4%
East Palo Alto	16.2%	21.1%	33.5%
Half Moon Bay	6.1%	15.6%	23.3%
Menlo Park	6.9%	15.8%	9.9%
North Fair Oaks	15.4%	25.5%	36.9%
Redwood City	6.0%	9.1%	8.7%
San Bruno	4.4%	10.4%	16.4%
San Mateo City	6.1%	10.8%	28.2%
South San Francisco	5.2%	6.7%	13.2%

Fig. 5.3. Over one third of single females with children under 5 years live in poverty in East Palo Alto and North Fair Oaks.

	Poverty Rate by Ethnic Group						
	All Residents	White	Hispanic	Asian	Black	Pacific Islander	
San Mateo County	5.8%	3.6%	10.7%	4.8%	11.2%	9.3%	12.7%
Daly City	7.1%	8.5%	10.2%	4.9%	6.6%	7.7%	11.4%
East Palo Alto	16.2%	10.4%	17.9%	9.6%	15.4%	7.3%	5.3%
Menlo Park	6.9%	4.6%	9.8%	6.7%	18.5%	3.9%	0.0%
North Fair Oaks	15.4%	8.0%	18.4%	12.2%	15.0%	0.0%	0.0%
Redwood City	6.0%	3.6%	10.2%	4.5%	9.8%	10.3%	11.8%
San Bruno	4.4%	3.6%	6.3%	3.9%	5.0%	4.9%	3.0%
San Mateo City	6.1%	3.8%	11.0%	7.6%	12.4%	10.6%	11.8%
South San Francisco	5.2%	3.9%	7.7%	3.3%	9.2%	11.4%	11.8%
California average poverty rate for all residents = 14.2%							

Fig. 5.4. Poverty rates in San Mateo County are less than half those in California as a whole, concentrated mainly among Hispanics and Blacks in in East Palo Alto and North Fair Oaks.

heavily Hispanic and Black neighborhoods live in poverty.

Similarly, when examined by ethnic group, pockets of poverty exist within San Mateo County's relatively affluent environment (Fig. 5.4). Most regions of the county have a low percentage of residents living below the poverty level. In most communities where an ethnic group exceeds 10 percent poverty rate, it is usually Blacks, Hispanics, and Native Americans that exceed that threshold. Only in East Palo Alto do more than 10 percent of Whites earn less than the poverty level. Similarly, Asians exceed the threshold only in North Fair Oaks.

The most significant area where poverty rates are high is the pocket comprised of East Palo Alto, East Menlo Park, North Fair Oaks and parts of Redwood City. Heavily Hispanic and Black, this area averages 15-20 percent of residents living under the poverty level. Among specific subgroups, such as single women with children under five years, the poverty rate exceeds 36 percent. This is the geometric focal point of housing affordability issues for lower income residents.

5.4 Tenure of Occupied Housing Units

More than 60 percent of residents in San Mateo County own their homes (Fig. 5.5). For the great majority of owners, affordability is not an issue since they have already qualified for and obtained mortgage financing. Furthermore, as housing prices have increased and mortgage rates have dropped, the cost of home ownership has fallen dramatically, below that of renting for many. The increased equity in turn has provided many homeowners significant net worth, particularly White and Asian owners of the more upscale homes in wealthy neighborhoods.

Tenure of Occupied Housing Units			
	Occupied Housing Units	% Owner Occupied	% Renter Occupied
San Mateo County	254,103	61.5%	38.5%
Daly City	30,727	59.8%	40.2%
East Palo Alto	6,938	43.5%	56.5%
Half Moon Bay	4,025	75.7%	24.3%
Menlo Park	12,426	56.9%	43.1%
North Fair Oaks	4,003	43.5%	56.5%
Redwood City	28,095	53.0%	47.0%
San Bruno	14,650	62.4%	37.6%
San Mateo City	37,318	53.9%	46.1%
South San Francisco	19,691	62.5%	37.5%

Fig. 5.5. Tenure of occupied housing units

Renters, on the other hand, have faced a mounting crisis over the five years prior to the “dotcom” economic downturn in 2001. Rents increased dramatically, surpassing \$2 per square foot per month for small 800 square foot apartments and condominiums. At its worst, families with children needing 3 bedrooms competed for units at prices close to \$3000 per month. At these prices, many families were forced to relocate to lower cost cities an hour or more drive from San Francisco. Others were forced to “double-up”, either adding roommates to split the rent or moving into smaller 2 bedroom units at lower rent. Since 2001, rents have dropped 10 to 25 percent, somewhat alleviating the crises. However, San Mateo remains the most unaffordable district in the country.

As shown earlier, high household incomes offset high rents in the predominantly White higher-income neighborhoods. However, in the lower-income Hispanic and Black neighborhoods, on average rental housing is only half as affordable as in the rest of California.

The very high price of housing in the county places home ownership out of the reach of residents earning less than the county mean, impacting a high proportion of Hispanics and Blacks. Many of these residents can’t afford to purchase a home, have insufficient salaries to afford higher end rentals, and end up paying rent far above the state average, even though their incomes fall below the state average.

The economic data indicates that residents already having purchased their homes enjoy the most affordable housing. Lower-income residents, conversely, find that rental costs have outrun their resources and live in the least affordable communities, even though housing is cheapest. Fig. 5.5 shows that home-ownership rates are lowest in the minority communities of East Palo Alto and North Fair Oaks. These two communities face the greatest challenge in providing affordable housing to its residents.

5.4 Cost Burden

A household paying more than 30 percent of its income on all housing costs, including utilities is considered to be cost-burdened. A household paying more than 35 percent of its income for housing is considered to have a severe cost burden.

One-third of all households in San Mateo County are cost-burdened (Fig. 5.6). Seventy-five percent of all very low-income and nearly 50 percent of low-income households carry a cost burden. Nearly 90 percent of very low-income renters bear a housing cost burden, a category that includes a large number of Hispanic and Black families throughout the county. Approximately half of low- and very low-income owners also carry a cost burden, a lower percentage than renters because many elderly owners have paid off their mortgages and others live in senior Below Market Rate housing. Over 40 percent of moderate-income homeowners bear a housing cost burden, reflecting the high cost of housing in the county.

The census data indicates that high housing cost burden is carried by very low- and low-income renters and very low-, low-, and moderate-income homeowners, the typical profile of the minority communities of East Palo Alto and North Fair Oaks as well as many minority residents of the county’s major cities. Conversely, moderate-income renters and above moderate-income homeowners carry little cost burden, the profile of the predominantly White neighborhoods in cities such as Menlo Park.

Household Cost Burden							
San Mateo County (Census 2000)							
	Household Income				Owners with Mortgage	Owners without Mortgage	All Households
	<50% of Median	50-80% of Median	80-120% of Median	>120% of Median			
Owner Households	18,427	18,767	25,717	71,898	101,937	32,872	134,809
Monthly Cost as % of Household Income							
30-34%	4.7%	6.9%	11.0%	7.9%	9.8%	2.0%	7.9%
>35%	51.1%	39.8%	30.3%	9.9%	28.9%	7.1%	23.6%
Total Cost Burdened Owners	55.8%	46.7%	41.3%	17.8%	38.7%	9.1%	31.5%
Renter Households	27,359	21,759	20,505	23,856			93,479
Monthly Rent as % of Household Income							
30-34%	8.0%	17.2%	10.3%	2.1%			9.1%
>35%	79.4%	29.3%	9.1%	1.4%			32.4%
Total Cost Burdened Renters	87.4%	46.5%	19.4%	3.5%			41.5%
All Households	45,786	40,526	46,222	95,754			228,288
Cost Burdened Households	74.7%	46.6%	31.6%	14.2%			35.6%

Fig. 5.6. More than one third of all San Mateo County households are cost burdened.

5.5 Overcrowding

An indirect measure of housing affordability is the degree of overcrowding in a community. Overcrowding can result either from adding more people to the household to enable payment of higher rent or from downscaling the housing unit and squeezing more people into each bedroom.

Overcrowding is often defined as more than 1 person per room. Fig 5.7 shows the number of renter and owner households that are overcrowded. Overcrowded households are highest for the extremely low-income group. Large related households, more prevalent in Hispanic and Asian families, also experience higher rates of overcrowding.

Overcrowding is normally more severe in rental units since most multi-family dwellings run to one or two bedrooms. Owner-occupied housing, on the other hand typically is built with three or more bedrooms.

Few owner-occupied homes are overcrowded. Only in Daly City, with high concentrations of Asian households that normally are larger than average, and in the lower income Hispanic and Black neighborhoods of East Palo Alto and North Fair Oaks, is overcrowding high, ranging from one-sixth to one-third of owner-occupied homes.

	Overcrowding by Tenure									
	San Mateo County (Census 2000)									
	San Mateo County	Daly City	East Palo Alto	Half Moon Bay	Menlo Park	North Fair Oaks	Redwood City	San Bruno	San Mateo City	South San Francisco
Total Housing Units	254,103	30,727	6,938	4,025	12,426	4,003	28,095	14,650	37,318	19,691
Owner Occupied	156,264	18,485	3,002	3,048	7,077	2,052	14,878	9,148	20,133	12,322
1.01-1.5 occupants per room	3.4%	8.8%	13.0%	0.9%	2.0%	9.1%	2.7%	4.3%	1.9%	6.6%
>1.5 occupants per room	3.3%	9.0%	22.5%	1.2%	3.0%	12.6%	2.5%	3.5%	2.0%	4.3%
Total Overcrowded Owner Occupied Units	6.7%	17.8%	35.5%	2.1%	5.0%	21.7%	5.2%	7.8%	3.9%	10.9%
Renter Occupied	97,839	12,242	3,936	977	5,349	1,951	13,217	5,502	17,185	7,369
1.01-1.5 occupants per room	7.0%	12.0%	9.4%	6.6%	3.4%	12.9%	7.5%	6.8%	5.9%	12.2%
>1.5 occupants per room	14.1%	22.3%	40.5%	17.2%	5.9%	40.8%	16.8%	14.2%	11.4%	16.9%
Total Overcrowded Renter Occupied Units	21.1%	34.3%	49.9%	23.8%	9.3%	53.7%	24.3%	21.0%	17.3%	29.1%

Fig. 5.7. Most severe overcrowding occurs in renter populations of North Fair Oaks, East Palo Alto, and Daly City.

Overcrowding in rental units is much higher, especially in North Fair Oaks and East Palo Alto where it reaches half of all units. Because a number of groups protected by fair housing laws can be disproportionately affected, including Hispanics, Asians, and large families, overcrowded conditions in rental units can indicate an impediment to fair housing.

5.6 Populations with Housing Needs

California's housing supply and affordability crisis most severely impacts families struggling to provide a safe and healthy home for their children. This problem also impacts lower paid workers in industries and occupations critical to California's economy. Home prices and rents have increased faster than supply and Californians must devote far more of their income to housing than residents of other states. Based on analysis of San Mateo County's demographics, housing profile, economic outlook, and cost-burdened groups, the following populations have significant housing needs.

Large Families

Change in household size is another important factor in determining housing needs. An increase in household size is particularly evident in low-income households that are forced to "double-up" to share housing expenses. Large households, defined in the Census as households with five or more persons, have special housing needs. Large households require housing units with more bedrooms but in many situations they are either not available or unaffordable, leading to overcrowding. Large renter households face a difficult time finding units large enough to meet their needs. Large, low-income renter families have limited options. In comparison to other household categories, large related households face a similar degree of difficulty as elderly households, having greater housing and service needs.

The number of large units that are available for rent is dependent on market conditions. Large units are versatile in that they can accommodate various living arrangements, such as large families, multiple roommates, and families doubling up. Large units also house smaller, more affluent households who desire "extra" bedrooms. For these reasons, large units are an asset to a city's housing stock, particularly large rental units. However, when the households with the living arrangements described above (large families, multiple

roommates, families doubling up, and smaller more affluent households) compete for a limited amount of housing, large families with lower household income cannot compete. Large households with very low income and low income are in need of subsidized, large units.

In the marketplace existing in 2000 and 2001, a low-income household could afford a 3-bedroom unit under the following circumstances: 1) the residents have Section 8 housing assistance to subsidize the rent; 2) the household lives with at least one other household, most likely in an overcrowded situation; 3) the housing is owned by a non-profit organization, sponsored by a public agency; or 4) the owner-resident has owned the house for a long time and does not have a mortgage.

Nearly half the residents of East Palo Alto, over 40 percent of North Fair Oaks, and nearly one-third the residents of Daly City live in large households. Many of these families live in overcrowded units, experience housing cost burden, or both.

Single Females with Children

Data from Census 2000 indicates that single households, especially females, were more likely to be in need of housing assistance and services than any other group. When poverty status is examined by family type, female-headed households with children but without husband present have above-average rates of poverty. Most female-headed households with children have annual incomes far below that of two-parent families. Single-parent households represent a need for daycare as well as for affordable housing of various sizes. The location of housing for single parent households - near schools and playgrounds - is important. In San Mateo County, over one-third of single females with children under five years live in poverty.

The Disabled

The number of disabled persons has important planning implications for a city. Specialized needs include certain social services, disabled access throughout the city, and housing with specialized features for disabled residents. Overall, seven percent of San Mateo County residents reported work disabilities; lower than the state average of eight percent. Supportive housing for the disabled and other group living situations should be located close to transit, shops, and community services.

Elderly Households

San Mateo County aged at a slower pace than California as a whole, with a 10.1 percent growth in residents 65 and over during the decade of the 1990s. At the same time, the 65-and-over population increased by 13.8 percent in the Bay Area and 14.7 percent in California as a whole.

The elderly and frail elderly need supportive housing and services. One of the primary non-housing needs for frail and elderly is adult day care. Adult day care and related supportive services are necessary to assist family members who are caretakers to be able to work during the day and also to receive supportive services relating to caring for diseases related to Alzheimer's and other forms of dementia. Additional facilities are needed with subsidies for low-income seniors. Supportive services such as counseling and group therapy are also a vital part of the non-housing services needed by this population. The absence of adequate assisted living units and Alzheimer's housing units will cause more and more frail elderly and disabled persons to be at risk of becoming institutionalized in nursing homes and similar facilities.

Rental Assistance Voucher Program

HUD provides funding to the County of San Mateo Housing Authority to administer the rental assistance program. The Housing Authority operates three public housing projects, Midway Village (150 units), El Camino Village (30 units), and Half Moon Village senior housing (60) units. The South San Francisco

Housing Authority operates a fourth public project of 80 units.

Midway Village houses about 500 residents and has 25 three-bedroom units and 15 four-bedroom units among its 150 units to assist lower income large families. Half Moon Village has 10 studio- and 50 one-bedroom units to assist lower income seniors 62 years and older. The 30 units in El Camino Village, adjacent to the Colma BART station, consist of a mix of one-, two-, three- and four-bedroom units able to accommodate a mix of households with special needs.

The Housing Authority provides approximately 4,200 rental assistance vouchers for Section 8 housing in FY2002-2003. Of 3,581 rent subsidy certificates in use countywide in 2001, 1,908 were provided to seniors or persons with disabilities. Another 425 were used to assist low-income large families. The remainder assisted other lower-income families, single-parent households, and farm-labor households. There is a waiting list for Section 8 certificates which is currently closed.

Feedback at the June 10, 2004 AI public hearing expressed concern for those households experiencing severe housing problems and in need of services, but who are not eligible for assistance because the qualifying income is too low. Public input identified inflexible qualifying standards for beneficiaries of local homebuyer and housing rehabilitation programs. These participants felt that qualifying criteria for government assistance is often imposed by bureaucracies far removed from San Mateo County resulting in standards unrelated to the local characteristics.

6. LAND USE AND ZONING

Public policy is a major factor driving each city's housing environment. Often employed as a tool to prevent change and maintain a majority population's concept of "neighborhood value," restrictive practices can pose significant impediments to fair housing choice, sometimes in violation of federal or state law. On the other hand, used constructively, elements of zoning and land use policy can be major tools in efforts to provide affordable housing and remove impediments to fair housing choice for lower income residents, groups protected under Federal and State fair housing laws, and others.

Public policy, in the context of impediments to fair housing choice, can be constructive or restrictive and explicit or implicit. Constructive applications most often work towards increasing the supply of affordable housing either directly, e.g., through the use of inclusionary zoning policies, or indirectly, e.g., through incentives to developers.

The entitlement cities of Daly City, Redwood City, San Mateo, and South San Francisco along with the County of San Mateo and the special focus cities of East Palo Alto, Half Moon Bay, Menlo Park and San Bruno were examined in this analysis. An analysis of disability related issues affected by land use and zoning policies was conducted for the entitlement cities and the County of San Mateo.

Zoning ordinances that support the creation of affordable housing were examined to determine if the city encourages the development and maintenance of affordable housing or imposes barriers to the detriment of affordable housing. The following policies were assessed: 1) inclusionary zoning ordinances; 2) density bonuses; 3) approval of secondary dwelling units. Regulations that affect housing opportunities for people with disabilities were also examined.

6.1 Summary of Identified Impediments to Fair Housing Choice

The following impediments to fair housing choice were identified from this review of land use and zoning regulations:

- The definition of "family" in the Daly City zoning code, "two or more persons related by blood or marriage", is overly restrictive. This definition discriminates against a broad range of groups under federal and state fair housing statutes relating to familial status.

This impediment can be removed by changing family definition to not preclude persons unrelated by blood or marriage and by not restricting household size beyond requirements of the health and safety code. Acceptable definitions include "a group of two or more persons living as a single household" or "a group of ten persons or less living as a single household".

- Redwood City requires a Use Permit for group homes for persons with disabilities. This is in conflict with federal and state statutes and discriminates against persons with disabilities.

This impediment can be removed by eliminating the requirement for a Conditional Use Permit for group homes and by allowing group homes of six or less persons in all residential areas.

- San Mateo restricts occupants of senior housing to persons over 60 years old and their spouses, thereby discriminating against unmarried senior couples. To remove this impediment, San Mateo should reword the occupancy requirements for senior housing to allow unmarried couples.
- In light of the severe affordability crisis facing all cities within the county, relatively strong action is required of each jurisdiction to foster construction of affordable housing. While the county's inclusionary zoning ordinance applies only in the vicinity of the Colma Bart Station (Fig. 6.1), the county is responsible for housing policy in North Fair Oaks and other

communities with high concentrations of minorities, poverty, and overcrowded households. The County should take action to strengthen its ordinance by expanding geographic coverage.

Daly City's inclusionary zoning policy covers a limited geographic area and is constrained to a large project size, substantially reducing the number of BMR units that can be realized. To help increase the number of affordable units constructed, Daly City should evaluate expanded coverage of inclusionary zoning.

Redwood City has a large population of lower income minorities. Furthermore, North Fair Oaks falls within its sphere of influence. By constraining inclusionary zoning to redevelopment areas, Redwood City will not realize scores of affordable units that otherwise could be developed. Redwood City should also evaluate expanded exclusionary zoning.

San Mateo has an effective inclusionary zoning ordinance that generates significant numbers of BMR units each year. However, while 1999-2006 RHND targets for above moderate income housing have already been surpassed, lower-income housing is deficient. To help correct this imbalance, the city should consider expanding the scope of its ordinance by reducing effected project size, increasing the percentage of BMR units in covered projects, or invoking an in-lieu fee for smaller projects.

- San Mateo County makes relatively widespread use of granny units to increase the supply of affordable housing. However, granny unit policy can be improved. With the exception of East Palo Alto, granny unit size is restricted to 640 sq ft, typically the size of a small one bedroom unit. Granny units generate affordable housing funded by the private homeowner's investment, yet individuals often can't meet the cost and complexity of the building permit process.

Each jurisdiction within the county should evaluate incorporating modifications to help gain maximum effectiveness in generating affordable units. Potential actions include increasing maximum limits on granny unit size, reducing occupancy restrictions (e.g., not limiting occupancy to relatives), reducing obstacles to and expediting permitting of granny units (e.g., by making available a selection of pre-approved designs), and providing financial incentives (e.g., reduced fees) for construction of granny units.

Effectiveness	Jurisdiction	Geographic Area Covered	Minimum Project Size	BMR Units	BMR Income Restrictions	Potential Actions for Improvement
High	East Palo Alto	Citywide	2 units	20%	1/4 for <35% county median, 1/2 for <50% county median, 1/4 for <60% county median	
	South San Francisco	Citywide	>4 units	20%	low and moderate income	
	Half Moon Bay	Citywide	10 units	20%	very low, low and moderate income	
	Menlo Park	Citywide	5-9 units, in-lieu fee, 10-19 units 10% BMR, 20 units, 15% BMR	10-15%	low and moderate income	
	San Mateo City	Citywide	>11 units	10%	low and moderate income	Explore strengthening
	Redwood City	Redevelopment Areas		15%	very low, low and moderate income	Citywide coverage
	San Bruno	Redevelopment Areas		15%	very low, low and moderate income	Citywide coverage
	Daly City	Redevelopment Areas	>30 units, on site, <30 units, off-site	15%	40% for very low, 60% low and moderate	Citywide coverage, smaller project size
Low	Unincorporated County	Colma BART station	5 units	20%	very low and low income	Countywide coverage

Fig. 6.1. A number of actions can be taken to increase the effectiveness of inclusionary zoning policies.

6.2 Zoning regulations promoting affordable housing

The following zoning and land use policies were reviewed for their effect on housing affordability.

Inclusionary Zoning

Inclusionary zoning is a planning device that ensures people of very low, low and moderate income can afford a percentage of newly constructed units which must be set aside as Below Market Rate (BMR) housing. The presence or absence of inclusionary zoning can impact the fair housing rights of people in several protected classes, such as families, seniors and disabled persons. These groups of people tend to earn less than persons in other classes and therefore can be included or excluded from a city, depending on its use of this type of ordinance.

Inclusionary zoning ordinances mandate that a percentage of newly developed housing (typically 10 to 20 percent) be reserved for lower-income residents at below market rate prices. These units are usually administered by the City in a “below market rate” housing program. If and when the owner moves, the units are sold back into the program at below market rates. The developer is often provided a density bonus so that profits from additional units offset losses from below market rate units.

Highly successful inclusionary zoning ordinances have been in force throughout the state for over 25 years. They provide major benefits. They significantly increase in the supply of affordable housing for lower-income residents and distribute those residents throughout the city’s new housing developments, breaking down patterns of segregation and precluding concentrations of low-income residents in “slum areas.” Inclusionary zoning brings other benefits as well. In traditional “affordable housing projects,” residents often resist the project because they fear a decline in neighborhood home values. With inclusionary zoning, architecture and design are usually more upscale, while lower-income residents are indistinguishable from market rate owners and become members of a more diverse, integrated community.

Inclusionary zoning also provides affordable housing as an ongoing activity tied to market-driven housing development, thereby tapping into private investment funding and significantly increasing potential for large numbers of affordable units. Traditional affordable housing projects, developed by the government in partnership with developers and/or non-profit organizations, are less well-funded and are usually planned at a slower rate.

Inclusionary zoning is a major tool in providing affordable housing, promoting economically and ethnically diverse neighborhoods and removing impediments to fair housing choice.

Secondary Dwelling Units

Often referred to as “in-law units” or “granny flats,” secondary dwelling units are an additional detached unit on parcels where single-family residences are permitted. Legalizing existing secondary units that conform to the local building code and allowing construction of new secondary units can significantly increase affordable housing stock and thereby housing opportunity.

Secondary dwelling units promote fair housing choice in two ways. They are often rented to lower-income families that otherwise would have to seek housing in a much more competitive rental market, thereby increasing the supply of affordable housing. Because granny units are distributed throughout the county, they have the effect of breaking up patterns of racial segregation. Lower-income families have the opportunity to live in a more diverse housing environment, rather than be constrained to “lower-income” neighborhoods. Granny units also leverage the private investment of homeowners, thereby expanding funding available for affordable housing. In these ways, secondary dwelling units work to mitigate and remove impediments to fair housing choice.

Secondary dwelling units normally do not increase the supply of affordable housing for large families, however, because zoning codes usually limit their size.

A number of factors can increase the effectiveness of granny unit policy in generating new affordable housing units in San Mateo County. Each city should evaluate details of their policies and make appropriate modifications to incorporate these factors:

- In San Mateo County, with the exception of East Palo Alto, size of the unit is constrained to 640 square feet, usually insufficient for families greater than three individuals. However, size limits up to 1200 square feet are common elsewhere in California. A change to the zoning code that maintains the smaller house size for smaller lots, but allows up to 1200 square feet for sufficiently large lots, would increase bedrooms per unit from one to two or three. This modification would expand granny unit occupancy to larger families.
- Sometimes occupancy restrictions are overly restrictive, thereby limiting effectiveness of granny units in providing affordable housing. Restriction to individuals related by blood or marriage is not uncommon. Opening occupancy to any low- or very low-income household expands granny unit effectiveness.
- One advantage of granny units is that they tap into funding from individual homeowners to generate affordable housing. However, individual homeowners have limited financial and personal resources. If the process of obtaining a building permit is too expensive or too time consuming, a homeowner often will “give up” and not build. However, if the county supplies a number of pre-approved “standard designs”, the time and complexity of the building permit approval process is dramatically reduced, from months to days. Lower review time on the part of planners can allow significantly reduced fees. Low permit fees, reduced complexity, and quick approval response provide the homeowner with increased incentive to build granny units.

Incorporation of these recommended changes into each City and the County zoning code would increase the supply of affordable granny units throughout the county.

Density Bonuses

Density bonuses are a planning device that encourages construction of affordable housing by allowing a developer to put more units of housing on a site than the general plan would otherwise allow if certain requirements are met. State mandated formulas are applied to grant a housing developer a density bonus of 25 percent more units on a site if a developer agrees to construct: 1) 10 percent of the units for very low-income households; 2) 20 percent for low-income households; or 3) 50 percent for senior households.

In addition, a supplemental density bonus may be granted if a development exceeds the above minimum requirements. Potential incentives to developers of affordable housing projects include reduction in setback, reduction in lot width, reduction in lot square footage requirements, reduction in yard dimensions, increase in building height, increase in building intensity, reduction of ratio of vehicular parking spaces per unit, reduction in open space requirements, and reduction in fees.

A supplemental density bonus may also be granted for additional features not mandated by state law, e.g., providing a percentage of the total units for large families or disabled households.

Jurisdictions employ density bonuses to encourage developers to build affordable housing for low-income residents. Most California jurisdictions allow density bonuses, which alleviate impediments to fair housing choice due to lack of affordable housing for low-income residents. When assessing

impediments to fair housing choice, the critical factor is the extent to which density bonuses have actually been employed in the recent past.

6.3 Assessment of Zoning Policies Affecting Affordable Housing

From the perspective of fair housing choice, some zoning policies have greater impact than others. Inclusionary zoning most strongly promotes fair housing choice by directly providing a significant percentage of new housing to low- and very low-income residents and by distributing those residents throughout the community to increase neighborhood diversity.

Secondary Dwelling Units deliver similar benefits. Distributed throughout the community, they can promote ethnic and economic integration. They can provide affordable housing if targeted towards low- and very-low-income residents. However, due to their small size, benefits to large families are limited.

Density bonuses are most effective when combined with inclusionary zoning to allow developers to pursue high-end projects with reasonable expectation of profit. Density bonuses provide the additional income to offset below-market unit costs. Density bonus code provisions have also been formulated within the unincorporated county to provide incentives for construction of affordable housing for persons with disabilities. Similar provisions could be adopted by the cities to strengthen their housing policies for persons with disabilities.

Daly City

Daly City has an inclusionary zoning ordinance requiring 15 percent of new or rehabilitated dwelling units developed within a redevelopment area by persons other than the redevelopment agency to be made available at an affordable cost to persons and families of very low, low, or moderate income (Fig. 6.1). The policy is constrained to redevelopment areas only and very large projects (greater than 30 units). Under these constraints, annual construction of BMR units is relatively small.

To develop significant numbers of affordable units and seriously address the RHND targets, Daly City should expand coverage of the inclusionary zoning ordinance citywide and should reduce the number of units required to fall within scope of the ordinance.

The City allows granny units as a means of stimulating affordable housing development (Fig. 6.2). Daly City has an award winning granny unit program, the strongest in the county, adding over eight hundred units in the last decade. However, the majority of these were legalization of existing units. Most future units will be new construction and therefore annual production will be much lower over the next decade. The city should consider the previously discussed modifications to granny unit policy to improve generation of affordable housing.

The City has adopted the state mandated Density Bonus to encourage the creation of affordable housing.

East Palo Alto

The City has an inclusionary zoning ordinance, which requires at least 20 percent of new dwelling units developed to be made available at an affordable cost to persons and families of very low and low income. This ordinance contains strong requirements, applicable to all projects of two or more units, to encourage the creation of affordable housing. The City allows secondary dwelling units as a means of stimulating affordable housing development. The City has adopted the state mandated Density Bonus to encourage the creation of affordable housing, usually coupled to inclusionary zoning to offset BMR costs. Overall, East Palo Alto has the most aggressive, comprehensive affordable housing policies in the county. Adopting earlier discussed recommendations can strengthen granny unit policy.

Menlo Park

Menlo Park has a relatively strong inclusionary zoning policy that can serve as a model to other predominantly White, affluent small cities along the urban peninsula. The City has a program which requires developers of 10 or more units to make 10 percent of the new dwelling units available at an affordable cost to persons and families of low or moderate income; developers of 20 or more units must make 15 percent of the new dwelling units available at below market rate.

The City also allows secondary dwelling units as a means of stimulating affordable housing development. Adoption of the earlier recommended modifications will strengthen existing policy. The City has not incorporated the state mandated Density Bonus into its zoning ordinances. Density bonus provisions can be effective in offsetting developer costs of BMR units that fall under the inclusionary zoning policy.

Redwood City

Redwood City has no inclusionary zoning policy in its zoning code. The City requires projects in redevelopment areas to set aside a percentage of new housing for lower-income persons and families; however, this lacks the overall effectiveness of a general ordinance. Redwood City is one of the larger cities in the County, it has a large Hispanic population, and North Fair Oaks falls within its sphere of influence. As will be discussed in greater detail in the next section, Redwood City's lack of citywide

SECONDARY UNIT POLICIES	
Daly City	Allows secondary units in single-family neighborhoods; must have a minimum of two parking spaces.
East Palo Alto	Allows secondary units to a maximum of 700 to 1000 sq ft., depending on the lot size; must have a minimum of one parking space; a maximum of three people allowed.
Menlo Park	Allows secondary units to a maximum of 640 sq ft.; must have a minimum of two parking spaces; a maximum of two people allowed.
Redwood City	Allows secondary units of a maximum of 640 sq ft.; maximum of three parking spaces including the main dwelling; maximum one-bedroom occupancy standard
San Bruno	Does not allow secondary units. Only secondary units constructed prior to June 1977 are permitted within the City due to safety, traffic congestion, parking and infrastructure concerns.
San Mateo	Allows secondary units of a maximum of 640 sq ft.; must provide adequate parking; maximum of two persons per bedroom plus one.
South San Francisco	Allows secondary units of a maximum of 640 sq ft.; must have a minimum of one parking space; no maximum occupancy standard.
San Mateo County	Allows secondary units throughout unincorporated areas.

Fig. 6.2. All focus cities except San Bruno allow Granny Units to provide affordable housing.

inclusionary zoning significantly limits the supply of affordable housing even though it has a large population in need.

The City allows secondary dwelling units as a means of stimulating affordable housing development. The modifications recommended above would strengthen that policy. The City has adopted the state mandated Density Bonus to encourage the creation of affordable housing.

San Bruno

The City has not adopted a general inclusionary zoning ordinance, which is a significant planning tool to stimulate the creation of affordable housing. The absence of an inclusionary zoning ordinance may constitute an impediment to fair housing if the City is unable to provide sufficient affordable housing to meet its needs. The City does not allow secondary dwelling units constructed after June 1977. The City has adopted the state mandated Density Bonus to encourage the creation of affordable housing.

The city has developed a visible plan to generate significant numbers of affordable units. However, San Bruno's inclusionary zoning policy would be more effective if geographic coverage were expanded citywide, allowing more affordable units to be generated.

San Mateo City

The City has an inclusionary zoning ordinance, which requires at least 10 percent of 11 or more ownership units to be affordable to households at or below 120 percent median income and 10 percent of 11 or more rental units to be affordable to households at or below 80 percent median income. While San Mateo's inclusionary zoning policy is effective, the great proportion of new construction in the city is above moderate income, to the extent that while ABAG's 1999-2006 RHND targets for above moderate-income housing have already been met, those for lower-income housing have fallen far behind. For these reasons, the City of San Mateo should consider expanding the scope of the inclusionary zoning ordinance, either by increasing the percentage of BMR units or reducing the size of projects falling within its scope.

The City allows secondary dwelling units as a means of stimulating affordable housing development. The modifications recommended above would strengthen that policy. The City has adopted the state mandated Density Bonus to encourage the creation of affordable housing.

South San Francisco

The City has an inclusionary zoning ordinance that requires at least 20 percent of four or more new residential units to be affordable to households of low and moderate income. Second only to East Palo Alto in scope and effectiveness, the city's ordinance promises to add significant numbers of newly constructed BMR units. The City allows secondary dwelling units as a means of stimulating affordable housing development. The modifications recommended above would strengthen that policy. The City has adopted the state mandated Density Bonus to encourage the creation of affordable housing.

County of San Mateo

In March 2004, the County passed an inclusionary zoning ordinance that requires at least 20 percent of units developed in projects of five or more units to be affordable to households of extremely low, very low, low or moderate income depending on whether the development is a rental or ownership housing. For rental developments, the 20% inclusionary requirement must be satisfied by having at least one-half of the required inclusionary units designated for extremely low- or very low-income households. The remaining half of the required inclusionary units may be designated for any combination of extremely low-, very low- or low-income households. Units designated for moderate income households would not meet the inclusionary requirements for rental developments. For multiple-family ownership

developments, the 20% inclusionary requirement may be satisfied by designating any combination of extremely low-, very low-, low- or moderate-income households; however, no more than one-half of the required inclusionary units may be designated for moderate-income households.

The County is responsible for creation of affordable housing in unincorporated communities, some of which house large groups of lower-income minorities. Of the two communities identified in previous sections of this report as having the greatest housing challenges and the largest concentrations of poverty, one is unincorporated North Fair Oaks. A stronger more detailed affordable housing plan is required for this community. The recently passed inclusionary ordinance may help toward generating more affordable units in this community. However, the ordinance is applicable to developments of five or more units. As available land for housing in North Fair Oaks tends to be in-fill sites, housing developments will tend to be small and may not trigger the inclusionary requirements.

Granny units are encouraged throughout the unincorporated County and generate about 20 affordable units per year.

The County has adopted the state mandated Density Bonus to encourage the creation of affordable housing. The county has also expanded the scope of its Density Bonus to provide incentives for housing for persons with disabilities.

6.4 Zoning and Land Use Policies Affecting Housing for People with Disabilities

For zoning purposes, disability issues fall into one or more of four groups: affordability, structural accessibility, legality, and neighborhood acceptance.

Numerous studies and census data reveal that significant numbers of people who have chronic, long-term physical and mental disabilities have very low incomes, low incomes, or low-moderate incomes. This population typically depends on family resources and on Social Security income grants, rental vouchers, subsidized housing, and homeless shelters to meet their housing needs.

Zoning and land use regulations generally control lot size, parking requirements, distances from curbs and from neighboring properties, availability of front and rear yards, and similar issues. Each of these issues has the potential to affect the homeowner's and renter's ability to add structural modifications, such as ramps that may be necessary to create a structurally accessible entrance to or exit from a home.

Three types of regulations are important to meet accessibility needs. First, reasonable accommodation policies and procedures that are included in zoning regulations will permit an applicant with disabilities to vary from the zoning rules if it is necessary to modify the entrance to his or her home, or the home itself, or the path from the street to the home, to make it useable.

Second, planning rules and guidelines that require all multifamily housing to be in compliance with California and Federal Fair Housing Act accessibility requirements help to ensure that the numbers of accessible homes and rental units increase.

Third, several California communities have enacted "visitability ordinances." A home is "visitabile" if a person using a wheelchair can enter the home, can navigate the hallways, and can use the bathroom. Neither the County nor any of the San Mateo cities have enacted such an ordinance.

For unrelated people with disabilities who choose to live in group homes, local zoning rules must permit such shared living arrangements to develop. The zoning rules must define "families" as including unrelated individuals living together. Per California law, local zoning rules are prohibited from requiring that group homes be separated by a distance of more than 300 feet. State law also requires that any group home based on the disability of its occupants may not require the residents to obtain licensure,

and must be treated the same as families related by blood or marriage. Both State and Federal law require localities to permit group homes in any neighborhood that allows single-family homes.

Effective January 1, 2001, California's Housing Element law required all localities to include an analysis of potential and actual constraints on the development, maintenance, and improvement of housing for persons with disabilities. The law also requires localities to demonstrate efforts to remove those constraints (Government Code Section 65583(a) (4)). In a June 17, 2002 Memorandum to Planning Directors from Cathy Creswell, Deputy Director of the Division of Housing Policy Development, CA Department of Housing and Community Development, localities were instructed to review their zoning and land use policies for inclusion of reasonable accommodation policies, citing of group homes, occupancy standards, community input, and similar issues.

Homes that are designed specifically for occupants with disabilities continue to be confronted with NIMBY, "Not in My Back Yard," opposition. It is important for a city's zoning rules to include a grievance policy that permits neighbors to express their opinions and to exercise their First Amendment rights. It is equally important for the grievance policy to support the rights of residents with disabilities to live peacefully in the neighborhood, to express their views, and to be free from acts that are not protected by the First Amendment but that are harassment and intended to undermine their rights under the law.

Such policies are more likely to be enforced successfully if zoning and land use planning staff receive ongoing training about both the First Amendment and the Fair Housing Act. A city policy requiring elected officials to be eligible for such training would also help avoid damaging and prolonged conflict.

Daly City (Daly City Zoning Regulations – Consolidated -- 8/98)

The zoning code presents one clear impediment to fair housing. Its definition of family includes only persons related by blood, marriage or adoption. 17.04.010(21). That definition would prohibit unrelated individuals with disabilities from living together in residentially zoned neighborhoods unless the group consisted of 6 or fewer individuals with disabilities and they lived in a licensed group home that provided 24-hour supervision. (See, e.g., Section 17.09.020[B]) Many other types of group homes and shared housing arrangements have enabled individuals with disabilities, especially low income individuals, to live in their communities, rather than with relatives or in institutions. The zoning code's limitations are impediments that can be readily corrected.

Redwood City (Redwood City Zoning Code 2001)

The code does not include either definitions of or provisions for reasonable accommodations or modifications in zoning, land use planning, use permit procedures, variances, zoning permits, or in the provision of services by the Zoning Administrator. If the zoning code does not include a specific procedure for reasonable accommodation requests, the City should refer to the Attorney General's letter, cited above. Reference to the Redwood City website also didn't include links or information for persons with disabilities.

The definition of "family", 2.37 is broad enough to include unrelated adults with disabilities living together in all zones where single-family homes are permitted. Licensed "family care homes," however, which include group homes, are limited to 6 or fewer people. The code requires public hearings and the receipt of a conditional use permit before allowing a licensed group home. This zoning restriction poses an impediment to housing for individuals with disabilities and may violate the State and Federal Fair Housing Acts.

"Home Occupations," 2.50, is narrowly defined to create no additional traffic, require no additional parking spaces, allow no employment other than for domestic purposes, and permit no storage of

supplies or equipment other than that for domestic purposes. This definition should be amended to be clear that it does not prohibit supportive housing arrangements for individuals with disabilities. As it is currently written, this section may impede the development and maintenance of housing for individuals with disabilities.

The parking section of the code does require “handicapped spaces” in each “parking facility, as required by State Law.” 30.5(D) However, no mention is made of any requirement for “handicapped spaces” outside parking garages, in commercial or multifamily residential zones. The absence of such a requirement may pose an impediment to individuals with disabilities who live in these zones.

City of San Mateo

The zoning code states, “The Handicapped Access Regulations of the state as prepared by the Office of State Architect shall be followed wherever they are applicable” (Title XXII Section 23.50.010; Section 26.04.140). It is unclear from the documents whether the City enforces the “handicapped housing requirements” in housing set aside for persons with disabilities or in all multifamily housing, both subsidized and private, as required by the State and Federal Fair Housing Laws.

This question arises because the zoning code does not mention access in its Statement of Purpose (Section 26.04.040), its Guiding Principles (Section 26.04.060), its Site Plan, Architectural Review, or Design Review sections (Chapter 27.08), or in any section of the code except for the sections on Residential Care Facilities (chapter 27.27)

In the code’s section on Planned Developments (Chapter 27.62), all streets are “privately owned and maintained, and shall provide continuous public access ... [which may not be] substantially restricted.” Given the absence of accessibility requirements, it is not clear from the code whether or not the private owners are required to create and maintain curb cuts so that home owners, renters, and purchasers are not impeded in their search for or their occupancy of planned development homes.

Like the other cities in San Mateo County, San Mateo’s zoning code omits a specific reasonable accommodation policy, and the City is referred to the discussion of the Attorney General’s letter, above. This may pose a particular concern for the City since its zoning code permits boarding homes, rest and nursing homes, and residential care facilities, only with an approved special use permit. (See 27.22.020; 27.32.010.) The residents of these types of housing are often low-income individuals with disabilities. (See definition of “residential care facility,” 27.04.130.)

The code’s treatment of residential care facilities raises separate fair housing questions. First, this type of housing must be separated from another residential care facility by at least “500 radial feet.” The State requires spacing limitations of only 300 feet. Second, if the occupants of a particular facility are limited to the elderly, each resident must be at least 60 years old or have a spouse who is at least 60, and either single or married. This provision appears to violate the California Fair Housing Act, which prohibits discrimination on the basis of marital status and gender. Thus, the code denies housing in residential care facilities to couples that are not married, in violation of the law.

Unlike the other cities, the City of San Mateo provides for “Senior Citizen Overlay Districts” (Chapter 27.61). The purpose for such districts is “to provide for development of land for senior citizen housing pursuant to standards which reflect the unique character of senior citizen residential occupancy” (27.61.010). Only residents who are elderly may live in such a zone; the housing must include accessibility features, as well as common meeting and dining facilities; and it must include “a generous amount of activity facilities” as well as being close to community services (27.61.040).

South San Francisco

The zoning code (November 1998) makes no mention of a reasonable accommodation policy or of fair housing accessibility requirements. We recommend that the City review the Attorney General's letter, discussed above, and that it adopt a specific procedure to review reasonable accommodation requests. In addition, since the code makes no mention of accessibility requirements, we also recommend that the City determine whether the state and federal fair housing requirements are being met in the construction of all new multifamily housing.

7. PUBLIC STRATEGIES AND POLICIES ON AFFORDABLE HOUSING

City and County strategies and policies to preserve and develop affordable housing were reviewed to assess the extent to which they address affordability issues in the community, mitigate the housing problems of major groups in need, and meet ABAG's RHND housing development targets. Policy was also assessed for potential to create impediments to housing affordability. Lack of affordable housing has most direct impact on low-income residents disproportionately represented by ethnic minorities, immigrants, persons with disabilities, large families with children, and other groups protected by fair housing laws.

7.1 Summary of Impediments to Fair Housing Choice

As discussed in Section 6, a number of factors influence the identification of impediments created by public policies, including the magnitude of local housing affordability problems, the jurisdiction's use of planning tools such as inclusionary zoning, the viability of its affordable housing strategies and plans, and the degree to which it will meet or miss its RHND affordable housing targets. If major housing affordability issues exist, such as excessive housing cost burden, overcrowding, and high rates of poverty, a quality housing plan to address those issues is warranted. If the plan is missing or deficient, and if use of planning tools to generate affordable housing is ineffective, an impediment to fair housing choice exists. At issue is the degree to which reasonable actions not taken by the jurisdiction significantly reduced the supply of affordable housing.

The following impediments to fair housing choice exist in regard to public affordable housing strategies and plans:

- San Mateo County's overall housing plan is very good and comprehensive actions are underway throughout the county to rehabilitate substandard housing, construct new affordable housing, and open home ownership to low-income families. Construction of the Moonridge affordable housing project for farm workers just outside Half Moon Bay is an excellent example.

However, a major deficiency exists. Along with East Palo Alto, North Fair Oaks is one of two communities with the highest poverty rates, overcrowding, large numbers of substandard housing units, and a high concentration of Hispanics. Yet a detailed or specific plan does not exist to address North Fair Oaks' housing issues. It appears that with the large number of communities over a broad land area covered by the County, North Fair Oaks has lost visibility. However, the county's focus needs to remain with those communities where problems are most severe.

This deficiency constitutes an impediment to fair housing choice that should be corrected. Potential corrective actions include developing a detailed affordable housing approach for North Fair Oaks and any other unincorporated community with concentrations of minorities, poverty and substandard housing.

- Nearly one-third of Daly City's households are large families and one-third are overcrowded, many experiencing housing cost burden. The 1998-2002 HUD Consolidated Plan laments the lack of available public funding in its opening paragraphs, yet Daly City's inclusionary zoning policy does not fully exploit the potential to tap private funding to supplement public funds. To correct these deficiencies, Daly City should evaluate strengthening its inclusionary zoning ordinance by expanding its application citywide and reducing the project size that falls within its scope. By taking this action, the city can increase available funding for affordable housing and come closer to meeting its RHND targets.
- Redwood City has a proactive plan to revitalize its downtown and generate significant numbers of

affordable housing units. However, Redwood City has a large concentration of lower-income Hispanics, many living in substandard housing. Furthermore, since North Fair Oaks falls within the city's zone of influence, any reduction in number of affordable units resulting from deficiencies in Redwood City's approach will impact lower-income residents from that community as well. Lack of a citywide inclusionary zoning ordinance potentially eliminates over one hundred affordable units along the Route 82 and 84 corridors adjacent to North Fair Oaks that could contribute to meeting Redwood City's RHND targets. Furthermore, public meeting input from Redwood City residents voiced frustration over the lack of a more aggressive affordable housing strategy.

To remove this impediment, Redwood City should consider extending inclusionary zoning citywide. This directly benefits a large population of lower-income residents within the city limits and provides additional affordable housing in the immediate neighborhood of North Fair Oaks.

7.2 San Mateo Urban County Housing Strategy

The San Mateo County Urban County Consolidated Plan for FY 03-04 – 07-08 enumerated five year quantitative affordable housing production goals to address the housing crisis, with an emphasis on CDBG and HOME funds. These goals include: assisting 500 units of newly constructed rental housing targeted to very low- and low-income families and special needs groups; assisting 50 units of newly constructed ownership housing for low-income families; acquisition-rehabilitation of 75 units of supportive housing; and rehabilitating 360 units of existing ownership and rental housing occupied by very low- and low-income households. In FY 02-03, CDBG and HOME funding yielded program support shown in Fig. 7.1.

The Consolidated Plan lists a number of strategies to address the Urban County's housing crisis. They all involve collaboration with stakeholders to reduce inefficiencies, increase capacity, and facilitate cooperation in order to achieve the larger vision of decent affordable housing and a livable environment, especially for the County's lower-income residents. These collaborative strategies include: (1) building momentum for the County's newly formed housing trust – Housing Endowment and Trust (HEAT) – to include all twenty cities and to develop a sustainable revenue source. Currently, eight cities have joined, having committed funding for program administration. The County has committed \$3 million to seed the trust, whose goal is to raise \$100 million over the next ten years; (2) continuing participation in the Countywide Home Investment Partnership (CHIP), a partnership of public agencies, school districts, and

**CDBG and HOME Housing Investments
San Mateo Urban County (FY 02-03)**

Program	Performance
Access Housing Modification	87 persons
Access – Renters	11 persons
Housing Rehabilitation	44 units
Minor home repairs, including accessibility	95 units
Homeless prevention – Legal services	689 house holds
START First-Time Homebuyer Loans	12 households
Mortgage Credit Certificates (First time homebuyers)	36 households
Redevelopment Agencies Homebuyer Programs	11 households
Emergency Shelter Operation Support	2305 persons
EPA CAN DO Anti-Predatory Lending Program	23 households
HIP Shared Homes Program	313 house holds
Daybreak Shelter Youth Operations	32 persons

Fig. 7.1. San Mateo Urban County housing programs and performance for FY02-03.

SAN MATEO URBAN COUNTY AFFORDABLE HOUSING CONSTRUCTION

July 2002 – June 2003

Project	Location	Type	Affordable Units	Beds	Tenure Type	Target Population	Sponsor/ Developer
Under Development							
Belmont Apartments	Belmont	NC	25		Rent	Special	Mental Health Association
Daly City Bart Site Ownership	Daly City	NC	4		Own	Families	Daly City/ Habitat
Lakeside Apts	Pacifica	NC	10		Rent	Families	National Church
Terminal Avenue	Menlo Park	NC	24		Own	Families	Peninsula Habitat
Supportive Housing Acquisition	East Palo Alto	Acq	1		Rent	Special Needs	City of East Palo Alto
Palo Mobile Estates	East Palo Alto	A/R	94		Rent	Families	City of East Palo Alto
South Delaware Apts	San Mateo	A/R	11		Rent	Families	HAND
South Plaza	San Carlos	NC	35		Rent	Families	MPHC
SSF Downtown Apts	South San	A/R	6		Rent	Families	City of South San
Third Ave Ownership Housing	Daly City	NC	7		Own	Families	Daly City/ Habitat
Subtotal			217	0			
Under Construction							
First Step for Families	San Mateo	NC	39		Rent	Homeless	Shelter Network
Main & Arnold Senior Hsg	Half Moon Bay	NC	64		Rent	Seniors	Lesley Foundation
Nugent Square	East Palo Alto	NC	32		Rent	Families	MPHC
Subtotal			135	0			
Completed							
Williams House (Walker House)	East Palo Alto	Rehab		6	Rent	Special	Free-at-Last
Willow Gardens	South San	A/R	16		Rent	Families	MPHC
Willow Gardens	South San	Acq	16		Rent	Families	MPHC
Subtotal			32	6			
TOTAL			384	6			
Other							
Opp. Center of Peninsula	Palo Alto	NC	90		Rent	Homeless	Comm. Wkg Group
TOTAL (Including Palo Alto)			474	6			

Fig. 7.2. San Mateo County and its cities have invested in 474 affordable units over the last year.

private lenders, whose goal is to streamline and standardize second loan documents acceptable to any first lender, and to garner financial resources to increase first-time homeownership; (3) continuing support for the County's Housing Element Task Force, an eclectic group of advocates and interested parties, to provide input into the updating of the Housing Element.

To facilitate the funding of affordable housing projects, the County streamlined its application process, merging two funding programs (CDBG and HOME) under one application. That way, developers only apply once, and not twice, for County housing funding. Current County policy calls for 45 percent of its new CDBG allocation for housing purposes. This amounts to \$1.5 million of CDBG funds and \$2 million of HOME funds for \$3.5 million of new funding each year. Oftentimes, loan repayments and reprogrammed funds augment this amount. This amount is separate from the County's START program, which provides second loans to low- and moderate-income first-time homebuyers. START is funded by loan repayments – annually the County is able to assist 12 homebuyers a year under this program.

In the past year, the County housing pipeline comprised 474 units – either completed, under construction, or under development (Fig. 7.2).

As outlined above, however, a significant deficiency exists in the County housing plan. The demographic, housing, and affordability analyses conducted in Sections 3 through 5 of this report show that North Fair Oaks lies at the heart of the geographic region that has the most severe poverty, substandard housing, overcrowding, cost burden, and highest concentration of lower-income minority groups. Lack of a detailed approach to generate affordable housing in that community is a significant impediment to fair housing choice.

To remove this impediment, the County needs to place higher priority on communities with the greatest

problems and highest needs. With the adoption of an aggressive inclusionary zoning ordinance in March 2004, San Mateo County is expected to develop detailed plans for these underserved communities and to remedy this impediment.

7.3 Daly City Housing Strategy

During the decade of the 1990s, Daly City developed a showcase granny unit program that legalized or constructed over 800 housing units. This, together with traditional programs focused on rehabilitation of substandard units, new construction and acquisition and rehabilitation of rental units, aid to first-time homebuyers, and others, led to achieving a significant portion of ABAG's 1988-1995 RHND targets.

The 1998-2002 HUD Consolidated Plan includes quantitative objectives for nearly all of these continuing traditional programs. In most respects, Daly City's Consolidated Plan and the Housing Element of the General Plan are similar to those of other California cities. However, the individual elements and specific programs of Daly City's plan are overshadowed by the following negative factors:

- A strong BMR program could potentially offset a relatively low proportion of public funding committed to housing. However, Daly City's inclusionary zoning ordinance is applicable only in redevelopment areas on projects with more than 30 units.
- The top housing priority stated in Daly City's Consolidated Plan is housing for small families, based on the observation that small families constitute 79 percent of the population. However, cost burden and overcrowding are worst for large families. After East Palo Alto and North Fair Oaks, Daly City has the highest percentage of large families (31.3 percent) and overcrowded rental units (34.3 percent) in the county. With limited resources available for housing, the city's priorities should focus on large, lower income households that compete for a limited supply of affordable large rental units.

As stated in Daly City's HUD Consolidated Plan, public resources available to address affordable housing issues do not meet the need. Lack of a more comprehensive BMR policy may be seen as a constraint to the development of affordable housing with private market investment. Strengthening the City's inclusionary zoning ordinance, expanding it citywide and reducing the size of projects falling within its scope may be a useful tool to help reduce the stated funding shortfall by increasing the numbers of affordable units generated by private market investment.

7.4 Redwood City Housing Strategy

Redwood City has developed a comprehensive housing plan that is integral to and dependent on the downtown business area redevelopment strategy. The Downtown Redevelopment Plan envisions a revitalized central business area whose economy is driven by the purchasing power of over 2,000 new local households, by the draw of restaurants and entertainment centers, and by conversion of downtown into a pedestrian-friendly area that motivates people to leave their cars and explore by foot. The plan includes wide tree-lined streets, pedestrian walkways; public and residential open space, architectural standards, and the Caltrain station as a transportation hub. The downtown area is envisioned as a 16-hour-a-day commercial center.

Highlights of new Redwood City Housing Element programs include:

- Preparation of a Downtown Area Plan with new housing as its principal objective
- New housing opportunities (residential rezoning) within easy walking distance of the transit center

- New higher density residential zoning district classifications (50-60 units/acre)
- Developer incentives for building housing in mixed use districts
- New ownership housing
- First-time homebuyer program
- Efficiency unit affordable housing program
- Incentive program to allocate units to service occupations

Key provisions of the Downtown Redevelopment Plan (Fig. 7.3) include rezoning significant acreage from commercial to mixed-use high density residential, and Transit-Oriented Development that allows high-density residential zoning on parcels within 1500 feet of the Caltrain Station. These provisions will create over 2000 new residential units, 300 of which will be affordable due to inclusionary zoning requirements in Redevelopment Areas. The residents of these homes will in turn fuel the commercial economy.

While the downtown area is the heart of Redwood City's new housing construction in the next decade, the City has also developed other critical elements to its housing strategy. Granny unit construction has been expedited by a quicker permit process and relaxed building requirements for setbacks and heights. Granny units are projected to supply 15 affordable units per year for the foreseeable future.

More than 40 percent of CDBG and 95 percent of HOME entitlement funds are directed towards housing, resulting in a projected 100 new affordable housing units in the 2001-2007 timeframe. During the same interval, tax increment funding will provide more than \$2 million annually for affordable housing, 50 percent more than required by state law. More than 15 affordable housing units per year will be funded by the Redevelopment Agency.

Redwood City has revised its zoning code to allow manufactured housing in R1 through R5 residential areas, thereby providing approximately 5 affordable units per year.

Properties along the Route 82 and 84 commercial corridors have been rezoned from commercial to mixed-use, high density residential, thereby creating potential for another 721 homes between 2002 and 2007. Unfortunately, Redwood City has no inclusionary zoning ordinance so that housing constructed along these corridors is likely to be market rate and not affordable to very low- to moderate-income residents.

Redwood City's approach to housing, and affordable housing, is multi-faceted. The City employs a wide variety of methods and approaches, working together, to provide significant numbers of affordable homes. Fig. 7.3 shows the additive effect of each of these policies and programs. Over 600 affordable housing units will be constructed between 1999 and 2006.

Redwood City Affordable Housing Plan



Downtown Plan

2000 new residential units, 300 affordable, will bring vitality to the central business district



TOD

Transient Oriented Development allows high density residential zoning within 1500 ft of Caltrain.

Category	New Housing Construction				
	Very Low Income	Low Income	Moderate Income	Above Moderate Income	Total
1990-1998 ABAG RHNA	996	806	996	1943	4741
1989-1999 Construction	194	255	1366	1693	3508
1999-2007 ABAG RHNA	534	256	660	1094	2544
1/99-7/01 Construction	54	0	19	245	318
02-07 Downtown Plan	30	15*	30*	425	500
02-07 TOD	incl.	incl.	incl.	incl.	incl.
RDA Affordable Projects	68	15	62	430	575
02-07 82 & 84 Corridors	0	0	0	721	721
Granny Units	8**	35**	70**	0**	113
Manufactured Housing	3***	12***	23***	0***	38
CDBG & HOME Projects	33***	33***	34***	0***	100
Market rate construction	0	0	93****	<185****	<278
1999-2007 Construction	196	110	331	<2006	<2643

* 45 units total, split assumed

** 113 units total, split assumed

*** split assumed

**** 278 units total, split assumed



**Rt 82 & 84
Commercial Corridors**

High density mixed use zoning will add 721 new homes, but no affordable units.



Granny Units

Expedited granny unit policy will add up to 15 affordable units annually.

Fig. 7.3. Redwood City's affordable housing plan lacks inclusionary zoning outside redevelopment areas.

Redwood City also has an aggressive program to rehabilitate older, substandard rental units for very low- to moderate-income residents. The City has rehabilitated 132 units between 2000 and 2003 with Housing Accessibility Improvement Grants. It also provides 45 home improvement loans per year from its revolving loan fund to upgrade rental units for very low- to moderate-income residents. Included are funds for accessibility modifications for persons with disabilities. CDBG and HOME entitlement funding also

helps 10-15 first-time homebuyers per year make the transition from renter to homeowner.

However, these efforts still fall short of meeting ABAG's Regional Housing Needs Determination for affordable housing. The 1999 - 2006 Regional Housing Needs Plan covers the time frame January 1, 1999 through June 30, 2006, a seven-and-a-half-year planning period. The resulting requirement set for Redwood City was: 534 very low-income units, 256 low-income units, 660 moderate-income units, and affordable housing are summed; insufficient new construction for very low- through moderate-income residents is planned. A similar shortfall occurred in the previous planning period covering 1990-1998.

Previous sections of this report have shown that San Mateo County is one of the least affordable regions of the nation, putting home ownership out of the reach of most residents in the very-low to moderate-income range. Renters in that income range also carry significant cost burden. Within San Mateo County, poverty levels and housing cost burden is worst for Blacks and Hispanics living in an arc from East Palo Alto, through East Menlo Park and North Fair Oaks, and into the eastern portion of Redwood City. These residents, many with large families living in overcrowded conditions, have very limited housing choice. If Redwood City falls short of meeting its affordable housing targets, these residents are most affected.

In addition, East Palo Alto is an incorporated city and has direct control of its housing strategy, with promising results. North Fair Oaks, on the other hand, is unincorporated and falls within Redwood City's sphere of influence. Residents of North Fair Oaks depend on the County and Redwood City for an increased supply of affordable housing. The Route 82 and 84 commercial corridors lie adjacent to North Fair Oaks and new affordable housing along those routes could benefit North Fair Oaks families.

Because in San Mateo County the cost burden on lower-income households is high and because new affordable housing construction falls far short of the need, Redwood City's lack of an inclusionary zoning ordinance makes a bad situation worse. While it is unlikely that any set of policies would result in meeting all ABAG RHND targets, inclusionary zoning helps move closer to the goal. For instance, if the 721 high density units projected to be constructed along the Route 82 and 84 commercial corridors fell under an inclusionary zoning ordinance, another 108 affordable units would be generated.

The Downtown Plan does not currently identify a housing strategy for affordability to households with the greatest housing need. Nor does it include an affirmative marketing provision to attract people with disabilities to affordable housing units. Provisions of state redevelopment law, by themselves, do not guarantee adequate affordable units on a project-by-project basis. The Downtown housing strategy should include provisions for affordability and marketing of accessible units.

Most communities neighboring Redwood City require inclusionary zoning, including San Mateo, South San Francisco, and Foster City to the north, and Palo Alto, East Palo Alto and Menlo Park to the south. In light of the urgent need for affordable housing in San Mateo County, it is prudent that Redwood City reevaluates and strengthens its policies on inclusionary zoning and affordable housing.

7.5 City of San Mateo Housing Strategy

The City of San Mateo's first major housing objective is to "maintain the character and physical quality of its existing residential neighborhoods." Second, the City seeks to "maintain a diversity of housing opportunities," including a variety of housing types and sizes, a mixture of rental and ownership housing, and a full range of housing costs. This variety of housing opportunities will accommodate a diverse population, leading to a variety of household sizes, all age groups and a wide range of income levels. Finally, the City seeks "to increase its housing supply to meet housing demand caused by future job

CITY OF SAN MATEO AFFORDABLE HOUSING

Assisted Rental Housing					
Project	Year	Development Type	Total Units	Affordable Units	Financial Assistance
Pilgrim Plaza	1961	Senior, NC	56	56	HUD Sec 202
Park Towers	1965	Senior, NC	200	200	HUD Sec 202
Flores Gardens	1984	Senior, NC	72	72	HUD Sec 221
Edgewater Isle	1986	Senior, NC	92	92	RDA, CHFA
Rotary Haciendas	1988	Senior, NC	82	82	RDA, LIHTC
Belmont Bldg	1989	Family, Conversion	6	6	CDBG, RDA
12 N. Idaho	1994	Family, Acq/Rehab	6	6	HOME, RDA
Darcy Bldg	1995	Family, Conversion	8	8	HOME, RDA, HA
106 N. Eldorado	1996	Family, Acq/Rehab	6	6	HOME
Hotel St. Matthew	1996	SRO, Acq/Rehab	56	56	HOME, RDA, LIHTC
St James Mt Zion	1997	Family, Rehab	2	2	CDBG
Edgewater Isle	1998	Senior, Acq/Rehab	92	92	RDA, HOME, CHFA
Bridgepointe	1999	Family, NC	396	59	BMR Units
200 S. Delaware	1999	Family, Acq/Rehab	16	16	RDA, HOME
The Madrid	2000	Family, NC	13	1	BMR Units
Humboldt House	2000	Disabled, Rehab	9	9	RDA, HOME
Jefferson	2001	Family, NC	575	58	BMR Units
Santa Inez Apts	2001	Family, NC	44	44	RDA, LIHTC
540 El Camino	2002		21	2	BMR Units
Total Units			1708	823	

Assisted Ownership Housing				
Project	Year	Total Units	Affordable Units	Financial Assistance
Meadow Court	1988	78	70	CDBG, CHFA
Gateway Commons	1989	96	93	CDBG, CHFA, RDA
Summerhill I	1996	54	6	BMR Units
Summerhill 2	1997	70	6	BMR Units
Rushmore Townhomes	1998	13	1	BMR Units
Humboldt Square	1998	26	8	RDA
St Matthews Place	2000	34	5	RDA, BMR Units
Ryland Homes	2001	153	15	BMR Units
Norfolk Properties	2002	67	7	BMR Units
Corta Bella	2002	124	12	BMR Units
Total		715	223	

Annual Affordable Housing New Construction (5 yr ave)

- Assisted Rental 33
- BMR Rental 24
- BMR Owner 10
- Granny Units 7

Total 71

ABAG RHND Allocation: 185/yr
San Mateo City Goal: 81/yr
5 Year Ave (1998-2002): 71/yr

Fig. 7.4. The City of San Mateo employs a comprehensive approach to affordable housing production yet still falls short of ABAG targets.

growth,” with types of new housing accommodating income levels associated with new employment in the City.

Affordable housing production within the City of San Mateo is presented in Fig. 7.4. The City employs a broad range of approaches to increase the supply of affordable housing, including inclusionary zoning and use of granny units as well as traditional government assistance coupled with density bonuses. By leveraging private investment through inclusionary zoning and granny units, the City has doubled its annual production of affordable housing, from 33 units per year for purely government assisted projects to 71 per year overall. However, because of the high cost of housing in the county, affordable housing production still falls far short of the need as predicted by ABAG’s RHND allocation. ABAG’s RHND for 1999-2006 is 2,437 units for the City of San Mateo, of which 1,391 are affordable (very low, low, and moderate income) and 1,046 are above moderate income. As of June 2001, sufficient above moderate-income housing units had been built to meet the allocation through 2006. However, affordable unit production is short by over 100 units per year. For this reason, the City’s goal of supplying housing for all

income levels and maintaining a diversity of lifestyles is not being met. Lower-income residents, already experiencing severe housing problems within the City, face increasing difficulty from a decreasing supply of new affordable units relative to the supply of high-end units.

Unlike some cities that don't meet their affordable housing allocations because their strategy and plans are weak, San Mateo has a comprehensive approach to affordable housing. However, the difficulty lies in meeting desired demand for affordable housing in the face of very high housing prices that make San Mateo County the least affordable region in the nation. With few other choices to increasing affordable housing supply, the City is evaluating changes to its inclusionary zoning ordinance in order to increase the benefit from private investment.

Given the success of inclusionary zoning to date during a booming housing market in that it supplies as many affordable units from private funding as from government assisted projects, modifications to the inclusionary zoning ordinance should be evaluated. Options under consideration by the City include increasing the percentage of BMR units (an increase from 10 percent to 15 percent could supply approximately 17 additional affordable units per year in a similar economy) or by requiring an "in lieu" fee for smaller projects.

The inclusionary zoning ordinance provides significant benefits to the City and its residents. It promotes diversity and reduces segregation by transparently locating lower-income residents, many of whom are minorities, throughout the City. It increases the pool of available funds for affordable housing to include the private sector. Its benefit to the City is evident in the numbers of affordable units created each year.

Other solutions also warrant consideration. A commercial linkage fee for affordable housing draws on market investments as a source of funding. An SRO ordinance would encourage small affordable housing units. Reduced planning requirements for transit-oriented housing could stimulate production of affordable housing. .

7.6 South San Francisco Housing Strategy

South San Francisco's redevelopment strategy is strongly focused on bringing jobs and tax revenue to the city by attracting corporations into new R&D and office parks. Its strategic location next to the San Francisco International airport, its relatively inexpensive housing, its central location between San Francisco and southern San Mateo County, and its access to a new BART station make it attractive to a wide range of corporate businesses. A Mecca for biotechnology firms, 95 are now located in South San Francisco. Over the past five years, despite a severe recession, biotechnology employment has increased from 3,500 to 7,100 persons. This combination of corporate entities and airport proximity has also attracted nine new major hotels. Associated redevelopment tax increment revenues are available to support affordable housing initiatives.

South San Francisco is largely built out so that most new construction is infill and replacement housing. For this reason, a major part of the City's housing strategy is acquisition of older housing that is suitable for rehabilitation and conversion to lower-income multi-family units (Fig. 7.5). An example is Willow Gardens, a set of seventeen fourplexes that have been acquired by the non-profit Mid-Peninsula Housing Coalition. Using \$14 million in HOME and RDA funds, public and private bonds and tax credits, and federal Section 108 loan funds, these units will be modernized and rented to very low- and low-income families. If these units, which will be essentially new and permanently affordable to very low-income renters, are added to planned affordable new construction units, South San Francisco will generate about 33 affordable units per year using entitlement and RDA funds, one third of ABAG's RHND of 102 affordable units per year.

South San Francisco has one of the strongest inclusionary zoning ordinances in San Mateo County, requiring 20 percent of all projects of four or more units to be affordable to low- and moderate-income households. The City also allows granny units. This combination assures that a significant percentage of private investment in new housing construction will contribute to the RHND affordable housing targets.

South San Francisco has relatively old housing stock in the downtown area, many substandard and rented to lower-income residents. Hence, a third component of the City's housing strategy is rehabilitation of older homes occupied by lower-income households so that they are brought into compliance with existing codes. Approximately 15 lower-income owner-occupants are assisted. The City also targets about 60 renter-occupied units for assistance, particularly downtown SROs. These units undergo significant rehabilitation and modernization. In addition, the minor home repair program will assist another 145 owners of homes occupied by lower-income households bring their units into code compliance. Finally, the City provides grants to about 175 owners to modify structures so that they can become accessible to persons with disabilities.

South San Francisco's approach is broad and comprehensive. The City employs all tools within its power to address affordable housing, employing both public and private resources. South San Francisco leverages tax increment funds from a very robust commercial strategy, in addition to entitlement funds,

South San Francisco Affordable Housing Plan



South San Francisco uses entitlement and RDA funds to construct 33 affordable units annually.



Largely built out, South San Francisco focuses on acquisition and rehabilitation of existing dwellings.

Project/Program	Affordable Housing Units Acquired/Retained (1999-2003)			
	Type	Target Population	Funding Source	Affordable Units
Chestnut Creek (2003)	New Construction	Very Low Income Seniors	RDA, HUD Grant, Private	40
Willow Gardens (2003)	Acquisition & Rehab	Very Low & Low Income	HOME, RDA, Bonds, Tax Credits	64
Multi-Family 3&4 Bdrm Rental (2003)	New Construction	Low-Income, Large Families	HOME, RDA, CDBG	30
Multi-Family Rental (2003)	New Construction	Low-Income,	HOME, RDA, CDBG	33
Owner-occupied Rehab (1999-2003)	Rehabilitation	Low-Income Homeowners	RDA, CDBG	15
Rental Rehab (1999-2003)	Rehabilitation	Very Low-Income SROs	HOME, RDA, CDBG, Private	60
Minor Home Repair (1999-2003)	Rehab Code Violations	Low Income Homeowners	HOME, CDBG	145
Accessability Mods (1999-2003)	Modifications	Persons with Disabilities	CDBG	175
Annual Affordable Units Constructed = 33 Annual Affordable Units Rehabilitated = 79				Total Units = 562

Fig. 7.5. South San Francisco employs entitlement funding to rehabilitate existing units and inclusionary zoning to tap private investment for construction of new affordable housing.

bonds, and tax credits. The City also leverages private investment with a strong inclusionary zoning ordinance. The City targets each of the major groups with needs, including seniors, large families, low income, SRO residents, and persons with disabilities, in a wide-ranging set of projects.

7.7. East Palo Alto Strategy

East Palo Alto represents the single greatest challenge to fair housing choice in San Mateo County. The City has the highest percentage of minorities (92 percent v. 48 percent county-wide), the lowest per capita income (\$32,000 v. \$48,000 county-wide), the highest poverty rate (23 percent v. 7 percent county-wide),

East Palo Alto Redevelopment



Ravenswood Retail Center

A major destination Center including Best Buy, Home Depot, Good Guys and IKEA, Ravenswood provides 500 jobs and \$2.5M in tax revenue.



University Circle

Replacing a crime-ridden area of bars and liquor stores, this 400,000 sq ft office tower and Four Seasons Hotel provides over \$2M in tax revenue.

East Palo Alto Affordable Housing Initiatives

- Continued new construction coupled to strong inclusionary zoning ordinance
- Loans and grants to developers to create affordable units
- Increased production of granny units
- Support for land acquisition and pre-development financing
- Mixed use and high density residential development in Redevelopment Areas
- Use of hotel bed tax funds for affordable housing development
- Development of emergency shelter and transitional housing for the homeless
- Development of housing suitable for seniors, families, and other persons with special needs
- Rent stabilization through the Rent Stabilization and Just Cause for Eviction Ordinance
- Home-sharing program to assist low- and moderate-income residents
- First time homebuyer assistance
- Credit counseling to combat predatory lending practices
- Housing rehabilitation and repair programs

Category	New Housing Construction				
	Very Low Income	Low Income	Moderate Income	Above Moderate Income	Total
1999-2007 ABAG RHNA	358	148	349	427	1282
1999-2001 Construction	49	49	8	368	474
2002-07 NC Objectives	309	248	396	72	1025



University Square and Nairobi Housing

221 Single Family residences, 22 affordable, and 129 apartments, 65 affordable, were constructed adjacent to Ravenswood Retail Center.



Wellington Housing Site

This site in the Four Corners Redevelopment Area is planned for 400-600 new homes, 60-90 of which will be affordable.

Fig. 7.6. East Palo Alto’s affordable housing policies are the strongest in the county.

and many blighted neighborhoods with older substandard homes.

Progress in rectifying these problems has been dramatic and steady. Incorporation in 1983 provided the City the ability to chart its own course, police its communities, raise taxes, and govern its schools. Redevelopment activities are reshaping the city's landscape (Fig. 7.6) and providing an enduring source of revenues that promise continued progress for decades to come. Construction of a major shopping center anchored by major retailers like Home Depot, Best Buy, Good Guys and Ikea brings thousands of people from outside the city weekly, provides significant tax revenues, and is a steady source of employment. Adjoining the shopping center are major new housing developments of single-family homes and multi-family rental units. A large percentage of these are affordable under the City's Inclusionary Zoning ordinance and state redevelopment laws. Still more have been sold to moderate income Whites so that the neighborhood is truly diverse. The old "Whiskey Gulch" area on the west side of the freeway, formerly a blighted area of liquor stores and bars, has been torn down and replaced by multi-story office buildings that promise to bring more jobs and tax revenue to the City. Included is a five star Four Seasons Hotel. New Redevelopment in the Four Corners/Bay Road Area will continue growth in jobs, revenues, and affordable housing into the foreseeable future. Progress in the past five years has been extraordinary, more than realized in the previous fifty, and is a tribute to the efforts of residents to rebuild their new city.

Coupled with this redevelopment activity, East Palo Alto has adopted an aggressive approach to affordable housing, literally "pulling out all the stops". Their inclusionary zoning ordinance is the strongest in the county, if not the nation. A rent stabilization ordinance has been enacted to help slow the high rent increases of the last decade. City policies are in place to attempt to meet ABAG's RHND targets. Construction of granny units is encouraged. Unique programs, such as home-sharing and predatory lending

counseling, have been initiated. And East Palo Alto also pursues and promotes a range of programs more common to cities across California, including housing rehabilitation, first-time homebuyers' assistance, and aid to the homeless. The City has also adopted an approach of working closely with the County in implementing these programs.

East Palo Alto has the greatest housing affordability challenge in the county. It also has taken an aggressive approach to solving its problems, both housing and economic development. Because a majority of residents are impacted by San Mateo County's housing affordability crisis, City Council members support affordable housing planning to a much greater degree than those of most other cities in the county. On the 20th anniversary of East Palo Alto's incorporation as a city, progress is impressive.

7.8 Half Moon Bay Housing Strategy

Half Moon Bay has housing issues unique to the county, with very affluent professionals in newer up-scale housing and lower-income Hispanic households dependent on a rural agricultural economy. A shortage of water and the requirement for Coastal Commission approval of new housing projects provide additional challenges to city planners. Yet Half Moon Bay has made laudable progress in developing a range of affordable housing (Fig. 7.7).

Working with the County, projects have been completed or are underway targeting seniors, low-income families, and farm workers. Particularly beneficial is a 120-unit complex just outside the city limits that is devoted to farm worker families. This is the group that is the highest concern in Half Moon Bay because they are very low-income, many are long-time residents, and they don't share in the affluence of the rest of the City. This complex is a major step forward.

Half Moon Bay has enacted a strong inclusionary zoning ordinance and encourages construction of granny

Half Moon Bay Affordable Housing



Main St Park's 64 units are affordable to low and very low income families.



Moonridge, an 80 unit development for farm-worker families, addresses a major housing need.

Affordable Housing Construction (1999-2002)

Project	Location	Type	Affordable Units			Tenure Type	Target Population
			VL	L	M		
Main & Arnold Senior Hsg	Half Moon Bay	NC	61	3		Rent	Seniors
Main St. Park (phase 2)	Half Moon Bay	NC	25	3		Rent	Families
Spyglass Offsite Units	Half Moon Bay	NC	5	7		Rent	BMR
Nerhan Duplex	Half Moon Bay	NC			2	Rent	BMR
Moonridge II	Coastside	NC	80			Rent	Farm labor
Total Affordable Housing			171	13	2		

Regional Housing Needs Determination (1999-2006)

Household income level	Very Low	Low	Moderate	Above Moderate	Total
Regional Housing Needs Determination	86	42	104	226	458
Units built or approved (1999-2002)	91	18	2	286	397
Revised new unit need (2003-2006)	0	24	102	0	126

Fig. 7.7. Half Moon Bay, working with the county, has developed affordable housing targeting populations in need and is on track to meet its RHND targets.

units to increase the supply of affordable housing. By tapping into private housing investment and working

with the County to make effective use of government funds, Half Moon Bay is on track to meet its RHND affordable housing targets. Targets for low-income affordable housing have already been achieved.

7.9. Menlo Park Housing Strategy

Menlo Park receives entitlement funding through the San Mateo Urban County consortium and participates in the programs described under Section 7.2 of this report. These include minor and major rehabilitation for lower-income housing, the first-time homebuyers program, and shelters for the homeless.

As part of its redevelopment activities, the City also plans development of a full-scale neighborhood park and housing on the north side of Hamilton Avenue generally between Henderson Avenue and Chilco Street. Land acquisition is complete for the site, which is about six acres in size. About half of the site is planned as a park and the remainder will be new housing.

Working with Habitat for Humanity, Menlo Park has approved 22 units of single family affordable housing to be constructed in the eastern portion of the city with high concentrations of lower-income minorities. Construction will begin in late 2003.

To generate additional new construction of affordable housing, Menlo Park has enacted a relatively strong

inclusionary zoning ordinance that applies to all projects of four or more units citywide. Menlo Park also encourages the development of granny units to increase the supply of affordable housing. Both of these programs act to mitigate a significant Menlo Park issue, de facto segregation of lower-income Blacks and Hispanics to the east and affluent Asians and Whites to the west, by distributing affordable housing throughout the city.

7.10. San Bruno Housing Strategy

Nearly all of San Bruno's affordable housing new construction is generated through redevelopment of the downtown area adjacent to the San Francisco International Airport. A central part of San Bruno's redevelopment activity is the former Navy Engineering Field Activity West (EFA West) site. This planned development site is envisioned as a vital mixed-use urban center in the heart of San Bruno's regional commercial/mass transit district. Capitalizing on the extension of BART through San Bruno, the plan envisions Transit Oriented Development (TOD) incorporating commercial offices, hotel, restaurants, as well as a high-density multi-family and senior assisted living into a cohesive neighborhood, The Crossings (Fig. 7.8). The plan links office and commercial destinations and high density residential uses with mass transit access, providing a walkable environment integrated into adjacent commercial, institutional and residential areas, including the adjacent Tanforan Park Shopping Center. Up to 1,070 housing units are planned in high density TOD zoning, 300 currently under construction. Of these, 215 are BMR affordable rental units, 45 for assisted senior living and 170 for families. Completion of this project would allow San Bruno to meet its RHND affordable housing targets.

San Bruno, as part of the San Mateo Urban County consortium, also has a vigorous rehabilitation program targeted towards lower-income owner-occupied and rental units, as well as a first-time homeowners program. San Bruno has employed a combination of HUD entitlement funds, redevelopment funds, and other state and local funded programs to shape a vigorous development and housing plan.

However, San Bruno is the only city reviewed in this report that does not allow granny units. The City's inclusionary zoning ordinance is also relatively weak. The City has opportunity to increase the supply of



Fig. 7.8. Planned Unit Development at the former Navy facility includes a multi-family rental project with 45 affordable units for Seniors and up to 170 affordable units for families.

affordable housing by allowing granny units on parcels that meet minimum requirements and by

strengthening their inclusionary zoning ordinance.

7.11 Impact of SB975

Governor Gray Davis signed SB975 in October 2001 requiring certain subsidized private developments to pay prevailing wages to their construction workers. Previously, affordable housing projects had been exempt and routinely paid lower non-union wages to construction workers. When SB975 takes effect in January 2004, labor costs are expected to increase by 30 percent, raising overall costs of affordable projects by approximately eight percent. Profit margins on affordable housing projects, already small, will further diminish, driving up risk to developers. As a result, affordable housing construction is in danger of drying up unless more incentives to developers are identified to offset increased labor costs. This scenario is already playing out as developers of affordable housing rush to complete projects in 2003 (Fig. 7.9).

Rental builder plans big '03

But then it'll halt low-end units; wage law cited

MIKE MCCARTHY / STAFF WRITER

Greater Sacramento's top builder of affordable apartments is carrying out a \$200 million construction spree because its partners believe that in 14 months, the opportunity to build such housing here will mostly end.

St. Anton Partners LLC of Sacramento, run by Steve Eggert and Peter Gercinia, is starting or completing 992 local apartments this year and starting 800 more next year, for a total of almost 1,800 units.

But they say they'll build no more affordable housing after that because Senate Bill 975,

signed by Gov. Davis in October 2001, requires subsidized private developments to pay prevailing wages to their construction workers. Other builders say they'll stay in the game but will require bigger subsidies.

The new law will raise construction costs for the affordable projects by up to 30 percent, the builders say, canceling the cost-cutting advantage that the public financing otherwise offers. In return for public help, the builders currently agree to reserve some of the apartments, usually 20 percent or more, for lower-income

See **ST. ANTON**, Page 41

Fig. 7.9. Higher labor costs associated with SB975 threatens to dry up construction of affordable housing.

8. BANKING AND LENDING POLICIES

Equal opportunity to credit, or fair lending, is one of the cornerstones of fair housing. It is one of the steps when making a home purchase where discrimination can prevent a qualified home-buyer from successfully purchasing a home. When examining impediments to fair lending, we reviewed overall lending to Whites and minorities. We also examined income levels and median home prices, and their effects on purchasing power, and compared those to Home Mortgage Disclosure Act (HMDA) data.

Despite crackdowns against discrimination by the U.S. Department of Housing and Urban Development, mortgage lenders continue to reject black applicants more than twice as often as Whites with similar incomes, according to a 1994 regulatory report.

According to data for 1993, banks, savings institutions and credit unions turned down 34 percent of mortgage applications received from Blacks, 27.8 percent from American Indians, 25.1 percent from Latinos, 15.3 percent from Whites and 14.6 from Asians. The disparity in rejection rates for Whites and Blacks remained wide even when the data were adjusted for income. For low-income applicants -- those with less than 80 percent of the median income in their areas -- the rates were: Blacks, 32.3 percent; Latinos, 28.6 percent; American Indians, 27 percent; Whites, 19.3 percent and Asians, 16 percent. Rejection rates for applicants who made more than 120 percent of the median income were: Blacks, 18.2 percent; Latinos, 17.1 percent; Asians, 13.7 percent; American Indians, 13.6 percent, and Whites, 7.9 percent.

Donald G. Ogilvie, Executive Vice-President of the American Bankers Association, said the data were “at best a flawed measure” of his industry’s commitment to fair lending. Although the report groups applicants by income, it does not take into account such factors as applicant’s previous indebtedness and credit record. He pointed out that despite the still divergent rejection rates, the actual number of applications and approved loans increased more quickly for Blacks and Latinos than for Whites.

Allen Fishbein, general counsel of the Washington-based Center for Community Change, which provides advice and assistance to nonprofit community groups, said lending institutions as a whole appear to be making some progress, but many individual institutions still have very poor records. “Just like politics, all lending is local,” he said. “Too many (lenders) still view this as a public relations problem, rather than a need for a substantive fundamental change in the way they do business.” The data covered 15.4 million home-loan applications and were compiled from 9,650 lending institutions.

8.1 Identified Impediments to Fair Housing Choice

Analysis of HMDA data in San Mateo County, and review of additional literature concerning home lending in the San Mateo MSA, suggest that inadequate access to low cost, prime credit, especially for African American and Latino residents and their neighborhoods, is an impediment to housing choice. Additionally, the existence of subprime lending and attendant predatory mortgage lending, may limit the housing choices of San Mateo homeowners as equity gets stripped from their homes, housing burdens mount, and foreclosure pushes residents out of the community.

DENIAL OF HOME LOANS Based on Racial Background

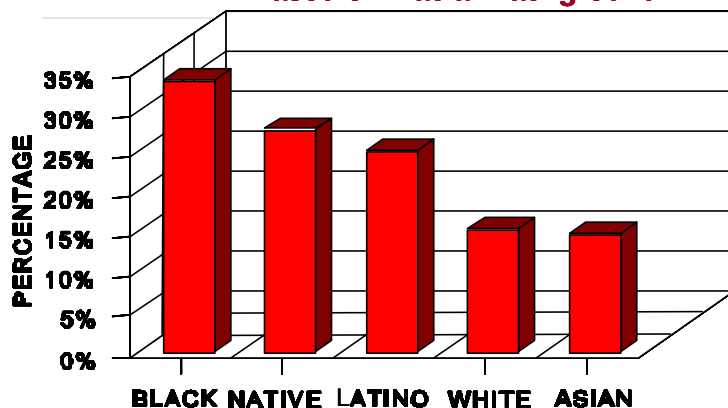


Fig. 8.1. National statistics on denial of home loans based on race or ethnic group.

Housing choice may be limited by the following factors:

- Inadequate information about the home-buying process
- Insufficient retail bank branch presence in the County
- Difficulty in purchasing low-cost housing insurance in certain neighborhoods
- High cost of housing
- Real or perceived barriers to borrowers and their use of banks or thrift branches and loan officers, including discrimination, language barriers, and lack of diversity among bank staff
- Insufficient bank, thrift and prime lending mortgage company outreach and marketing efforts to underserved borrowers and neighborhoods
- Failure to design mortgage products that meet the needs of the local community
- Impaired or non-existent credit histories of loan applicants
- Aggressive marketing of sub-prime lenders
- Steering of borrowers into high cost FHA or sub-prime products
- Limited access to needed credit for home improvements.
- Absence of sufficient lending standards and regulation on the local, state, or federal levels, as well as on the secondary market, to blunt the effects of predatory mortgage lending
- Predatory lending practices by lenders, brokers, contractors, appraisers, etc.

The two primary areas of concern are the higher denial rates of Blacks and Hispanics for home mortgage loans and the higher reliance of Blacks and Hispanics on sub-prime loans, even when they qualify for prime rate loans. Predatory lending, targeting and marketing of sub-prime loans to susceptible individuals lacking knowledge of home loan information, is often associated with excessive sub-prime lending in minority communities.

The recommended action to remove this impediment is to conduct an on-going education and outreach campaign in minority communities to provide residents facts on home mortgage lending, data on the negative impact of sub-prime loans, and information on how to maintain a good credit record so they are not denied access to prime loans based on a sub-par credit record. East Palo Alto already operates such a program that can serve as a pathfinder for other communities throughout the county.

8.2 Background/Methodology

This analysis is based primarily on Home Mortgage Disclosure Act (HMDA) data for the year 2001, the most recent for which HMDA data is available. Congress passed the Home Mortgage Disclosure Act in 1975, implemented by the Federal Reserve Board's Regulation C. This regulation provides the public loan data that can be used to assist:

- in determining whether financial institutions are serving the housing needs of their communities;
- public officials in distributing public-sector investments so as to attract private investment to areas where it is needed; and
- in identifying possible discriminatory lending patterns.

HMDA data comes with certain limitations. Not all lenders must report HMDA data. HMDA reporting lenders are not required to report pricing data for each loan, nor the credit characteristics of loan

applicants, loan-to-value ratios and other criteria utilized by underwriters during the loan application process. Nevertheless, HMDA data remains the most detailed publicly available lending data.

8.3 Originations

San Mateo County represents a vibrant market for home purchase, home improvement, and refinance lending. The County's population has increased by 9% since the 1990 Census. San Mateo County has a homeownership rate (61%) that is slightly higher than that for the State as a whole (57%).

Race Disparities

Lending in San Mateo County does not mirror the County's demographic makeup. Though they represent 3% and 22% of the County, respectively, Blacks and Hispanics received only 1.6% and 9.5% of all home loan originations (Fig. 8.2). Similar disparities can be seen in lending patterns of different cities within the County. In East Palo Alto, for instance, where Hispanics represent roughly 60% and Blacks 23% of residents, federally regulated lending institutions originated only 38.4% and 7.8% of their home purchase loans to these groups, respectively. State statistics reveal similar trends. Hispanic, Asian, and Black borrowers in the State received home loans in lower numbers than their representation in the general population would suggest, even accounting for differences in income, with Black home loan applicants seeing the greatest disparity.

Conventional v Government Backed Lending

Government guarantee loan programs, such as the FHA and VA programs, can provide underserved communities with opportunities to purchase homes that would otherwise be out of reach. At the same time, given the higher cost of these loans, higher default rates and higher levels of fraud associated with these programs, there is concern that minority applicants are being steered into these products.

In San Mateo County, government-backed lending was negligible. Only twelve government-backed loans were originated in the County in 2001. Given the small number of loans originated, statistically significant comparisons to conventional loans could not be made.

8.4 Denial Rates

Lenders continue to more frequently deny minority applicants than White applicants, even when controlling for income. Denial rates for African American and Hispanic applicants in particular, are high compared to White applicants. Black and Hispanic loan applicants (16.6% and 16.7% denial rates)

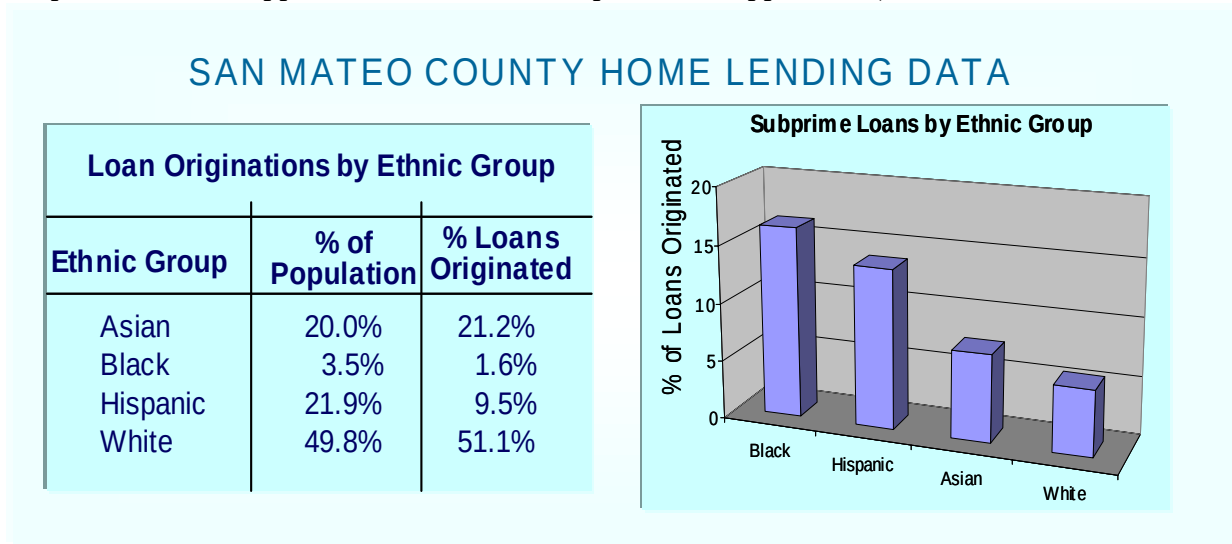


Fig. 8.2. Minorities face higher mortgage denial rates and rely more on sub-prime loans.

were nearly twice as likely as White applicants (8.9% denial rate) to be denied for a home loan, even when controlling for income. Upper-income Black and Hispanic applicants, those earning over 120% of median income, were more likely to be denied home loans (15.3% and 15.9% denial rates) than moderate-income White applicants earning between 80% and 120% of median income (11.2% denial rate).

Similar dynamics exist on the city level as well. In East Palo Alto, for example, African Americans were more than four times as likely to be denied a home purchase loan as White applicants (28.1% vs. 6.4% denial rate) by federally regulated lenders.

8.5 Subprime Lending

Unfortunately, origination and denial rates in home lending only tell half the story. The explosion of subprime lending in the last few years demands greater scrutiny of which borrowers and neighborhoods are receiving these higher cost, and sometimes predatory, loans. For years, minority communities and low income neighborhoods suffered from a lack of credit for home purchase, home improvement and refinance loans. Now, traditionally underserved communities in California are being targeted and flooded with high cost, subprime credit, which they can ill-afford. Abusive sub-prime lending can quickly lead borrowers down the path of lost equity and foreclosure.

The last few years have seen an increase in the proliferation of sub-prime lending. At the same time, Fannie Mae, Inside Mortgage Finance, and the California Reinvestment Committee estimate that up to half of all borrowers in the sub-prime market could have qualified for a prime, lower cost loan. The difference between a prime and sub-prime loan can mean the difference between having funds to start a business, to send a child to college, or to have a comfortable retirement on the one hand, or lost equity, bankruptcy, homelessness and vacant properties on the other. This year, sub-prime lending is expected to reach a record \$200 billion in the country.

Market Share for All Lenders in County

Analysis of HMDA data shows that nearly 9% of all home loans originated in the County in 2001 were from sub-prime lenders. Five communities within the County experienced home lending patterns with significant sub-prime lending activity. In Daly City, San Bruno, North Fair Oaks, Pacifica, and East Palo Alto, sub-prime lenders represented more than 10% of the market for home loans. East Palo Alto saw the greatest penetration of sub-prime lenders, originating over 21% of home loans (Fig. 8.3).

Last year the Center for Community Change released a comprehensive analysis of HMDA data for every Metropolitan Statistical Area of the country. The study's key findings included:

- There are significant racial disparities in sub-prime lending, and these disparities actually increase as income increases;
- High overall percentages of sub-prime loans made to African-Americans and Hispanics;
- High disparity ratios when these percentages are compared to White borrowers; and,
- High disparity ratios for neighborhoods with significant African-American and Hispanic residents as compared to White neighborhoods.

Percent Nonprime Loans Originated by City San Mateo County - 2001

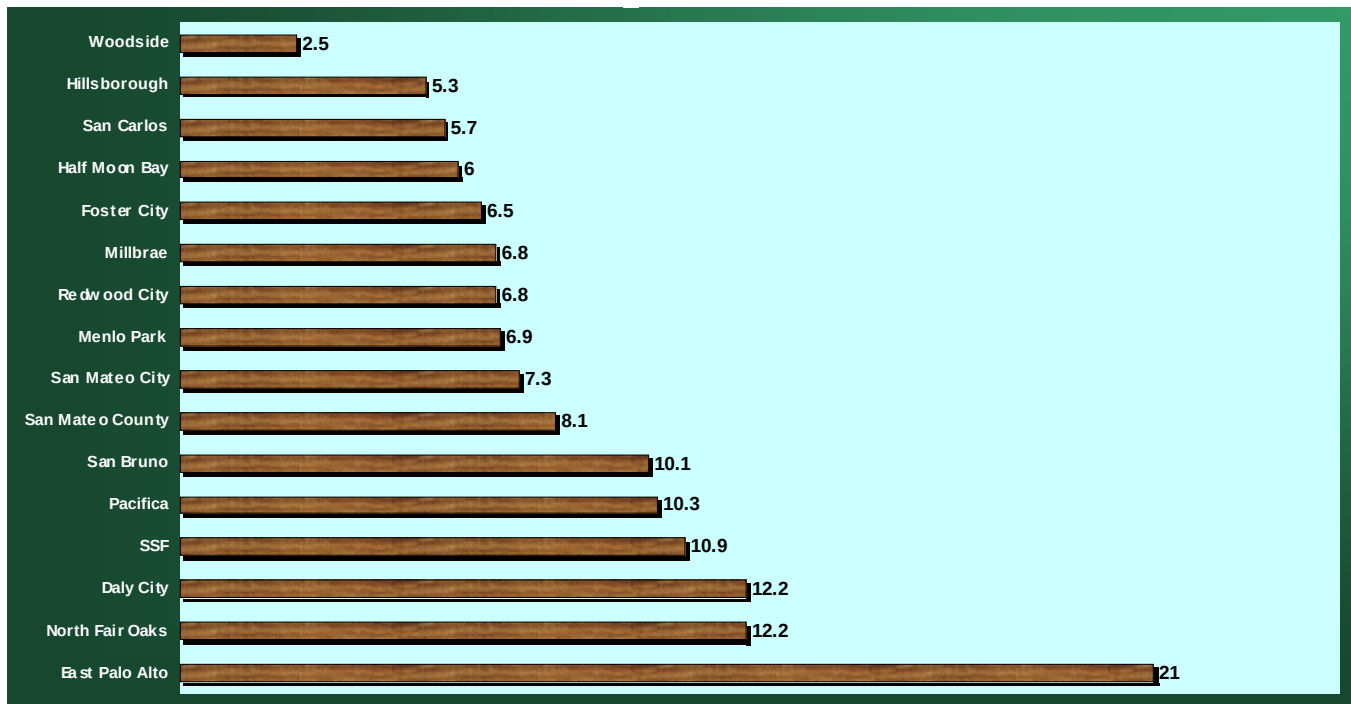


Fig. 8.3. Non-prime lending in San Mateo County by city.

Subprime Lending in the County By Race and Neighborhood

Prime lenders face stiff competition from sub-prime lenders who are quite active in minority neighborhoods and with minority borrowers. In 2001, sub-prime market share of lending to minority borrowers in San Mateo County was greater than that for Whites. Analyzing the market share of sub-prime lenders in serving each of the largest ethnic groups, sub-prime lenders achieved 17.7% of the market to African-American home loan borrowers, 14.7% of Latino home loans, 8.6% of Asian home loans, and 6.6% of White home loans.

Prime lenders served fewer minority borrowers, as a percentage of all their home loan business, than did sub-prime lenders in San Mateo County. Sub-prime lenders nearly doubled the prime lenders' share of home lending to Black, Hispanic, and low- and moderate-income borrowers. Similarly, higher cost sub-prime lenders originated nearly half their loans in substantially minority census tracts. Just over 30% of prime loans were originated in these neighborhoods (Fig 8.4).

Disparities within Financial Corporations

Three of the country's largest banks offer sub-prime mortgages through an affiliated company. These banks are Citibank, National City, and Washington Mutual. In addition, mortgage companies Countrywide Home Loans and H&R Block Mortgage offer sub-prime loans both through the mortgage company and through their sub-prime affiliates, Full Spectrum Lending and Option One, respectively. Finally, HSBC recently purchased major sub-prime lender Household International.

Analysis of lending patterns of these companies shows that a two-tier system of credit exists within large financial services corporations, with banks and prime lenders serving predominantly White borrowers and the sub-prime mortgage companies serving African-Americans and Hispanics.

Subprime affiliates (Citifinancial, Travelers Bank and Trust, FSB, Long Beach Mortgage, First Franklin Mortgage, Option One Mortgage, Full Spectrum Lending, Household Finance, and Beneficial) originated a greater percentage of loans to their African-American and Hispanic customers in San Mateo County. The six subprime affiliates doubled their parent bank's share of lending to Blacks (3.4% of subprime affiliates loans to Blacks compared to 1.4% of their bank affiliates). A similar ratio held true for Hispanic customers (17.5% from sub-prime affiliates vs. 8.1% from prime bank affiliates). Subprime affiliates also originated a greater percentage of loans to underserved minority neighborhoods (61.7% from subprime affiliates vs. 32.5% from prime bank).

8.6 Predatory lending

The extent of sub-prime lending in certain neighborhoods or with certain groups of borrowers is troubling, giving the relation between sub-prime and predatory mortgage lending.

Legitimate, fairly priced sub-prime lending can be a valuable and needed source of credit for certain borrowers. When sub-prime loans are not fairly priced and include onerous provisions, they can become predatory in nature. Predatory lending can be devastating for both borrower and community. Predatory victims can suffer from their loans in numerous ways. High upfront points and fees suck equity of the home at loan closing. High interest rates mean that the high cost of the loan will be borne by the borrower for the life of the loan, likely resulting in thousands of extra dollars paid. The loan may include onerous terms, such as costly and unneeded credit life insurance, or prepayment penalties that can lock borrowers into bad loans. The mere fact of a sub-prime loan may mark borrowers as targets for continued solicitation by other sub-prime lenders

The effects of the explosion of sub-prime loans are, at a minimum, higher costs and lost equity to sub-prime borrowers. At worst, sub-prime loans become predatory and result in a cycle of refinancing and flipping, foreclosure, and economic ruin for homeowners. Predatory practices, when concentrated in certain neighborhoods can lead to community destabilization through the loss of equity that leads to distressed and vacant properties that can stifle economic development.

HUD and the Treasury Department define predatory lending as lending, whether undertaken by creditors, brokers, or even home improvement contractors, involving deception or fraud, manipulation of borrowers through aggressive sales tactics, or taking unfair advantage of a borrower's lack of understanding about loan terms. These practices are often combined with loan terms that, alone or in

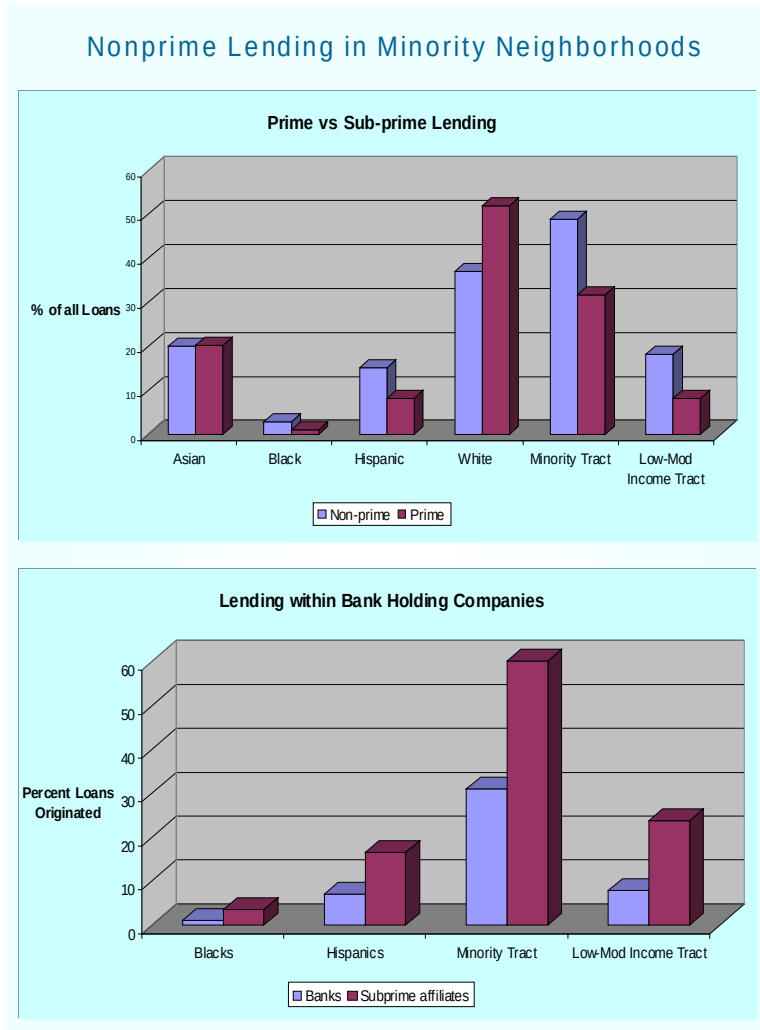


Fig 8.4. Nonprime lending is highest in minority and lower income neighborhoods.

combination, are abusive or make the borrower more vulnerable to abusive practices. (HUD and Department of Justice, *Curbing Predatory Home Mortgage Lending*, June 2000).

Predatory loans are characterized by one or more of a number of abusive practices or provisions. The National Association of Consumer Advocates counts over thirty-six such practices including:

- home improvement scams which often afflict the elderly;
- excessive mortgage broker fees and kickbacks for making high-interest loans;
- making loans a borrower can't possibly repay;
- negative amortization provisions that are unknown or poorly understood by the borrower;
- sale of lump sum premium and other insurance products where none is needed;
- excessive prepayment penalties that lock borrowers into their predatory loans;
- mandatory arbitration clauses which deny due process to unsuspecting borrowers; and
- loan flipping where borrowers are induced to continually roll over balances into new loans which result in more interest and fees being paid by the borrower. (Patricia Sturdevant and William J. Brennan, Jr., National Association of Consumer Advocates).

It is difficult to establish a singular test for determining when a loan is predatory. The nature of the lender and its past practices may be relevant. Certain loan terms may present another clue. The circumstances surrounding the loan, such as aggressive sales tactics or misrepresentations may be an indicator. The capacity and financial needs of the borrower may also be relevant factors. Yet, in every instance of predatory mortgage lending, an unscrupulous actor or actors take advantage of an unsuspecting consumer by originating a loan that provides greater profit to the creditors than is warranted, and provides a worse product and more equity stripping than the borrower deserves.

Stolen Wealth Findings

In the year 2000, the California Reinvestment Committee (CRC) interviewed over one hundred sub-prime borrowers in four communities in California and reviewed their loan documents. Key findings include:

Banks Not Accessible: Nearly three-fourths of all borrowers surveyed did not approach a bank or thrift for their loan. Banks, thrifts, and prime lenders are doing a poor job of making loans to vulnerable communities due to a low percentage of retail branches in low-income and minority neighborhoods, inadequate outreach efforts, a perceived history of discrimination, and inflexible loan products.

Targeting Elderly and Minority Communities: Over one-third of study participants reported that the idea to take out a loan secured by their home came through aggressive and targeted marketing efforts by sub-prime lenders. Female respondents age 55 years or older were the most likely to report that they responded to marketing efforts, and minority borrowers were more likely than White borrowers to cite marketing efforts as the reason for the loan. In the San Mateo MSA, the top sub-prime lenders took in twice as many home loan applications from Black households as did the area's top prime lenders, suggesting that sub-prime lenders are more aggressive and successful in their outreach and marketing to African-American borrowers.

Bait and Switch: Nearly seven in ten respondents reported that they saw key loan terms suddenly change for the worse at closing. Eight in ten African-American borrowers saw key loan terms change at closing, as did over seven in ten borrowers in the study age 55 or older.

Prepayment Traps: African-American and Latino respondents were roughly two times as likely as Whites to have prepayment penalty provisions in their loans. These provisions lock borrowers into predatory loans, or strip equity from homeowner wealth as borrowers refinance and incur the penalty.

Excessive Loan Costs: Half of all responding borrowers had points and fees that exceeded 5% of the loan amount. Predatory lenders seek to exact money out of borrower pockets up front at closing, in the form of points and fees.

Quantifying Predatory Lending: Innocent Victims. CRC found that one-third of homeowners surveyed felt that they were victims of predatory lending or lending discrimination. Further independent CRC analysis similarly found that over one-third of borrowers surveyed may be predatory lending victims.

9. TRANSPORTATION POLICY

Public transportation plays a role in expanding the supply of affordable housing to groups in need and others protected under fair housing laws. At issue is the ease with which an individual can travel from home to work if he/she lives in a lower income area or an area of minority concentration. If public transportation from a lower cost neighborhood is inefficient in providing access to employment centers, that neighborhood becomes inaccessible to those without dependable means of transportation, particularly very low-income residents, the elderly, and persons with disabilities.

A number of factors are of interest in assessing public transportation. One is the existence and speed of service between employment centers and neighborhoods with minority concentrations, low-income concentrations, public housing, and housing for people with disabilities. Second is the degree of actual use of the transportation system by protected categories of residents. Third is the transportation system's impact on redevelopment of blighted areas near transportation hubs or rail stations.

9.1 Identified Impediments to Fair Housing Choice

San Mateo's low income neighborhoods and primary job centers are well aligned with the County's comprehensive public transportation system. Transportation throughout the San Francisco Bay Area is readily available to most county residents through SamTrans bus, Caltrain and BART. Extension of BART to Millbrae and connection to Caltrain this year further expands service and usage. Improvements in 2004 to Caltrain's rail system allowing high-speed trains will improve commute times. However, low frequency of service, particularly on Caltrain, is one drawback that limits public use of public transit.

Despite strong efforts to position public transportation near low income neighborhoods, the reality is that many neighborhoods are not easily accessible. Many who use public transportation must walk miles before reaching a bus or train route. For those with disabilities the effort is even more difficult or is impossible.

9.2 San Mateo County Regional Transit

Three distinct components make up San Mateo County's public transportation system (Fig. 9.1): the San Mateo County Transit District (SamTrans), the Bay Area Rapid Transit (BART), and Caltrain. Together they provide service throughout the most densely populated areas of the county, enabling travel to all

San Mateo County Public Transit Systems	
SamTrans Bus Operations	Redi-Wheels Service for People with Disabilities
• 446 sq. mile service area within San Mateo County extending into Palo Alto and San Francisco • Service area population of 707,161 • 321 total revenue vehicles (accessible) • 17.2 million boarding passengers/Yr • Average speed of 15 mph	• 248,509 annual passenger trips • 681 average daily passenger trips • 2,385,546 annual service miles • 176,277 annual vehicle service hours • 60 buses in service
CALTRAIN Rail Operations	BART Municipal Rail Operations
• Service between San Francisco, San Jose and Gilroy • 88 Miles of track • Average speed of 38 mph	• Service linking San Mateo, San Francisco, Alameda, and Contra Costa Counties • 95 miles of rail track • 12 surface, 13 aerial and 14 subway stations • Average speed of 33 mph

Fig. 9.1. SamTrans, CALTRAIN and BART regional transportation service provides broad coverage of San Mateo County and connections throughout the bay area.

major and most other cities in the five-county region of the San Francisco Bay Area.

SamTrans went into service Jan. 1, 1975. In mid-1977, SamTrans inaugurated its mainline service from Palo Alto to San Francisco. In 1992, the district initiated Redi-Wheels service for the mobility impaired.

A decade later, SamTrans expanded its transportation efforts by participating in the purchase from Southern Pacific Railroad of the Caltrain right of way from San Francisco to San Jose. In 1992, SamTrans assumed administrative authority over Caltrain. Caltrain's railway passes through the downtown of nearly all cities in San Mateo County, connecting them to California's second and third largest cities and passing through or near all major employment centers on the San Francisco peninsula. Caltrain's tracks are now being upgraded to support high speed bullet trains that will cut travel time to less than 50 minutes from San Jose to San Francisco.

San Mateo County joined Bay Area Rapid Transit with inauguration of BART service to Daly City in 1997. This year BART was extended to the San Francisco Airport and the City of Millbrae, connecting to Caltrain and opening public transportation to downtown San Francisco, Oakland, Berkeley, and cities throughout the East Bay.

With connection of Caltrain to BART, and with a network of feeder buses supporting the rail systems, as well as routes reaching other parts of the county such as coastside communities, public transportation offers San Mateo residents an effective means of travel to many Bay Area locations. San Mateo's entire bus and rail system is accessible to the disabled community.

9.3 Transit System Routes in Relation to Employment Centers and Lower Income Housing

Employment centers on the San Francisco Peninsula are concentrated along the Bayshore Freeway with major concentrations of jobs in downtown San Francisco and in the Silicon Valley area of Santa Clara County from Palo Alto south to downtown San Jose. Major commute patterns in San Mateo County are north and south between Bayshore Freeway and Highway 280 in both directions. Caltrain and BART serve most employment

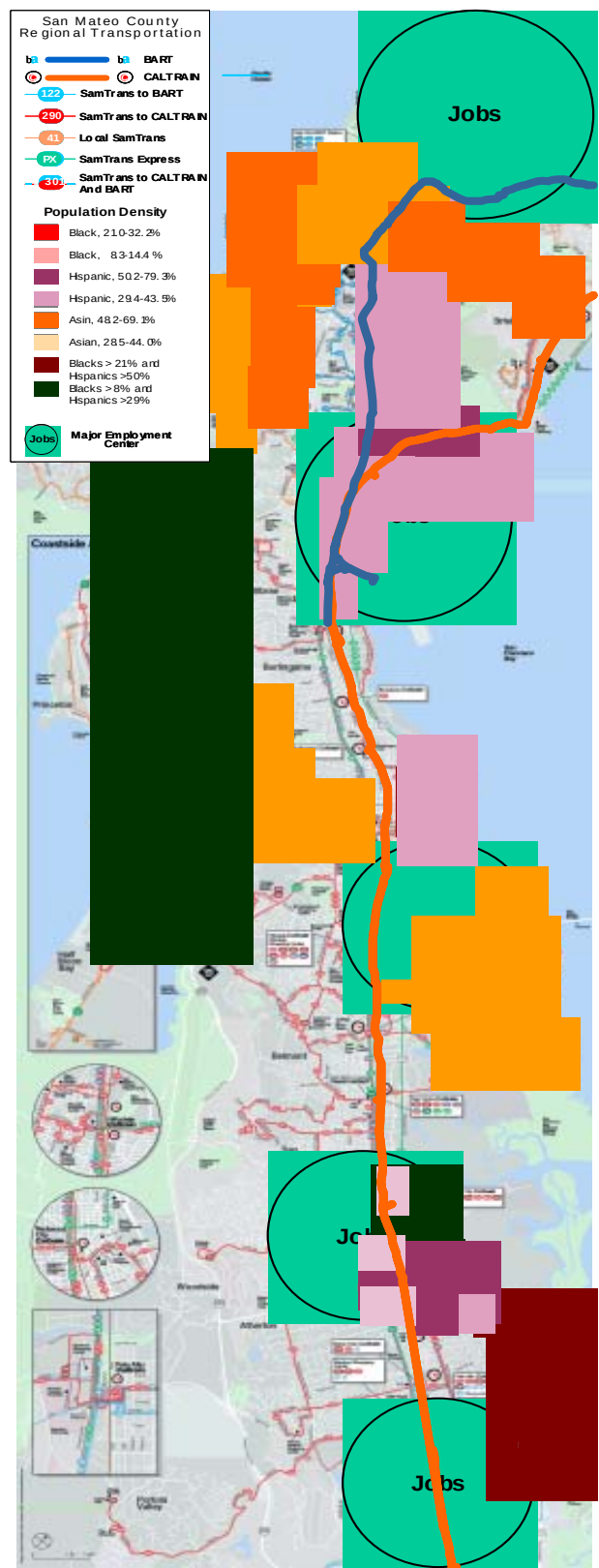


Fig. 9.2. SamTrans, CALTRAIN and BART route map showing concentrations of minorities and jobs.

centers on the peninsula.

SamTrans, Caltrain, and BART rail and bus routes are shown in Fig. 9.2 Superimposed on the map are color shaded areas defining neighborhoods with high concentrations of minorities in Census 2000. Regional employment centers are also indicated. Large concentrations of Blacks and Hispanics reside along Bayshore Freeway to the east of the Caltrain's route. Per capita incomes are low in these neighborhoods and there is heavier-than-average reliance on public transportation. Asians are concentrated in the North County, particularly in and near Daly City and its BART station. Census data shows heaviest use of public transportation along Caltrain and BART rail lines and in these minority neighborhoods (Fig. 9.3). Census data also shows that minority residents are more than twice as likely to use public transportation as Whites (Fig. 9.4).

The majority of minority and low-income neighborhoods are served by bus feeder lines to Caltrain, and BART rail service. City centers on the San Francisco peninsula began and grew along the El Camino Real in the lowlands between the foothills of the Santa Cruz Mountains and the Bay. Caltrain service connects these cities paralleling El Camino Real and the Bayshore freeway. Lower income neighborhoods typically lie to the bay side of El Camino near Caltrain and local bus service. Upper income neighborhoods lie to the west reaching up into the mountains and are progressively farther removed from public transportation as income level increases.

In the South County, East Palo Alto residents, particularly 10 percent of Blacks, rely most on public transportation. Progressing north, nearly 10 percent of Hispanic residents between Caltrain and Bayshore Freeway in North Fair Oaks and Redwood City stretching north through San Mateo to South

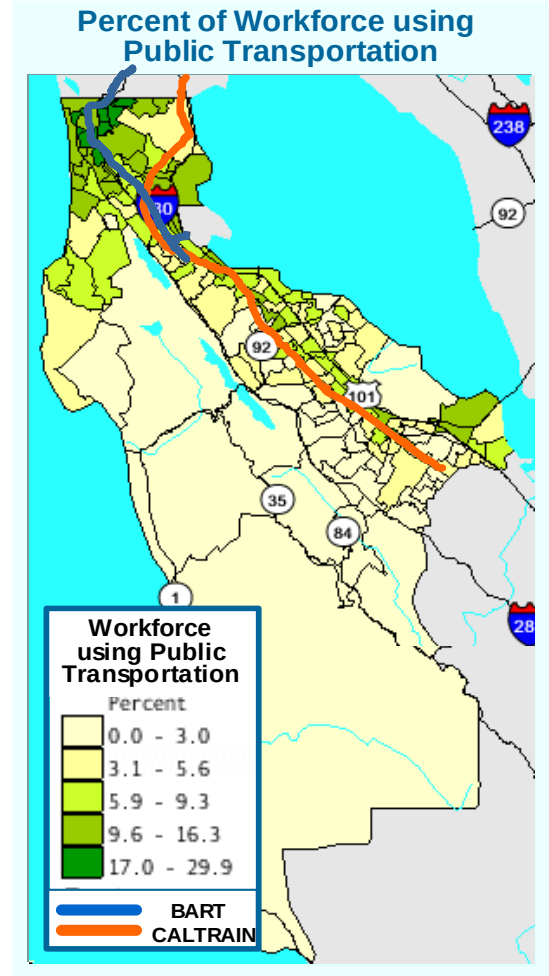


Fig. 9.3. Public transportation is used most along rail lines and in low income areas.

Use of Public Transportation							
	San Mateo County	Daly City	East Palo Alto	North Fair Oaks	Redwood City	City of San Mateo	South San Francisco
White	4.9%	14.3%	6.1%	3.6%	3.7%	5.8%	7.1%
Black	11.3%	19.1%	10.4%	3.9%	5.0%	8.0%	5.8%
American Indian	6.8%	10.8%	0.0%	0.0%	4.4%	8.2%	11.4%
Asian	10.6%	17.2%	0.0%	5.0%	4.6%	5.9%	10.7%
Pacific Islander	6.2%	25.1%	1.1%	0.0%	0.0%	6.7%	11.5%
Hispanic	9.8%	22.0%	5.9%	7.7%	7.6%	8.1%	9.3%
All residents	7.40%	17.80%	6.30%	6.20%	4.90%	6.20%	9.20%

Fig. 9.4. Labor force use of public transportation by ethnic group

San Francisco use public transportation to get to work. In the North County, use of public transportation increases to access jobs in San Francisco due to difficulty in driving into the City. In Daly City, 20 percent of minority residents get to work using public transportation, nearly half on the new BART line. With the BART service extension to Millbrae, significant increase in the use of public transportation is expected for South San Francisco, San Bruno and Millbrae.

Census 2000 data in Fig. 9.5 shows that lower-income minority neighborhoods between Caltrain and San Francisco Bay have commute times no higher than upper income neighborhoods in the hills to the west. Because lower-income neighborhoods are closer to both job centers and transportation arteries, upper-income residents in the hills often have longer commute times. However, census data also reveals that residents using public transportation face much longer commute times (Fig. 9.6). While nearly two-thirds of automobile commuters reach their destination within 30 minutes, only one in six commuters using public transportation reach work in the same interval. One significant complaint with public transportation in San Mateo County is insufficient frequency of service, causing at minimum extended commute times and at worst decisions to use automobiles.

Summarizing the current San Mateo transportation environment, the majority of jobs are located along the transportation corridors between Caltrain stops and Bayshore Freeway. The largest commuter loads are both north into San Francisco and south into Santa Clara County's Silicon Valley employment centers. All minority neighborhoods within San Mateo County are well served by the integrated network of Samtrans buses, Caltrain rail service connecting city centers adjacent to minority neighborhoods, and BART service into downtown San Francisco. Minorities are twice as likely to rely on public

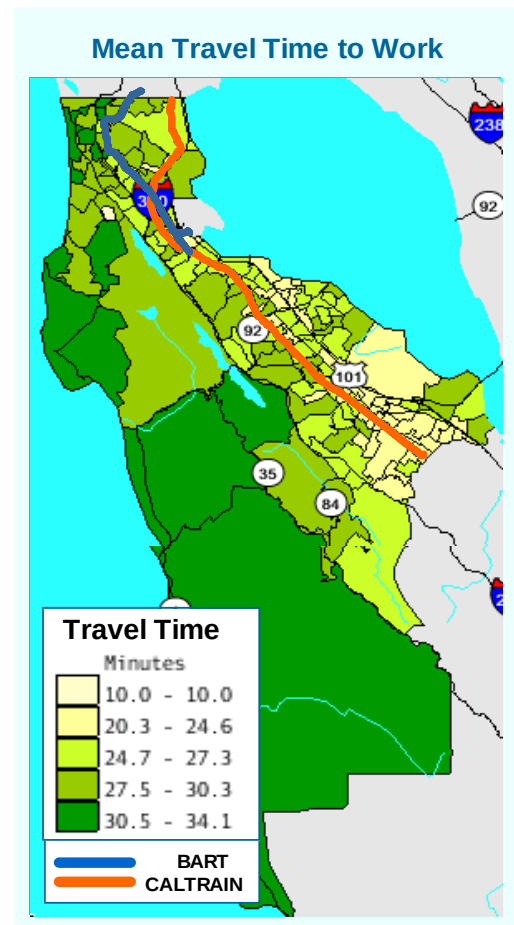


Fig. 9.5. Travel times to work are longest in areas farthest from transportation corridors.

	Travel Time to Work by Means of Transportation						
	San Mateo County	Daly City	East Palo Alto	North Fair Oaks	Redwood City	San Mateo city	South San Francisco
Public transportation							
Number Using	26029	8858	688	427	1899	2931	2,680
Less than 30 minutes:	15.4%	14.9%	19.9%	24.8%	21.7%	17.6%	12.1%
30 to 44 minutes:	29.5%	35.5%	35.1%	48.0%	17.2%	25.9%	31.4%
45 to 59 minutes:	20.0%	19.9%	16.1%	13.1%	19.4%	18.7%	25.2%
60 or more minutes:	35.1%	29.7%	28.9%	14.1%	41.7%	37.8%	31.3%
Other transportation							
Number Using	315,222	40448	10107	6314	36134	42653	25906
Less than 30 minutes:	62.8%	60.8%	72.2%	68.1%	66.3%	66.2%	64.2%
30 to 44 minutes:	23.4%	25.3%	18.6%	25.9%	23.2%	21.2%	22.9%
45 to 59 minutes:	8.4%	8.4%	4.3%	3.6%	6.8%	7.9%	7.0%
60 or more minutes:	5.4%	5.5%	4.9%	2.4%	3.7%	3.7%	5.9%

Fig. 9.6. Travel time to work is much slower by public transportation. (Census 2000 data)

transportation, with usage approaching 20 percent in North County cities adjacent to San Francisco. Steady progress that began with SamTrans service in 1975, acquisition of Caltrain in 1988, expansion of BART into San Mateo County in 1997, and further expansion of BART to Millbrae connecting with Caltrain and SFO in 2003, has delivered a transportation system that well serves county residents. A primary barrier to increased use of public transportation is significantly longer commute times relative to automobile use. Improvements underway to upgrade Caltrain track allowing high speed bullet train service will work to remove that disadvantage. However, despite the efforts made to improve public transportation and the benefits derived by many who successfully rely on the current system, there are many who are still left out. Senior citizens and those with disabilities are all too often unable to walk the distance necessary to reach transit sites. During the June 10, 2004 AI public hearing numerous examples were provided citing individuals who were unable to get to doctor's appointments and to agencies for needed social services. Primary concerns centered on bus routes, schedules, and location of stops. Neighborhoods where residents with mobility limitations were unable to access public transportation include: Rollison Road and East Bayshore in Redwood City, South Linden Avenue in South San Francisco, the Coastsides, and Pacifica.

The inability of low-income, mobility-impaired minority households to access employment, social service, and shopping center sites pose an impediment to fair housing choice. To remedy this impediment the current public transportation system would need to change routes, schedules and passenger loading sites. Fair housing advocates would provide support to representatives from social service agencies whose clients are faced with this impediment to communicate this impediment to the appropriate decision-makers within the public transportation system.

9.4 Transit Oriented Development

The transit village, in combination with other transit villages along the rail line, can provide a self-contained residential, job and shopping environment that reduces reliance on automobile transportation and offloads congested freeways. High density transit village zoning increases transit system ridership and effectiveness and provides a significant source of affordable housing. A combination of commercial, residential and office development can provide a "neighborhood village center" that serves to increase the value of surrounding neighborhoods. Transit Oriented Development (TOD) employs a percentage of transportation funds to develop mixed use neighborhoods within close proximity to rail transit stations.

Because Caltrain and BART extend through nearly all heavily populated cities in San Mateo County, TOD has potential to significantly increase the county's supply of affordable housing and to expand transit opportunities for lower-income residents. At this time several cities in the county are developing plans for TOD and evaluating rezoning required to implement those plans. Redwood City's downtown development plan is relatively mature and incorporates TOD as a central element.

Significant benefits that promote fair housing choice derive from these initiatives:

- Public expenditures in a targeted area attract private investment that seeks to benefit from the expected rise in neighborhood real estate values. Private development increases the supply of affordable housing, especially if part of an inclusionary zoning program.
- Concentration of employment and housing along light rail lines reduces the need for automobile commuting, offloads the freeways, and improves commute time for the population at large.

The combination of private and public investment in TODs provides far more impact than either alone. Private investors are slow to move into blighted areas. There are too few public funds to have a significant impact on more than a relatively low portion of housing units that need replacing. However,

by attracting private investment into target areas, substantial leveraging of public funds can be obtained and significant progress made in improving living conditions for low-income families living in old, dilapidated housing.

Specific activities underway under Transit Oriented Development (TOD) are discussed in Section 7, STRATEGIES AND POLICIES FOR AFFORDABLE HOUSING.

10. ADVERTISING

10.1 Federal Fair Housing Law

Under 42 U.S.C. § 3604 (c), it is unlawful to “make, print, or publish, or cause to be made, printed, or published any notice, statement, or advertisement, with respect to the sale or rental of a dwelling that indicates any preference, limitation, or discrimination based on membership in a protected class, or an intention to make any such preference, limitation or discrimination.”

This statutory language prohibits all forms of discriminatory advertising for housing, from the most blatant (use of the phrase “For Whites only” or “white home”) to the more subtle indication of preferences based on the exclusion of any federal protected class. Liability for a §3604(c) violation extends to any entity that publishes an advertisement, the advertising agency that created the ad, and the real estate owner or developer who paid to have the ad placed. A newspaper is not protected under the First Amendment from a 3604(c) suit. [Ragin v. New York Times Co. 923 F. 2d 995 (2d cir. 1991)].

The Fair Housing Act generally creates the right to be free from discrimination in housing. HUD takes the position that newspapers may face civil suits for the publication of housing advertisements that violate the amended Fair Housing Act (i.e. advertisements that encourage discrimination or even indicate a preference on the grounds of race, color, religion, sex, handicap, familial status or national origin). According to HUD, newspapers are also prohibited from refusing to publish advertising for the sale or rental of dwellings or requiring different charges or terms for such advertising because of race, color, religion, sex, handicap, familial status or national origin. However, HUD regulations allow newspapers to carry advertising designed to attract persons to housing who would not ordinarily be expected to apply, when such efforts are the result of an affirmative marketing program or are undertaken to remedy the effects of prior discrimination in connection with the advertising or marketing of dwellings.

Real estate advertisements should not contain explicit exclusions, limitations, or other indications of discrimination based on handicap (e.g., no wheelchairs). Advertisements containing descriptions of properties (e.g., great view, fourth-floor walk-up, walk-in closets), services or facilities (e.g., jogging trails), or neighborhoods (e.g., walk to bus-stop) do not violate the Act. Advertisements describing the conduct required of residents (e.g., “non-smoking”, “sober”) do not violate the Act. Advertisements containing descriptions of accessibility features are lawful (e.g., wheelchair ramp).

The use of all-white human models in pictorials and graphics has been found to be discriminatory as evidenced in the Ragin vs. New York Times case in 1993. This lawsuit challenged a 20-year practice of publishing real estate ads with only White models. This decision is significant because it recognizes that an ad picturing all White models may communicate the same illegal message as the words “White only”. The plaintiffs were awarded \$ 150,000 plus \$ 300,000 of advertising space.

10.2 Identified Impediments to Fair Housing Choice

Based on the widespread use of minority models and the low percentage of “all-White” groups in real estate ads, and the lack of discriminatory advertising in classified ads, there are judged to be no impediments to fair housing with regard to advertising in San Mateo County.

10.3 Review of San Mateo County Advertising

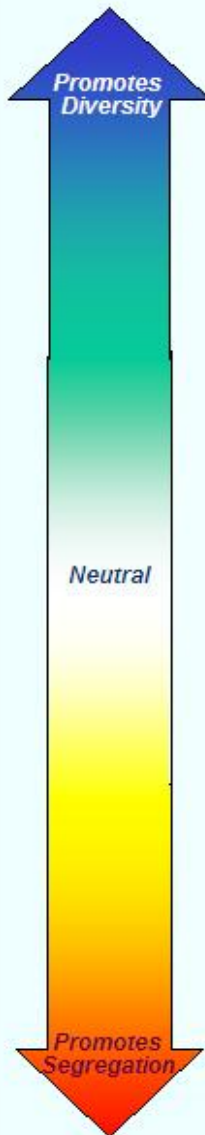
The consultants for this AI reviewed three months of classified ads published in the San Francisco Examiner and the San Jose Mercury News in March, April, and May 2003 (Fig. 10.1). One or both of

FAIR HOUSING IN ADVERTISING

Fair Housing Impact

*San Francisco Chronicle and San Jose Mercury News
Real Estate Advertising Photo Examples*

Frequency of Occurrence



Multiple Families – Mixed

Scenes containing multiple families with a mix of ethnic groups attract a broad range of individuals and strongly promote diverse communities.



Minority Family or Individual

A scene containing a minority family or individual sends the message that minorities are welcome in the community. This type of ad will attract minority families and act to increase diversity of the neighborhood



Homes Only, No People

A scene that portrays the home only, with no human presence, is neutral. It focuses on the quality of the home rather than the ethnic makeup of the community.



White Family or Individual

A scene containing only a White family attracts Whites more frequently and acts to increase the percentage of Whites in the community. Probability of this scene occurring in San Mateo County is about one in two.



Multiple Families – All White

A scene containing multiple families in which all individuals are White, typically in an upper income clubhouse setting, promotes creation of a predominately White community.

178
Real Estate Ads
March-May 2003

17

13

113

31

4

these newspapers are primary sources of real estate advertising for housing rentals and sales in San Mateo County. We reviewed ads to determine if the terminology used was neutral, if no preferences were evident, and if the use of human models demonstrated diversity. Two-thirds of the 178 real estate ads for new housing developments did not use human models in their graphics, but instead focused on the benefits of the homes or neighborhoods. Of those ads that employed human models, 46 percent promoted diversity by including minorities. Two-thirds of ads using human models portrayed either an individual or a single family, nearly evenly split between Whites and minorities. Given the demographic

make-up of San Mateo County, the observed distribution is close to that which would be expected from random sampling.

Approximately 12 percent of all ads employed larger groups of human models. More than 80 percent of these promote diversity, portraying activities that include both White and minority families. These ads are most effective in creating diverse neighborhoods because they send a strong message that all ethnic groups are welcome. They are also least likely to offend and drive away any group.

Approximately two percent of all ads portray larger groups that consist exclusively of White models. These ads both attract Whites and “scare off” minorities, thereby driving up the percentage of Whites in the community and contributing to a more segregated housing environment. If companies using these ads continue use of “White-only models” over a period of months, they would become subject to litigation for employing discriminatory advertising. In practice, once informed by fair housing agencies that “all White” representations of their housing development may be illegal, most companies revise their advertising to include minorities.

Classified advertisements for both housing re-sales and rentals were also reviewed weekly over the same three-month period. No cases of housing discrimination were identified in over five thousand classified ads.

11. FAIR HOUSING ENFORCEMENT

11.1. The Federal Fair Housing Act

The Federal Fair Housing Act of 1968, an extension of the Civil Rights Act, prohibits discrimination in the sale or rental of housing on the basis of race, religion, gender, or national origin. The act was amended in 1988 to include familial status and disability to the list of “protected categories”. This, in combination with the California Government Code and the Unruh Act, which extend federal prohibitions to include discrimination on the basis of age, sexual orientation, marital status, source of income, and other arbitrary reasons, is the basis upon which fair housing agencies within San Mateo County and the rest of the state are established and work to enforce fair housing law. Illegal housing practices that fall under these laws include the refusal to sell or rent a unit, the misrepresentation of the availability of a unit, harassment or intimidation of in-place tenants, and the refusal to allow reasonable accommodations or modifications to housing rules and policies in the case of persons with disabilities.

City and county governments are required by the U.S. Department of Housing and Urban Development to provide some sort of investigative service for those who feel that they have experienced housing discrimination. In many cases, city and county governments will hire private agencies devoted to fair housing investigation. These agencies not only respond to fair housing complaints, but work proactively to reduce instances of fair housing law violation through auditing and the education of housing providers.

11.2 Summary of Fair Housing Service Provider Performance

Midpeninsula Citizens for Fair Housing (MCFH) and Project Sentinel are private, non-profit social service agencies funded to provide fair housing investigation, education, and enforcement services throughout San Mateo County. Fair housing services include investigations of complaints by testing, interviews, surveys, and document review. These services are provided free of charge to all complainants. In their enforcement efforts, MCFH and Project Sentinel average 150 investigations annually in San Mateo County. In addition, both agencies conduct education efforts by reaching out to both housing consumers and housing providers.

Fair housing enforcement services in San Mateo County are readily available. Investigative processes are disciplined and well documented. Many cases result in housing provided to the complainant with reversal of the discriminatory practice. Others are carried through litigation and case settlement with monetary compensation to the victim of discrimination. Court settlements are widely publicized to educate property owners on the consequences of illegal discrimination.

A variety of education and outreach activities are conducted annually, targeting potential victims of discrimination as well as housing providers. Proactive efforts are made to educate housing providers, working through trade associations such as Tri-County Apartment Association, to reduce discriminatory practices. These proactive efforts to educate housing providers have had a positive impact, but still fall short of what is needed to eliminate the number of violations that can be attributed to “lack of understanding” versus the intentional act of discrimination.

Despite the abundance of outreach efforts to reach victims of housing discrimination, most incidents of violations remain unreported. Victims may have language or cultural barriers that inhibit their ability or willingness to contact an enforcement agency. It is also very likely that many victims are simply unaware that they have experienced discrimination or that any service exists that can be of assistance. While enforcement services are available throughout San Mateo County, there is significant need to have more

outreach conducted. Fair housing outreach and education must be provided in a wide variety of languages, through multiple avenues, on a constant and repetitive basis.

Lack of fair housing awareness by social service providers, targeted protected populations, as well as the general public is a fair housing impediment. The remedy to this impediment is for the fair housing service providers to enhance and expand their outreach and education efforts to include more literature in foreign languages and to provide more opportunities for housing providers and local government staff to be aware of new developments within fair housing enforcement.

11.3 Education and Outreach Efforts

Education and outreach are important elements of a fair housing enforcement plan. Both MCFH and Project Sentinel rate outreach as a high priority objective and conduct dozens of outreach efforts every year. Outreach activities can be both formal and informal. Routine outreach efforts include:

- Designing and distributing English, Spanish, Asian and other language brochures and flyers throughout the county at community centers, government offices, churches, schools, social service agencies, and libraries;
- Conducting regular presentations in English as a Second Language classes at community colleges and at other non-profit social service agencies;
- Distributing public service announcements to over 30 Bay Area radio stations and various cable television government access channels. Radio PSAs that include agency telephone numbers are sent quarterly to stations;
- Placing newspaper ads in the classified sections of local newspapers informing people to call the Hotline number if discrimination is suspected. These phone numbers can also be easily found in the phone directory under “Community Services and Social Services”;
- Publishing the newspaper column “Rentwatch”, which has appeared in numerous local papers and housing industry trade magazines and is currently run in the San Francisco Examiner, the San Jose Mercury News, La Voz, and Filipino Guardian;
- Submitting articles to the Tri-County Apartment Association monthly magazine, which reaches over 5,000 property owners;
- Distributing press releases of significant court cases involving fair housing issues as well as cases resolved outside of litigation;
- Sponsoring workshops, seminars, and symposiums on an annual basis to help educate targeted audiences;
- Hosting an educational booth or making a feature presentation at local trade shows and community fairs, including the Tri-County Apartment Association trade shows and the Abilities Expo;
- Operating websites (Project Sentinel at <http://www.housing.org/> and MCFH at www.mcfhousing.org) to provide fair housing information and resources to those seeking knowledge of their fair housing rights on the internet;
- Placing transit posters in trains, buses, and transit stops providing riders with fair housing information and telephone numbers.

Maintaining contact and relationships with other social service agencies that serve residents in their jurisdictions is an important factor in reaching those in need of fair housing services. Project Sentinel and MCFH receive a large number of complaints as referrals from other agencies, including the Center for the Independence of the Disabled, La Raza Legal Center, and Legal Aid of San Mateo County.

11.4 Discrimination Complaints in San Mateo County

MCFH and Project Sentinel investigated 1051 complaints of housing discrimination in San Mateo County over the seven years covering 1996 through 2002 (Fig. 11.1). In the major cities, this amounts to less than one half percent of all housing units and about one percent of all rental units over the seven year period.

Discrimination complaints were higher in East Palo Alto and much lower in the smaller cities and unincorporated areas of the county.

Prior to 1988, most complaints involved racial or ethnic discrimination. Now, however, familial status (32.2%) and disability (29.8%) are the leading categories of complaint, with race/ethnic discrimination third (19.8%). Complaints of familial status discrimination often involve actions against children or attempts to arbitrarily limit the size of the household. Discrimination against large families adds to their already significant burden in obtaining rental housing in a highly competitive market with an undersupply of large units.

Complaints involving persons with disabilities most often result from failure to make reasonable accommodation, particularly with regard to service animals. Again, quite often persons with disabilities live on constrained incomes and are least able to cope with discriminatory practices.

A complaint of illegal housing discrimination initiates an investigation to gather facts and supporting evidence. If the complainant is in a protected category, and if a vacancy exists in the housing, on-site testing will be conducted to establish the validity of the complaint. Follow-up interviews and documentation reviews are also performed. Once the investigation is complete and if evidence of discrimination is found, the fair housing agency counsels the complainant on available options, which include:

- Conciliation. The complainant may want to come to a mediated agreement with the landlord. This might involve granting a reasonable accommodation to site rules for a person with disability or renting of a unit previously denied to a complainant on the basis of familial status.
- Education. The complainant may wish to require the landlord be educated by attending a fair housing training conducted by the fair housing agency or an outside agency certified to provide fair housing training.
- Referral to Private Attorney, HUD or the California Department of Fair Employment and Housing (DFEH). If the complaint is egregious, the complainant may wish to pursue the case in court or through a government agency such as HUD or DFEH. Cases often settle out of court with monetary damages awarded to the complainant.
- Decline to Pursue. The complainant may decide not to pursue a case, often after obtaining suitable housing.
- Counseled. In cases where insufficient or no corroborating evidence is found, the fair housing agency counsels the complainant on the lack of evidence. Unless the complainant chooses to file a complaint with DFEH or HUD alone, the case is closed as counseled.

Complaints of Housing Discrimination San Mateo County (1996-2002)

JURISDICTION										
Complaints, 1996-2002										
Protected Category	Daly City	South San Francisco	San Bruno	San Mateo City	San Mateo County	Menlo Park	Redwood City	East Palo Alto	Total	Percent of total
Race/Ethnicity	28	18	9	36	50	18	15	31	205	19.5%
National Origin	10	9	2	16	35	1	12	3	88	9.4%
Religion	1	0	0	2	2	0	0	1	6	0.6%
Gender	2	3	1	6	6	3	2	1	24	2.3%
Familial Status	33	38	16	50	123	27	46	6	339	32.2%
Disability	46	18	22	44	119	14	33	12	308	29.3%
Marital Status	3	1	1	5	6	3	2	1	22	2.1%
Sexual Orientation	1	0	1	0	2	1	5	1	11	1.0%
Source of Income	1	2	0	2	0	0	1	7	13	1.2%
Age	1	1	2	3	9	1	6	0	23	2.2%
Arbitrary	3	0	0	1	3	1	3	3	14	1.3%
Total Cases	129	90	54	165	355	69	125	64	1051	100.0%
% of households	0.42%	0.45%	0.37%	0.44%	0.14%	0.56%	0.45%	0.92%		
% renter households	1.04%	1.22%	0.99%	0.96%	0.36%	1.29%	0.95%	1.62%		
Case Disposition										
Conciliated	19	8	6	15	41	12	18	17	136	12.9%
Counseled	62	38	22	89	167	42	63	25	508	48.3%
Legal Referral	17	15	10	17	41	5	13	9	127	12.1%
Declined Pursuit	5	6	5	7	20	3	9	2	57	5.4%
Educated	10	12	8	13	37	0	0	0	80	7.6%
Pending	16	11	3	9	31	7	22	11	110	10.5%
Other Referrals				5	4				9	0.9%
Not Stated				10	14				24	2.3%
Total	129	90	54	165	355	69	125	64	1051	100.0%

Fig. 11.1. Complaints of housing discrimination in San Mateo County and their disposition from 1996 to 2002.

The disposition of each of the 1059 complaints of discrimination is shown in Fig. 11.1. In nearly half the complaints, insufficient evidence of discrimination was found to pursue the case further. Approximately one in eight resulted in conciliation, wherein the property owner/manager often reversed the discriminatory practice after intervention by the fair housing agency. One in eight were carried to litigation resulting in settlements ranging from a few hundred to three hundred thousand dollars (Fig. 11.2).

Cases successfully carried to litigation do much more than provide monetary compensation to victims of housing discrimination. Most court settlements are often publicized in local newspapers, thereby educating consumers and other property owners of the consequences of illegal housing discrimination.

<u>Date of Settlement & City</u>	Amount in Dollars & Court Type	Type of Case & Rental of Sale	Plaintiff & Respondent & Court Filing Number & In-House Case Number	Major Points of Case and Special Circumstances That Affected Settlement and Name of Attorney
2/96 San Mateo	\$31,000 Federal	Familial Status Rental	Taddeo v. Loyola Foundation, & K8G McCarthy HUDALJ 09-93-1630-1 (93-009)	Owner has agreed to fair housing training, future testing, enhanced landscaping and payment to the agency and the complainant. DOJ Atty: Michael Barrett
2/96 San Mateo	\$40,000 Federal	Familial Status Rental	Project Sentinel v. Loyola Foundation, & K&G McCarthy HUDALJ 09-93-1672-1 (93-009)	Owner has agreed to fair housing training, future testing, enhanced landscaping and payment to the agency and the complainant. DOJ: Atty: Michael Barrett
3/96 San Carlos	\$14,500 Federal	Familial Status Rental	Keller v. Sebastian et al. C95-3508 THE (96-165)	Owner said to complainant that she would not rent to children. Testing confirmed this, plus an admission that she screened out families with kids. Fair Housing training required. Atty.: Bill Johnson
5/96 Daly City	\$32,500 Federal	Race Rental	Project Sentinel, Cable et al v. Ganai et al C94-2086-JSB	Owner said to complainant that there was nothing available and mentioned the need to get onto a waiting list. Testing revealed differential treatment on availability and type of units being shown. Attys: Chris Brancart & Rufus Cole

Fig 11.2.a. Court settlements for cases of housing discrimination in San Mateo County.

<u>Date of Settlement & City</u>	Amount in Dollars & Court Type	Type of Case & Rental of Sale	Plaintiff & Respondent & Court Filing Number & In-House Case Number	Major Points of Case and Special Circumstances That Affected Settlement and Name of Attorney
2/97 San Mateo County	\$21,000 U.S District Court	Disability Rental	Project Sentinel and Confidential v. Confidential C96-1745CW (FH96-056)	Denial of a service animal. Case was settled out of court. Owner submits written apology to complainant, complainant receives right of first refusal on apartment available in owner's complex, confidentiality regarding name and address of defendant and disabled plaintiff, and owner's attorney to draft article on disability rights for publication in Tri-County Apartment Association magazine along with rebuttal by plaintiff's attorney. Atty: Peter Lomhoff
9/97 El Granada	\$101,000	National Origin Mobile Home Park	Project Sentinel v. Gail Murphy, et al. C96-2601 WHO ENE (95-189)	EL Granada Mobile Home Park discriminated against Hispanic persons by enforcing stricter qualifying standard for Hispanic applicants. Tenant's lawsuit settled separately under confidential terms. Atty: Chris Brancart
12/98 San Bruno	\$45,000 Federal	Disability Rental	Toscano v. Lawn, et al CIV-F_97-6109 (TUR 117)	Failure to allow a person with a disability to build a wheelchair ramp and ADA claim stemming from inaccessibility of a rental office at the same complex. Testing corroborated allegation (tester with disability was told that he could not make a reasonable modification). Atty: Kerry Gough
2/99 Belmont	\$60,000	Familial Status Rental	Sistena v. McLellan	Eviction due to familial status and overly restrictive rules regarding children. Interview or prior manager corroborated bona fide complaint's allegation. Attys" Chris Brancart & Liza Cristol-Demon

Fig 11.2.b. Court settlements for cases of housing discrimination in San Mateo County.

<u>Date of Settlement & City</u>	<u>Amount in Dollars & Court Type</u>	<u>Type of Case & Rental of Sale</u>	<u>Plaintiff & Respondent & Court Filing Number & In-House Case Number</u>	<u>Major Points of Case and Special Circumstances That Affected Settlement and Name of Attorney</u>
3/8/99 S. San Francisco	\$25,000	Familial Status Rental	Merchan v. Lahor Ram, et al.	There was a sign posted at site stating "prices quoted are for two persons; there will be additional costs for additional people." Project Sentinel testing corroborated this and indicated that teenagers were not allowed. Atty: Bill Johnson
1/98 Menlo Park	\$300,000 Federal District Court	Refusal to Rent Rental	Chew v. Hybl C-96-3459 CW	National origin discrimination. Hate crime violation. Blatant discriminatory statements. Won motion for summary judgment. Asian women denied rental due to National Origin.
1/98 Menlo Park	\$300,000 Federal	National Origin Rental	Chew v. Hybl Court # C-96-3459 CW	Hate crime violation. Asian women denied rental due to national origin. Blatant discriminatory statements. Won motion for summary judgments. Atty: Scott Chang
3/98 E. Palo Alto	\$32,800 U.S District Court	Familial Status Rental	MCFH and Shows v. Lyons Court # C-97-0723	Complainant was a homeless mother of three. Complainant was enrolled in a program at homeless shelter and part of rent would have been paid for. Atty: Ann Menasche
5/00	\$70,000 State Court	Physical Disability Rental	Preston v. Gourdin 409673990202	Owner refused to rent a cottage because application uses a wheelchair. Unit was accessible. Atty: Scott Chang
10/99 Half Moon Bay	\$4,500	Familial Status	Meyers, Project Sentinel v. Mima Sanchez- Parsons 9899-157	The complainant , a woman with three children that stay with her occasionally, was refused a two-bedroom apartment because that would be too many people. Project Sentinel tested the site and corroborated that allegation; the owner only wants to rent to one person. Project Sentinel filed with DFEH. The complainant could not be located. Case settled for \$4,500 including a fair housing training.

Fig 11.2.c. Court settlements for cases of housing discrimination in San Mateo County.

<u>Date of Settlement & City</u>	<u>Amount in Dollars & Court Type</u>	<u>Type of Case & Rental of Sale</u>	<u>Plaintiff & Respondent & Court Filing Number & In-House Case Number</u>	<u>Major Points of Case and Special Circumstances That Affected Settlement and Name of Attorney</u>
4/01 Daly City	\$500	Familial Status Rental	Estrella, Project Sentinel v. Jack and Gilda Cardinale	The complainant contacted Project Sentinel with an allegation of discrimination based on familial status. The complainant and her husband were initially told that they were granted a two-bedroom unit. When the complainant and her husband went to sign the final paperwork and pickup the keys, they were told they could not have the unit because of the presence of their three children. Project Sentinel attempted to corroborate the allegation via testing, but was unsuccessful. Project Sentinel counseled the complainant and she requested the case be sent to HUD. Conciliation agreement entered on 4/18/01. Owner agreed to attend fair housing training provided by project sentinel.
4/01	\$500	Familial Status Rental	Mulry, Project Sentinel v. Edward Rategan 0001-226	The complainant contacted Project Sentinel alleging discrimination based on familial status. The complainant saw an ad and went to view the unit. Upon revealing that herself and her two children would occupy the unit, she was told that the owner does not allow children. Testing corroborated the allegation. Case filled with HUD and settled for \$500 for a fair housing training with Project Sentinel. Complainant did not wish to pursue.
8/01 San Mateo	\$100	Familial Status Rental	Project Sentinel v. Virginia and Theodore Baiz 0001-449	Project Sentinel received an anonymous tip from an individual stating that they felt the advertisement was discriminatory because it said preferred quiet tenants. Project Sentinel tested the site for familial status and secured evidence that they only wanted to rent to adults. Project Sentinel filed with HUD. Case settled for \$100 and included a fair housing training.
02/02 S. San Francisco	\$9, 935	Familial Status Rental	Project Sentinel v. Bernard Hagan (Alida Manor) (9899-236)	A prospective tenant contacted Project Sentinel alleging that he and his family drove by a sign that stated there was an apartment for rent. Upon further inquiry, the unit available was a one-bedroom, which was too small for his household. The prospective tenant, however, stated that he was told that the apartment complex was a senior only complex for people over 62 and older. Project Sentinel investigated the site and determined through testing that they would rent to an individual who was under 62 years of age. Further investigation revealed that the complex was out of compliance with their status. Project Sentinel filed with HUD. Case settled for \$9,935. The owner converted his property to a 55 and older property and he is to send his staff to fair housing training once a year for three years.

Fig 11.2.d. Court settlements for cases of housing discrimination in San Mateo County.

<u>Date of Settlement & City</u>	<u>Amount in Dollars & Court Type</u>	<u>Type of Case & Rental of Sale</u>	<u>Plaintiff & Respondent & Court Filing Number & In-House Case Number</u>	<u>Major Points of Case and Special Circumstances That Affected Settlement and Name of Attorney</u>
3/02 S. San Francisco	\$250	Disability Rental	Project Sentinel v. Allen Wong and Tiffany Nguyen	Project Sentinel conducted an audit of a site who had an advertisement in the newspaper stating no pets. We had our tester reveal the presence of a seeing eye dog and the owner, Mr. Wong, told our tester that he would not allow pets because they have wall to wall carpet. Project Sentinel referred the case to DFEH. The case settled for \$250 - including a fair housing training. Administrative Agency: DFEH
5/02 San Francisco	\$100	Disability Rental	Project Sentinel v. Ying Wah Lee DFEH 0102-290	Project Sentinel conducted a disability audit to determine if seeing eye dogs would be allowed. The manager told our tester with the seeing eye dog that the owner would never go for that. Project Sentinel sent out and education letter and filed with DFEH. The case conciliated for \$100 and the manager attended fair housing training provided by Project Sentinel Agency: DFEH
9/99 Redwood City	\$7,500	Familial Status Refusal to rent	Confidential	Single dad with two children was refuse a one-bedroom unit although the owner would allow three adults to live there, but not two kids. Government Agency: DFEH
3/99 S. San Francisco	\$25,000 Federal	Familial Status Rental	Merchan v. Lahor Ram et al C-98-3036 THE (9697-044)	Sign posted at the site stated prices quoted were for two persons and that there would be additional costs for additional people. Project Sentinel testing corroborated this and indicated that teenagers were not allowed. Attorney: Bill Johnson
4/01 San Mateo	\$7,500 State	Disability Rental	Baross v. Culligan 0001-299	Complainant via case manager, Caminar, contacted Project Sentinel because received a 30-day notice to vacate because of his behavior. The complainant missed his medication and was acting strange in public. The complainant lives in a roommate type situation where each occupant of the home is separate entity. The entire household was given a notice to vacate despite written reasonable accommodation request submitted by Project Sentinel outlining the chain of events with an action plan to ensure that this does not happen again. Management denied the request. Atty Johnson represented complainant and the tenancy for the entire household was stabilized. Attorney fees were paid totaling \$7,500. Atty: Bill Johnson

Fig 11.2.e. Court settlements for cases of housing discrimination in San Mateo County.

<u>Date of Settlement & City</u>	<u>Amount in Dollars & Court Type</u>	<u>Type of Case & Rental of Sale</u>	<u>Plaintiff & Respondent & Court Filing Number & In-House Case Number</u>	<u>Major Points of Case and Special Circumstances That Affected Settlement and Name of Attorney</u>
11/00 S. San Francisco	\$6,000 Federal	Familial Status Rental	Silva v. Marino 9697-110	Complainant alleged that the landlord would not rent second floor units to families with children. Testing confirmed the allegation. Stephen Collier negotiated settlement amount and terms. Atty: Stephen Collier
12/02 San Bruno	\$88,000	Familial Status Rental	Gagne 0102-050, 0102-075	PS received a call from the complainant who stated that she and her husband applied for a unit and were told that they would not have the unit because of the presence of a seeing eye dog. The complainant is legally blind. The manager would not make an exception on the "no pets" policy. PS tested the site and secured evidence of discrimination disability. Case settled for \$88,000. Atty: Liza Cristol-Deman (Brancart & Brancart)
3/96 Redwood City	\$25,000 Federal	Race Rental	MCFH v. Cannon C944377MMC	FH training and monitoring included in training. Atty: Rufus Cole
5/96 E. Palo Alto	\$40,000 Federal	Race Rental	Hunter v. Prado C943066 MEJ	Owner refused to rent to blacks. He wanted all Latinos in the building. Settlement terms include FH training, monitoring, affirmative advertising and consent decree. Atty: Rufus Cole
6/96 E Palo Alto	Non-disclosure Federal	Race Rental	Alloway & Pruitt v. Ascani C95-2980-CW	Owner refused to rent to two black male students. Monetary damages were high. Settlement terms: FH training, future monitoring and a promise to comply with FH laws and equal opportunity advertisements. Atty: Scott Chang
5/96 Redwood City	\$15,000 Federal	Familial Status Rental	MCFH v. Redwood Trailer Park C96-0828-WHO	Mobile Home Park refuse to rent to families with kids. There were no kids living there, but it was not a senior park either. Settlement includes: conversation to an all-ages park, FH training and monitoring for compliance with FH law. Atty: Scott Chang

Fig 11.2.f. Court settlements for cases of housing discrimination in San Mateo County.

12. DISABILITY PROVISIONS OF THE FHAA

Fair housing choice and discrimination against persons with disabilities cover a broad range of issues. Many persons with disabilities have limited incomes and are strongly affected by the effectiveness of a jurisdiction's strategies and policies to supply affordable housing. The ability of persons with disabilities to reside in group homes throughout a city is impacted by zoning and land use policies. Discrimination against persons with disabilities, particularly with regard to dwelling accessibility and use of guide dogs, is influenced by the strength of fair housing enforcement services. These issues have been previously discussed and in some cases impediments to fair housing choice have been revealed.

This section evaluates compliance of new construction of multi-family dwellings with provisions of the Fair Housing Amendments Act of 1988 that improve housing accessibility for persons with disabilities. As a protected class, people with disabilities are unique because they are the only minority that can be discriminated against solely by design of the housing unit. The Fair Housing Amendments Act remedies that in part by establishing design and construction requirements for multifamily housing built for first occupancy after March 13, 1991. The law provides that failure to design and construct covered multifamily dwellings to include certain features of accessible design will be regarded as unlawful discrimination.

These design and construction requirements apply to all new multifamily housing consisting of four or more dwelling units. Public and common use spaces and facilities must be accessible to people with disabilities. In addition, the interior of dwelling units must be designed so they too meet certain accessibility requirements.

During May and June 2003, accessibility audit site visits were completed at five residential buildings in San Mateo County (Fig. 12.1). All sites visited had at least one violation, some major and many minor. The minor violations can be easily remedied. However, violations indicate that the flow-down of requirements from the FHAA to the California Building Code to each jurisdiction's planning department and individual building inspectors is uneven. For those persons with disabilities who can't access or use a dwelling unit, failure to comply with the accessibility provisions of the FHAA is an impediment to fair

NEW CONSTRUCTION AUDIT OF ACCESSIBILITY STANDARDS													
Multi-family Complex	1988 FHAA Accessibility Standard												Remarks
	Strike side clearance	Curb cuts from street	Front door lip	Office accessible	Trashbin accessible	Patio accessible	Mailbox height	Interior door width	Lever handles	Garage door	Bathroom Floor space	Electrical outlets	Controls and Peephole
1700 De Anza, San Mateo	●	●				●		●			●		Not easily correctible
Bridgepointe, San Mateo	●		●										Correctible
401 Norfolk, San Mateo				●	●	●							Correctible
Santa Inez, San Mateo					●								Easily correctible
Meridian Bay, Foster City			●				●			●			Not easily correctible

● Potential Violation of 1988 FHAA

Fig. 12.1. An audit of new construction in San Mateo County found uneven compliance with the 1988 FHAA accessibility standards.

housing choice.

It is recommended that a FHAA accessibility checklist be provided to each jurisdiction's planning department for use by developers of multi-family housing projects. Use of the checklist will assure compliance with all provisions of the 1988 FHAA.

13. PUBLIC MEETINGS AND PARTICIPATION

The Department of Housing and Urban Development (HUD) believes that the principals embodied in the concept of “fair housing” are fundamental to healthy communities, and that communities must be encouraged and supported to include real, effective fair housing strategies in their overall planning and development process, not only because it is the law, but because it is the right thing to do.

As part of fair housing planning, state and entitlement jurisdictions should seek input and cooperation from other government agencies, community and business organizations. The involvement of these agencies can greatly assist in the elimination of fair housing impediments in areas such as sales and rental of housing, lending, employment, education, social services, transportation, law enforcement, and land use laws. Additionally, jurisdictions that foresee possible future impediments should take specific actions or ameliorate those impediments.

HUD suggests “*the AI structure should provide for effective, ongoing relationships with all elements of the community with clear and continuous exchange of concerns, ideas, analysis, and evaluations of results.*” Accordingly, for the San Mateo County AI, outreach and contact was made with fair housing organizations, government departments, social service agencies, advocacy groups, housing providers, and financial institutions.

13.1 Methodology

To facilitate participatory community involvement in the AI process and to insure a broad cross-section of contact, responses and input, the approach taken was a combination of outreach, surveys, and meeting(s).

Each of the education and survey tools were designed to impart information and insight into the definition and legal parameters of fair housing laws and also the AI process itself and its relationship to “affirmatively furthering fair housing” in the jurisdiction. Another function of the survey was to solicit input from a wide range of consumers and providers in the fair housing arena.

Ninety-seven outreach contacts were made to involve San Mateo’s “protected class” and other organizational/government and industry participation. Of all persons who completed and returned the survey, 25 consumer and 12 provider-type surveys were received for a total of 37 participants.

13.2 Fair Housing Survey I. General Population (Consumers, Community Agencies; Legal Services, etc.)

Please rank the following list of potential impediments to fair housing in San Mateo County in order, from the largest and most significant (10) to the smallest and least significant (1). For example, if you believe that Lending issues and practices have the greatest impact on the status of fair housing and that Advertising has the least impact, assign a “10” to Lending and a “1” to Advertising. Assign numbers 2-9 to the other items accordingly.

Least Significant					Most Significant				
1	2	3	4	5	6	7	8	9	10

Of all the people who completed the form, the following information indicates how many ranked each respective topic as highest to lowest in importance. In ranked order from 10 (highest) to 4 (lowest because of two tie positions)) survey answers indicated the order of importance as:

10 Development and Sale of Single and Multi-Family Housing

Inadequate supply of housing.

Prohibitive locations of new housing developments

Discrimination in home sales.

9 Attitudes and Ideologies

Attitudes and/or ideologies held by community leaders and politicians.

NIMBY – “Not in my Backyard” issues.

Human relations issues involving bigotry, prejudice, fear and lack of acceptance/respect of others.

Crimes associated with hate crimes in housing or neighborhoods

8 Rental Housing

Refusal to rent, steering (being sent to other neighborhoods/buildings), evictions, differential treatment, or other illegal practices based upon presence of children in family, race, religion, national origin, color, or other protected class status.

7 Lending (Two-way tie)

Inconvenient or distant location of lending branches and offices.

Discriminatory practices by appraisers, brokers.

Lack of Community Reinvestment Compliance (i.e., Lending institutions reinvesting in neighborhoods where they do business).

Higher rejection rates for minority and women borrowers.

Predatory sub-prime lending practices.

Discriminatory underwriting policies that provide for coverage based upon racial or ethnic makeup of neighborhood, age of housing, and other “non-risk” based factors.

7 Zoning and Land Use Issues (Two-way tie)

Issues involving group home location, public housing, homelessness, and rural housing.

Zoning which restricts group homes.

6 Advertising (Three-way Tie)

Lack of affirmative marketing or promotional materials that are inclusive of diverse groups (i.e., depicting different racial, ethnic, and other minority groups in advertising images) and targeted to all potential renters or buyers.

Unlawful printed advertisements indicating discriminatory preferences (i.e., no children).

6 Community Awareness (Three-way Tie)

Lack of education regarding fair housing on the part of housing consumers (renters/buyers), providers (owner/managers), and/or lack of training/education of other related housing industry professionals (insurance companies, lenders, etc).

Lack of knowledge regarding where and how to file a complaint.

6 Issues Associated with Changing Demographics(Three-way Tie)

Language and/or cultural barriers.

5 Accessibility and Accommodations for Persons with Disabilities, Including Group Homes for Persons with AIDS, and/or for Recovering Substance Abusers

General lack of compliance in new construction projects with federal laws regarding building accessibility.

Unwillingness of owners and/or managers to make reasonable accommodations and modifications to allow persons with disabilities to equally use and enjoy housing opportunities and facilities.

4 Homeowner's Insurance

Inconvenient, distant, or no location of agents and offices.

In addition, most of those who returned a survey felt that transportation networks had medium importance and relevance to fair housing goals, while they felt that employment and educational opportunities rated a significantly higher level of importance and relevance.

Individual opinions and comments included some that were common among the participants and others that were given from specific perspectives. Some comments about barriers and impediments to fair housing choice follow.

- Adequate affordable housing is a major issue
- There is very little affordable housing for very, very low- and very low-income
- There is a problem with developers being overly regulated
- Credit issues hamper ability to fairly secure adequate housing driving up housing cost
- Wages have not increased to balance housing costs and market appreciation
- Special interest groups have too much influence in land use decisions rendering development of affordable housing close to impossible
- Fair housing education is a continual need
- Predatory and unfair lending are unmet needs
- The low income, those with disabilities and families with children are the hardest hit
- Government doesn't care enough

13.3 Public Meeting Input

Public meetings were held a means of providing more information about the AI process and about fair housing in general. Specific objectives were to focus the input and gain further insights into community perspectives on fair housing progress, continuing barriers and solutions that might promote fair housing goals in San Mateo County.

Eight meetings were held with participants whose perspectives represented housing consumers, community-based agencies serving “protected class” populations, advocates, legal programs, special needs housing representatives and others who represented affordable housing, homeless populations and group homes, et al. One of the meetings was arranged by the Tri-County Apartment Association and included mortgage lenders, property managers, government/public housing, developers, industry associations.

Participants focused upon issues relating to shortages of affordable housing, homelessness and citing of housing for this population and also on shortage of group homes and special needs housing generally. Some specific opinions, perspectives and comments follow.

- Land use/zoning policies present barriers for housing development
- Traditional (*race, national origin, familial status, disability/others*) discrimination occurs daily
- The general population lacks sufficient knowledge of fair housing laws
- Pre- and post-counseling is needed for first-time home buyers to maximize their access to mortgage underwriting assistance
- Small property owners need to become more aware of legal requirements of fair housing
- Incomes have not kept pace with housing market conditions

13.4 Key Conclusions

The surveys that were completed by respondents serve to provide their perspectives, views and experiences with regard to the wide spectrum of fair housing concerns.

Most respondents were aware of the general nature, provisions and expected outcomes of fair housing compliance. That is, respondents knew that fair housing laws involved the approval of rental, sale, mortgage loan, and property insurance applications without regard to race, national origin, religion, and other personal characteristics.

Most respondents also acknowledged the areas where barriers/impediments continue to exist and the areas cited included, but were not limited to: traditional/garden variety of individual and complaint based discrimination still occurring; government action-based impediments involving land-use policies, zoning issues and land acquisition for affordable housing development. Also cited were: first-time homebuyer program limitations and the need to be more proactive; credit issues associated with low- and moderate-income loan applicants; and the lack of balance between employment, earnings and increases in the cost of housing in San Mateo County. Regardless of the increasing vacancy rate in rental housing, almost every participant felt that housing costs were unreasonably too high.

Most respondents felt that some housing, rental, sales, and mortgage providers continue to craft ways to avoid compliance with fair housing laws.

The affordability factor was commonly acknowledged among all respondents including housing consumers, providers, industry associations, government programs, legal service entities, and special needs housing representatives as a continuing barrier.

14. IMPEDIMENTS TO FAIR HOUSING CHOICE AND RECOMMENDED ACTIONS

Impediments to fair housing choice identified in this analysis are summarized in Fig. 14.1. The first four, relating to definition of family in Daly City, group home restrictions in Redwood City and the City of San Mateo, and senior housing occupancy in San Mateo City, are embodied in the respective city's zoning code. Each of these impediments constitutes potential violations of federal or state fair housing law and should be quickly corrected.

- The definition of family in the Daly City zoning code, “two or more persons related by blood or marriage”, is overly restrictive. This definition discriminates against a broad range of groups under federal and state fair housing statutes relating to familial status. Family definitions in the zoning code are nearly always used to exclude “undesirable elements” from residential neighborhoods. Daly City’s definition can be used against homosexuals, “common law” families, extended families that include added members to help pay the rent, and potentially against unrelated persons with disabilities living in a group home.

This impediment can be removed by changing Daly City’s family definition to not preclude persons unrelated by blood or marriage and by not restricting household size beyond requirements of the health and safety code. Acceptable definitions include “a group of two or more persons living as a single household” or “a group of ten persons or less living as a single household”.

- Redwood City requires a Use Permit for group homes of six or less persons with disabilities. It also restricts group homes to areas zoned multi-family, prohibiting their location in single family residential neighborhoods. This is in conflict with federal and state statutes and discriminates against persons with disabilities.

This impediment can be removed by eliminating the requirement for a Conditional Use Permit for group homes of six or fewer persons and by allowing group homes of six or less persons in all residential neighborhoods.

- The wording in the code restricts occupants of senior housing to persons over 60 years old and their spouses, thereby discriminating against unmarried senior couples. Quite often after a senior’s spouse dies, they enter into a new cohabiting relationship but do not marry out of a sense of respect for their original spouse and marriage. Some live long enough that their “out of wedlock” relationship lasts longer than their original marriage.

To remove this impediment, San Mateo should reword the definition of occupancy requirements for senior housing to allow unmarried couples.

A number of factors influence the identification of impediments created by public policies, including the magnitude of local housing affordability problems, the jurisdiction’s use of planning tools such as inclusionary zoning, the viability of its affordable housing strategies and plans, and the degree to which it will meet or miss its RHND affordable housing targets. By itself, missing RHND targets was not viewed as an impediment. However, if major housing affordability issues exist, such as excessive housing cost burden, overcrowding, and high rates of poverty, a quality housing plan to address those issues is warranted. If the plan is missing or deficient, and if use of planning tools to generate affordable housing is ineffective, an impediment to fair housing choice exists. At issue is the degree to which reasonable actions not taken by the jurisdiction significantly reduced the supply of affordable housing and contributed to missing RHND targets.

Identified Impediments to Fair Housing Choice		
Impediment	Jurisdiction	Corrective Action
▪ Restrictive definition of family	Daly City	▪ Modify family definition to not preclude unrelated members and less restrictive household size.
▪ Group homes of 1-6 individuals - CUP required - Not allowed in all residential areas	Redwood City	▪ Delete requirement for CUP in zoning code. ▪ Revise zoning code to allow in residential areas.
▪ Distance between group homes >500 ft	San Mateo City	▪ Revise zoning code to allow distance >300 ft.
▪ Restrictive occupancy for senior housing	San Mateo City	▪ Revise definition to allow senior's unmarried partner.
▪ No affordable housing plan for unincorporated communities, e.g., North Fair Oaks, Pescadero	San Mateo County	▪ Develop plans for communities with high concentrations of low-income minorities and substandard housing.
▪ Affordable housing shortfall and weak Inclusionary Zoning policy	Daly City Redwood City	▪ Evaluate strengthening inclusionary zoning ordinance. ▪ Evaluate Improvements to granny unit policy.
▪ Unbalanced housing construction and affordable housing shortfall	San Mateo City	▪ Evaluate strengthening inclusionary zoning ordinance.
▪ Predatory lending practices	Countywide	▪ Education campaign targeting minorities, seniors.
▪ Uneven compliance with accessibility standards for new construction	Countywide	▪ Make accessibility checklist available through planning departments.
▪ High cost of land and housing construction	Countywide	▪ Increase housing resources, such as HEAT, the County's new housing trust fund. ▪ Encourage smart growth development (higher density development along transportation corridors).
▪ Community opposition (NIMBYism) to affordable housing developments	Countywide	▪ Development of coordinated grass-roots advocacy plan.
▪ Limited English speaking residents need fair housing education	Countywide	▪ Increase the distribution of fair housing pamphlets and brochures in multiple languages.
▪ Emerging fair housing issues need to be widely distributed	Countywide	▪ More seminars for housing providers should be offered. ▪ A working relationship needs to be established between fair housing service providers and local government offices.
▪ Lack of accessible public transportation stops	Countywide	▪ Change routes, schedules and stops

The following impediments to fair housing choice exist in regard to public affordable housing strategies and plans:

- San Mateo County's general housing strategy via its recently passed inclusionary zoning ordinance is very good and comprehensive actions are underway throughout the County to rehabilitate substandard housing, construct new affordable housing, and open home ownership to low-income families. However, deficiencies exist. North Fair Oaks has the highest concentration (70 percent) of Hispanics, the highest percentage (39 percent) of substandard housing, and second highest poverty rate (12 percent) in the county, but few units of new affordable housing construction could be identified in the community. No detailed plan exists to address North Fair Oaks housing issues.
- Another unincorporated community, Pescadero, situated on the coast side, has emerged as an area with substandard farm labor housing. County code enforcement officials have been called out to close substandard makeshift housing for agricultural workers in the area. Documentation of housing issues of local residents and a strategy for addressing these concerns are needed..

These deficiencies constitute impediments to fair housing choice that should be addressed. Potential

corrective actions include: 1) developing an affordable housing approach for North Fair Oaks, Pescadero and any other unincorporated community with concentrations of minorities, poverty and substandard housing, and 2) assessing and implementing recommended improvements to granny unit policy that would more effectively generate affordable housing.

- Nearly one-third of Daly City's households are large families and one-third are overcrowded, many experiencing housing cost burden. The 1998-2002 HUD Consolidated Plan laments the lack of available public funding in its opening paragraphs, yet Daly City's inclusionary zoning ordinance has limited scope. This ordinance has potential to tap private funding to supplement public funds.

To increase production of new affordable housing, Daly City should evaluate strengthening its inclusionary zoning ordinance by expanding its application citywide and reducing the project size that falls within its scope. By taking this action, the city can increase available funding for affordable housing and come closer to meeting its RHND targets.

- Redwood City has a proactive plan to revitalize its downtown and generate significant numbers of affordable housing units. However, the City will fall short of meeting its RHND targets. Redwood City has a large concentration of lower-income Hispanics, many living in substandard housing. Furthermore, North Fair Oaks falls within the City's zone of influence and any reduction in number of affordable units resulting from deficiencies in Redwood City's approach will impact lower income residents from that community as well. Redwood City has no citywide inclusionary zoning ordinance. Lack of a citywide ordinance potentially eliminates over one hundred affordable units along the Route 82 and 84 corridors adjacent to North Fair Oaks that could contribute to meeting Redwood City's RHND targets.

To remove this impediment, Redwood City should consider extending inclusionary zoning citywide. This directly benefits a large population of lower income residents within the city limits and provides additional affordable housing in the immediate neighborhood of North Fair Oaks.

HMDA data indicates that Black and Hispanic residents face higher home mortgage denial rates, even when their household income is higher than White's.

- Black and Hispanic residents, as well as seniors, rely more on non-prime loans and are susceptible to predatory lending practices. To remove this impediment, the County should conduct a countywide education campaign targeting at-risk groups similar to that currently available in East Palo Alto.

As a protected class, people with disabilities are unique because they are the only minority that can be discriminated against solely by design of the housing unit. The Fair Housing Amendments Act of 1988 remedies that in part by establishing design and construction requirements for multifamily housing built for first occupancy after March 13, 1991. The law provides that failure to construct multifamily dwellings to include certain features of accessible design will be regarded as unlawful discrimination.

- Audits of new construction revealed uneven compliance with accessibility requirements of the 1988 FHAA. To remove this impediment, an accessibility checklist should be provided to all planning departments for use by developers of new multi-family housing.

15. FAIR HOUSING STRATEGY

A fair housing strategy for San Mateo County should be comprehensive, robust, and should result in elimination or mitigation of each identified impediment. A comprehensive strategy is multi-faceted: for instance, implementing a media campaign to address predatory lending, affordable housing, and housing discrimination. A robust strategy employs all resources available working in unison to address the most difficult challenges: for instance, meeting affordable housing targets with a combination of on-going rehabilitation, providing incentives for low-income new construction, and adopting or modifying inclusionary zoning, all supported by the targeted media campaign.

The fair housing strategy outlined in Fig. 15.1 consists of three primary elements focused on the most significant San Mateo County challenges: provision of adequate affordable housing, compliance with accessibility provisions of the FHAA, activities to educate lower income residents about the impact of predatory lending, and implementation of outreach and education activities that facilitate the overall success of the strategy. Each element works to support the others and together act to provide a housing environment that promotes neighborhood diversity.

15.1 Outreach and Education

A systematic outreach and education campaign employs mass media and fair housing education materials to support the overall strategy. These activities have the following objectives:

- Support affordable housing objectives with community education and by providing information and data to political constituencies and planning staff.
- Provide information on predatory lending practices to the population as a whole as well as to the most susceptible targeted groups
- Distribute a wide range of fair housing education materials to housing consumers, focused especially on groups such as immigrants and persons with disabilities, to assure that San Mateo County residents know their housing rights and responsibilities

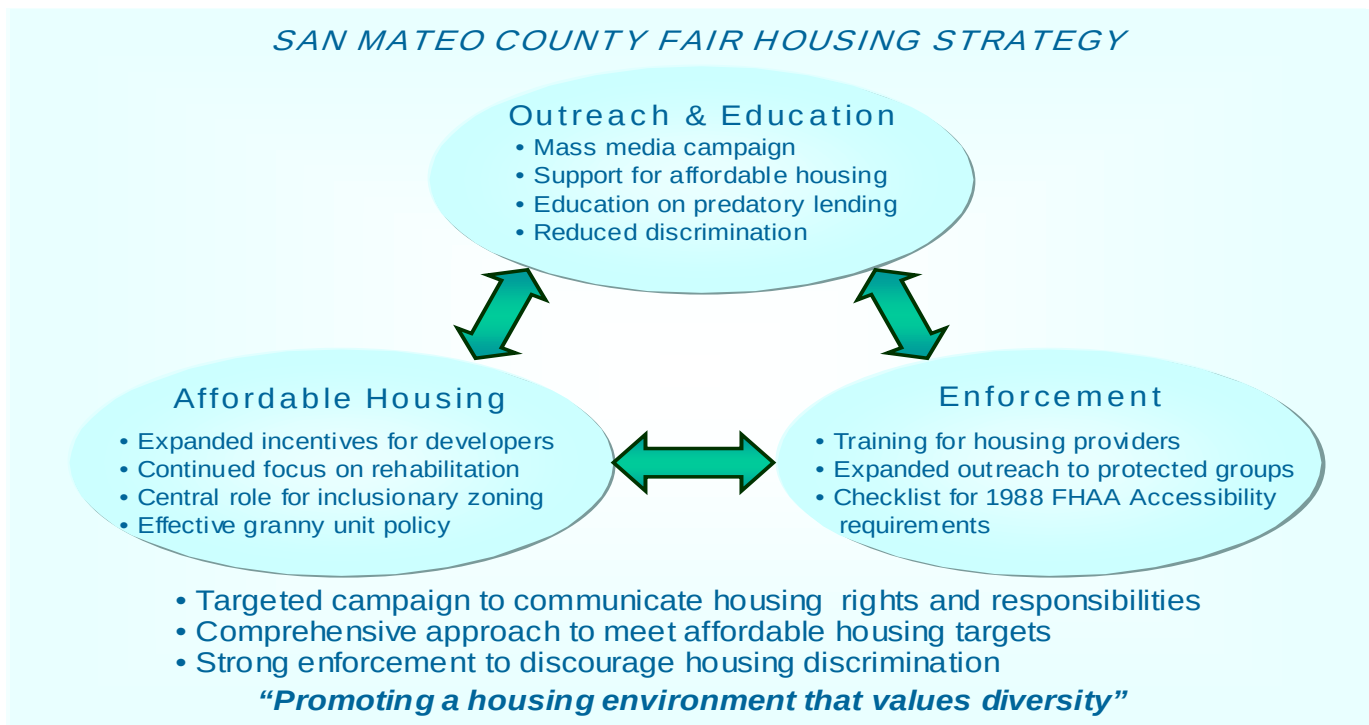


Fig. 15.1. The San Mateo County Fair Housing Strategy employs a comprehensive approach to remove identified impediments to fair housing choice.

- Target fair housing education materials to housing industry providers to reduce and eliminate discriminatory practices in housing sales and rentals
- Employ mass media to increase understanding of fair housing law, to develop support for affordable housing initiatives, and to further all aspects of this fair housing strategy

The comprehensive fair housing campaign illustrated in Fig. 15.2 employs three categories of media to accomplish these objectives. Mass media, including freeway billboards, newspaper columns, TV and radio public service announcements, and transit/bus posters, reach very large numbers of people with general supportive messages. Fair housing websites provide a wide range of detailed information to all interested parties. Finally, a large variety of fair housing educational materials can be targeted towards individual groups on specific issues. Examples of typical approaches to distribution of fair housing education materials are shown in Fig. 15.3.

A wide variety of information conveying specific information should be distributed to housing consumers and providers, persons with disabilities, immigrant populations with limited proficiency in English, children, and other key groups. Information is distributed through multiple channels both for general education and to support specific objectives of the fair housing strategy.

This recommended outreach and education campaign is usually within scope and is commonly and typically performed as a standard part of a fair housing enforcement contract. Fair housing educational

Fair Housing Media Campaign

A comprehensive set of outreach and education activities targeted towards a broad spectrum of San Mateo County residents to facilitate an effective fair housing strategy.

Objectives

- Educate housing industry and consumers on fair housing rights and responsibilities
- Promote a housing environment that values diversity
- Develop community awareness and support for affordable housing initiatives
- Conduct educational campaign targeting potential victims of predatory lending

Freeway Billboards



Over 100,000 residents commute daily on San Mateo County freeways.

Newspaper Columns



Syndicated articles in real estate sections reach 250,000 readers weekly.

Public Service Announcements



TV and Radio ads reach over 100,000 residents monthly.

Informational Materials



Informational material targets housing consumers and professionals, children, people with disabilities, and immigrants

Fair Housing Websites



Websites provide a wealth of fair housing information to all interested residents.

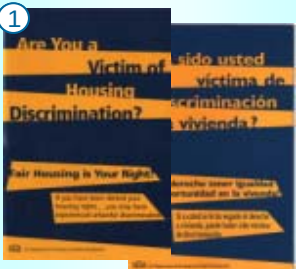
Transit/Bus Posters



Rapid Transit Posters reach over 45,000 riders daily, many minority or low-income.

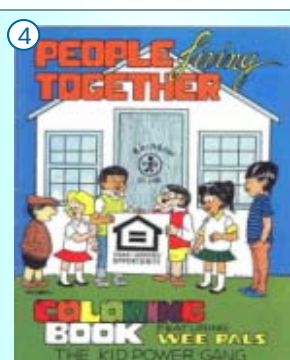
Fig. 15.2. A comprehensive media campaign supports both fair housing enforcement activities and community affordable housing initiatives.

Distribution of Informational Material

	Material/Topic	Target Audience	Locations	Copies
 HUD fair housing brochure targets housing professionals and all protected categories*.	① HUD Brochure - Fair Housing Overview - Basic protections & remedies - English/Spanish	General population - housing providers - protected categories	Social service agencies, civic groups, city halls, libraries, community centers, shopping centers, Board of Realtors, Apartment Owners Assoc.	1,500
	② Fair Housing Rights and Service Animals - Multi-page pamphlet describing types of service animals and reasonable accommodations	Persons with disabilities - housing providers - service agencies - protected groups	Service agencies, civic groups, city halls, libraries, community centers, medical offices, shopping centers, Board of Realtors, Apartment Owners Assoc.	1,500
 Brochure detailing tenant's rights to own service animals, distributed to housing providers and disability service agencies.*	③ Newspaper column - syndicated column on fair housing issues in the rental housing market	General community focus on housing providers and housing consumers	Apartment Owners Assoc. trade magazine Local newspapers -San Francisco Chronicle	>100,000
	④ Coloring Book - teaches children to respect each other's cultural backgrounds	School children and parents	Church schools Elementary schools Day care centers	1,000
	⑤ Foreign language brochures - fair housing & disability rights in 9 languages	Immigrants and service providers	Social service agencies, libraries, community centers, shopping centers,	1,000
	⑥ Issue specific flyers with other agencies	All protected categories	Issue specific organizations and upon request	700



Rentwatch column in Apartment Management Trade Journal educates owners and managers*.



Fair Housing coloring book teaches elementary school children to value diversity.*



Foreign language brochures* in 9 languages can inform recent immigrants



Brochures* distributed in collaboration with service agencies. address specific issues.

* These brochures can be downloaded from Fair Housing website at <http://www.housing.org>

Fig. 15.3. Educational materials will be directed towards housing industry professionals, all protected classes of citizens, and persons of all ages.

materials are available from HUD and Project Sentinel. All materials illustrated in Fig. 15.3 are available by download from the Internet.

15.2 Affordable Housing Strategy

Even for a relatively affluent area such as San Mateo County, provision of sufficient affordable housing for lower income residents, large families, persons with disabilities, the elderly, and single mothers with children is a very difficult challenge. For some communities, such as San Mateo and Redwood City,

current policies have little chance of meeting ABAG's affordable housing targets.

The recommended strategy outlined in Fig. 15.4 continues successful policies already in place, e.g., rehabilitation and first-time homeowners programs, utilizes modifications to zoning codes to create additional affordable housing, and builds community and political support with the educational media campaign. Key elements of the strategy include:

- Continue application of CDBG and HOME funds to rehabilitate older homes in the County and Cities of East Palo Alto, North Fair Oaks, Redwood City, San Mateo, South San Francisco and Daly City. Large numbers of older homes in these communities provide a major portion of affordable housing for San Mateo County's minority population.
- Incrementally expand First-Time Homebuyers and other programs that help low- and moderate-income residents attain home ownership. Owner occupancy provides long-term upward mobility with lasting economic benefits.
- Consider adoption of inclusionary zoning in the unincorporated County, Daly City, and Redwood City and expansion of the ordinance in San Mateo City. Inclusionary zoning ordinances have met with great success throughout California for more than 25 years and bring multiple benefits, including increased funding through market investment, desegregation and increased neighborhood diversity, and reduction in neighborhood blight through transparent integration of affordable units into market rate projects.
- Expand the role of granny units in providing affordable housing by implementing recommended policy improvements. On larger lots, allow secondary dwellings of up to 1200 sq ft, thereby increasing the number of bedrooms from one to two or three and opening up granny units to large families. Provide standard secondary unit designs that can be built with short approval time and reduced fees, thereby encouraging homeowners to invest in granny units by removing obstacles in obtaining building permits. Eliminate occupancy restrictions for very low-, low- and



Fig. 15.4. Affordable housing initiatives focused on meeting ABAG affordable housing targets.

moderate-income residents.

- Continue to work with traditional affordable housing developers to construct affordable housing projects. Identify additional financial incentives for developers to offset any increased costs associated with SB975.
- Focus part of the recommended education media campaign on developing community and political support for these affordable housing initiatives. Only if the benefits of a well-conceived approach are conveyed to the jurisdictions in advance can the detrimental effects of NIMBYism and ignorance of the facts be overcome.

No one or two of these approaches can provide the required numbers of affordable housing units in isolation. However, in combination they supply the maximum potential for meeting regional targets and increase the overall effectiveness of San Mateo County's housing plans.

15.3 Strengthened Fair Housing Enforcement

Success of any fair housing strategy depends on strong advocacy and direction orchestrated by the fair housing service provider(s). Therefore, the third essential element is fair housing enforcement that facilitates all parts of the strategy. Specific actions that strengthen fair housing enforcement and effectively implement the overall strategy include:

- Conduct the outreach and education campaign to increase fair housing awareness among all residents, to help specific groups such as immigrants and persons with disabilities, and to successfully implement each part of the fair housing strategy in San Mateo County.
- Provide all planning departments with an accessibility checklist so that provisions of the 1988 FHAA are uniformly implemented across San Mateo County.
- Support the County in implementing affordable housing initiatives
- Eliminate predatory lending practices through education in high-risk communities and ethnic groups, through continued surveillance of lending practices, and by mounting informational campaigns against institutions that flagrantly exercise such practices. This could be accomplished by expanding the geographic scope of the current East Palo Alto program.

As part of its services contract, the fair housing service provider offers strong support to the County in implementing the overall fair housing strategy.