



2023–2031 HOUSING ELEMENT

March 2023

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ACKNOWLEDGEMENTS

CITY COUNCIL

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Alan Wong, Vice-Chair
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Christopher Del Nagro, Commissioner
Nathan Chan, Commissioner

EXECUTIVE MANAGEMENT

Tom Williams, City Manager
Isabel Carlos, Assistant City Manager

CITY STAFF

Andrew Mogensen, Community Development Director
Roscoe Mata, Planning Manager
Nestor Guevara, Associate Planner

CONSULTANT TEAM

Harris & Associates

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EXECUTIVE SUMMARY

California law requires that a housing element be included in the general plan as one of the seven mandatory “elements”, or chapters, which express the community’s values, goals, and vision for the future.

The Housing Element covers the eight-year planning period beginning October 15, 2023, and ending October 15, 2031, (the "6th Cycle" planning period) and accomplishes the following:

- Presents a comprehensive assessment of local housing conditions and lays out a series of goals, policies, and programs to assist the City of Millbrae (City or Millbrae) in meeting the housing needs of current and future residents at all income levels.
- Identifies and analyzes the City’s existing and projected housing needs
- Addresses numerous requirements resulting from a slate of new state housing laws designed to address factors contributing to the statewide housing shortage.
- Contains a detailed work program for the preservation, improvement, and development of housing, including how and where the City can accommodate its fair share of the Bay Area region’s need for new housing.

The statewide housing mandate for all cities and counties to accommodate their share of housing needs is known as the Regional Housing Needs Assessment (RHNA). The City, along with other jurisdictions statewide, faces substantial challenges in providing sufficient affordable housing.

Changes to 6th Cycle Housing Element Updates

RHNA

One of the most consequential changes for the 6th Cycle is that the RHNA goals throughout the State of California (State) have significantly increased from previous cycles. For Millbrae, this has resulted in an increase from 663 units for the 5th Cycle (2015-2023), to 2,199 units for the 6th Cycle (2023-2031). In addition, the City must provide substantial evidence that the nonvacant sites selected are appropriate and likely to be available for housing development during the planning period.

AFFIRMATIVELY FURTHERING FAIR HOUSING

Another major change for the 6th Cycle is the State’s “Affirmatively Furthering Fair Housing” (AFFH) requirements. Affirmatively furthering fair housing means taking meaningful actions that address significant disparities in housing needs and access to opportunity, replacing segregated

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living patterns with integrated and balanced living patterns, transforming racially and ethnically concentrated areas of poverty into areas of opportunity, and fostering and maintaining compliance with civil rights and fair housing laws. This is accomplished through a detailed analysis of issues, evaluation of proposed housing sites, and development of housing element programs to address identified issues. The detailed AFFH analysis is provided in Appendix B, but the insights gained from the analysis are threaded throughout the element and specifically reflected in the Sites Inventory and Housing Plan.

Chapter I - Introduction

The City's Housing Element has been updated for the 2023–2031 6th Cycle Planning Period. The Housing Element is part of the Millbrae General Plan, which is currently undergoing its latest update. The General Plan Update process started in 2015 as a comprehensive update to the existing General Plan, along with the preparation of a specific plan, and the related program Environmental Impact Report for California Environmental Quality Act (CEQA) compliance. The Millbrae General Plan will establish the vision of planning and land use for Millbrae until 2040.

The guiding principle for a healthy community in the City's General Plan states:

*“Encourage healthy lifestyles for all residents and visitors by increasing opportunities for physical activity, availability of nutritious foods, quality education, realistic living wages, access to affordable healthcare and childcare, **options for affordable housing**, clean air and water, and a safe environment that promotes walking and biking.”*

As widely reported, California is amid a housing crisis where demand greatly outweighs supply. Additionally, overall wage growth has not kept pace with increases in housing costs, making median home prices and rents out of reach for a large population within the State. According to the Joint Center for Housing Studies at Harvard University, renters in California have to earn 120% or more of the area median income (AMI) to afford a median-priced home. This severe spending on housing costs has contributed significantly to various housing problems, such as a lack of affordability and homelessness.

The California Government Code requires that a Housing Element be included in a city's General Plan as one of seven mandatory elements that express the community's values, goals, and vision for the future. The City of Millbrae Housing Element identifies and analyzes the City's existing and projected housing needs and contains a detailed outline and work program of the City's goals, policies, quantified objectives, and programs for the preservation, improvement, and development of housing for a sustainable future. The overall goal of this Housing Element is to provide safe and decent housing for all economic segments of the community.

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Chapter 2 – Housing Needs Assessment

Millbrae is a growing community in San Mateo County that serves as the transportation hub for the San Francisco Bay Area. To quantify housing needs the State of California develops housing demand projections and apportions these projections to each region. In the Bay Area, the Association of Bay Area Governments (ABAG) allocates the State's regional projected demand to individual jurisdictions. This is referred to as the Regional Housing Needs Assessment (RHNA) and is intended to reflect the projected housing demand of each jurisdiction for the upcoming planning period. State law requires that jurisdictions incorporate the RHNA allocation into their housing element update. **The required RHNA for the City is based on housing needs over the next 8 years** and is summarized in the table below.

Table ES -1. 6th Cycle RHNA

Income Category	RHNA
Extremely Very Low/Very Low (0% - 50% AMI)	575
Low (51% - 80% AMI)	331
Moderate (81% - 120% AMI)	361
Above Moderate (over 120% AMI)	932
Total Units	2,199

While the total number of RHNA required units is 2,199, HCD guidance requires that all cities and counties include more than the required RHNA - typically an additional buffer of 15-30% with a special focus on lower-income housing units. Therefore, the total number of units in any jurisdiction's housing element will exceed the RHNA to accommodate that buffer. With that in mind and based on the City's site inventory analysis included in the Housing Element update, the City must accommodate a minimum of 2,335 total new units, allocated at different affordability levels.

Demographic and housing data were analyzed to reveal Millbrae's housing needs and trends, which helps inform program development and prioritization.

Summary of Key Findings

- **Population** – The City's population has been growing slightly faster than San Mateo County (San Mateo County or County) with 10% growth between 2000 and 2020, compared to 9% for the County. However, it has grown at a rate below that of the Bay

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Area, which increased by 15% between 2000 to 2020. The increase throughout the region is mostly due to natural growth (births minus deaths) and a strong economy that draws new residents to the region.

- **Income** – Millbrae has a comparable percentage of lower-income households than the rest of the County, with 39% and 40% of households earning less than 80% of the Area Median Income (AMI), respectively. In addition, the City has the same percentage of lower-income households as the Bay Area as a whole.
- **Poverty** – Currently, people of color in the County are more likely to experience poverty. The groups with the highest poverty rates in Millbrae are Black/African American residents (9.3%) and Asian/Pacific Islander residents (6.9%). On the other hand, American Indian/Alaskan Native residents have the lowest poverty rate (2.5%).
- **Age** – Millbrae residents are overall older than they were in the past. The median age increased from 41.5 in 2000 to 43 in 2019. In that year, 19% of the population was over 65, and 19% of the population was under 18 years old.
- **Race/Ethnicity** – In 2020, 33.9% of Millbrae's population was White, while 0.6% was African American, 48.8% was Asian, and 11.4% was Latinx. People of color in Millbrae comprise a proportion above the overall proportion in the Bay Area as a whole.
- **Employment** – Millbrae residents most commonly work in the Health & Educational Services industry. From January 2010 to January 2021, the unemployment rate in Millbrae decreased by two percentage points. Since 2010, the number of jobs located in the jurisdiction increased by 930 (19.6%). Additionally, the jobs-household ratio in Millbrae has increased from 0.69 in 2002 to 0.7 jobs per household in 2018, pointing to the fact that while Millbrae needs more housing development, it is especially lacking in jobs for its residents. This is particularly important when considering the replacement of commercial uses with residential-only uses.
 - **Unemployment** – Jurisdictions in the Bay Area experienced a sharp rise in unemployment in 2020 due to impacts related to the COVID-19 pandemic, though with a general improvement and recovery in the later months of 2020. As of January 2021, Millbrae's unemployment rate was 5.9%, which was slightly lower than the regional unemployment rate of 6.6%, but much lower than its pandemic-related high rate of 11.1% in April 2020.
- **Number of Homes** – The number of new homes built in the Bay Area has not kept pace with the demand, resulting in longer commutes, increasing prices, and exacerbating issues of displacement and homelessness. The number of homes in Millbrae increased

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by 3.1% from 2010 to 2020, which is below the growth rate for the County and below the growth rate of the region's housing stock during this period.

- **Home Prices** – A diversity of homes at all income levels creates opportunities for all Millbrae residents to live and thrive in the community. Given high job growth and low housing growth in the County, the cost of housing in the City has increased significantly in the past decade:
 - **Ownership** – In 2020, the average sales price of a single-family home in Millbrae was approximately \$1,846,240. Home prices increased by 102.7% from 2010 to 2020.
 - **Rental Prices** – The typical median contract rent for an apartment in Millbrae was \$2,330 in 2019. Rental prices increased by 77% from 2009 to 2019. To rent an apartment at the median level without a cost burden, a household would need to make \$93,320 per year.
- **Housing Type** – In 2020, 62.4% of homes in Millbrae were single-family detached, 3.4% were single-family attached, 3.3% were small multifamily (2-4 units), and 30.5% were medium or large multifamily (5+ units). Between 2010 and 2020, the number of multifamily units increased more than single-family units. Moreover, Millbrae's housing consists of more detached single-family homes than the region as a whole (62% compared to 52% in the Bay Area).
- **Cost Burden** – The U.S. Department of Housing and Urban Development (HUD) considers housing to be affordable for a household if the household spends less than 30% of its income on housing costs. A household is considered “cost-burdened” if it spends more than 30% of its monthly income on housing costs, while those who spend more than 50% of their income on housing costs are considered “severely cost burdened.” In Millbrae, 17% of households spend 30%-50% of their income on housing, while 18% of households are severely cost-burdened and use the majority of their income for housing.
- **Displacement/Gentrification** – According to research from The University of California, Berkeley, no households in Millbrae live in neighborhoods that are susceptible to or experiencing displacement or in areas at risk of or undergoing gentrification. Approximately, 51% of households in Millbrae live in neighborhoods that are not affordable to low-income households due to prohibitive housing costs. There are various ways to address displacement including ensuring new housing at all income levels is built.
- **Neighborhood Designations (Resource Areas)** – In Millbrae, 100% of residents live in neighborhoods identified as “Highest Resource” or “High Resource” areas by State-

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commissioned research, while 0% of residents live in areas identified by this research as “Low Resource” or “High Segregation and Poverty” areas. These neighborhood designations are based on a range of indicators covering areas such as education, poverty, proximity to jobs and economic opportunities, low pollution levels, and other factors.

- **Special Housing Needs** – Some population groups may have special housing needs that require specific program responses, and these groups may experience barriers to accessing stable housing due to their specific housing circumstances. In Millbrae, 9.1% of residents have a disability of any kind and may require accessible housing. Additionally, 9.5% of Millbrae households are larger households with five or more people, who likely need larger housing units with three bedrooms or more. 8.7% of households are female-headed families, which are often at greater risk of housing insecurity.

Chapter 3 – Housing Constraints

The development and improvement of housing can be constrained by several governmental and non-governmental factors. State law requires the City to analyze governmental constraints such as land use controls, fees, and exactions, on- and off-site improvement requirements, building codes and enforcement thereof, permit and processing procedures, and potential constraints on the development or improvement of housing for persons with disabilities. Non-governmental constraints must also be analyzed (including the availability and cost of land, construction costs, and labor availability). **The constraints are identified in the following five categories:**

- Development Impact and Permit Fees
- Development/Improvement of Housing for People with Disabilities
- Zoning for a Variety of Land Use Types/Policies
- Availability and Cost of Land
- Construction Costs and Labor Availability

Table ES-2 provides a summary of all identified constraints which generally fall into 2 categories – constraints as a result of State law changes and market constraints, as well as a sampling of programs to address or mitigate constraints.

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Table ES-2. Constraints and Programs

Constraint Category	Specific Constraint(s)	Constraint - Result of State Law Change?	Local (within City's Control) or Market (Private Market Constraint)	Examples of Programs to Address Constraint ¹
Development Impact and Permit Fees	Processes and procedures that affect project permitting due to costs.	Yes	Local	HIP-14. Residential Development Feasibility Study
Development/ Improvement of housing for people with disabilities	Limited funding to address health and safety upgrades, energy efficiency, removal of architectural barriers, and inclusion and accommodation services.	Yes	Local	HIP-26. Coordination Service Providers & Reasonable Accommodations Updates
	Restrictive land use policies and zoning provisions can constrain the development of housing for persons with disabilities.			HIP-43. Update Zoning Ordinance – Shelters, Transitional/ Supportive, Group Care
Zoning for Variety of Land Use Types/Policies	Land use controls can constrain the maintenance, development, and improvement of housing through the establishment and distribution of different land uses.	Yes	Local	HIP-18. Encourage & Incentivize ADUs HIP-27. Update Density Bonus Ordinance
Availability and Cost of Land	Limited supply of vacant land combined with high demand for residential units results in increased land costs.	No	Market	HIP-42. Implement Reduced Parking for Affordable Housing HIP-47. Maintain/ Update Site Inventory
	Significant increases in lumber and other construction materials, as well as the high demand for housing, will likely further increase residential construction costs.			HIP-31. Pursue State & Federal Funding for Affordable Housing HIP-36. Funding, Incentives & Concessions for Extremely Low-Income Units

¹ All programs to mitigate constraints are included in Chapter 3, Housing Constraints and Chapter 8, Housing Plan.

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Chapter 4 – Housing Resources and Opportunities

Millbrae continues to aim to be a leader in San Mateo County for progressive housing policies. Table ES-3, Resources and Opportunities, identifies the federal, state, regional, and local resources, and opportunities the City has pursued housing development.

Table ES-3. Resources and Opportunities

	Funding Source	Amount	Notes
Federal	Annual CDBG	TBD	During the five-year period of the Consolidated Plan, the County (San Mateo County or County) anticipates an estimated \$14.6 million in CDBG funds, although the final amount of funding the City will receive is subject to Federal appropriations and changes in the types of data used to allocate formulas to each program.
State	REAP (Regional)	TBD	Higher Impact Transformative set aside for all eligible entities (5 percent, or \$30 million)
	Grants for Affordable Housing Projects/Developments & other grants expected over an 8-year planning period	TBD	Range from annual allocations of formula entitled grants to vouchers and competitive funding programs.
	Low Income Housing Tax Credits	TBD	Two types of Federal tax credits administered by the State are available - 9% (competitive) and 4% credits (usually non-competitive)
Regional	REAP Grant (State)	TBD	Allocated to ABAG who then allocates to cities/counties
Local	Inclusionary Housing Fees	TBD	The City adopted an Inclusionary Housing ordinance that requires new ownership units developed in the City to include affordable units specific income levels. No inclusionary housing fees collected to date.
	Commercial Linkage Fees	TBD	Helps implement the Housing Element by creating a fiscal mechanism to meet the demand for additional affordable housing created by new commercial development. No Commercial Linkage fee revenues collected to date.
	LMIHAF	\$13.9 Million	Anticipated for 2022-2023

Chapter 5 – Housing Accomplishments

The City must evaluate the results from housing programs implemented during the previous 5th Cycle Housing Element. The review of past programs discusses the progress, effectiveness, and appropriateness of the previous goals, objectives, policies, and programs. **The City achieved many positive results**, including the major housing accomplishments listed below:

- Permitted 919 above moderate-income housing units.
- Adopted the updated Millbrae Station Area Specific Plan, which was zoned for the potential development of 1,750 units close to transit.
- Currently in the process of approving the Downtown & El Camino Real Specific Plan (DECRSP), which was released for public review on June 16, 2022.
- Updated its website to provide homeowners with better information on code requirements and ways to address any code enforcement issues.
- Adopted a series of measures to ensure more affordable housing in Millbrae:

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- Gateway at Millbrae Station project approval, which includes 400 new housing units of which 100 are affordable.
- Millbrae Serra Station Transit Oriented Development project approval which includes 488 units of which 73 are affordable.
- Accessory Dwelling Unit (ADU) Ordinance adoption and incorporation of new housing laws and community feedback to its objective design standards.
- Initiation of the Millbrae General Plan update, along with the DECRSP. Both are expected to be adopted by late 2022.
- Amendment to the Municipal Code to establish a 15%, on-site, affordable housing unit inclusionary requirement.
- Adopted a climate action plan in 2020, focusing on promoting energy conservation.
- Addressed the housing needs of special needs populations through the following:
 - Allocated funding for and refer individuals with special needs to the Human Investment Project Housing Home Sharing Program.
 - Adopted Ordinance 748, which establishes specific written procedures for requesting and granting reasonable accommodations for housing for persons with disabilities.
 - Worked with the Golden Gate Regional Center to implement an outreach program that informs families about housing and services for persons with developmental disabilities.
 - Continued to have the Building Official as the City's Americans with Disabilities Act Coordinator.
 - Approved funding for a pilot program with the San Mateo County Human Services Agency to provide homeless outreach services at the Millbrae BART Station and surrounding areas.

Chapter 6 – At-Risk Affordable Housing

State law requires that all income-restricted affordable units at risk of converting to market-rate units be identified in the Housing Element update. It is important to note that there are no affordable housing units in the City at risk of converting to market-rate units over the next 10 years.

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Chapter 7 – Adequate Sites Inventory Analysis and Methodology

The Site Inventory prepared for the 2023–2031 Planning Period demonstrates a capacity for at least 3,861 housing units, including 1,062 housing units on sites adequate for lower-income housing. Pursuant to California Government Code, Section 65583.1.

It is important to note that City currently has almost 2,000 housing units that are in the planning stages, are entitled and/or under construction. This pattern of development strongly indicates that the RHNA allocation is achievable over the next 7-8 years.

More specifically, the City has identified 1,701 pending or entitled housing units that will be constructed during the 6th Cycle Planning Period. These approved, entitled, and in-process projects include seven developments with units affordable to 69 very low-, 156 low, and 44 moderate-income households. The site inventory analysis demonstrates the City's ability to accommodate RHNA through a combination of the remaining vacant residential sites in Millbrae and non-vacant sites that can be redeveloped with a residential component.

Table ES-4, Capacity Determination (also shown as Table 7.1, Capacity Determination in Chapter 7, Sites Inventory, in the Housing Element) summarizes the City's determination that there is sufficient capacity to accommodate the City's RHNA by income and categorizes credits and sites by zoning, representing land suitable and available for residential development, remaining consistent with State planning guidance.

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Table ES-4. Capacity Determination

	Units by Income Level				
	VLI	LI	Mod.	Above Mod.	Total
RHNA	575	331	361	932	2,199
Alternative Methods to Meet the RHNA (Credits)					
Entitled or Proposed Projects	69	156	44	1,432	1,701
Accessory Dwelling Unit Potential	34	34	33	11	112
Subtotal	103	190	77	1,443	1,813
Net RHNA (after credits are applied)	472	141	284	(511)	386
Step #1 Determination of Opportunity Sites (Existing Zoning and Zone Changes in Process)¹					
Corridor Mixed Use (CMU)	508	162	0	792	1,462
Residential Mixed Use (RMU)	61	38	387	100	586
Step #1 Subtotal	569	200	387	892	2,048
Total (Credits & Step #1)	672	390	464	2,335	3,861
Surplus/(Shortfall)	97	59	103	1,403	1,662
No Net Loss Buffer Surplus/(Shortfall), as a percent of RHNA²	17%	18%	29%	-	-

¹ The determination of opportunity sites utilizes the proposed zoning and densities of the Downtown and El Camino Real Specific Plan (DECRSP), which the City expects to adopt by the end of 2022. HCD allowed the utilization of proposed zoning and densities during a meeting with staff on July 29, 2022.

² HCD recommends a 15-30% buffer for lower-income (very low and low) sites to protect the City from the No Net Loss provision. The City included a buffer for the moderate-income level for the same reason. The City calculated its buffer as a percentage of the gross RHNA (Before any credits were applied).

When determining sites to include in the inventory to meet the lower-income housing need, HCD recommends that a local government first identify development potential in high-opportunity areas. **A number of the City's housing site inventory is located within the Core Area, which is classified as a high/highest opportunity area** (the Core Area is located in the City's downtown area along El Camino Real and near the City's BART station). **New State laws for the 6th Cycle Housing Element require that there be a 15-30% buffer of additional units, particularly at affordable levels.** Therefore, the site inventory shown in the table above does exceed that shown in Table ES -1, 6th Cycle RHNA.

Chapter 8 - Housing Plan

This section of the draft Housing Element establishes the direction for policies, programs, and actions for the goals related to community needs. Some of the goals, policies, and programs have not changed from the 5th Cycle Housing Element (2015-2023), while others have been modified and/or added to address the City's significant RHNA allocation. Table ES-5, Housing

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Programs, identifies unchanged, modified, and new programs as needed to address constraints, new legislation, or fair housing issues.

Table ES-5. Housing Programs

Unchanged Programs	Modified programs	New Programs
HIP-15. Continue to Implement the Millbrae Station Area Specific Plan	HIP-2. Annual Housing Element Reporting	HIP-1. Triennial Advocacy Meeting with Affordable Housing Property Owners/Managers, Fair Housing Providers, Service Providers, Housing Advocates, and Non-Profits
HIP-19. BMR Resale and Rental Controls	HIP-6. Encourage the Rehabilitation of Substandard Housing Units	HIP-3. Annual Meeting with San Mateo County Housing Authority and the San Mateo County Consortium to Identify Affordable Housing Opportunities
HIP-25. Parking Requirement Options in Downtown Area	HIP-7. Residential Energy Conservation Program	HIP-4. Monitor Legislative Changes
HIP-29. Airport Development Restrictions	HIP-9. Reduce Exposure to Environmental Pollution	HIP-5. Support Local School Districts for Better Educational Outcomes
HIP-30. Employee Housing	HIP-11. Encourage Section 8 Rental Housing Assistance	HIP-8. Energy Conservation Grant Funding
	HIP-12. Advertise Human Investment Project (HIP) Home-Sharing Program to Residents	HIP-10. Coordinate with the SFO Community Roundtable and C/CAG to Monitor Noise and Air Quality Outcomes
	HIP-16. Downtown and El Camino Real Specific Plan Adoption and Implementation	HIP-13. Replacement Housing for Existing Lower Income Units on Sites for Residential Development

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Unchanged Programs	Modified programs	New Programs
	HIP-20. BMR Eligibility Guidelines	HIP-14. Conduct a Residential Development Feasibility Study
	HIP-21. Services for Unhoused Persons	HIP-17. Rezone for Lower Income Sites
	HIP-23. Prioritize Review and Expedite Development of Affordable and Special Needs Projects	HIP-18. Encourage and Incentivize Accessory Dwelling Units (ADUs) - <i>in response to Assembly Bill (AB) 671</i>
	HIP-26. Coordination with Disability Rights Service Providers and Updates to Reasonable Accommodations for People with Disabilities	HIP-22. Triennial Housing Developer Meeting/Developer Outreach
	HIP-27. Update Density Bonus Ordinance - <i>required to ensure compliance with state law</i>	HIP-24. Lot Consolidation within the Millbrae Station Area
	HIP-28. Anti-Displacement Measures	HIP-31. Pursue State and Federal Funding for Affordable Housing – <i>this accommodates HCD requirements</i>
	HIP-32. Local Funding for Affordable Housing - <i>modified to include a targeted report of available funding</i>	HIP-33. Allocate CDBG Funding for Housing
	HIP-42. Implement Reduced Parking for Affordable Housing	HIP-34. Facilitate Access to Affordable Housing for Residents
		HIP-35. Assist with Development of Lower-Income Housing - <i>created to comply with HCD requirements</i>

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Unchanged Programs	Modified programs	New Programs
		HIP-36. Funding, Incentives, and Concessions for Extremely Low-Income Developments - <i>created to comply with HCD requirements</i>
		HIP-37. Advertise Available Resources
		HIP-38. Legal Assistance for Renters and Support for Fair Housing Services Provider
		HIP-39. Meet with Service Providers and Advertise Employment Resources for Persons with Disabilities
		HIP-40. Collaboration with San Mateo County Vocational Rehabilitation Services
		HIP-41. Implement the City's Economic Development Plan
		HIP-43. Update the City's Zoning Ordinance and Specific Plans Related to Emergency Shelters, Low-Barrier Navigation Centers, Transitional and Supportive Housing, and Group Care Facilities to Comply with Current Laws - <i>required for compliance with State requirements, as established by AB 139, AB 2162, and Senate Bill (SB)48</i>
		HIP-44. Update the City's Zoning Ordinance

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Unchanged Programs	Modified programs	New Programs
		HIP-45. Update the Zoning Ordinance, MSASP, and DECRSP to Comply with Residential Care Facilities Requirement
		HIP-46. Provide Information and Examples of Incentives/Concessions for Developers
		HIP-47. Maintain/Update the Site Inventory
		HIP-48. Pilot City Mortgage Assistance Program
		HIP-49. Additional Density Bonus Incentives
		HIP-50. Allow Additional Affordable Housing in P-D Zones
		HIP-51. Housing Mobility Coordinator
		HIP-52. Provide New Housing Choices in Lower-Density Neighborhoods Through Incentives for SB9 Units in R1-Zone Neighborhoods
		HIP-53. By-Right Approval on Reuse Sites
		HIP-54. Tools for Financing Infrastructure and Development

Appendix A – Public Engagement

The City conducted a robust public outreach process outlined in Table ES-6 below.

Table ES-6. Community Engagement

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Date	Meeting/Activity/Action
March 2021	City Webpage - As a starting point for accomplishing extensive outreach, the City developed a clear online presence with all the information needed to understand the update process and how to participate in this process. The City also provided a supplemental Housing Element 101 Fact Sheet.
March 2021	Let's Talk Housing Website (21 Elements) - Supplemental to the City's webpage. Helped to explain what a housing element is, why it matters, and how to get involved. It was made available in Arabic, Chinese, English, Spanish and Tagalog, designed to be responsive on all types of devices and included accessibility features.
March 30, 2021	Countywide Meeting # 1 (21 Elements) - 90-minute virtual meeting about the Housing Element update provided community members with an introduction to the Housing Element update, why it matters, information on the Let's Talk Housing outreach effort, and countywide trends. Breakout rooms were also provided for discussion with community members on housing needs, concerns, and opportunities, and answers to any questions. A poll was given during the meeting, to identify who was joining us and more importantly who was missing from the conversation, including if they rent or own, who they live with, their age, and ethnicity. Time for questions was allotted throughout, and meeting surveys were provided to all participants after the meeting along with all discussed resources and links
April 2021	Resident Survey Analysis (21 Elements) - The resident survey was available online, in both Spanish and English, in a format accessible to screen readers, and promoted through jurisdictional communications and social media and through partner networks. A total of 2,382 residents participated. Some of the findings included: Jurisdictions with the highest percentage of respondents who seriously looked for rental housing include Millbrae (74%), San Mateo (73%), and Redwood City (72%); Millbrae residents experience the greatest difficulty paying their property taxes among jurisdictions in San Mateo County; Millbrae, San Mateo and Redwood City had the highest percentage of respondents who seriously looked for ownership housing. If denied, the reasons included: Real estate agent told me I would need to show I was prequalified with a bank (29%) and a bank would not give me a loan to buy a home (23%).
April 2021	All About RHNA Webinar - Created to provide information and answer community questions about the RHNA process. 264 people registered and 80 questions were answered over three hours.

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Date	Meeting/Activity/Action
May 6, 2021	Countywide Meeting # 2 (21 Elements) - 90-minute virtual meeting about the Housing Element update provided community members with an introduction to the Housing Element update, why it matters, information on the Let's Talk Housing outreach effort, and countywide trends. Breakout rooms were also provided for discussion with community members on housing needs, concerns, and opportunities, and answers to any questions. A poll was given during the meeting, to identify who was joining us and more importantly who was missing from the conversation, including if they rent or own, who they live with, their age, and ethnicity. Time for questions was allotted throughout, and meeting surveys were provided to all participants after the meeting along with all discussed resources and links.
September 27, 2021	Fair Housing Stakeholder Session - 8 stakeholder groups provided feedback on concern for the end of the eviction moratorium, the importance of transit-oriented affordable housing and anti-displacement policies, and the need for education around accessibility regulations and tenant protections.
October 18, 2021	Housing Advocates Stakeholder Session - 6 stakeholder groups provided feedback on Concern for rent increases and the need for ongoing outreach to underserved and diverse communities, workforce housing, deeply affordable and dense infill, and tenant protections for the most vulnerable.
October 13, 2021 - December 1, 2021	Creating A More Affordable Future: Let's Talk Housing Zoom webinar and discussion series (21 Elements) - The 4-part series focused on the following topics and how they intersect with the Bay Area's housing challenges and opportunities: Why Affordability Matters; Housing and Racial Equity; Housing in a Climate of Change; Putting it All Together for a Better Future. The series included speaker presentations, audience Q&A, breakout sessions for connection and debrief discussions. The sessions were advertised and offered in Spanish, Mandarin and Cantonese, though participation in non-English channels was limited.
November 1, 2021	Builder Meeting Stakeholder Session - 12 stakeholder groups provided feedback on local funding, tax credit availability, and concern that appropriate sites limit affordable housing while sites, construction costs, and city processes limit market-rate housing.
November 15, 2021	Service Provider Stakeholder Session - 10 stakeholder groups provided feedback on more affordable housing and vouchers or subsidies for market-rate housing are needed, along with on-site services and housing near transit, and jurisdictions should work with providers and people experiencing issues before creating programs.
June 16, 2022 - August 3, 2022	Community Survey - The City provided a community survey with a total of 61 respondents. The results of the survey indicate the following: Majority are satisfied with their housing choices; Affordability is the biggest housing issue - To address housing, the top two programs were rezoning to allow for higher density and conversion of commercial to residential and facilitate ADUs, To remove barriers to housing, streamline development and require that affordable units be part of more projects; Almost half of respondents feel burdened from pollution and noise from the San Francisco Airport (the City is adjacent to the Airport); Existing Fair Housing services are not adequate (58%).
June 29, 2022	Affordable Housing Service Provider Stakeholder Meeting # 1 - Meeting with service providers to gather insight and thoughts on how the City can encourage affordable housing development along with some of the challenges/opportunities faced as an affordable housing service provider.
June 30, 2022	Community Workshop - A total of 15 people attended (10 community members and five city staff/consultants). The presentation involved live polling to receive additional input. Poll results indicated that affordability and location of housing (lack of housing near transit and jobs in the downtown area) were the primary issues of concern. Questions during the workshop were focused on affordable housing, ways for the community to participate in the process and what assurances are in place that housing will be implemented.
June 30, 2022	Market Rate Developer Stakeholder Meeting # 1 - Meeting with developers to gather insight and thoughts on how the City can encourage affordable housing development along with some of the challenges/opportunities faced as an affordable housing developer.
July 8, 2022	Affordable Housing Service Provider Stakeholder Meeting # 2 - Meeting with service providers to gather insight and thoughts on how the City can encourage affordable housing development along with some of the challenges/opportunities faced as an affordable housing service provider.
July 11, 2022	Affordable Housing Developer Stakeholder Meeting # 1 - Meeting with developers to gather insight and thoughts on how the City can encourage affordable housing development along with some of the challenges/opportunities faced as an affordable housing developer.
September 19, 2022	Planning Commission Meeting - Presented draft Housing Element Update to and answered inquiries from the Planning Commission.
October 11, 2022	City Council Study Session - Presented the Housing Element Update to the City Council and answered inquiries from the Council and the public in preparation for a future City Council meeting to approve the submittal to HCD.

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Appendix B – Affirmatively Furthering Fair Housing (AFFH)

All Housing Elements prepared on or after January 1, 2021, must address the requirements of AB 686 to affirmatively further fair housing. Jurisdictions must take “meaningful actions “to combat discrimination overcome patterns of segregation and foster inclusive communities free from barriers that restrict access to opportunity for persons of color, persons with disabilities, and other protected classes through the administration of programs and activities relating to housing and community development.

Table ES-7 presents the **fair housing findings** (i.e., fair housing issues identified by the data) which include the following:

- A lack of housing choices resulting from a lack of affordable housing
- Displacement Risk
- Higher unemployment rate for persons with disabilities
- Environmental Hazards
- Inadequate Fair Housing resources and/or outreach capacity
- Lower educational outcomes for racial and ethnic minority students

Table ES-7 also lists a sampling of programs in the AFFH to address or mitigate these findings/issues.

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Table ES-7. AFFH Findings and Examples of Programs

AFFH Finding	Lack of Access to Housing Opportunity (lack of affordable housing)	Displacement Risk	High Unemployment Rates/Lack of Access to Persons with Disabilities	Environmental Hazards	Lack of Fair Housing Resources/Outreach Capacity	Lower educational outcomes for racial/ethnic minority students
Sampling of programs to address findings	HIP-31. Pursue Funding for Affordable Housing	HIP-28. Anti-Displacement Measures	HIP-26. Coordination with Disability Rights Service Providers & Updates to Reasonable Accommodations	HIP-8. Energy Conservation Grant Funding	HIP-1. Advocacy Meeting with Fair Housing Providers	HIP-5. Support Local School Districts for Better Educational Outcomes
	HIP-36. Funding & Incentives for Extremely Low-Income Developments	HIP-38. Legal Assistance for ReHIP-38. Legal Assistance for Renters and Support for Fair Housing Services Provider	HIP-39. Meet with Service Providers and Advertise Employment Resources	HIP-9. Reduce Exposure to Environmental Pollution	HIP-28. Anti-Displacement Measures	More Affordable Housing through Programs = Better Educational Outcomes
	HIP-23. Prioritize Review and Expedite Development - Affordable & Special Needs Projects	HIP-1. Advocacy Meetings with Fair Housing & Service Providers, Housing Advocates & Non-Profits	HIP-40. Collaboration with County Vocational Rehabilitation Services	HIP-10. Coordinate with the SFO Community Roundtable and C/CAG to Monitor Noise/Air Quality Outcomes	HIP-26. Coordination with Disability Rights Service Providers and Updates to Reasonable Accommodations for People with Disabilities	

Appendix C – Sites Inventory Form

HCD requires that all Housing Element submittals include a spreadsheet listing all sites in the site inventory with detailed information about each site. This information must be provided in HCD's format in a template provided by HCD. This template is provided in Appendix C to the Housing Element.

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Chapter 1. Introduction

I INTRODUCTION

This document is the Housing Element for the City of Millbrae (City or Millbrae) as updated for the 2023–2031 6th Cycle Planning Period. The Housing Element is part of the Millbrae General Plan (General Plan), currently undergoing its latest update. The General Plan Update process started in 2015 as a comprehensive update to the existing General Plan, along with the preparation of a specific plan, and the related program Environmental Impact Report for California Environmental Quality Act (CEQA) compliance. The Millbrae General Plan will establish the vision of planning and land use for Millbrae until 2040.

The guiding principle for a healthy community in the City's General Plan states:

*“Encourage healthy lifestyles for all residents and visitors by increasing opportunities for physical activity, availability of nutritious foods, quality education, realistic living wages, access to affordable healthcare and childcare, **options for affordable housing**, clean air and water, and a safe environment that promotes walking and biking.”*

The California Government Code requires that a Housing Element be included in a city's General Plan as one of seven mandatory elements that express the community's values, goals, and vision for the future. This Housing Element (Housing Element Update, Housing Element or HEU throughout the document) identifies and analyzes the City's existing and projected housing needs and contains a detailed outline and work program of the City's goals, policies, quantified objectives, and programs for the preservation, improvement, and development of housing for a sustainable future. This Housing Element identifies ways in which the housing needs of all economic segments of the community, including residents and the local workforce, can be met. The overall goal of this Housing Element is to provide safe and decent housing for all economic segments of the community.

I.1 Background

The provision of adequate housing for families and individuals of all economic levels is an important public goal of the City. It has been a focus for the State of California (State or California) and local governments and has grown in complexity due to rising land and construction costs and increasing competition for physical and financial resources in both the public and private sectors.

In response to this concern, the California Legislature amended the California Government Code in 1980. The amendment instituted the requirement that each local community include a specific analysis of its housing needs and a realistic set of programs designed to meet those needs. This

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analysis is to be set forth in a Housing Element and incorporated into the General Plan of each municipality.

The California Legislature determined that a primary housing goal for the State is to ensure that every resident has a decent home and suitable living environment. The requirements of the law are in California Government Code, Section 65580:

- a.** The availability of housing is of vital Statewide importance, and the early attainment of decent housing and a suitable living environment for every Californian, including farmworkers, is a priority of the highest order.
- b.** The early attainment of this goal requires cooperative participation of government and the private sector in an effort to expand housing opportunities and accommodate the housing needs of Californians of all economic levels.
- c.** The provision of housing affordable to low- and moderate-income households requires the cooperation of all levels of government.
- d.** Local and State governments have a responsibility to use the powers vested in them to facilitate the improvement and development of housing to make adequate provision for the housing needs of all economic segments of the community.
- e.** The California Legislature recognizes that in fulfilling this responsibility, each local government also has the responsibility to consider economic, environmental, and fiscal factors and community goals set forth in the General Plan and to cooperate with other local governments and the State in addressing regional housing needs.
- f.** Designating and maintaining a supply of land and adequate sites suitable, feasible, and available for the development of housing sufficient to meet the locality's housing need for all income levels is essential to achieving the State's housing goals and the purposes of this article.

California Government Code, Section 65588, requires that local governments review and revise the Housing Element of their comprehensive General Plans (e.g., Millbrae General Plan) no less than once every eight years. Before the 6th Cycle Housing Element Update for the 2023–2031 Planning Period, Millbrae's Housing Element was updated in 2015 for the 5th Cycle (2015–2023).

Multiple changes to California Housing Element law have become effective since the processing of the City's 5th Cycle Housing Element. In particular, the State increased its ability to enforce Housing Element requirements and the ability for interested people to challenge the City's compliance with Housing Element law. Pursuant to California Government Code, Section 65585, the State has a greater range of penalties that can be imposed on jurisdictions for non-compliance. Cities that do not comply with the Housing Element law may be at risk of exposure

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to a variety of fiscal impacts and regulatory impacts that could reduce local control over housing-related decision-making. Jurisdictions that do not comply also risk the State imposing a more frequent Housing Element update cycle (i.e., every four years).

The 6th Cycle Housing Element Update was prepared to comply with State housing laws, as amended, and Federal, State, and local requirements as necessary to demonstrate compliance with State law and to gain State certification.

1.2 Context for Housing Planning

1.2.1 Location and Proximity to Public Transportation

The City of Millbrae was incorporated in 1948. It is a 3.25 square mile city located on the San Francisco Peninsula, approximately 15 miles south of San Francisco, and approximately 30 miles north of San Jose via Highway 101. As shown in Figure 1-1, City of Millbrae Boundary and Sphere of Influence, the City is bordered by the San Francisco International Airport (SFO), San Bruno to the northwest, Burlingame to the southeast, and the San Andreas Lake and Interstate 280 to the West.

One of Millbrae's greatest assets is its connectivity and position as the transportation hub for the Bay Area, providing connections to SFO, U.S. Highway 101, Interstate 280, and State Route 82 (El Camino Real). The Millbrae Station is the transit gateway connecting Bay Area Rapid Transit (BART), Caltrain, and SamTrans, and is the only proposed station between San Jose and San Francisco for High-Speed Rail. Additionally, Millbrae is a 40-minute drive from the Port of Oakland, which is the fifth busiest container port in the U.S. The many visitors passing through Millbrae to access SFO, the Millbrae Station, and regional transportation corridors provide many economic opportunities, such as expanding hospitality and entertainment opportunities, developing a new life sciences hub in the station area, investing in public facilities to support economic growth, and strengthening the City's image to attract visitors and the business community while serving the range of resident needs.

1.2.2 Land Use and Built Environment

Millbrae's current land use pattern is a result of more than a century of change from a large ranch to a fully developed city. Residential neighborhoods in the City primarily contain well-maintained single-family homes on 5,000-square-foot lots. Most larger lots and homes are in the hillside areas. Commercial development is concentrated along El Camino Real, Broadway, Millbrae Avenue, and in the vicinity of Millbrae Station. A light industrial area, transitioning to life science and office uses, is located south of Adrian Road.

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The City of Millbrae is ushering a wave of higher-density mixed-use and life sciences development around the Millbrae Station through the implementation of the Millbrae Station Area Specific Plan (MSASP) and along El Camino Real. **Furthermore, the City released the Public Review Draft Downtown and El Camino Real Specific Plan (Specific Plan) for public review on June 16, 2022, and anticipates adoption of the plan by the end of 2022.**

The Specific Plan is meant to enhance the quality of life by providing a roadmap for future growth that emphasizes transit-oriented, mixed-use development that provides a mix of housing, restaurants, general commercial, hotels, offices, and entertainment uses. In addition, the Specific Plan maximizes the development potential of vacant and underutilized parcels, and planning for well-scaled higher-density development, balanced with adequate community amenities, and mobility choices. The Specific Plan also includes the following goal, along with its corresponding policies related to housing:

- **Housing Goal:** Encourage a wide range of affordable housing and accessible housing near transit.
 - **H-1:** Affordable housing requirement for residential development projects
 - **H-2:** Affordable housing commercial linkage impact fee
 - **H-3:** Relocation assistance

As mentioned above, the Specific Plan is expected to be adopted by the end of 2022 (before the anticipated certification of this Housing Element in 2023). However, the City opted for a conservative approach by preparing this Housing Element with an analysis of constraints and opportunities for development in the City with both its existing policies, zoning, etc. and those proposed by the Specific Plan. In addition, City has included the adoption of the Specific Plan as Program HIP-16, Downtown and El Camino Real Specific Plan Adoption and Implementation, of this Housing Element (as detailed in Chapter 8, Housing Plan).

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Figure 1-1. City of Millbrae Boundary and Sphere of Influence



Source: Local Agency Formation Commission

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1.3 Role and Content of Housing Element and Relationship to General Plan

1.3.1 Legal Requirements

California Government Code, Section 65300.5, states the following: “The General Plan and elements and parts thereof comprise an integrated, internally consistent, and compatible statement of policies...” The purpose of requiring internal consistency is to avoid policy conflict and provide a clear policy guide for the future maintenance, improvement, and development of housing in the City.

The Housing Element was prepared in a manner to ensure consistency with the other elements of the General Plan, which include the Land Use and Built Environment Element; Mobility and Circulation Element; Economic Development Element; Recreation, Arts, and Culture Element; Natural Resource Conservation Element; and Health, Safety, and Quality of Life Element. As part of the Millbrae General Plan, the Housing Element establishes housing-related actionable programs intended to guide decision-making related to land use planning and development activities for the 2023–2031 6th Cycle Planning Period in accordance with the City’s stated housing goals and State law.

California Government Code, Section 65583, contains requirements for Housing Elements, including the provision of an inventory of sites that meet specific criteria regarding zoning, lot sizes, and other factors. It is important to note that the general purpose of this site inventory is to provide the planning and zoning framework that identifies sites suitable for residential development. However, cities and counties do not build housing units – developers do. This Housing Element describes how the planning framework and actions within the control of the City will be established and conducted, but the Housing Element is not an approval of residential projects nor is it a guarantee, requirement, or commitment of development.

The Housing Element includes strategies for the maintenance of existing housing and action-oriented programs to increase the capacity for additional housing options within the local housing supply, as necessary, to meet the current and future needs of people living and working in Millbrae. Implementation of these strategies will require that the City process a series of future actions, referred to as the “Housing Plan,” for compliance with California housing laws.

Table 1-1, Housing-Related Goals by Element, demonstrates the consistency between the Housing Element goals and related goals in other General Plan elements.

All future General Plan amendments will be reviewed for consistency with the Housing Element to ensure that housing goals are implemented. The City will continue to review and revise the Housing Element, as necessary, to maintain internal consistency when amendments to the General Plan are made.

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Table 1-1. Housing-Related Goals by Element

Housing Element Goals	Related Goals – General Plan ¹
H-1: Reinforce the City's Commitment to Meeting Housing Needs	1998 General Plan - Land Use Goals <ul style="list-style-type: none">• LU-3: Maintain a Variety of Land Uses 2040 General Plan - Land Use and Built Environment Goals <ul style="list-style-type: none">• LU-2: Support a variety of housing opportunities and improve access to housing for all community members. 2040 General Plan – Mobility and Circulation Goals <ul style="list-style-type: none">• M-6: Develop balanced housing and employment opportunities to reduce vehicle miles traveled. 2040 General Plan – Natural Resource Conservation Goals <ul style="list-style-type: none">• NRC-4: Reduce emissions of criteria air pollutants and reduce exposure to toxic air contaminants and fine particulate matter to improve regional air quality and protect the health of Millbrae residents.• NCR-7: Strengthen efforts to reduce greenhouse gas emissions from local sources to combat global climate change. 2040 General Plan – Health, Safety, and Hazardous Material Goals <ul style="list-style-type: none">• HSHM-3: Improve the sustainability and resiliency of the City through continued efforts to reduce the causes of and adapt to climate change.

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Housing Element Goals	Related Goals – General Plan ¹
H-2: Protect and Enhance Existing Housing, Community Character, and Resources	<p>1998 General Plan - Land Use Goals</p> <ul style="list-style-type: none">• LU-1: Preserve the Quality of Residential Neighborhoods• LU-2: Promote Proper Site Planning, Architectural Design, and Property Maintenance• LU-5: Provide Adequate Services and Facilities <p>2040 General Plan - Land Use and Built Environment Goals</p> <ul style="list-style-type: none">• LU-11: Ensure that all land use decisions benefit Millbrae residents equally and do not create a disproportionate burden to any resident based on location, income, race/ethnicity, educational status, or national origin.
H-3: Provide New Housing and Address Affordable Housing and Other Special Needs	<p>2040 General Plan - Land Use Goals</p> <ul style="list-style-type: none">• LU-2: Support a variety of housing opportunities and improve access to housing for all community members.• LU-11: Ensure that all land use decisions benefit Millbrae residents equally and do not create a disproportionate burden to any resident based on location, income, race/ethnicity, educational status, or national origin.
H-4: Equal Access to Housing/Housing Mobility	<p>2040 General Plan - Land Use and Built Environment Goals</p> <ul style="list-style-type: none">• LU-2: Support a variety of housing opportunities and improve access to housing for all community members.• LU-10: Ensure the adequate provision of safe and reliable public infrastructure and facilities to meet the City's current and future needs.• LU-12: Ensure all residents have equal access to healthy foods, education, green spaces, and medical services.

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1.4 Regional Housing Needs Allocation (RHNA)

The State of California and the Association of Bay Area Governments (ABAG) conduct a process to establish quantitative “fair share housing” allocations for the creation of housing units, including affordable units under various income categories. These quantified numbers are known as the Regional Housing Needs Allocation (RHNA). The RHNA for the City of Millbrae is listed in Table 1-2, 2023-2031 Regional Housing Needs Allocation, for the identified income categories.

Table 1-2. 2023-2031 Regional Housing Needs Allocation

	Totals by Numbers of Units	Very Low (<=50% AMI)	Low-Income (51-80% AMI)	Moderate (81-120% AMI)	Above Moderate (>120% AMI)
2023-2031 RHNA	2,199	575	331	361	932
Percentage of Total	100%	26%	15%	17%	42%

Source: Association of Bay Area Governments

1.5 Public Outreach and Participation

With the Housing Element serving as an important document that will shape the future of Millbrae, the City believes it is important that it reflects the vision of the people who make Millbrae special. To accomplish this, Millbrae developed a broad and diverse outreach plan designed to reach as many community stakeholders as possible across all socio-economic levels who live and work in the City. In order to ensure maximum participation by stakeholders in every economic segment of the community, the City completed the following steps to provide a comprehensive and transparent community engagement and participation process (a complete administrative record of all public outreach and participation actions is provided in Appendix A of this Housing Element):

- Regional community outreach – 21 Elements, a collaboration of all 21 San Mateo County (San Mateo County or County) jurisdictions, held a four-part webinar series from October 13, 2021, through December 1, 2021, titled *Creating a More Affordable Future* to help educate residents on regional and local housing issues. Topics for discussion included why affordability matters, housing and racial equity, housing in a climate of change, and putting it all together for a better future. The City advertised this webinar series via the City’s website, social media, and announcements during Planning Commission meetings.

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In addition to the webinar series, 21 Elements also conducted a Countywide resident survey providing a unique picture of the housing choices, challenges, needs, and access to economic opportunities of San Mateo County residents. The survey was made available online in both English and Spanish formats, running from December 3, 2021, to March 15, 2022, and gathered 2,382 resident responses.

- The City provided a comprehensive online survey (with 34 questions) to the community between June 16 and August 3, 2022. The survey solicited input from community stakeholders on fair housing issues, housing needs, existing conditions, and suggested programs and actions. There were 62 respondents to the survey.
- A community workshop was held on June 30, 2022. Approximately eight community members, in addition to City staff and the City's Housing Element Consultants (Harris & Associates) attended the workshop, which included live polling and a question and answer/comment session at the end. During the workshop, the City discussed the Housing Element Update, provided preliminary information on community housing needs and potential sites, and gathered community feedback. The workshop was advertised on the City's Calendar, dedicated Housing Element Update webpage, through posts on the City's social media accounts and announced at Planning Commission and City Council meetings. A lack of affordable housing choices in the City was a common theme during the polling and during the question and answer/comment portion of the workshops. Following the workshop, the City made both the recording of the meeting and presentation slides available on the City's Planning Division Housing Element Update webpage.
- Three stakeholder meetings to obtain additional qualitative data from affordable and market-rate housing developers, local community advocates, and fair housing providers. The stakeholder meetings discussed strategies to encourage the development of affordable housing in Millbrae. Special invitations were sent to, and stakeholder meetings conducted with, the following parties:
 - Several market rate developers active in the region (including Greystar, Muzzi Developments, Summerhill Apartment Communities, and Trammell Crow).
 - Housing advocates and service providers (including Project Sentinel and Center of Independence of Individuals with Disabilities).
 - Several affordable housing developers active in the region (including Housing Choices, Habitat for Humanity – Greater SF, and The Core Companies).
- The Draft Housing Element Update was publicly available online at www.ci.millbrae.ca.us/HEU. The City notified the community of the availability of the Housing Element Update by September 9, 2022.

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- The Draft Housing Element Update was publicly available between September 9, 2022, and October 9, 2022, exceeding the required 30-day period prior to HCD submittal.

Appendix A includes a comprehensive administrative record of the public participation and engagement process, including notices, survey results, webpage content, social media posts, presentations, correspondence with stakeholders, and polls.

1.6 Housing Accomplishments

Millbrae recognizes the importance of providing safe and affordable housing for residents of all income levels. In order to support housing development and increase access to safe and affordable housing for its residents, the City has adopted the following ordinances:

- Inclusionary Housing Ordinance in 2021 requiring that a minimum of 15% of all housing units in developments of 10 or more units in the City be made affordable to very low-, low-, or moderate-income households, depending on unit type and affordability level, and allow for a minimum density bonus of 20% per state law.
- Commercial Linkage Fee Ordinance in 2021 imposing a \$3,868 per hotel room fee on new hotel rooms, \$5.80 per square foot on new retail, and \$12.86 per square foot on office space. This fee helps mitigate the need for affordable housing created by the workforce of those new developments.
- Density Bonus Ordinance in 2015 providing increased density for the production of affordable housing. In addition to the density bonus, the City also provides other concessions, such as changes in setbacks, height, and parking spaces.
- Reasonable Accommodation Ordinance in 2015 to provide individuals with disabilities reasonable accommodation in regulations, policies, practices, and procedures to ensure equal access to housing and to facilitate the development of housing for individuals with disabilities.
- Housing Development the City added 314 above-moderate housing units during the 5th RHNA cycle, exceeding the 5th Cycle RHNA housing production goal of 257 units.

As shown in Table 1-3, 2015-2023 RHNA Progress – Permitted Units, these actions resulted in the development of over 147 affordable housing units during the 5th Cycle Planning Period (2015-2023). While Millbrae made progress towards its RHNA during the 5th Cycle Planning Period, the City acknowledges the need for an increased effort to encourage the development of more units affordable to lower-income households, especially considering the significant reduction in federal, state, and local affordable housing funding sources as follows:

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- Federal affordable housing funds have decreased up to 60% in the last 15 years.
- In recent years, state grants and other funding sources have prioritized housing solutions for unhoused individuals and families. Prior to 2015, a larger share of available state funding was focused on very low-, low-, and moderate-income affordable housing.
- When the State abolished Redevelopment in 2011–2012, an estimated \$2 billion annually (statewide) was lost.

Table 1-3. 2015-2023 RHNA Progress - Permitted Units

	Totals by Numbers of Units	Very Low (<=50% AMI)	Low-Income (51-80% AMI)	Moderate (81-120% AMI)	Above Moderate (>120% AMI)
2015-2023 RHNA	663	193	101	112	257
Units Permitted	447	41	70	36	314
Remaining RHNA	259	152	31	76	0

Source: Millbrae 2021 Housing Element Annual Progress Report

1.7 Affordable Housing Need

Meeting the community's housing needs is a high priority for the City. As widely reported throughout the State, California is in the midst of a housing crisis where demand greatly outweighs supply. Additionally, overall wage growth has not kept pace with increases in housing costs, making median home prices and rents out of reach for a large population within the State. According to the Joint Center for Housing Studies at Harvard University,² renters in California have to earn 120% or more of the area median income to afford a median-priced home. This severe spending on housing costs has contributed significantly to various housing problems, such as a lack of affordability and homelessness.

According to the 2015–2019 American Community Survey (ACS) 5-Year Data, the number of cost-burdened households in the City is similar to the County and Bay Area average. Millbrae is primarily made up of ownership households - according to the 2015–2019 ACS 5-Year Data, roughly 36% of the households in the City are renter-occupied and 64% are owner-occupied. Homeowners, while slightly better off than renters in terms of the percentage of cost-burdened households, are still considerably cost-burdened. Specifically, 34% of owner-occupied

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households are cost-burdened, including 16% who are severely cost-burdened (as detailed in Chapter 2, Community Profile and Housing Needs Assessment).

While the majority of households are owner-occupied, renter-occupied households in Millbrae represent a significant portion of households in the City and will likely continue to grow with future population growth. Renters have higher percentages of cost-burdened households. Particularly, 41% of renter-occupied households in Millbrae are cost-burdened, including 22% who are severely cost-burdened (as detailed in Chapter 2, Community Profile and Housing Needs Assessment).

Housing cost burden, in addition to the consistently growing population in California, has made it necessary for cities to plan for more housing units. As a result, Millbrae is expected to plan for 2,199 units in the 6th Cycle Housing Element, of which 1,267 need to be planned for very low, low- and moderate-income households (as shown in Table 1-2 in this section).

1.8 Affordable Housing Challenges

State law recognizes that housing needs may (and do) exceed available resources and, therefore, does not require that the City's quantified objectives be identical to the identified housing needs. More specifically, California Government Code, Section 65583(b)(2), states the following:

It is recognized that the total housing needs . . . may exceed available resources and the community's ability to satisfy this need within the content of the general plan requirements. Under these circumstances, the quantified objectives need not be identical to the total housing needs. The quantified objectives shall establish the maximum number of housing units by income category, including extremely low-income that can be constructed, rehabilitated, and conserved.

Acknowledgment of funding limitations is extremely important—cities and counties are required to prepare Housing Elements every eight years to identify needs and actions to provide for housing at all income levels and for all populations despite a severe shortage in local, State, and Federal funding that makes many of the actions financially infeasible. It is important to recognize that state law requires cities to plan for housing, but almost all housing is developed by the private sector.

Developers, not cities or counties, usually build housing. The role of local government is to *facilitate* housing development through the planning process. Nearly all cities and counties in the State have shown higher numbers of market-rate units, or housing units for above moderate-income households, versus affordable units in their annual Housing Element progress reports. This is generally because revenues derived from selling or renting market-rate housing exceed the cost to develop the units, resulting in a profit. For-profit developers are businesses that, just like other businesses, do not move forward with production if the price they can command is less

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than the cost to produce the item or commodity. In this case, the item is a unit of housing. Additionally, developers often require investors to provide financial assistance, and these investors require a minimum rate of return to participate. While affordable housing and nonprofit housing developers do exist, these organizations will not move forward with a project unless it is financially feasible (i.e., revenues cover costs without a profit margin).

Affordable housing projects are generally more expensive to develop due to State laws and funding program requirements. For example, affordable housing projects that receive any Federal, State, and/or local public subsidies are required to pay prevailing wages on the construction of a project. Prevailing wages can add 13–25% to construction costs. In addition, Federal and State funding sources require sustainability practices, which are beneficial and important but can lead to higher costs for the development of a project. When these higher costs are combined with high land, construction, and materials costs in California, the development of affordable housing requires public subsidies and assistance because the costs to develop the housing far exceed the revenues derived from selling and renting the housing at affordable prices and rents.

Affordable housing is funded through a combination of sources (because no one source is sufficient to fund individual projects), including Low-Income Housing Tax Credits (LIHTCs), State grants, project-based housing vouchers from the U.S. Department of Housing and Urban Development (HUD), loan programs, donation of land, and other sources. Affordable projects can require up to 10 separate funding sources with different requirements and deadlines, adding to the complexity and feasibility of these projects.

It is worth noting that sufficient public funding is not available to fill the gap between what it costs to build affordable housing and the revenues generated by the housing on a state and federal level. Before 2011, over 400 cities in California (like Millbrae) used redevelopment as a financial tool to revitalize blighted areas and to fund affordable housing. However, redevelopment was eliminated in 2011–2012, and this significant funding source (estimated at \$2 billion/year Statewide) of locally derived revenues was redirected away from affordable housing and toward local taxing entities' general funds.

Despite considerable funding challenges, the City has successfully provided funding assistance to several affordable housing developments during the last eight years, but the number of projects assisted is much lower than it would have been if federal, state, and local funding had not been reduced or eliminated in such a significant way.

1.9 Organization

This Housing Element is organized into the following chapters:

- **Chapter 1, Introduction:** Provides an overview of the purpose, scope, and organization of the Housing Element.

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- **Chapter 2, Community Profile and Housing Needs Assessment:** Provides a summary of the City’s demographic and housing characteristics, special needs groups, and housing needs.
- **Chapter 3, Housing Constraints:** Provides an assessment of the various constraints to housing development and preservation.
- **Chapter 4, Housing Resources and Opportunities:** Provides an inventory of resources available to meet the City’s existing and projected housing needs.
- **Chapter 5, Review of Previous Housing Element (2015–2023):** Provides an assessment of progress during the 2015–2023 5th Cycle Planning Period for the Housing Element, including program status, objectives, actions, and appropriateness.
- **Chapter 6, At-Risk Affordable Housing:** Provides information on existing affordable units at risk of converting to market rate and a preservation analysis.
- **Chapter 7, Adequate Sites Inventory Analysis and Methodology:** Provides a detailed description of the methodology used to identify specific housing sites (by Assessor’s Parcel Number), the number of units for each site, the level of affordability for each site, and the methodology used to ensure that each site meets State law requirements.
- **Chapter 8, Housing Plan:** Outlines the City’s goals, policies, programs, and actions to provide and preserve housing opportunities in the community and quantified objectives for the 2023–2031 6th Cycle Planning Period. The following appendices provide additional information and data pursuant to legal requirements:
 - **Appendix A:** Public Engagement
 - **Appendix B:** Affirmatively Furthering Fair Housing Analysis
 - **Appendix C:** Sites Inventory Form

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2 COMMUNITY PROFILE AND HOUSING NEEDS ASSESSMENT

California Government Code, Section 65583(a), requires an assessment of housing needs and an inventory of resources and constraints relevant to the meeting of these needs. Per California Government Code, Section 65583(a)(1), this chapter provides a community profile and details the population characteristics and growth, demographics, and employment trends in the City of Millbrae (City or Millbrae). These trends influence the housing needs of a community and, thus, are important factors in evaluating the housing needs of Millbrae's residents and identifying strategies to meet those needs through plans, programs, and projects.

The primary data sources used in this chapter include the following:

- The Association of Bay Area Governments (ABAG) Housing Needs Data (ABAG Housing Needs Data). ABAG collaborated with the California Department of Housing and Community Development (HCD) and developed a housing needs data package for each local jurisdiction that has been certified by HCD for use in the 6th Cycle Housing Element.
- State Department of Finance Population and Housing Estimates.
- U.S. Census Bureau, Census 2000.
- American Community Survey (ACS) 5-Year Data (2015–2019).

2.1 Background

Millbrae was incorporated in 1948. It is a 3.25 square mile city located on the San Francisco Peninsula, approximately 15 miles south of central San Francisco, and approximately 30 miles north of San Jose via Highway 101. The City is bordered by the San Francisco International Airport, San Bruno to the northwest, Burlingame to the southeast, and the San Andreas Lake and Interstate 280 to the west.

Millbrae is positioned as the transportation hub for the Bay Area. It provides convenient connections to San Francisco International Airport, U.S. Highway 101, Interstate 280, and State Route 82 (El Camino Real). The Millbrae Station is the transit gateway connecting Bay Area Rapid Transit, Caltrain, and SamTrans, and is the only proposed station on the Peninsula for High-Speed Rail. Additionally, Millbrae is a 40-minute drive from the Port of Oakland, which is the fifth busiest container port in the U.S. The many visitors passing through Millbrae to access San Francisco International Airport, the Millbrae Station, and regional transportation corridors provide many economic opportunities, such as expanding hospitality and entertainment

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opportunities, developing a new life sciences hub in the station area, investing in public facilities to support economic growth, and strengthen the City's image to attract visitors and the business community while serving the range of resident needs.

The Bay Area has seen and continues to see growth in population, households, and jobs. This growth will continue to increase the demand for various housing types and sizes to accommodate this growth. Table 2-1, Millbrae Growth Forecast 2040, illustrates the growth the City's population, households, and jobs will continue to experience into 2040, according to ABAG and the Metropolitan Transportation Commission projections (adopted July 2017).

Table 2-1. Millbrae Growth Forecast 2040

	2015	2020	2040	Annual Growth Rate
Population	22,025	22,360	27,055	0.9%
Households	8,110	8,235	9,725	0.8%
Total Jobs	6,470	6,570	11,595	3.2%

Source: ABAG & MTC Plan Bay Area 2040 Projections.

While the number of people drawn to the region over the past 30 years has steadily increased, housing production has stalled, contributing to the housing shortage that communities are experiencing today. In many cities, including Millbrae, this has resulted in residents being priced out, increased traffic congestion caused by longer commutes, and fewer people across all incomes being able to purchase homes or meet surging rents.

The 6th Cycle Housing Element Update provides a roadmap for how the City will meet its growth and housing challenges. Required by the State, the Housing Element identifies what the existing housing conditions and community needs are, reiterates goals, and creates a plan for more housing. This chapter of the Housing Element, Chapter 2, Community Profile and Needs Assessment, presents a snapshot of the Millbrae community.

2.2 Summary of Key Facts

- **Population** – The City's population has been growing slightly faster than San Mateo County (San Mateo County or County) with 10% growth between 2000 and 2020, compared to 9% for the County. However, it has grown at a rate below that of the Bay Area, which increased by 15% between 2000 to 2020. The increase throughout the region is mostly due to natural growth (births minus deaths) and a strong economy that draws new residents to the region.
- **Income** – Millbrae has a comparable percentage of lower-income households than the rest of the County, with 39% and 40% of households earning less than 80% of the Area

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Median Income (AMI), respectively. In addition, the City has the same percentage of lower-income households as the Bay Area as a whole.

- **Poverty** – Currently, people of color in the County are more likely to experience poverty. The groups with the highest poverty rates in Millbrae are Black/African American residents (9.3%) and Asian/Pacific Islander residents (6.9%). On the other hand, American Indian/Alaskan Native residents have the lowest poverty rate (2.5%).
- **Age** – Millbrae residents are overall older than they were in the past. The median age increased from 41.5 in 2000 to 43 in 2019. In that year, 19% of the population was over 65, and 19% of the population was under 18 years old.
- **Race/Ethnicity** – In 2020, 33.9% of Millbrae’s population was White, while 0.6% was African American, 48.8% was Asian, and 11.4% was Latinx.¹ People of color in Millbrae comprise a proportion above the overall proportion in the Bay Area as a whole.
- **Employment** – Millbrae residents most commonly work in the Health & Educational Services industry. From January 2010 to January 2021, the unemployment rate in Millbrae decreased by two percentage points. Since 2010, the number of jobs located in the jurisdiction increased by 930 (19.6%). Additionally, the jobs-household ratio in Millbrae has increased from 0.69 in 2002 to 0.7 jobs per household in 2018.
 - **Unemployment** – Jurisdictions in the Bay Area experienced a sharp rise in unemployment in 2020 due to impacts related to the COVID-19 pandemic, though with a general improvement and recovery in the later months of 2020. As of January 2021, Millbrae’s unemployment rate was 5.9%, which was slightly lower than the regional unemployment rate of 6.6%, but much lower than its pandemic-related high rate of 11.1% in April 2020.
- **Number of Homes** – The number of new homes built in the Bay Area has not kept pace with the demand, resulting in longer commutes, increasing prices, and exacerbating issues of displacement and homelessness. The number of homes in Millbrae increased by 3.1% from 2010 to 2020, which is below the growth rate for the County and below the growth rate of the region’s housing stock during this time period.
- **Home Prices** – A diversity of homes at all income levels creates opportunities for all Millbrae residents to live and thrive in the community. Given high job growth and low

¹ The Census Bureau’s American Community Survey accounts for ethnic origin separate from racial identity. The numbers reported here use an accounting of both, such that the racial categories are shown exclusive of Latinx status, to allow for an accounting of the Latinx population regardless of racial identity. The term Hispanic has historically been used to describe people from numerous Central American, South American, and Caribbean countries. In recent years, the term Latino or Latinx has become preferred. This report generally uses Latinx, but occasionally when discussing US Census data, we use Hispanic or Non-Hispanic, to clearly link to the data source.

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housing growth in the County, the cost of housing in the City has increased significantly in the past decade:

- **Ownership** – In 2020, the average sales price of a single-family home in Millbrae was approximately \$1,846,240. Home prices increased by 102.7% from 2010 to 2020.
- **Rental Prices** – The typical median contract rent for an apartment in Millbrae was \$2,330 in 2019. Rental prices increased by 77% from 2009 to 2019. To rent an apartment at the median level without cost burden, a household would need to make \$93,320 per year.²
- **Housing Type** – In 2020, 62.4% of homes in Millbrae were single-family detached, 3.4% were single-family attached, 3.3% were small multifamily (2-4 units), and 30.5% were medium or large multifamily (5+ units). Between 2010 and 2020, the number of multifamily units increased more than single-family units. Moreover, Millbrae’s housing consists of more detached single-family homes than the region as a whole (62% compared to 52% in the Bay Area).
- **Cost Burden** – The U.S. Department of Housing and Urban Development (HUD) considers housing to be affordable for a household if the household spends less than 30% of its income on housing costs. A household is considered “cost-burdened” if it spends more than 30% of its monthly income on housing costs, while those who spend more than 50% of their income on housing costs are considered “severely cost-burdened.” In Millbrae, 17% of households spend 30%-50% of their income on housing, while 18% of households are severely cost-burdened and use the majority of their income for housing.
- **Displacement/Gentrification** – According to research from The University of California, Berkeley, no households in Millbrae live in neighborhoods that are susceptible to or experiencing displacement or in areas at risk of or undergoing gentrification. 51.1% of households in Millbrae live in neighborhoods where low-income households are likely excluded due to prohibitive housing costs. There are various ways to address displacement including ensuring new housing at all income levels is built.
- **Neighborhood** – 100% of residents in Millbrae live in neighborhoods identified as “Highest Resource” or “High Resource” areas by State-commissioned research, while 0% of residents live in areas identified by this research as “Low Resource” or “High Segregation and Poverty” areas. These neighborhood designations are based on a range

² Note that contract rents may differ significantly from, and often being lower than, current listing prices.

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of indicators covering areas such as education, poverty, proximity to jobs and economic opportunities, low pollution levels, and other factors.³

- **Special Housing Needs** – Some population groups may have special housing needs that require specific program responses, and these groups may experience barriers to accessing stable housing due to their specific housing circumstances. In Millbrae, 9.1% of residents have a disability of any kind and may require accessible housing. Additionally, 9.5% of Millbrae households are larger households with five or more people, who likely need larger housing units with three bedrooms or more. 8.7% of households are female-headed families, which are often at greater risk of housing insecurity.

2.3 Looking to the Future: Regional Housing Needs

2.3.1 Regional Housing Needs Determination

The Plan Bay Area 2050⁴ Final Blueprint forecasts that the nine-county Bay Area will add 1.4 million new households between 2015 and 2050. For the eight-year time frame covered by this Housing Element Update, HCD has identified the region's housing need as 441,176 units. The total number of housing units assigned by HCD is separated into four income categories that cover housing types for all income levels, from very low-income households to market-rate housing.⁵ This calculation, known as the Regional Housing Needs Determination (RHND), is based on population projections produced by the California Department of Finance as well as adjustments that incorporate the region's existing housing need.

The RHND adjustments result from recent legislation requiring HCD to apply additional adjustment factors to the baseline growth projection from the California Department of Finance, in order for the regions to get closer to healthy housing markets. To this end, adjustments focus on the region's vacancy rate, level of overcrowding, and the share of cost-burdened households and seek to bring the region more in line with comparable ones.⁶ These new laws governing the

³ For more information on the “opportunity area” categories developed by HCD and the California Tax Credit Allocation Committee, see this website: <https://www.treasurer.ca.gov/ctcac/opportunity.asp>. The degree to which different jurisdictions and neighborhoods have access to opportunity will likely need to be analyzed as part of new Housing Element requirements related to affirmatively furthering fair housing. ABAG/MTC will be providing jurisdictions with technical assistance on this topic this summer, following the release of additional guidance from HCD.

⁴ Plan Bay Area 2050 is a long-range plan charting the course for the future of the nine-county San Francisco Bay Area. It covers four key issues: the economy, the environment, housing, and transportation.

⁵ HCD divides the RHND into the following four income categories:

Very Low-income: 0-50% of AMI

Low-income: 50-80% of AMI

Moderate-income: 80-120% of AMI

Above Moderate-income: 120% or more of AMI

⁶ For more information on HCD's RHND calculation for the Bay Area, see this letter sent to ABAG from HCD on June 9, 2020: [https://www.hcd.ca.gov/community-development/housing-element/docs/abagrhna-final060920\(r\).pdf](https://www.hcd.ca.gov/community-development/housing-element/docs/abagrhna-final060920(r).pdf)

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methodology for how HCD calculates the RHND resulted in a significantly higher number of housing units for which the Bay Area must plan compared to previous RHNA cycles.

2.3.2 Regional Housing Needs Allocation

A starting point for the Housing Element Update process for every California jurisdiction is the Regional Housing Needs Allocation (RHNA) – the share of the RHND assigned to each jurisdiction by ABAG. State Housing Element Law requires ABAG to develop a methodology that calculates the number of housing units assigned to each city and county and distributes each jurisdiction's housing unit allocation among four affordability levels. For this RHNA cycle, the RHND increased by 135%, from 187,990 to 441,776. For more information on the RHNA process this cycle, see ABAG's website: <https://abag.ca.gov/our-work/housing/rhna-regional-housing-needs-allocation>

Almost all jurisdictions in the Bay Area received a larger RHNA this cycle compared to the last cycle, primarily due to changes in State law that led to a considerably higher RHND compared to previous cycles.

In December 2021, ABAG released Final RHNA Plan San Francisco Bay Area. For Millbrae, the proposed RHNA to be planned for this cycle is 2,199 units, an increase from the last cycle. The allocation that Millbrae received from the Draft RHNA Methodology is broken down by Area Median Income (AMI) category as follows:

Table 2-2. Illustrative Regional Housing Needs Allocation

Income Group	Millbrae Units	San Mateo County Units	Bay Area Units	Millbrae Percent	San Mateo County Percent	Bay Area Percent
Very Low-Income (<50% of AMI)	575	12,196	114,442	26.1%	25.6%	25.9%
Low-Income (50%-80% of AMI)	331	7,023	65,892	15.1%	14.7%	14.9%
Moderate-Income (80%-120% of AMI)	361	7,937	72,712	16.4%	16.6%	16.5%
Above Moderate-Income (>120% of AMI)	932	20,531	188,130	42.4%	43.1%	42.6%
Total	2,199	47,687	441,176	100%	100%	100%

Source: Final RHNA Plan San Francisco Bay Area December 2021.

2.4 Population and Demographics

2.4.1 Population

The Bay Area is the fifth-largest metropolitan area in the nation and has seen a steady increase in population since 1990, except for a dip during the Great Recession. Many cities in the region have experienced significant growth in jobs and population. While these trends have led to a corresponding increase in demand for housing across the region, the regional production of housing has largely not kept pace with job and population growth. Since 2000, Millbrae's population has increased by 10.2%; this rate is below that of the region as a whole, at 14.8%. In Millbrae, roughly 10.5% of its population moved during the past year, a number 3% points smaller than the regional rate of 13.4%.

Table 2-3. Population Growth Trends

Geography	1990	1995	2000	2005	2010	2015	2020
Millbrae	20,414	21,146	20,718	20,636	21,532	22,985	22,832
San Mateo County	649,623	685,354	707,163	719,844	718,451	761,748	773,244
Bay Area	6,020,147	6,381,961	6,784,348	7,073,912	7,150,739	7,595,694	7,790,537

Source: California Department of Finance, E-5 series. For more years of data, please refer to the Data Packet Workbook, Table POPEMP-01.

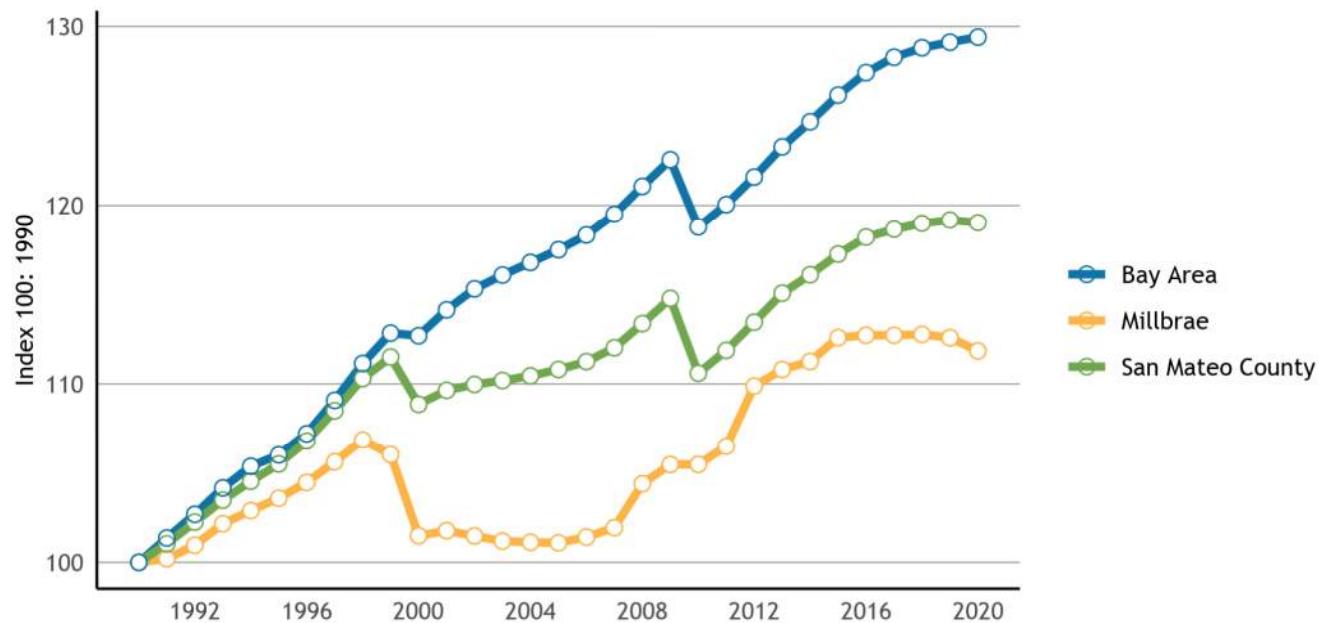
According to DOF, Millbrae had an estimated population of 22,832 in 2020 (see Table 2-3, Population Growth Trends, and Figure 2-1, Population Growth Trends). From 1990 to 2000, the population increased by 1.5%, while it increased by 3.9% during the first decade of the 2000s. In the most recent decade, the population increased by 6%. The population of Millbrae makes up 3% of San Mateo County.⁷

⁷ To compare the rate of growth across various geographic scales, Figure 1 shows population for the jurisdiction, county, and region indexed to the population in the year 1990. This means that the data points represent the population growth (i.e., percent change) in each of these geographies relative to their populations in 1990.

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Figure 2-1. Population Growth Trends



Source: California Department of Finance, E-5 series

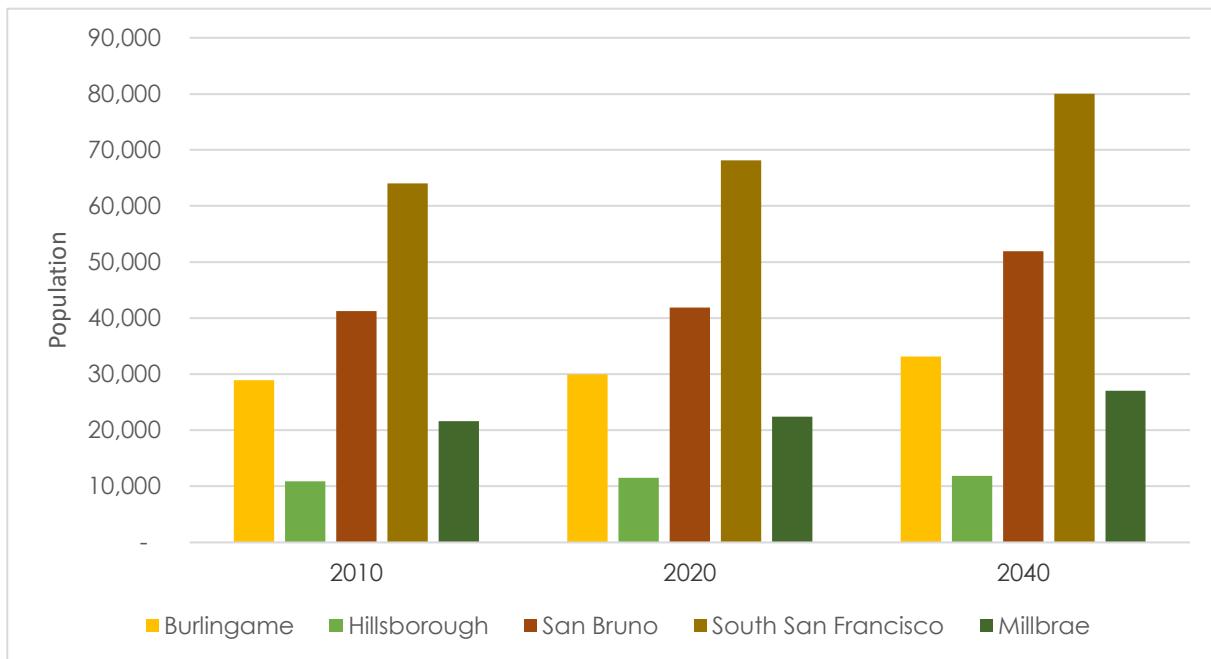
Note: The data shown on the graph represents the population for the jurisdiction, county, and region indexed to the population in the first year shown. The data points represent the relative population growth in each of these geographies relative to their populations in that year.

Figure 2-2, Population Trends (2010 – 2040), and Table 2-4, Population Trends in Nearby Jurisdictions, illustrate the population changes and growth rates between 2010 and 2040 for Millbrae and its neighboring cities. As shown, Millbrae is expected to experience a similar or slightly higher growth rate compared to some neighboring cities. Specifically, Millbrae is expected to grow at a 0.8% annual rate until 2040, in comparison to other cities and the County, which range between 0.3% and 0.8%.

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Figure 2-2. Population Trends (2010 – 2040)



Source: ABAG & MTC Plan Bay Area 2040 Projections

Table 2-4. Population Trends in Nearby Jurisdictions

Jurisdiction	2010	2020	2040	Annual Growth Rate, 2010-2040
Burlingame	28,925	29,975	33,145	0.5%
Hillsborough	10,845	11,475	11,850	0.3%
San Bruno	41,240	41,895	51,920	0.8%
South San Francisco	64,005	68,105	80,015	0.7%
Millbrae	21,610	22,360	27,055	0.8%
San Mateo County	721,195	796,925	916,590	0.8%

Source: ABAG & MTC Plan Bay Area 2040 Projections

2.4.2 Age

The distribution of age groups in a city shapes what types of housing the community may need in the near future. An increase in the older population may mean there is a developing need for more senior housing options, while higher numbers of children and young families can point to the need for more family housing options and related services. There has also been a move by many to age-in-place or downsize to stay within their communities, which can mean more multifamily and accessible units are also needed.

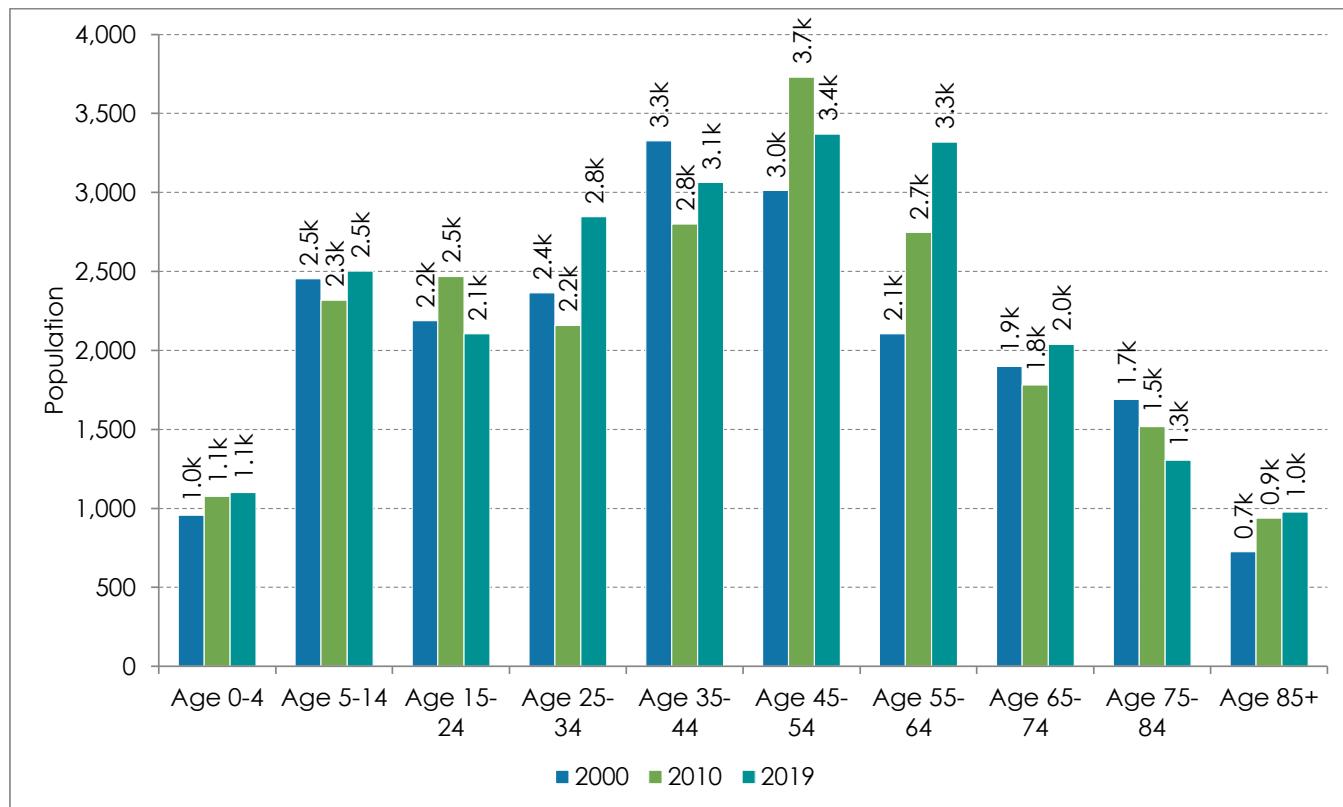
In Millbrae, the median age in 2000 was 41.5 years; by 2019, this figure had increased, landing at around 43 years. More specifically, the population of those under 14 has increased since

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2010, while the 65-and-over population has increased (see Figure 2Error! Reference source not found.-3, Population by Age, 2000-2019).

Figure 2-3. Population by Age, 2000-2019



Source: U.S. Census Bureau, Census 2000 SF1, Table P12; U.S. Census Bureau, Census 2010 SF1, Table P12; U.S. Census Bureau, ACS 5-Year Data (2015-2019), Table B01001

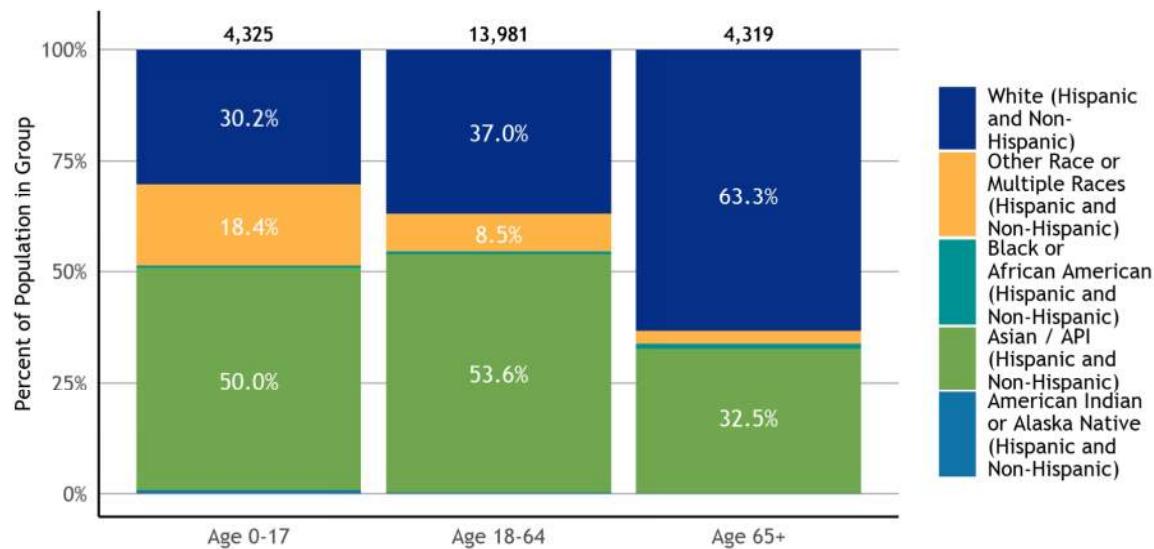
Looking at the senior and youth population by race can add an additional layer of understanding, as families and seniors of color are even more likely to experience challenges finding affordable housing. People of color⁸ make up 36.7% of seniors and 69.8% of youth under 18 (see Figure 2-4, Senior and Youth Population by Race).

⁸ Here, we count all non-white racial groups

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Figure 2-4. Senior and Youth Population by Race



Source: U.S. Census Bureau, ACS 5-Year Data (2015-2019), Table B01001(A-G)
For the data table behind this figure, please refer to the Data Packet Workbook, Table SEN-02.

2.4.3 Race and Ethnicity

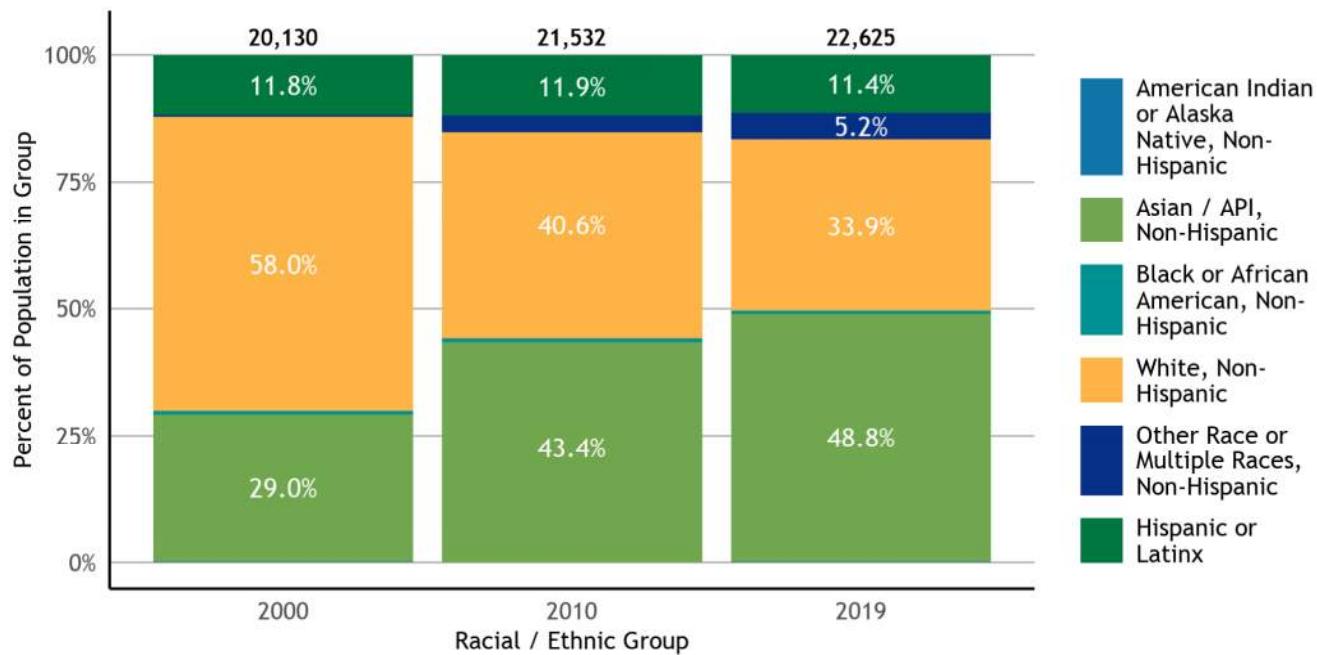
Understanding the racial makeup of a city and region is important for designing and implementing effective housing policies and programs. These patterns are shaped by both market factors and government actions, such as exclusionary zoning, discriminatory lending practices, and displacement that has occurred over time and continues to impact communities of color today.⁹ Since 2000, the percentage of residents in Millbrae identifying as White has decreased – and similarly, the percentage of residents of all *other* races and ethnicities has increased – by 24.1%, with the 2019 population standing at 7,659 (see Figure 2-5, Population by Race, 2000-2019). In absolute terms, the *Asian / Pacific Islander, Non-Hispanic* population increased the most while the *White, Non-Hispanic* population decreased the most.

⁹ See, for example, Rothstein, R. (2017). *The color of law: a forgotten history of how our government segregated America*. New York, NY & London, UK: Liveright Publishing.

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Figure 2-5. Population by Race, 2000-2019



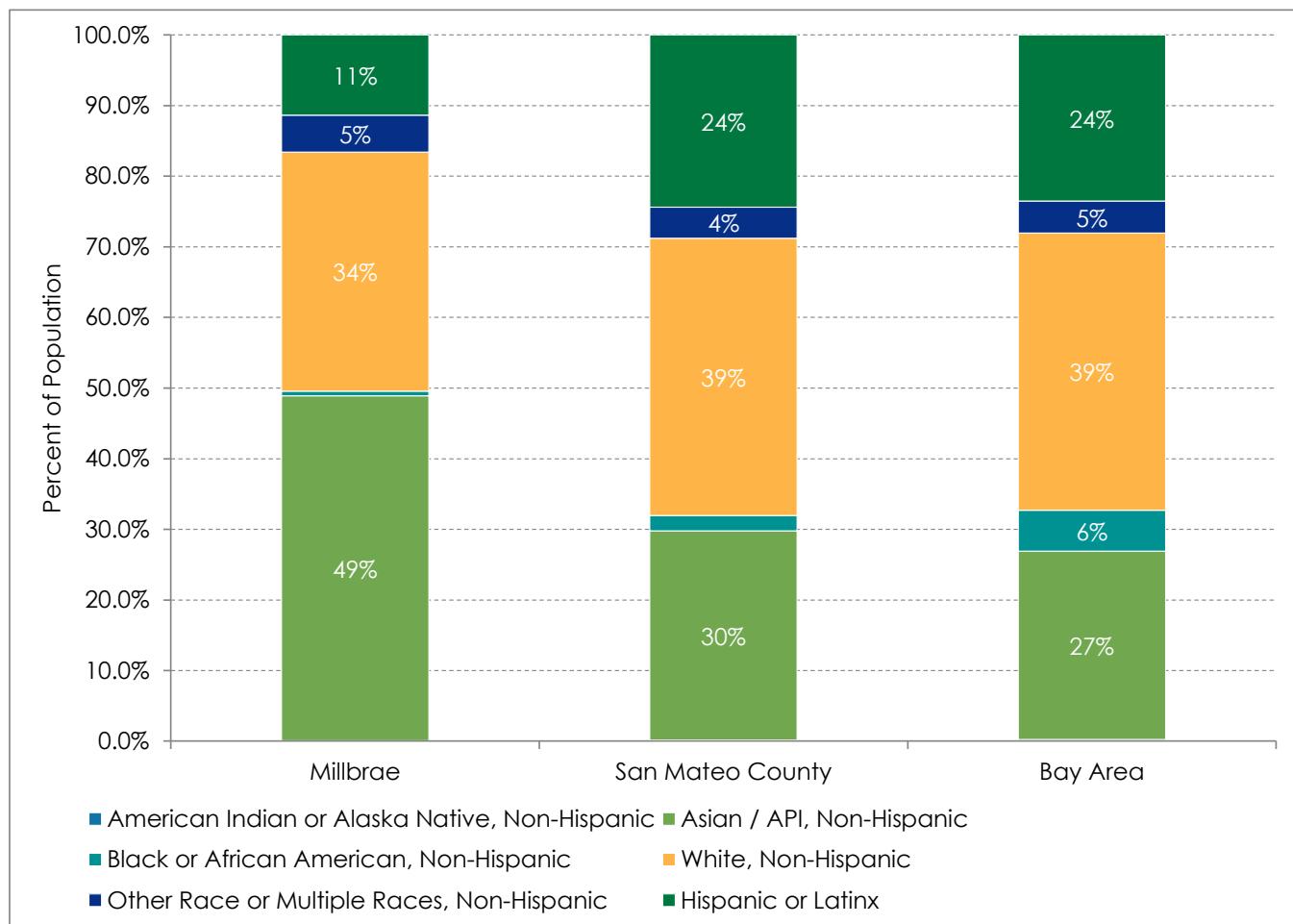
Source: U.S. Census Bureau, Census 2000, Table P004; U.S. Census Bureau, ACS 5-Year Data (2015-2019), Table B03002

Generally, Millbrae has a similar level of diversity compared to the Bay Area and the County. However, the City has a lower amount of Latinx, and Black residents compared to both the Bay Area and the County but is home to a larger percentage of Asian residents, as shown in Figure 2-6, Population by Race (County and Bay Area).

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Figure 2-6. Population by Race (County and Bay Area)



Source: U.S. Census Bureau, ACS 5-Year Data (2015-2019), Table B03002

2.5 Employment Trends

2.5.1 Balance of Jobs and Workers

A city houses employed residents who either work in the community where they live or work elsewhere in the region. Conversely, a city may have job sites that employ residents from the same city, but more often employ workers commuting from outside of it. Smaller cities typically will have more employed residents than jobs there and export workers, while larger cities tend to have a surplus of jobs and import workers. To some extent, the regional transportation system is set up for this flow of workers to the region's core job centers. At the same time, as the housing affordability crisis has illustrated, local imbalances may be severe, where local jobs and worker populations are out of sync at a sub-regional scale.

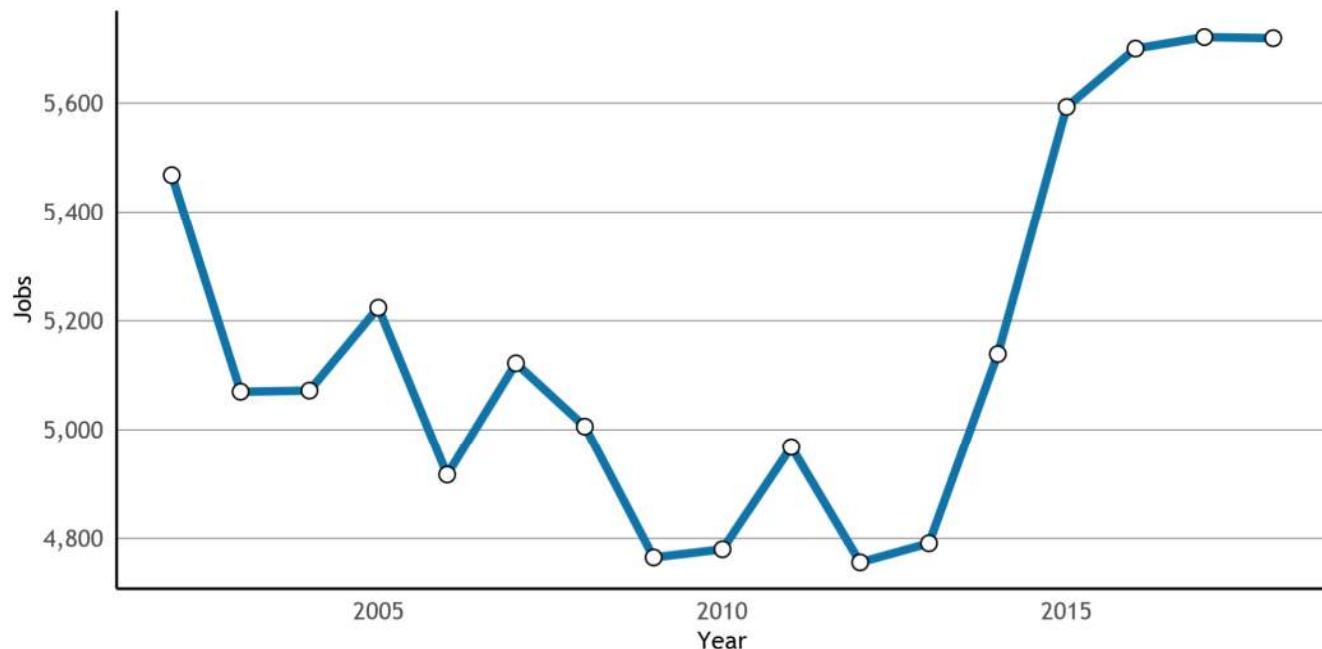
One measure of this is the relationship between *workers* and *jobs*. A city with a surplus of workers “exports” workers to other parts of the region, while a city with a surplus of jobs must

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conversely “import” them. Between 2002 and 2018, the number of jobs in Millbrae increased by 4.6% (see Figure 2-7, Jobs in Millbrae).

Figure 2-7. Jobs in Millbrae



Source: U.S. Census Bureau, Longitudinal Employer-Household Dynamics, Workplace Area Characteristics (WAC) files, 2002-2018

There are 11,320 employed residents, and 6,657 jobs¹⁰ in Millbrae - the ratio of jobs to resident workers is 0.59; Millbrae is a *net exporter of workers*.

Figure 2-8, Workers by Earnings, by Jurisdiction as Place of Work and Place of Residence, shows the balance when comparing jobs to workers, broken down by different wage groups, and offering additional insight into local dynamics. A community may offer employment for relatively low-income workers but have relatively few housing options for those workers - or conversely, it may house residents who are low-wage workers but offer few employment opportunities for them. Such relationships may cast extra light on potentially pent-up demand for housing in particular price categories. A relative *surplus* of jobs relative to residents in a given wage category suggests the need to import those workers, while conversely, surpluses of workers in a wage group relative to jobs means the community will export those workers to other jurisdictions. Over time, sub-regional imbalances may appear. Millbrae has slightly more low-wage *jobs* than low-wage *residents* (where low-wage refers to jobs paying less than \$25,000).

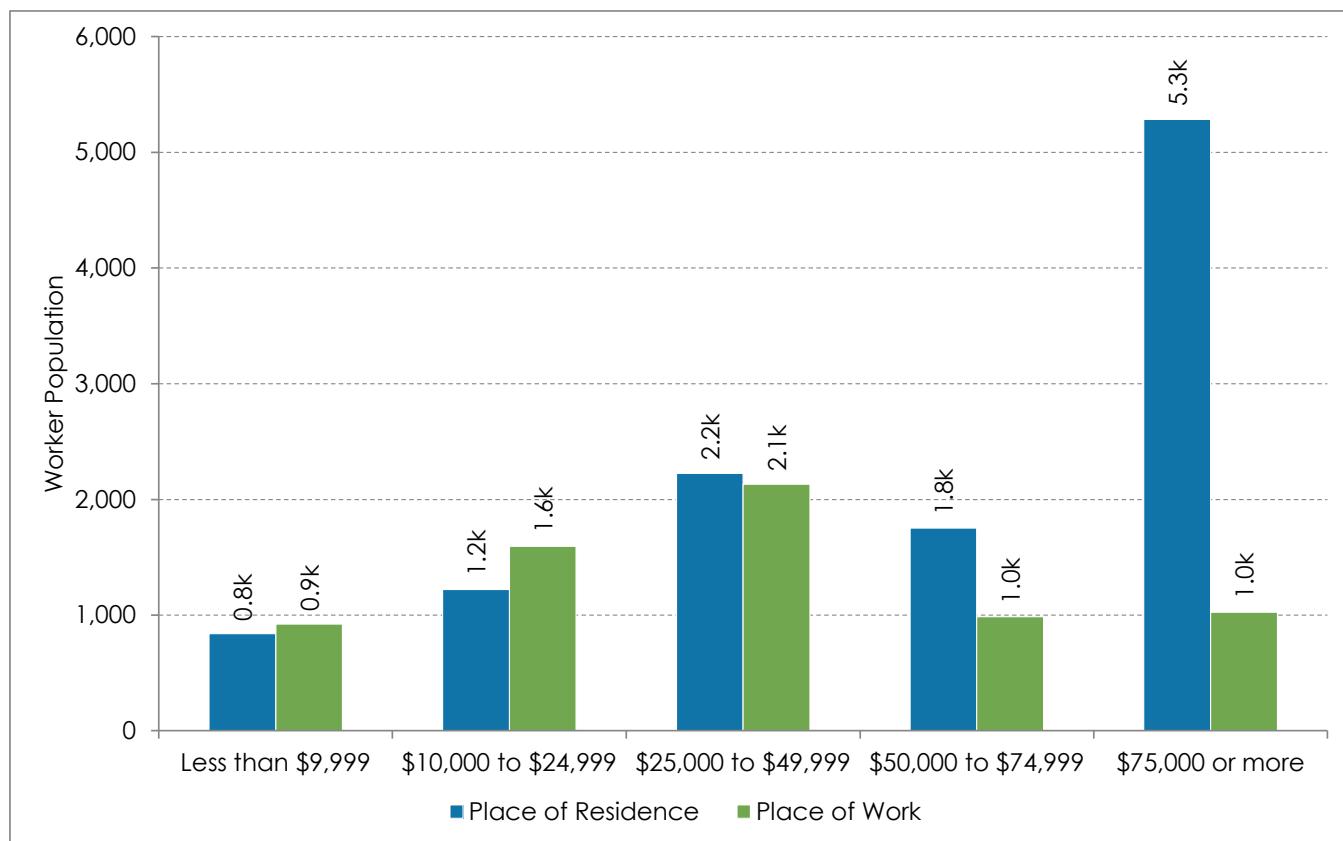
¹⁰ Employed *residents* in a jurisdiction is counted by place of residence (they may work elsewhere) while *jobs* in a jurisdiction are counted by place of work (they may live elsewhere). The jobs may differ from those reported in Figure 5 as the source for the time series is from administrative data, while the cross-sectional data is from a survey.

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At the other end of the wage spectrum, the City has significantly more high-wage *residents* than high-wage *jobs* (where high-wage refers to jobs paying more than \$75,000).¹¹

Figure 2-8. Workers by Earnings, by Jurisdiction as Place of Work and Place of Residence



Source: U.S. Census Bureau, ACS 5-Year Data 2015-2019, B08119, B08519

Figure 2-9. Jobs-Worker Ratios, By Wage Group, shows the balance of a jurisdiction's resident workers to the jobs located there for different wage groups as a ratio instead - a value of 1 means that a city has the same number of jobs in a wage group as it has resident workers - in principle, a balance. Values above 1 indicate a jurisdiction will need to import workers for jobs in a given wage group. At the regional scale, this ratio is 1.04 jobs for each worker, implying a modest import of workers from outside the region.

¹¹ The source table is top coded at \$75,000, precluding more fine-grained analysis at the higher end of the wage spectrum.

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Figure 2-9. Jobs-Worker Ratios, By Wage Group



Source: U.S. Census Bureau, Longitudinal Employer-Household Dynamics, Workplace Area Characteristics (WAC) files (Jobs); Residence Area Characteristics (RAC) files (Employed Residents), 2010-2018

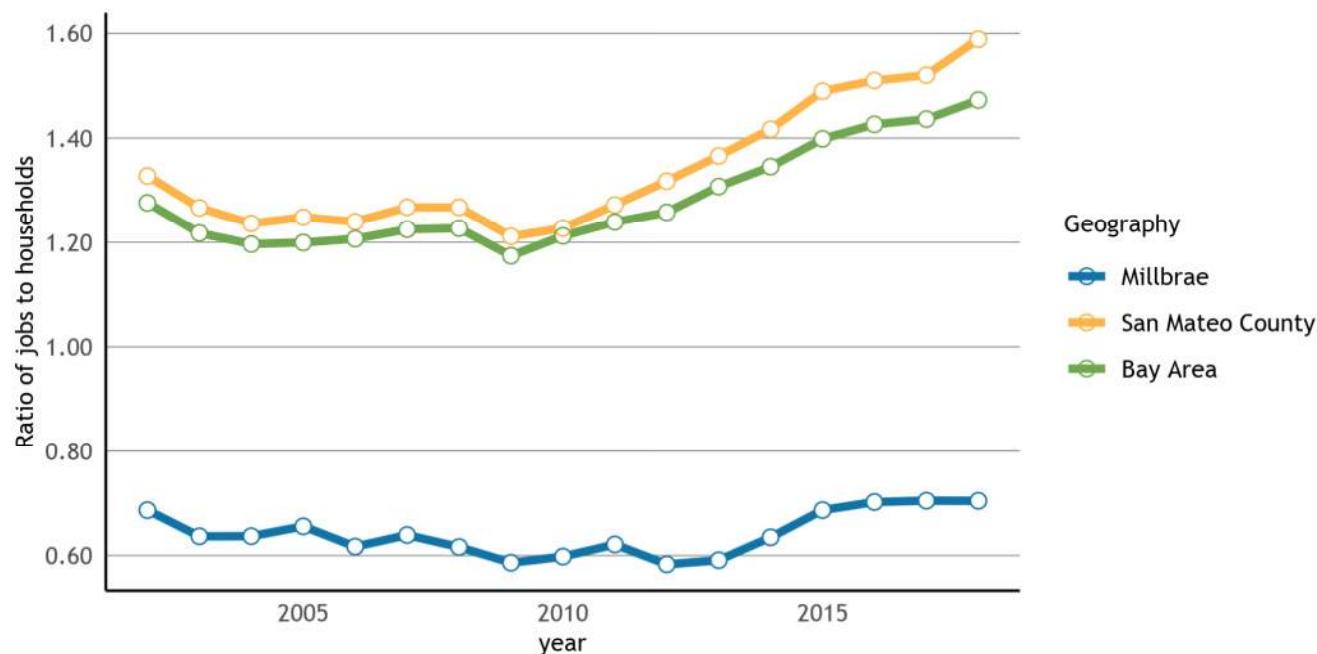
Such balances between jobs and workers may directly influence the housing demand in a community. New jobs may draw new residents, and when there is high demand for housing relative to supply, many workers may be unable to afford to live where they work, particularly where job growth has been in relatively lower-wage jobs. This dynamic not only means many workers will need to prepare for long commutes and time spent on the road, but in the aggregate, it contributes to traffic congestion and time lost for all road users.

If there are more jobs than employed residents, it means a city is relatively jobs-rich, typically also with a high job-to-household ratio. Thus, in bringing housing into the measure, the *jobs-household ratio* in Millbrae has increased from 0.69 in 2002, to 0.7 jobs per household in 2018. Comparatively, the County and Bay Area increased from 1.33 and 1.28 jobs per household in 2002 to 1.59 and 1.47 in 2018, respectively (see Figure 2-10, Jobs-Household Ratio). Relative to the County and the Bay Area, Millbrae is lacking in jobs and is an exporter of workers.

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Figure 2-10. Jobs-Household Ratio



Source: U.S. Census Bureau, Longitudinal Employer-Household Dynamics, Workplace Area Characteristics (WAC) files (Jobs), 2002-2018; California Department of Finance, E-5 (Households)

2.5.2 Unemployment

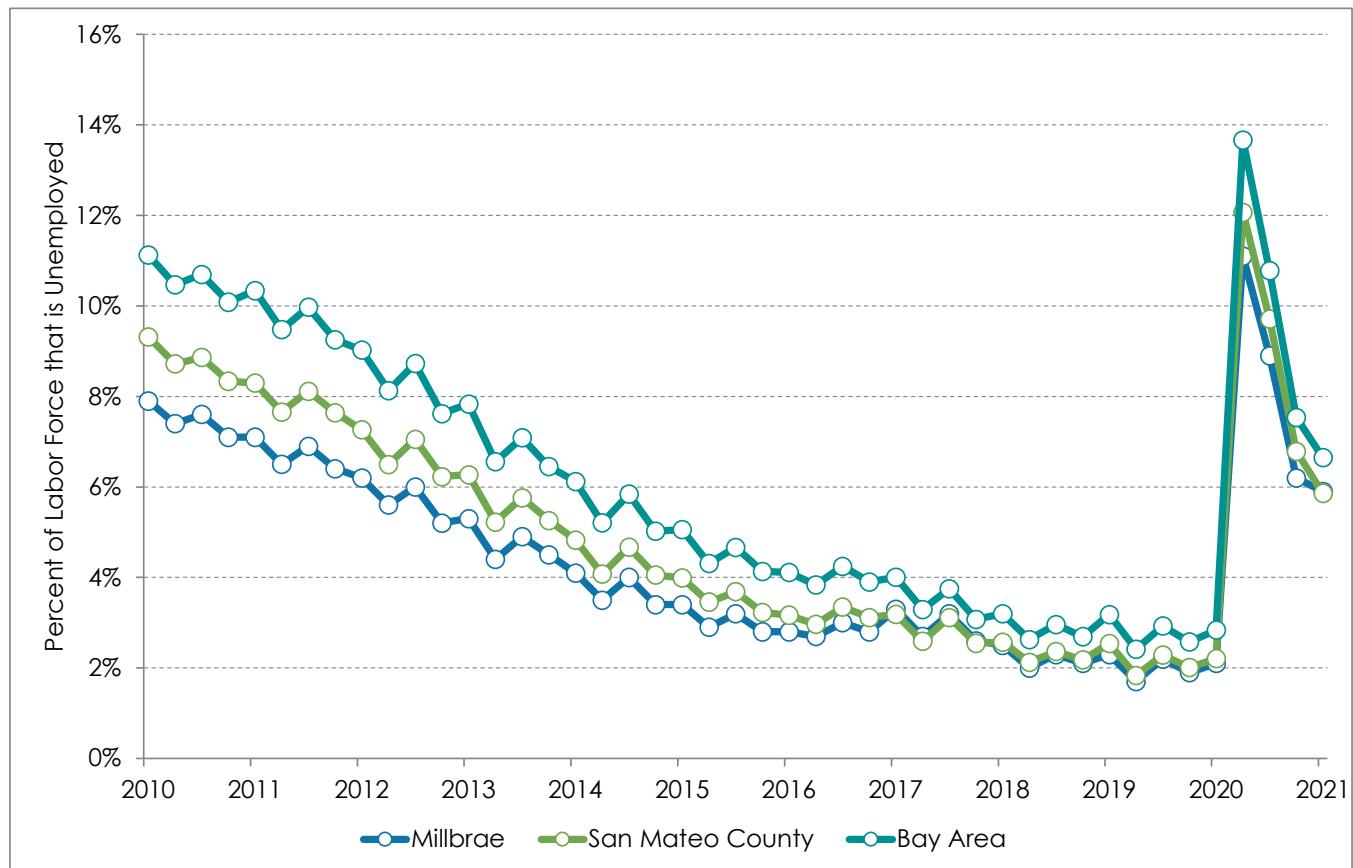
Prior to the onset of the COVID-19 pandemic in early 2020, the City's unemployment rate was steadily decreasing. In January 2010, the California Employment Development Department reported that the City's unemployment rate was 7.9%. By January 2019, it had fallen to 2.3%. Across this period, the City's unemployment rate was consistently lower than the County's and Bay Area's (see Figure 2-11, Unemployment Rate). Jurisdictions throughout the region experienced a sharp rise in unemployment in 2020 due to impacts related to the COVID-19 pandemic, though with a general improvement and recovery in the later months of 2020.

The economic effects of the COVID-19 pandemic are widely reported on a regional, State, and national basis. Due to the business shutdown and loss of jobs due to the economic slowdown, employment and unemployment changed significantly from March 2020 through 2021. Data from the U.S. Bureau of Labor Statistics (BLS) described in Section 2.5.3, Employment Projections, provides a recent view of how the COVID-19 pandemic has affected employment and unemployment, as well as longer-term trends.

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Figure 2-11. Unemployment Rate



Source: California Employment Development Department, Local Area Unemployment Statistics (LAUS), Sub-county areas monthly updates, 2010-2021.

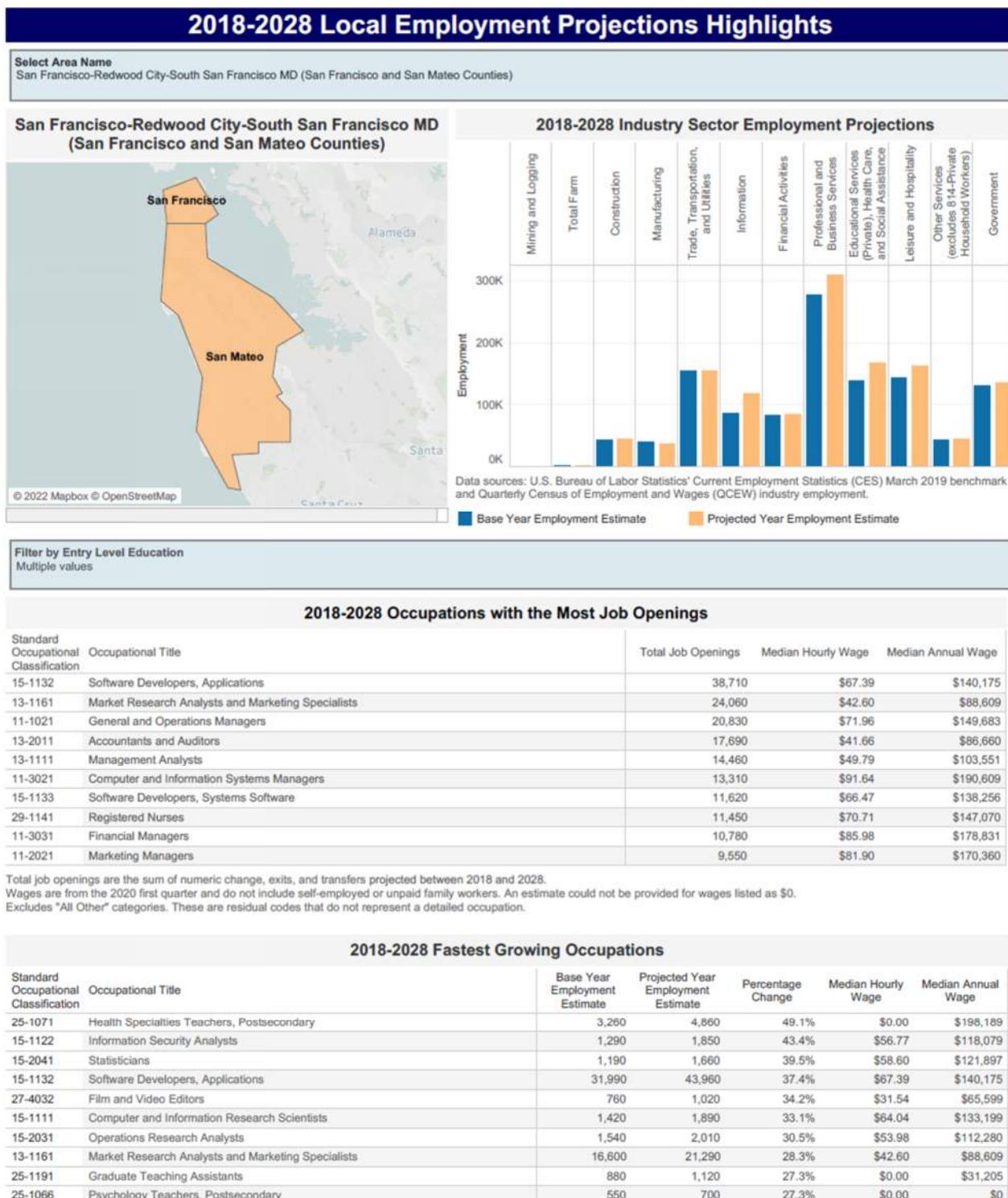
2.5.3 Employment Projections

The City is in the San Francisco, Redwood City, South San Francisco Statistical Area (as defined by the BLS). The BLS provides projections for future employment in the Statistical Area, as shown in Figure 2-12, Employment Projections (2018–2028). The industry shown with the highest number of job openings is software development. Furthermore, the fastest-growing occupations are in health education and information technology.

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Figure 2-12. Employment Projections (2018–2028)



Source: California Employment Development Department, Local Area Unemployment Statistics (LAUS), Sub-county areas monthly updates, 2010-2021.

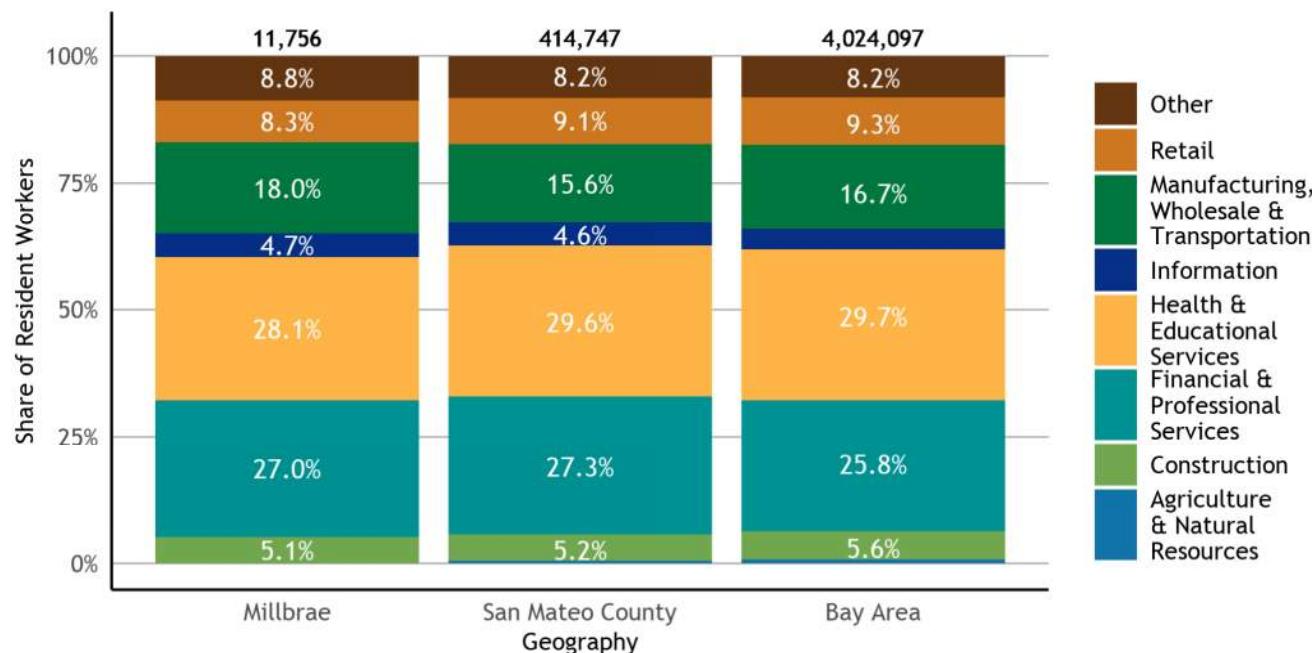
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2.5.4 Industries and Occupations

In terms of sectoral composition, the largest industry in which Millbrae, County, and Bay Area residents work is *Health & Educational Services* (see Figure 2-13, Resident Employment by Industry).

Figure 2-13. Resident Employment by Industry



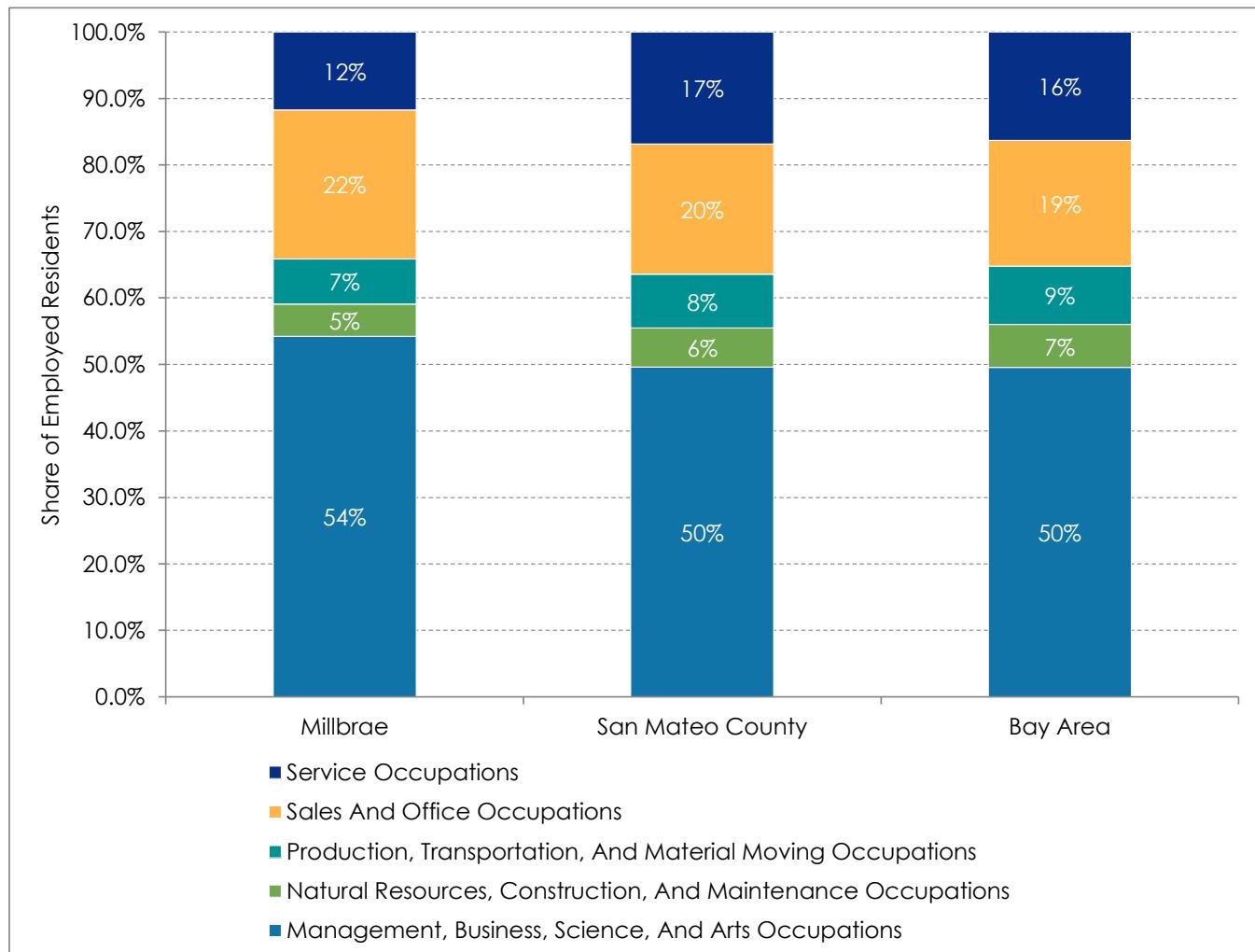
Source: U.S. Census Bureau, ACS 5-Year Data (2015-2019), Table C24030

In addition to identifying employment by industry in Millbrae, it is also important to identify the types of employment City residents hold. As shown in Figure 2-14, Employment by Occupation, the most prevalent occupational category among City residents is management, business, Science, and Arts Occupations with 6,374 employees (54%). The second most prevalent type of work is Sales and Office Occupations with 2,634 employees (22%). Millbrae's employment by industry is consistent with both the County and the Bay Area.

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Figure 2-14. Employment by Occupation



Source: U.S. Census Bureau, ACS 5-Year Data (2015-2019), Table C24010

2.6 Household/Housing Characteristics

California Government Code, Section 65583(a), requires an assessment of housing needs and an inventory of resources and constraints relevant to meeting these needs, including an analysis and documentation of household characteristics. This section details housing costs compared to incomes, housing characteristics (including overcrowding), and housing stock conditions in the City.

2.6.1 Housing Types

In recent years, most housing produced in the region and across the state consisted of single-family homes and larger multi-unit buildings. However, some households are increasingly interested in “missing middle housing” – including duplexes, triplexes, townhomes, cottage

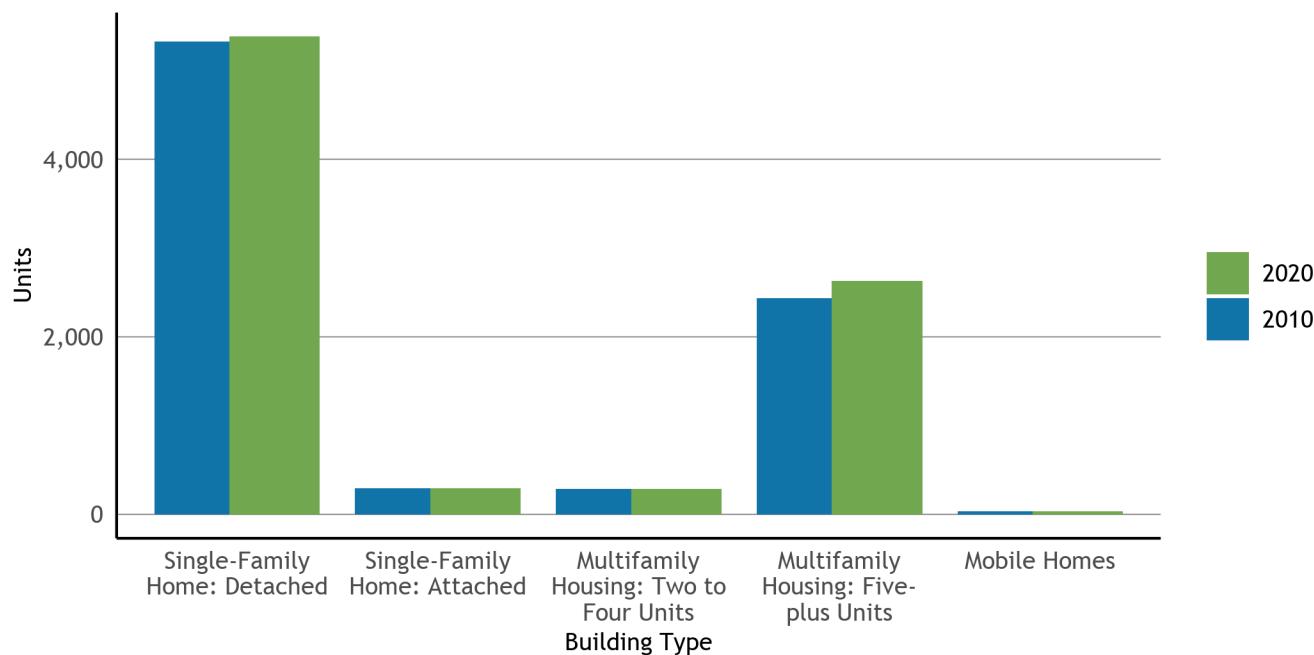
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clusters, and accessory dwelling units (ADUs). These housing types may open up more options across incomes and tenure, from young households seeking homeownership options to seniors looking to downsize and age in place.

The housing stock of Millbrae in 2020 was made up of 62.4% single-family detached homes, 3.4% single-family attached homes, 3.3% multifamily homes with two to four units, 30.5% multifamily homes with five or more units, and 0.4% mobile homes (see Figure 2-15, Millbrae Housing Stock Characteristics and Trends). In Millbrae, the housing type that experienced the most growth between 2010 and 2020 was *Multifamily Housing: Five-plus Units*.

Figure 2-15. Millbrae Housing Stock Characteristics and Trends

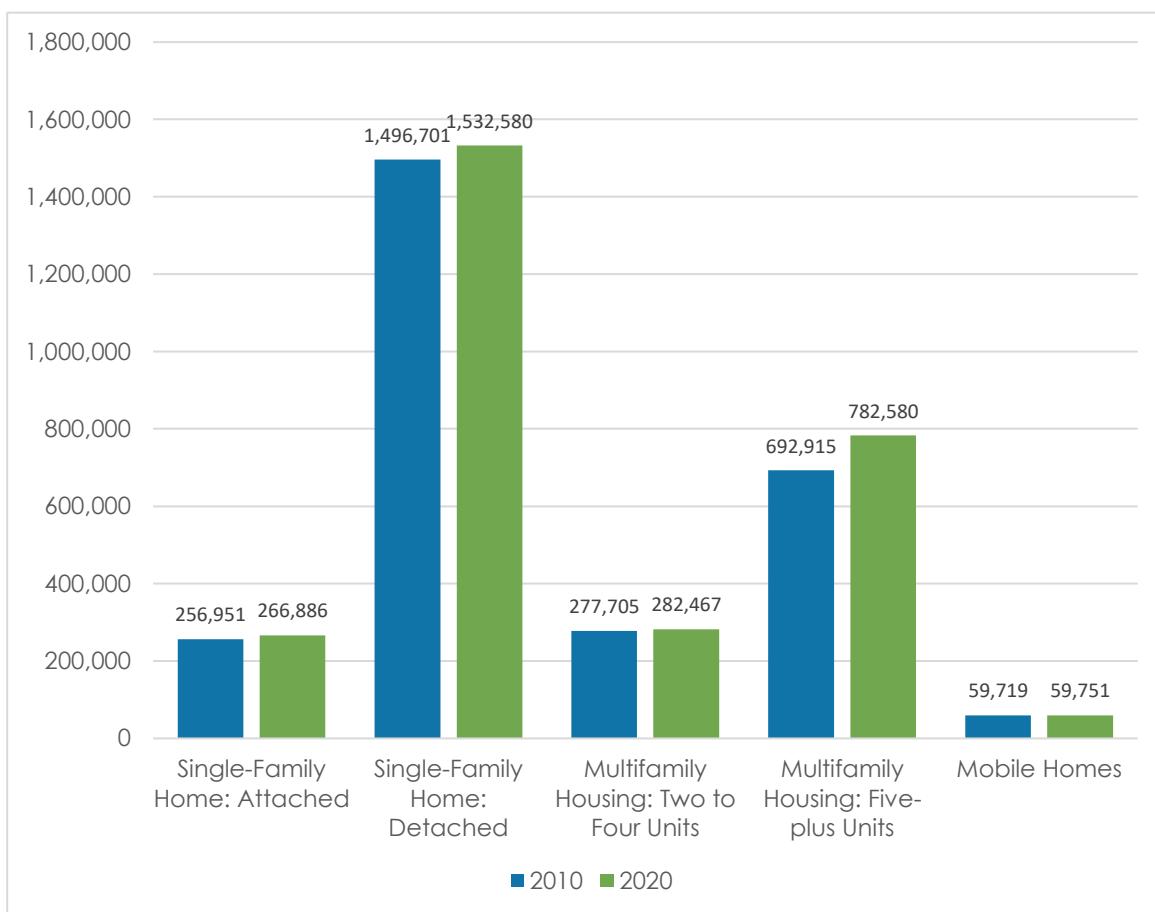


Source: California Department of Finance, E-5 series

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Figure 2-16. Bay Area Housing Stock Characteristics and Trends



Source: California Department of Finance, E-5 series

As shown in Figure 2-15, Millbrae Housing Stock Characteristics and Trends, and Figure 2-16, Bay Area Housing Stock Characteristics and Trends, single-family residential units represent the majority of housing types. However, development trends, as indicated in the previous section, point to the fact that more multifamily units than single-family units have been built in Millbrae in recent years. As shown in Figure 2-15, while single-family units have increased by 1.1% between 2010 and 2020, multifamily units have increased by 7.2% during this same time period. Multifamily units are expected to be the primary housing type built during the 6th Cycle planning period.

2.6.2 Year Built

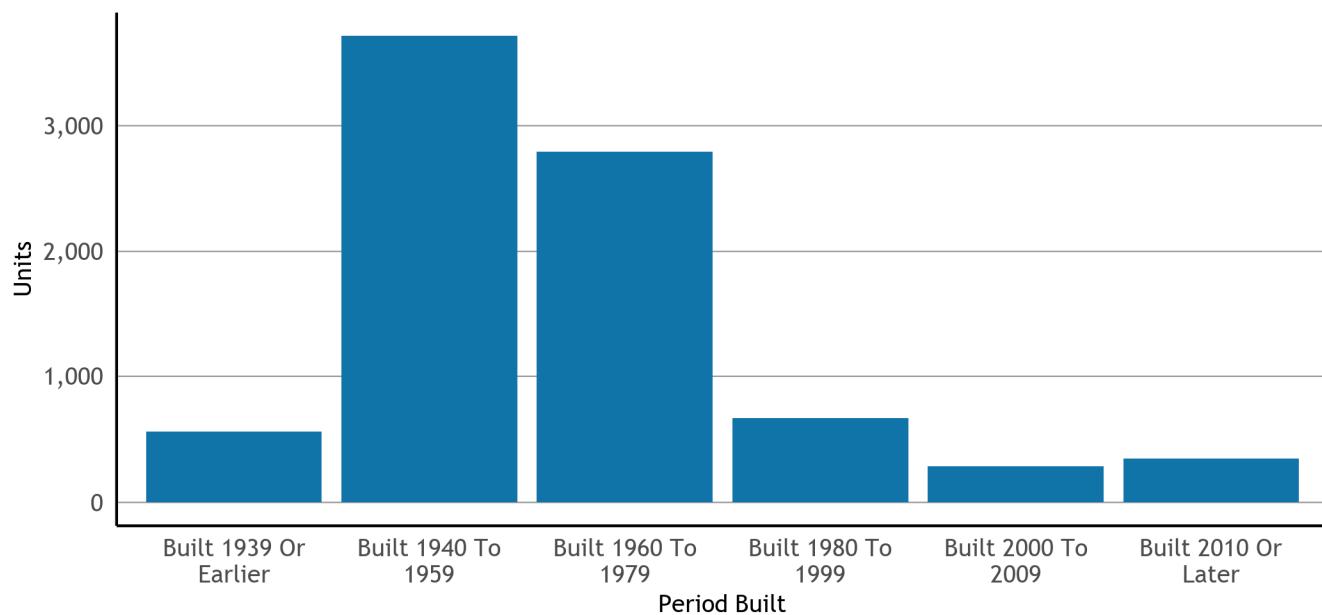
Production has not kept up with housing demand for several decades in the Bay Area, as the total number of units built and available has not yet come close to meeting the population and job growth experienced throughout the region. In Millbrae, the largest proportion of the housing stock was built from 1940 to 1959, with 3,714 units constructed during this period (see Figure

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2-17, Housing Units by Year Structure Built). Since 2010, 4.2% of the current housing stock was built, which is 348 units.

Figure 2-17. Housing Units by Year Structure Built



Source: U.S. Census Bureau, ACS 5-Year Data (2015-2019), Table B25034

Data on the age of the current housing stock illustrates historical development patterns and can indicate the overall condition of the housing stock, as older homes require more maintenance and repair (and at greater costs) than units that are 30 years old or fewer. The abundance of homes in the City that are 40 years old or older suggests that the City could benefit from a program to encourage preservation and/or renovations.

2.6.3 Vacancy

Vacant units make up 4.8% of the overall housing stock in Millbrae. The rental vacancy stands at 1.5%, while the ownership vacancy rate is 3.3%. Of the vacant units, the most common type of vacancy is *Other Vacant* (see Figure 2-18, Vacant Units by Type).¹²

Throughout the Bay Area, vacancies make up 2.6% of the total housing units, with homes listed for rent; units used for *recreational or occasional use*, and units not otherwise classified (*other vacant*) making up the majority of vacancies. The Census Bureau classifies a unit as vacant if no one is occupying it when census interviewers are conducting the ACS or Decennial Census.

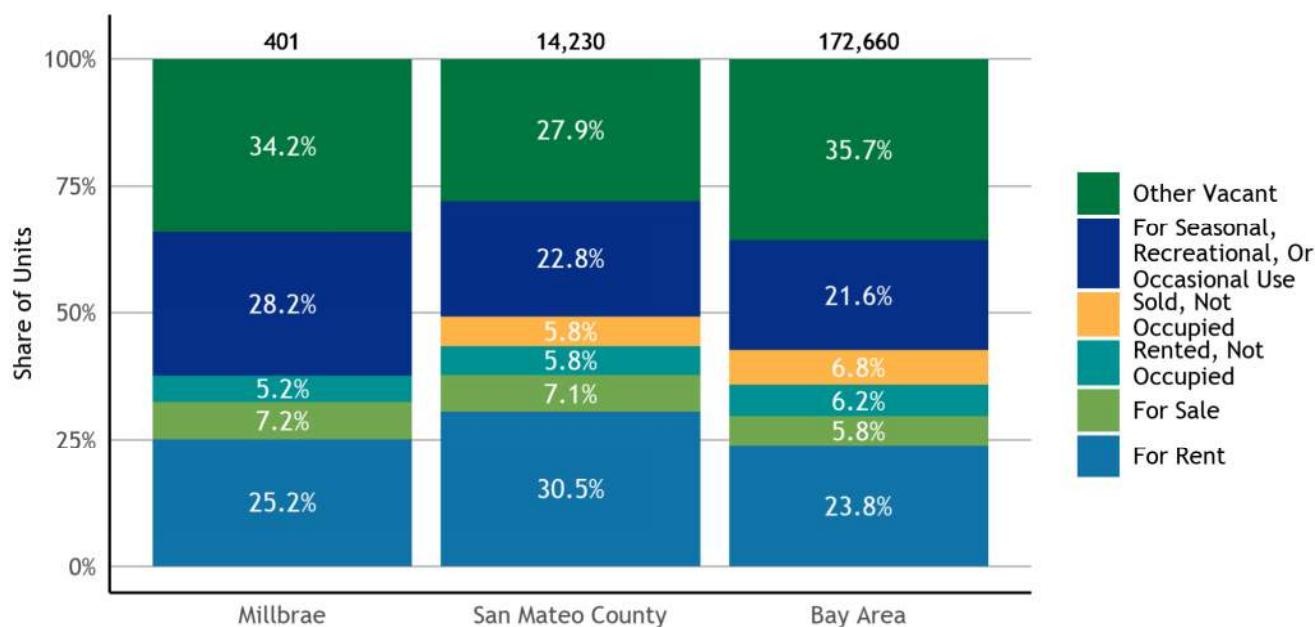
¹² The vacancy rates by tenure are for a smaller universe than the total vacancy rate first reported, which in principle includes the full stock (4.8%). The vacancy by tenure counts are rates relative to the rental stock (occupied and vacant) and ownership stock (occupied and vacant) - but exclude a significant number of vacancy categories, including the numerically significant *other vacant*.

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Vacant units classified as “for recreational or occasional use” are those that are held for short-term periods of use throughout the year. Accordingly, vacation rentals and short-term rentals like Airbnb are likely to fall into this category. The Census Bureau classifies units as “other vacant” if they are vacant due to foreclosure, personal/family reasons, legal proceedings, repairs/renovations, abandonment, preparation for being rented or sold, or vacant for an extended absence for reasons such as a work assignment, military duty, or incarceration.¹³ In a region with a thriving economy and housing market like the Bay Area, units being renovated/repairs and prepared for rental or sale are likely to represent a large portion of the “other vacant” category. Additionally, the need for seismic retrofitting in older housing stock could also influence the proportion of “other vacant” units in some jurisdictions.¹⁴

Figure 2-18. Vacant Units by Type



Source: U.S. Census Bureau, ACS 5-Year Data (2015-2019), Table B25004

2.6.4 Tenure

The number of residents who own their homes compared to those who rent their homes can help identify the level of housing insecurity – ability of individuals to stay in their homes – in a city and region. Generally, renters may be displaced more quickly if prices increase. In Millbrae, there are a total of 7,976 housing units, and fewer residents rent than own their homes: 36.3%

¹³ For more information, see pages 3 through 6 of this list of definitions prepared by the Census Bureau: <https://www.census.gov/housing/hvs/definitions.pdf>.

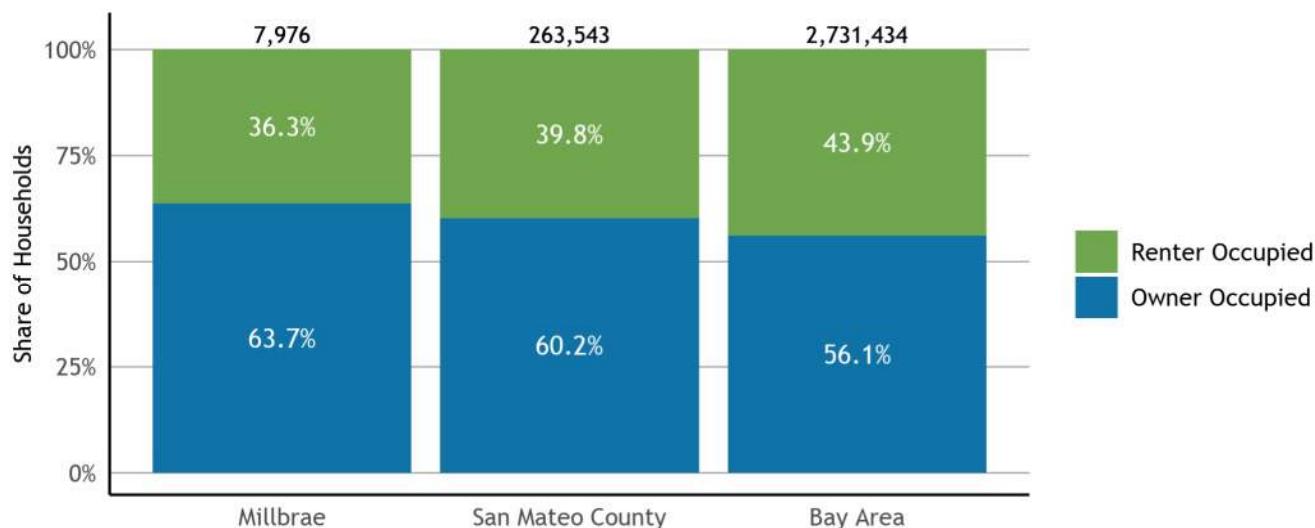
¹⁴ See Dow, P. (2018). Unpacking the Growth in San Francisco's Vacant Housing Stock: Client Report for the San Francisco Planning Department. University of California, Berkeley.

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versus 63.7% (see Figure 2-19, Housing Tenure). By comparison, 39.8% of households in San Mateo County are renters, while 44% of Bay Area households rent their homes.

Figure 2-19. Housing Tenure



Source: U.S. Census Bureau, ACS 5-Year Data (2015-2019), Table B25003

Homeownership rates often vary considerably across race/ethnicity in the Bay Area and throughout the country. These disparities not only reflect differences in income and wealth but also stem from federal, state, and local policies that limited access to homeownership for communities of color while facilitating homebuying for white residents.

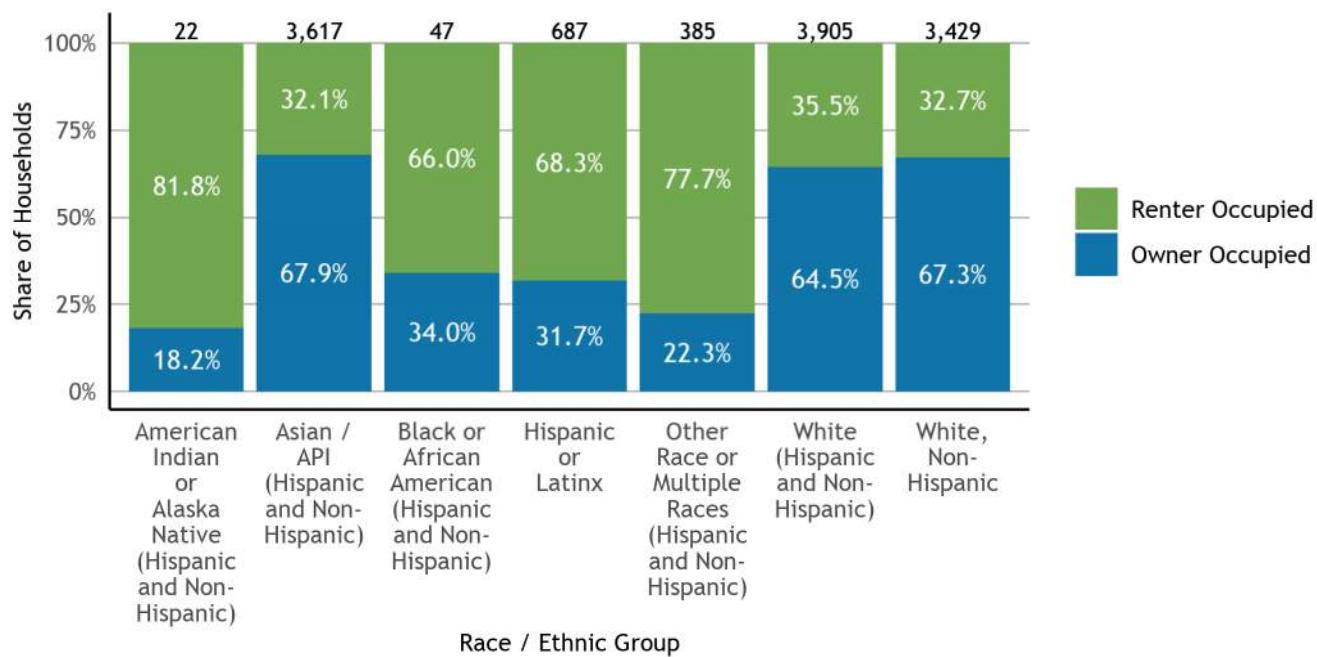
While many of these policies, such as redlining, have been formally discontinued, the impacts of race-based policy are still evident across Bay Area communities.¹⁵ As shown in Figure 2-20, Housing Tenure by Race of Householder, 34% of Black households in Millbrae owned their homes, while homeownership rates were 67.9% for Asian households, 31.7% for Latinx households, and 64.5% for White households. Notably, recent changes to state law require local jurisdictions to examine these dynamics and other fair housing issues when updating their Housing Elements.

¹⁵ See, for example, Rothstein, R. (2017). *The color of law: a forgotten history of how our government segregated America*. New York, NY & London, UK: Liveright Publishing.

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Figure 2-20. Housing Tenure by Race of Householder



Source: U.S. Census Bureau, ACS 5-Year Data (2015-2019), Table B25003(A-I)

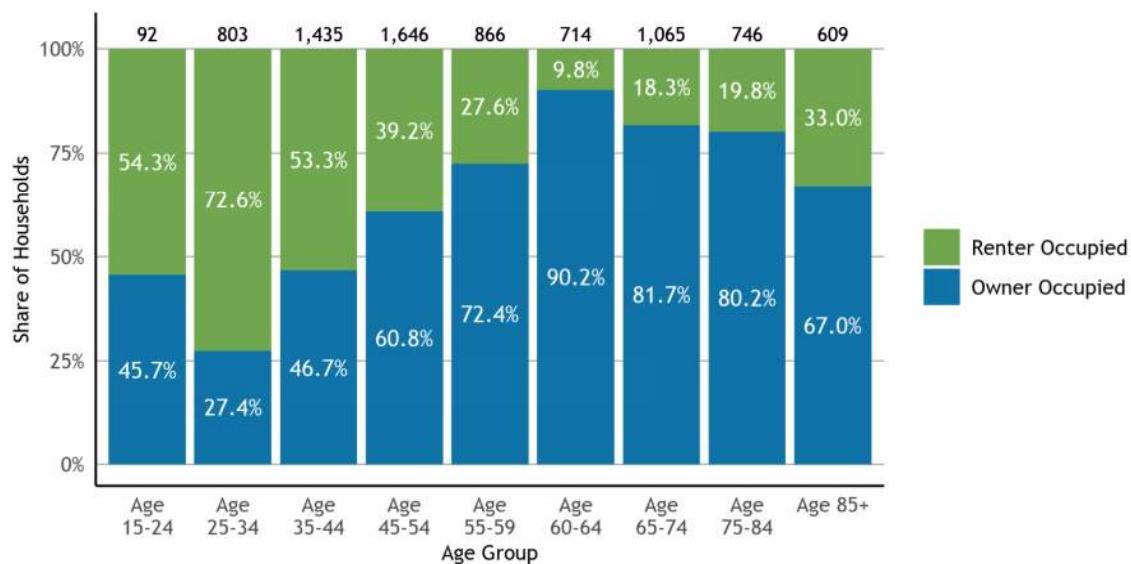
The age of residents who rent or own their homes can also signal the housing challenges a community is experiencing. Younger households tend to rent and may struggle to buy a first home in the Bay Area due to high housing costs. At the same time, senior homeowners seeking to downsize may have limited options in an expensive housing market.

In Millbrae, 60.2% of householders between the ages of 25 and 44 are renters, while 22.5% of householders over 65 are (see Figure 2-21, Housing Tenure by Age). Generally, younger Millbrae residents are more likely to rent, while older residents are more likely to own.

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Figure 2-21. Housing Tenure by Age



Source: U.S. Census Bureau, ACS 5-Year Data (2015-2019), Table B25007

In many cities, homeownership rates for households in single-family homes are substantially higher than the rates for households in multifamily housing. In Millbrae, 86.3% of households in detached single-family homes are homeowners, while 18.8% of households in multifamily housing are homeowners (see Figure 2-22, Housing Tenure by Housing Type).

Figure 2-22. Housing Tenure by Housing Type



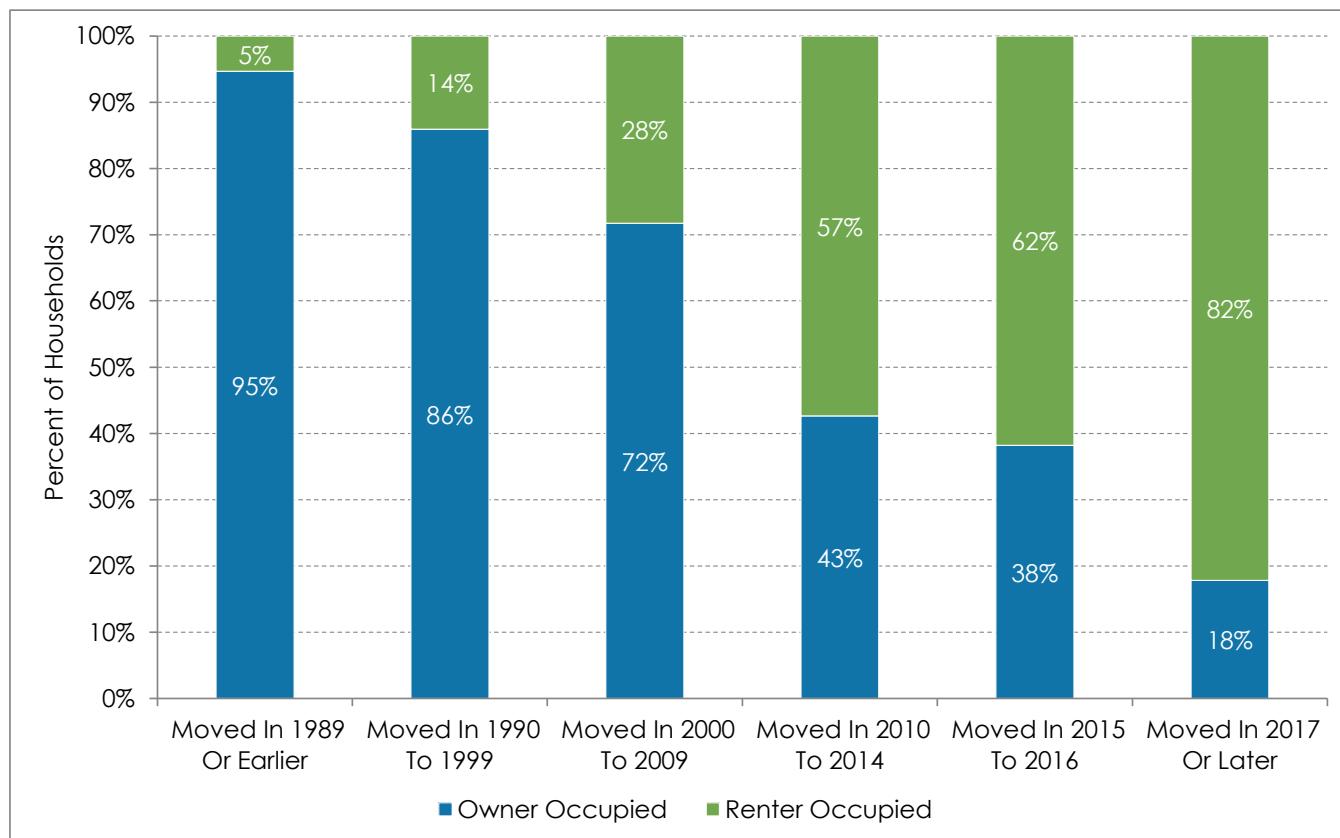
Source: U.S. Census Bureau, ACS 5-Year Data (2015-2019), Table B25032

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According to the ACS 5-Year Data (2015–2019), 41.6% of households located to their current Millbrae residence in 2010 or later. Additionally, as shown in Figure 2-23, Housing Tenure by Year Moved to Current Residence, renter-occupied households are more likely to have moved to their current residence more recently than owner-occupied households, as ownership encourages residents to stay in one home for a longer duration.

Figure 2-23. Housing Tenure by Year Moved to Current Residence



Source: U.S. Census Bureau, ACS 5-Year Data (2015-2019), Table B25032

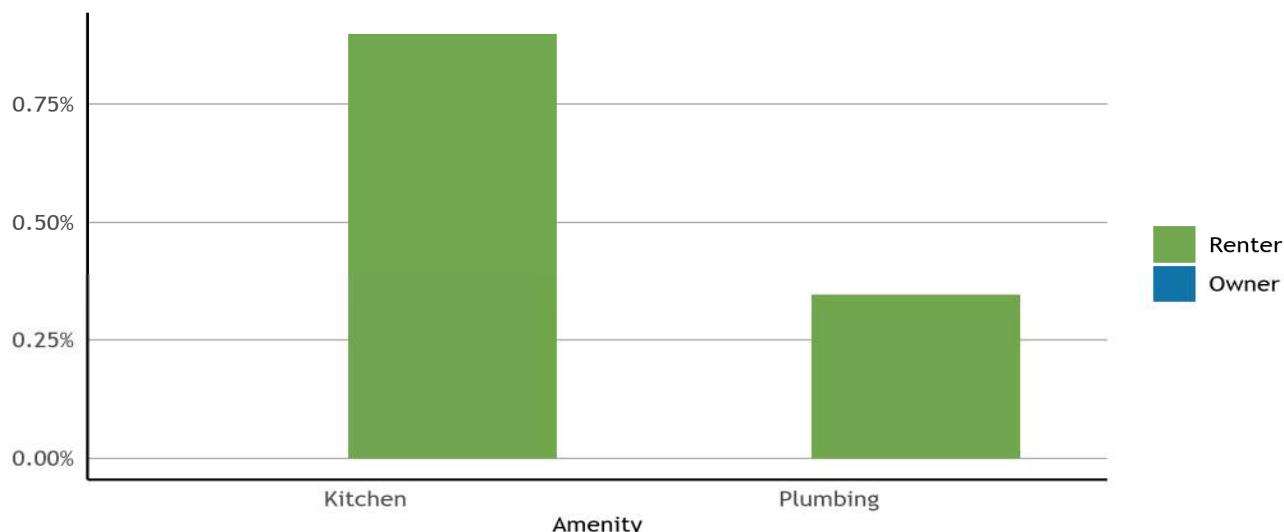
2.6.5 Substandard Housing

Housing costs in the region are among the highest in the country, which could result in households, particularly renters, needing to live in substandard conditions in order to afford housing. Generally, there is limited data on the extent of substandard housing issues in a community. However, as shown in Figure 2-24, Substandard Housing Issues, there is a small rate of substandard conditions present in Millbrae. For example, 0.9% of renters in Millbrae reported lacking a kitchen and 0.3% of renters lack plumbing, compared to 0% of owners who lack a kitchen and 0% of owners who lack plumbing.

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Figure 2-24. Substandard Housing Issues



Source: U.S. Census Bureau, ACS 5-Year Data (2015-2019), Table B25053, Table B25043, Table B25049

2.6.5.1 Windshield Survey

In addition to the ACS 5-Year Data (2015-2019) provided above, the City performed a windshield survey in the Millbrae neighborhood east of the El Camino Real corridor to estimate the number of residential structures in need of rehabilitation and replacement. This neighborhood has been historically disadvantaged relative to the rest of the City. There have been several issues over the years such as flooding, neglected parks, lack of sidewalks on several blocks, and a general lack of investment.

More specifically, City Planning Division staff conducted a windshield survey in this area to evaluate the physical condition of the residential structures as visible from the public right-of-way. It should be noted that the survey did not include any evaluation of the interior housing conditions of the residential structures surveyed nor did it include an evaluation of any other physical conditions that were not visible from the street. Additionally, while the data presented in Figure 2-24 identified a small percentage of homes surveyed experienced a lack of kitchen facilities, the windshield survey did not seek to corroborate these findings, solely focusing on the demonstration of rehabilitative needs of the exterior of the structures being surveyed.

In total, City staff surveyed approximately 600 residential parcels and over 99% were evaluated as being in sound condition, meaning they presented no visible signs of overdue maintenance or minor damage to the residential structure's exterior, foundation, roof, or windows and doors as visible from the street. The survey did, however, identify 25 parcels, less than 1% of the residential structures surveyed, showing signs of deterioration, dilapidation, and/or unsafe conditions. The conditions observed included: damaged siding or stucco, damaged fences,

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damaged garage doors, broken room windows, damaged roofs, and broken garage door windows.

Although less than 1% of the residential structures surveyed showed signs of deterioration, dilapidation, and/or unsafe conditions, the City included a program HIP-6, Encourage the Rehabilitation of Substandard Housing Units, in Chapter 8, Housing Plan, of this Housing Element to encourage the rehabilitation of substandard housing units.

2.6.6 Home and Rent Values

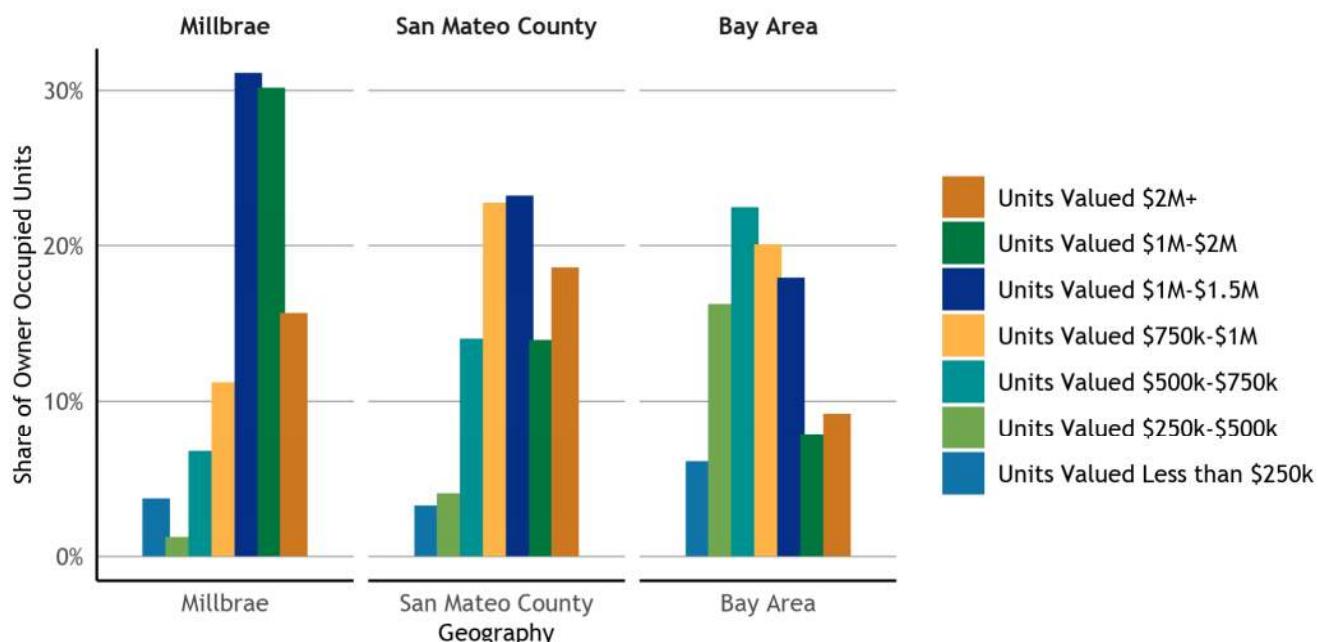
Home prices reflect a complex mix of supply and demand factors, including an area's demographic profile, labor market, prevailing wages, and job outlook, coupled with land and construction costs. In the Bay Area, the costs of housing have long been among the highest in the nation. The typical home value in Millbrae was estimated at \$1,744,260 by December 2020, per data from Zillow. The largest proportion of homes was valued between \$1M-\$1.5M (see Figure 2-25, Home Values of Owner-Occupied Units). By comparison, the typical home value is \$1,418,330 in San Mateo County and \$1,077,230 in the Bay Area, with the largest share of units valued at \$1M-\$1.5M (County) and \$500K-\$750K (region).

The region's home values have increased steadily since 2000, besides a decrease during the Great Recession. The rise in home prices has been especially steep since 2012, with the median home value in the Bay Area nearly doubling during this time. **Since 2001, the typical home value has increased 148.3% in Millbrae from \$702,420 to \$1,744,260.** This change is below the change in San Mateo County, and above the change for the region (see Figure 2-26, Zillow Home Value Index).

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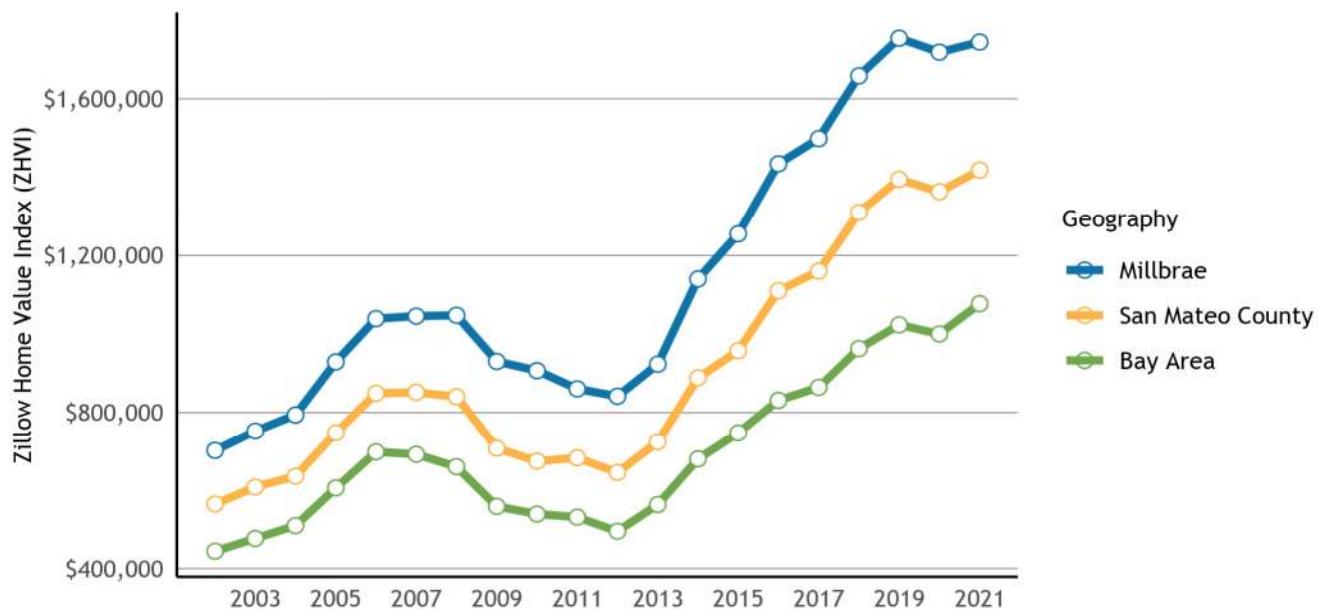
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Figure 2-25. Home Values of Owner-Occupied Units



Source: U.S. Census Bureau, ACS 5-Year Data (2015-2019), Table B25075

Figure 2-26. Zillow Home Value Index



Source: Zillow, Zillow Home Value Index

Similar to home values, rents have also increased dramatically across the Bay Area in recent years. Many renters have been priced out, evicted, or displaced, particularly communities of color. Residents finding themselves in one of these situations may have had to choose between

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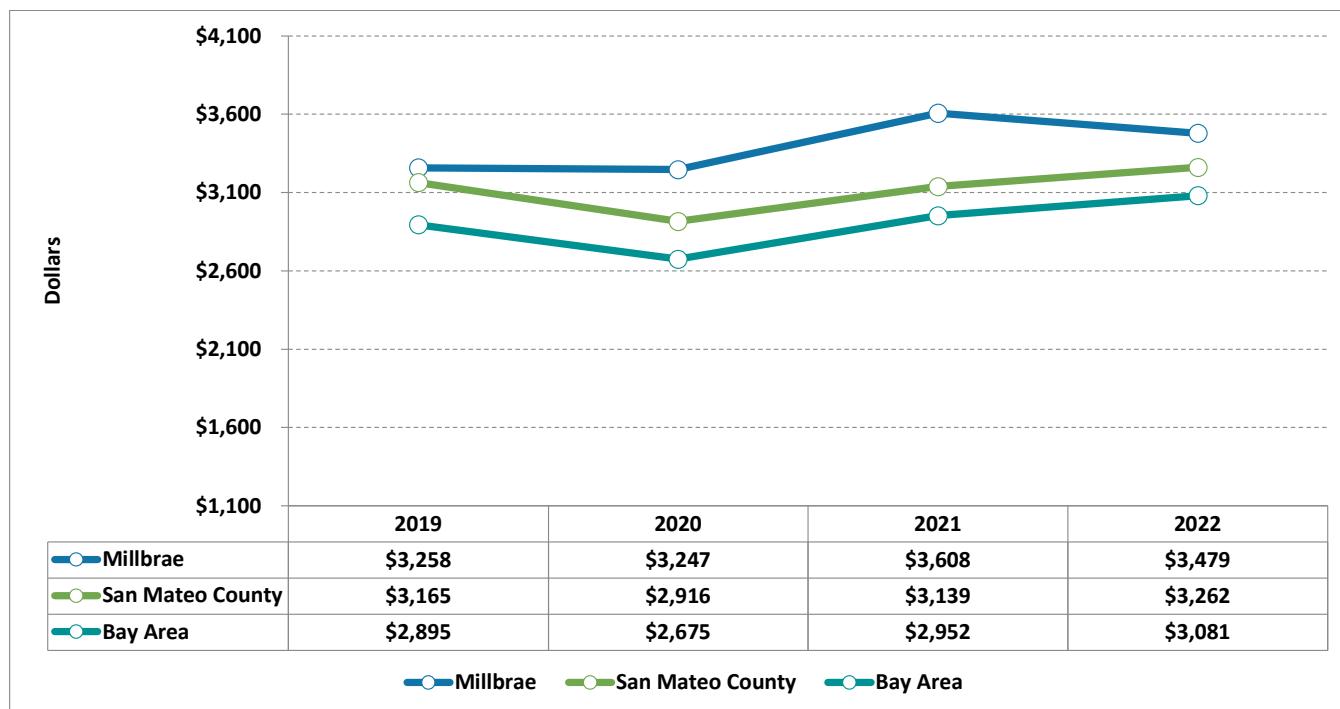
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commuting long distances to their jobs and schools or moving out of the region, and sometimes, out of the State.

The Zillow Observed Rent Index (a “smoothed measure of the typical observed market-rate rent across a given region”) reports that the median monthly rent in 2022 was \$3,479 for the City, \$3,262 for San Mateo County, and \$3,081 for the Bay Area. As such, rents in Millbrae are higher than those in the surrounding areas. In addition, the median rent in Millbrae has increased by 7% from 2019 to 2022, while San Mateo County and the Bay Area saw a 3% and 6% increase, respectively.

Although the median rent in Millbrae is higher and has grown at a slightly higher rate than San Mateo County and the Bay Area, the City experienced a 4% decrease in median rent from 2021 to 2022, while both the County and Bay Area experienced a 4% increase. While this does not guarantee a continued decrease in median rent, it could signal to a change in median rent trends. Specifically, 2022 marked the first year in over a decade (as evidenced by Figures 2-27 and 2-29) where the median rent in Millbrae decreased, while the San Mateo County and Bay Area’s median rent increased.

Figure 2-27. Median Contract Rent, Zillow



Source: Zillow Observed Rent Index (ZORI)

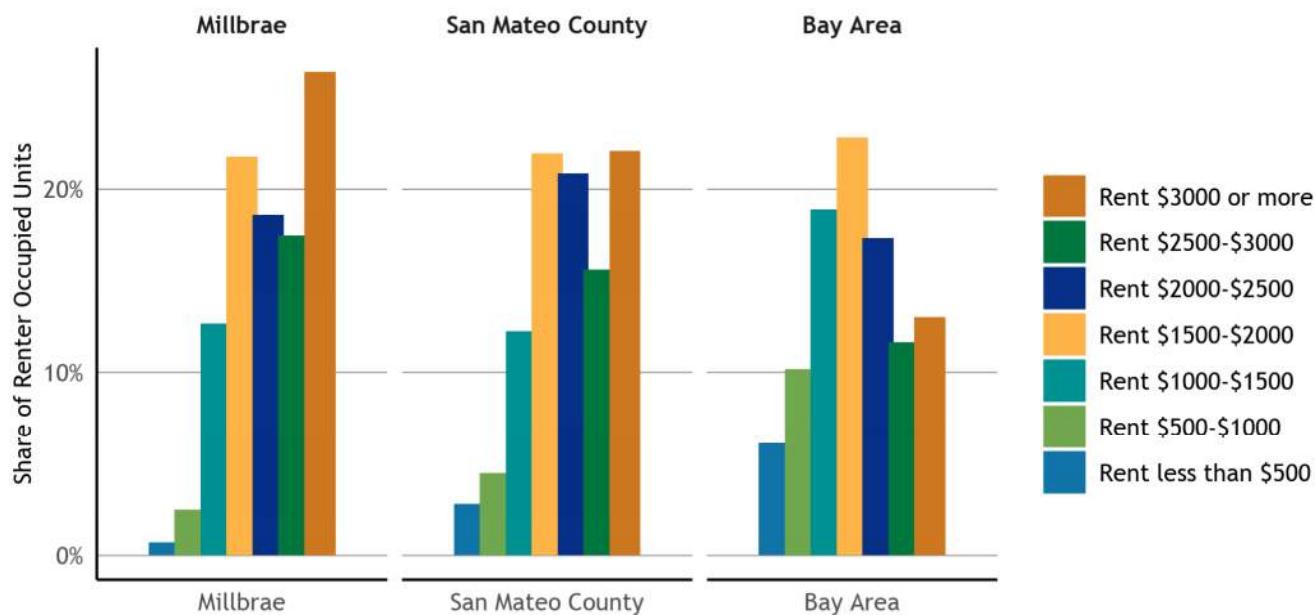
According to the U.S. Census Bureau 2015-2019 ACS Data, the largest proportion (26.4%) of rental units in Millbrae are rented for \$3,000 or more, followed by 21.8% of units renting for median rents between \$1,500 and \$2,000 (see Figure 2-28, Contract Rents for Renter-Occupied

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Units). Looking beyond the City, the largest share of units in San Mateo County rent for \$3,000 or more, while units in the Bay Area have median rents between \$1,500-\$2,000.

Figure 2-28. Contract Rents for Renter-Occupied Units



Source: U.S. Census Bureau, ACS 5-Year Data (2015-2019), Table B25056

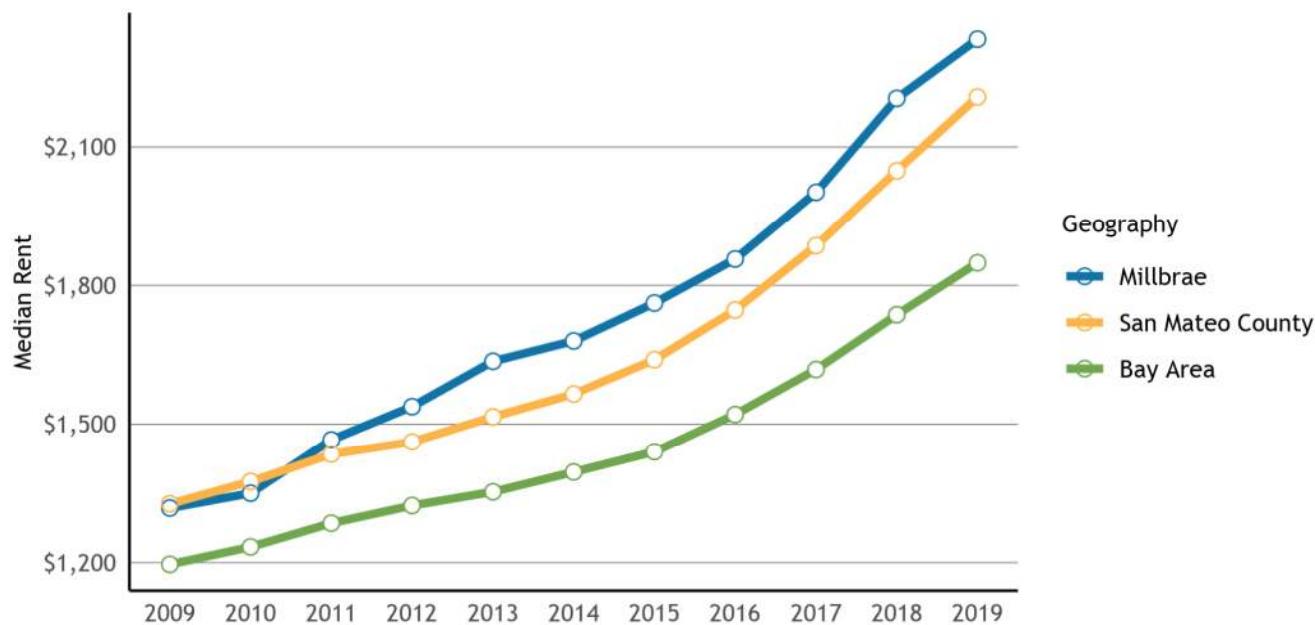
The 2015–2019 ACS 5-Year Data reports that the median monthly rent in the City is \$2,333 compared to \$1,849 and \$2,208 in the Bay Area and County, respectively. Thus, rents in Millbrae are higher than those in the surrounding areas. Furthermore, while rents in the County as a whole have increased since 2009, rents in the City have increased at a faster pace. For instance, rents grew 77% in the City between 2009 and 2019 compared to 66.4% growth in the County and 54.6% in the Bay Area during that same period. Figure 2-27, Median Contract Rent, Zillow, provides a comparison of rents in the City, the County, and the Bay Area between 2009 and 2019.¹⁶

¹⁶ While the data on home values shown in Figure 2-26 comes from Zillow, Zillow does not have data on rent prices available for most Bay Area jurisdictions. To have a more comprehensive dataset on rental data for the region, the rent data in this document comes from the U.S. Census Bureau's American Community Survey, which may not fully reflect current rents.

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Figure 2-29. Median Contract Rent, U.S. Census



Source: U.S. Census Bureau, ACS 5-Year Data releases, starting with 2005-2009 through 2015-2019, B25058, B25056 (for unincorporated areas). County and regional counts are weighted averages of jurisdiction median using B25003 rental unit counts from the relevant year.

It is important to note that Figure 2-28 and Figure 2-29 have different data sources than Figure 2-27. Figure 2-27 includes the most current market data from Zillow.com, a leading real estate marketplace site, while Figures 2-28 and 2-29 analyze projections generated by the U.S. Census Bureau. The difference in data sources can lead to slight divergences that typically portray median rents as more affordable than they typically are.

2.6.7 Permits

According to HCD, 447 building permits for housing units were issued by the City between 2015 and 2021 (the 5th Cycle Housing Element planning period). Of this total, 312 were for above moderate-income units, 32 moderate-income units, 66 low-income units, and 37 very low-income units (Table 2-5, Housing Permitting). The 447 housing permits issued in seven years are less than the City's 5th Cycle Housing Element Regional Housing Needs Allocation (RHNA) of 663 units. Notably, the City permitted more above moderate-income units than the RHNA for that income level.

During the 6th Cycle Housing Element planning period (which started on June 30, 2022), the City has received and issued building permits or expects to receive building permit applications, for over 1,700 housing units (Table 2-5). Of this amount, 269 are for affordable housing units.

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It is also notable that the City's 6th Cycle Housing Element RHNA of 2,199 is 232% more than that of the 5th Cycle RHNA.

Table 2-5. Housing Permitting

Income Group	5th Cycle			6th Cycle		
	RHNA	Permits	% Attained	RHNA	Pipeline	% Attained
Very Low-Income Permits	193	37	19%	575	69	12%
Low-Income Permits	101	66	65%	331	156	47%
Moderate-Income Permits	112	32	29%	361	44	12%
Above Moderate-Income Permits	257	312	121%	932	1432	154%
Total	663	447	67%	2,199	1,701	

Source: HCD APR Data Dashboard, 5th Cycle Annual Progress Report Permit Summary (2021), and City of Millbrae (6th cycle permits).

2.6.8 Overpayment and Overcrowding

California Government Code Section 65583(a)(2), requires analysis and documentation of household characteristics, including the level of payment compared to the ability to pay; housing characteristics, including overcrowding; and housing stock condition (See Section 2.6.5 Substandard Housing).

2.6.8.1 Household Income

Household income demonstrates a household's or individual's ability to pay for housing. HCD identifies the following household income categories based on the area median income (AMI) of each county:

- Extremely Low-income: Households with income up to 30% of the AMI.
- Very Low-income: Households with income between 31% and 50% of the AMI.
- Low-income: Households with income between 51% and 80% of the AMI.
- Moderate-income: Households with income between 81% and 120% of the AMI.
- Above moderate-income: Households with income over 120% of the AMI.

The Extremely Low-Income category is considered a subset of the Very Low-Income category. The three lowest income categories (i.e., Extremely Low-, Very Low-, and Low-Income) are commonly referred to collectively as "lower" income levels in the California Government Code and by HCD. Figure IV-41 of Appendix B, Affirmatively Furthering Fair Housing, shows that Millbrae does not have a large proportion of lower-income units located in the area.

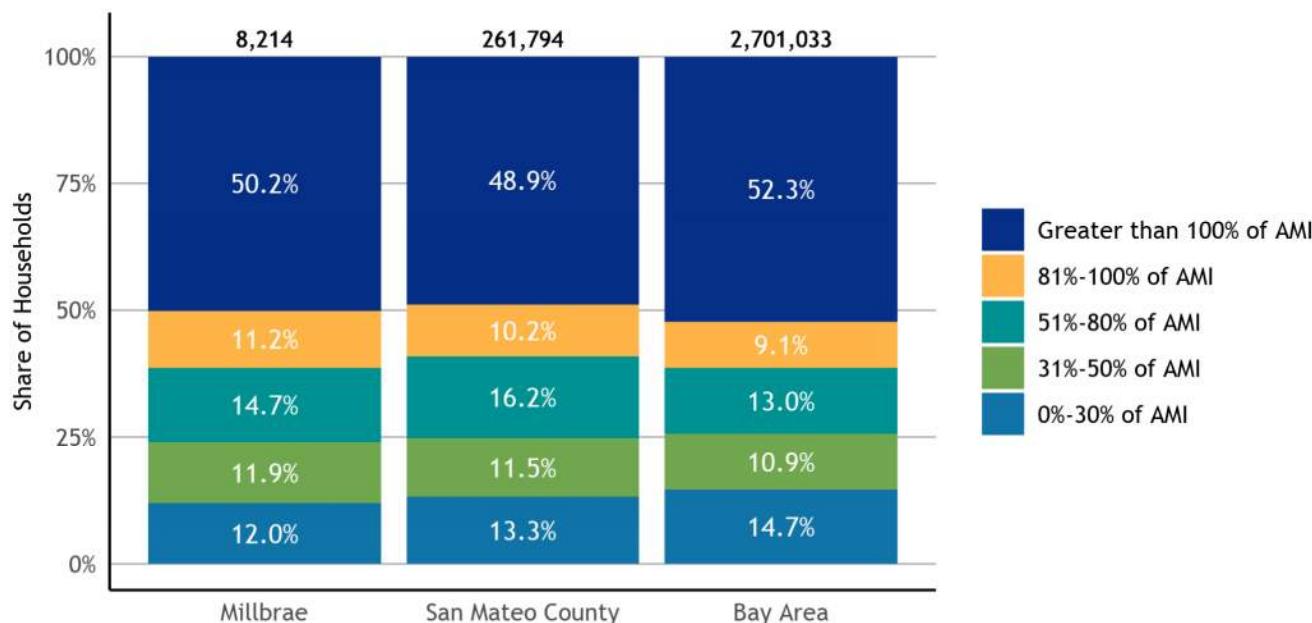
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The HUD 2013–2017 Comprehensive Housing Affordability Strategy (CHAS) data separates households slightly differently, with a category for households with income between 81% and 100% of the AMI (below median) and a category for households with income above 100% of the AMI (above median).

As shown in Figure 2-30, Households by Household Income Level, 39% of Millbrae households had lower incomes, 11% had below-median incomes, and 50% of households had above-median incomes. **The City has a slightly lower rate of lower-income households than the County (41%) and the same as the Bay Area (39%).**

Figure 2-30. Households by Household Income Level



Source: HUD, Comprehensive Housing Affordability Strategy (CHAS) ACS tabulation, 2013-2017 release

2.6.8.2 Cost Burden by Tenure and Income

A household is considered “cost-burdened” if it spends more than 30% of its monthly income on housing costs, while those who spend more than 50% of their income on housing costs are considered “severely cost-burdened.” Low-income residents are the most impacted by high housing costs and experience the highest rates of cost burden. Spending such large portions of their income on housing puts low-income households at higher risk of displacement, eviction, or homelessness.

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Figure 2-31. Cost Burden by Tenure



Source: U.S. Census Bureau, ACS 5-Year Data (2015-2019), Table B25070, B25091

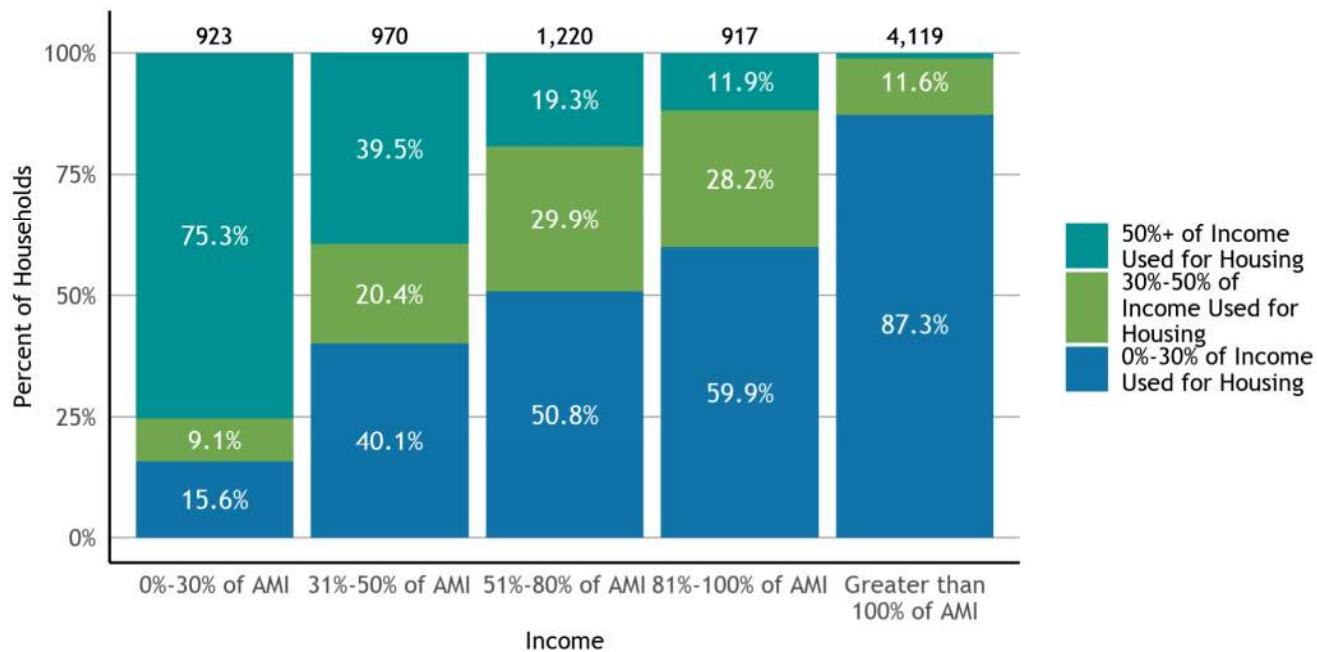
Renters are often more cost-burdened than owners. While the housing market has resulted in home prices increasing dramatically, homeowners often have mortgages with fixed rates, whereas renters are more likely to be impacted by market increases. When looking at the cost burden across tenure in Millbrae, 19% of renters spend 30% to 50% of their income on housing compared to 17.9% of those that own (see Figure 2-31, Cost Burden by Tenure). Additionally, 21.9% of renters spend 50% or more of their income on housing, while 16.4% of owners are severely cost-burdened.

In Millbrae, 18% of households spend 50% or more of their income on housing, while 17% spend 30% to 50%. However, these rates vary greatly across income categories (see Figure 2-32, Cost Burden by Income Level). For example, 75.3% of Millbrae households making less than 30% of AMI spend the majority of their income on housing. For Millbrae residents making more than 100% of AMI, just 1.1% are severely cost-burdened, and 87.3% of those making more than 100% of AMI spend less than 30% of their income on housing.

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Figure 2-32. Cost Burden by Income Level



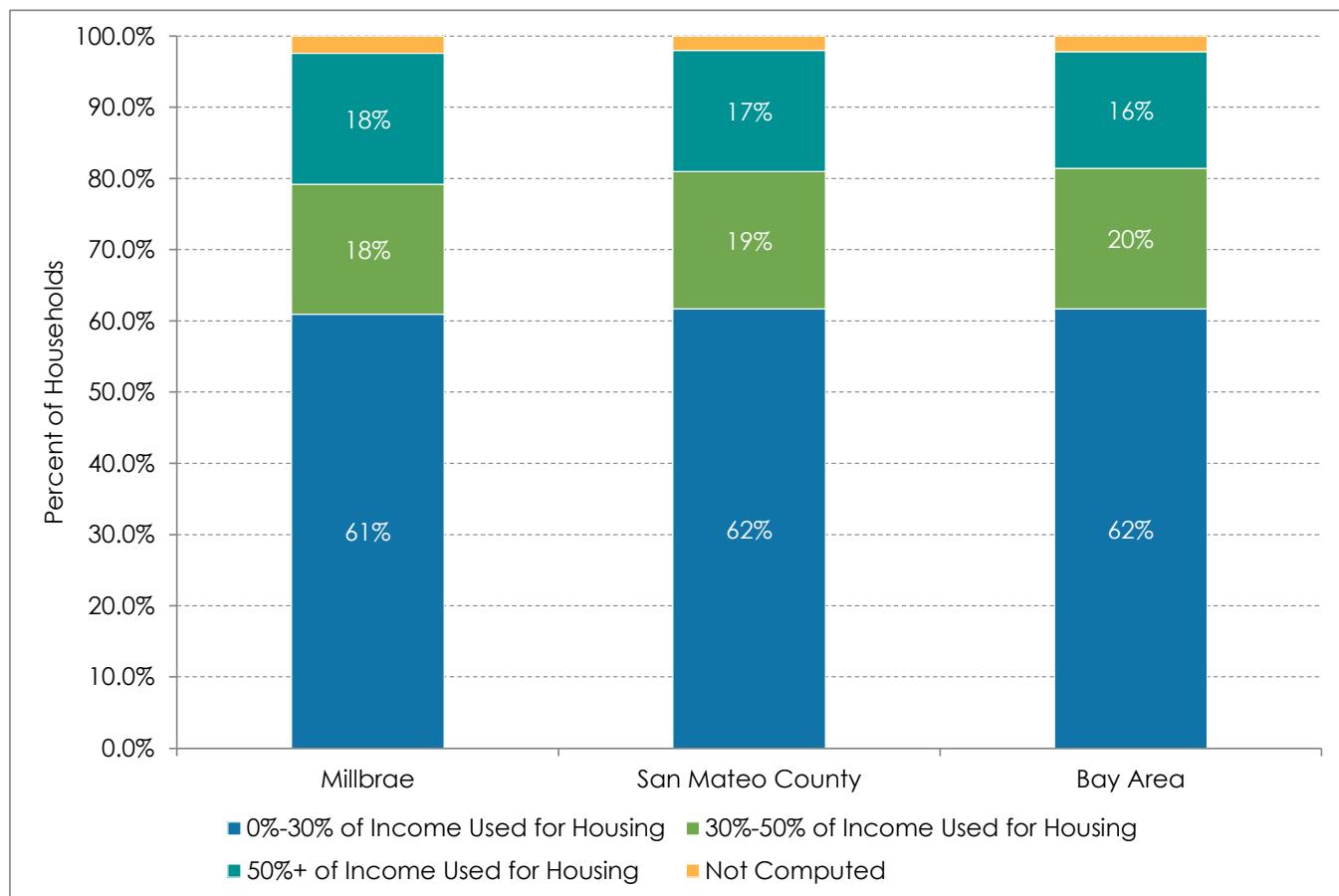
Source: HUD, CHAS ACS tabulation, 2013-2017 release

Compared to the County and Bay Area as a whole, the City has similar percentages of households that are cost-burdened (18–20%) and severely cost-burdened (16–18%) (Figure 2-33, Cost Burden Severity).

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Figure 2-33. Cost Burden Severity



Source: U.S. Census Bureau, ACS 5-Year Data (2015-2019), Table B25070, B25091

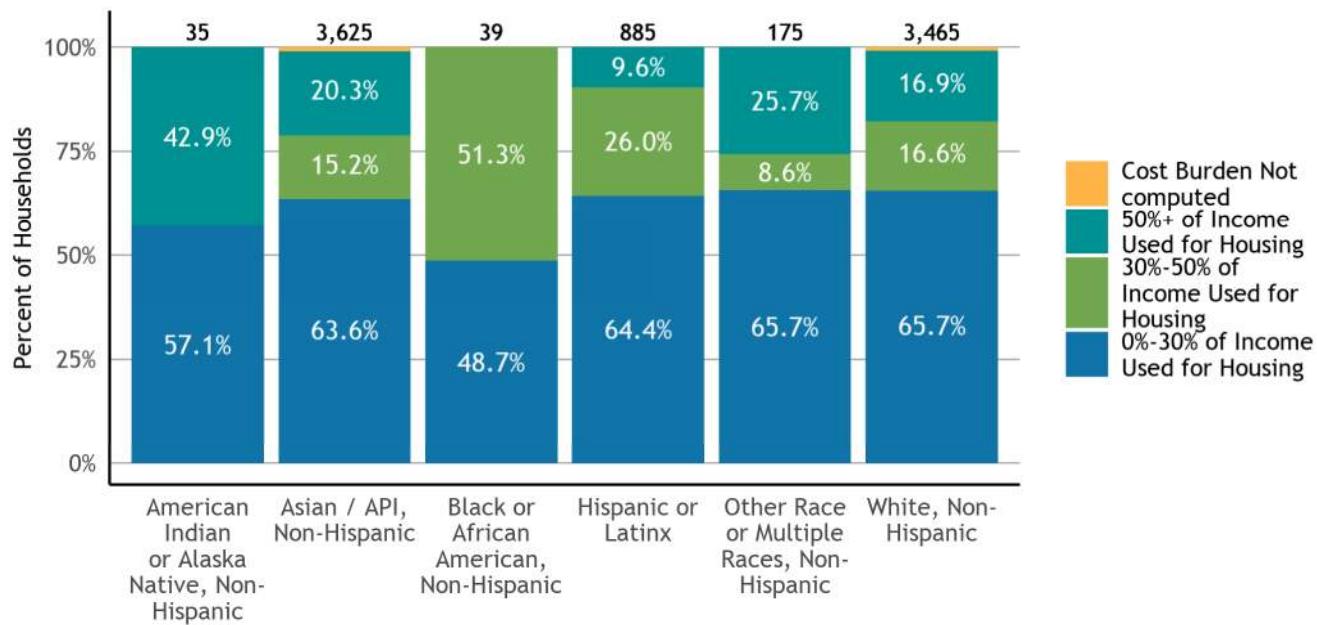
Currently, people of color are more likely to experience poverty and financial instability as a result of federal and local housing policies that have historically excluded them from the same opportunities extended to white residents. As a result, they often pay a greater percentage of their income on housing, and in turn, are at a greater risk of housing insecurity.

Black or African American, Non-Hispanic residents are the most cost-burdened with 51.3% spending 30% to 50% of their income on housing, and *American Indian or Alaska Native, Non-Hispanic* residents are the most severely cost-burdened with 42.9% spending more than 50% of their income on housing (see Figure 2-34, Cost Burden by Race).

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Figure 2-34. Cost Burden by Race



Source: HUD, CHAS ACS tabulation, 2013-2017 release

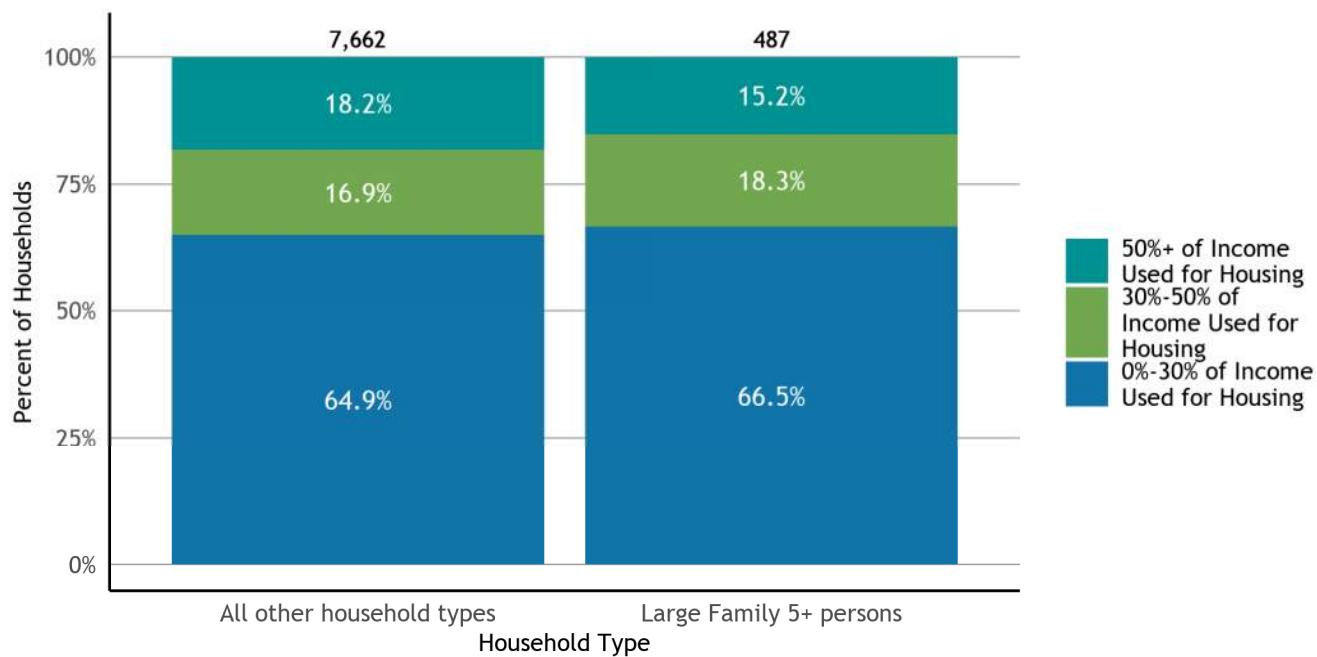
Large family households often have special housing needs due to a lack of adequately sized affordable housing available. The higher costs required for homes with multiple bedrooms can result in larger families experiencing a disproportionate cost burden than the rest of the population and can increase the risk of housing insecurity.

In Millbrae, 18.3% of large-family households experience a cost burden of 30%-50%, while 15.2% of households spend more than half of their income on housing. Some 16.9% of all other households have a cost burden of 30%-50%, with 18.2% of households spending more than 50% of their income on housing (see Figure 2-35, Cost Burden by Household Size).

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Figure 2-35. Cost Burden by Household Size



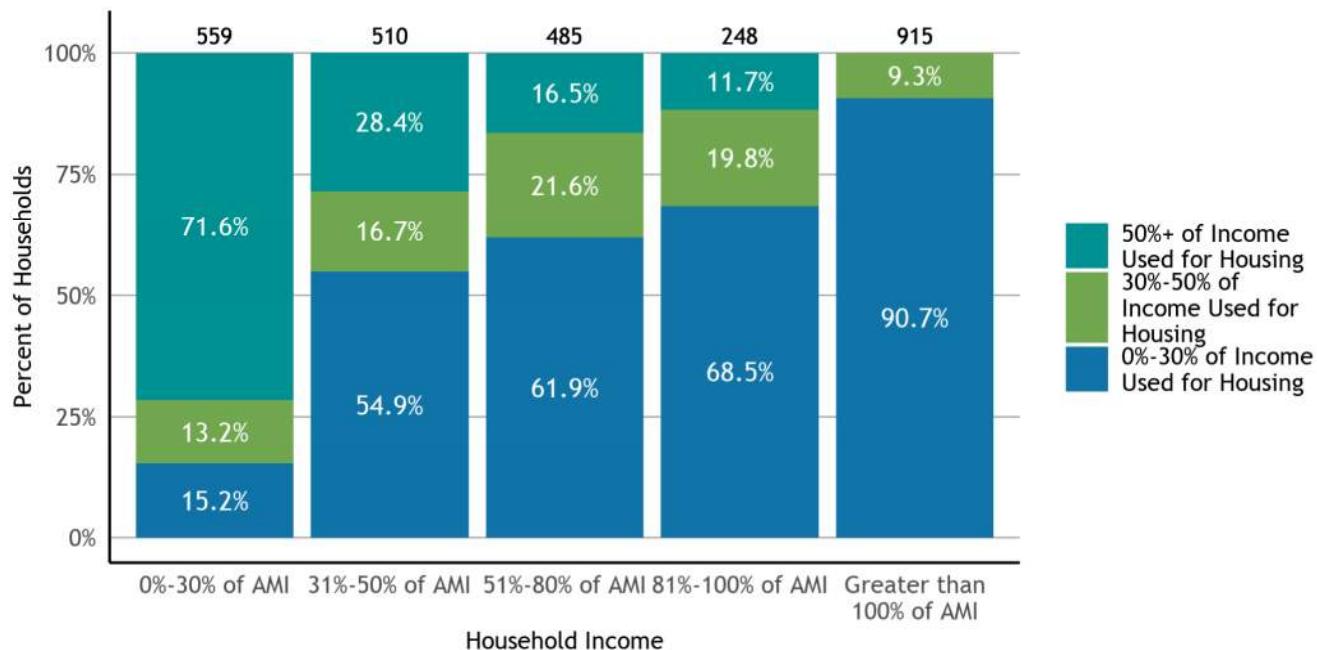
Source: HUD, CHAS ACS tabulation, 2013-2017 release

When cost-burdened seniors are no longer able to make house payments or pay rent, displacement from their homes can occur, putting further stress on the local rental market or forcing residents out of the community they call home. Understanding how seniors might be cost-burdened is of particular importance due to their special housing needs, particularly for low-income seniors. 71.6% of seniors making less than 30% of AMI are spending the majority of their income on housing. For seniors making more than 100% of AMI, 90.7% are not cost-burdened and spend less than 30% of their income on housing (see Figure 2-36, Cost-Burdened Senior Households by Income Level).

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Figure 2-36. Cost-Burdened Senior Households by Income Level



Source: HUD, CHAS ACS tabulation, 2013-2017 release

2.6.8.3 Spending on Rent

As mentioned in Section 2.6.6, Home and Rent Values, renters in Millbrae pay a median contract rent of \$3,479, while renters in the Bay Area and County pay \$3,081 and \$3,262, respectively¹⁷. In addition, Figure 2-31 shows that 40.9% of Millbrae's renter households are cost-burdened. These significant cost burden rates, paired with some of the highest median rents in the area, point to a need for affordable rental housing in the City.

Spending on Rent by Income

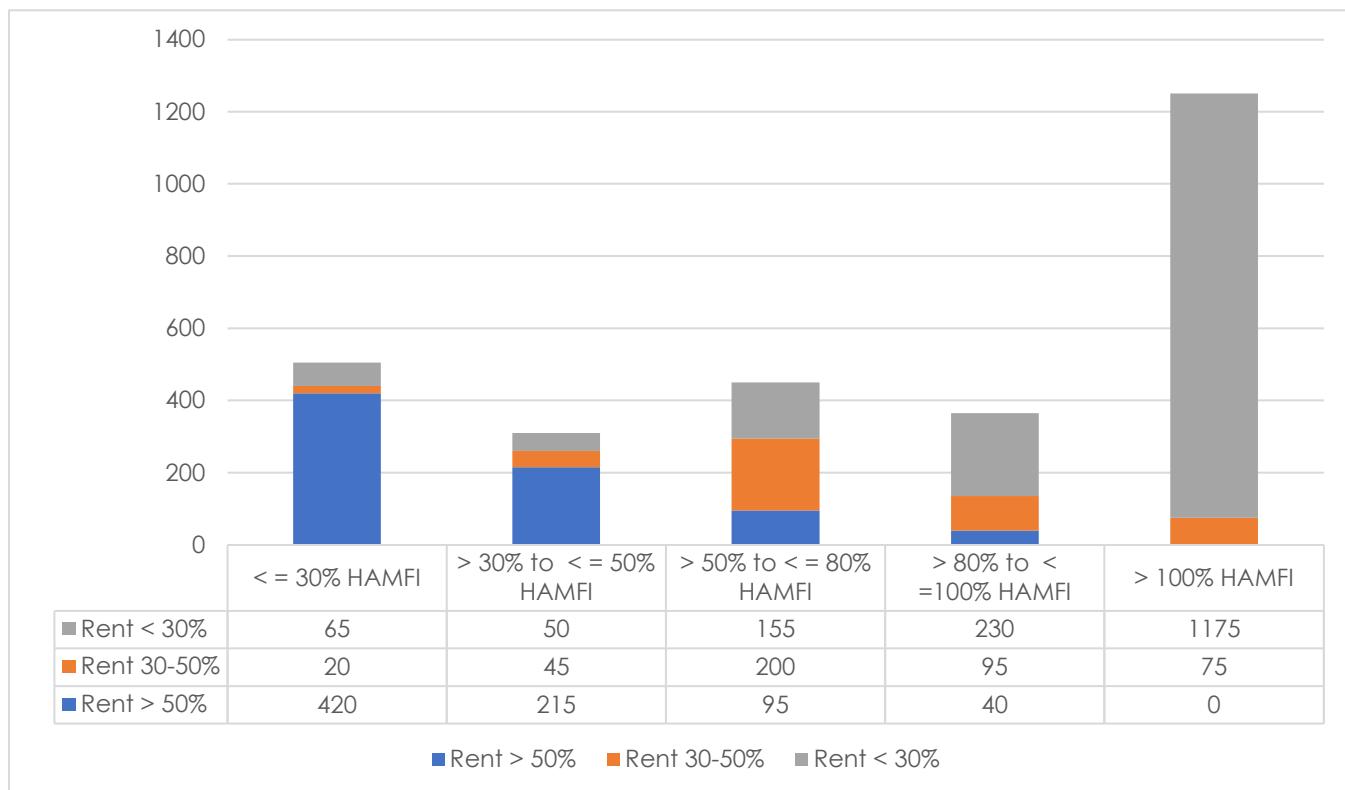
Another method to analyze the extent of rent-burdened households in the City is to examine rent expenditure by income bracket. The Comprehensive Housing Affordability Strategy (CHAS) ACS tabulation of renter households (i.e., the 2,880 renter households in the City where income data is available) shows the general trend of lower-income households spending a higher share of income on housing (i.e., more than 50%), while higher-income households are more likely to spend less than 30% of income on housing costs (Figure 2-37, Spending on Rent by Income).

¹⁷ Median rents are based on the Zillow Observed Rent Index. Median rents provided represent 2022 estimates.

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Figure 2-37. Spending on Rent by Income



Source: CHAS ACS tabulation, 2015–2019 release.

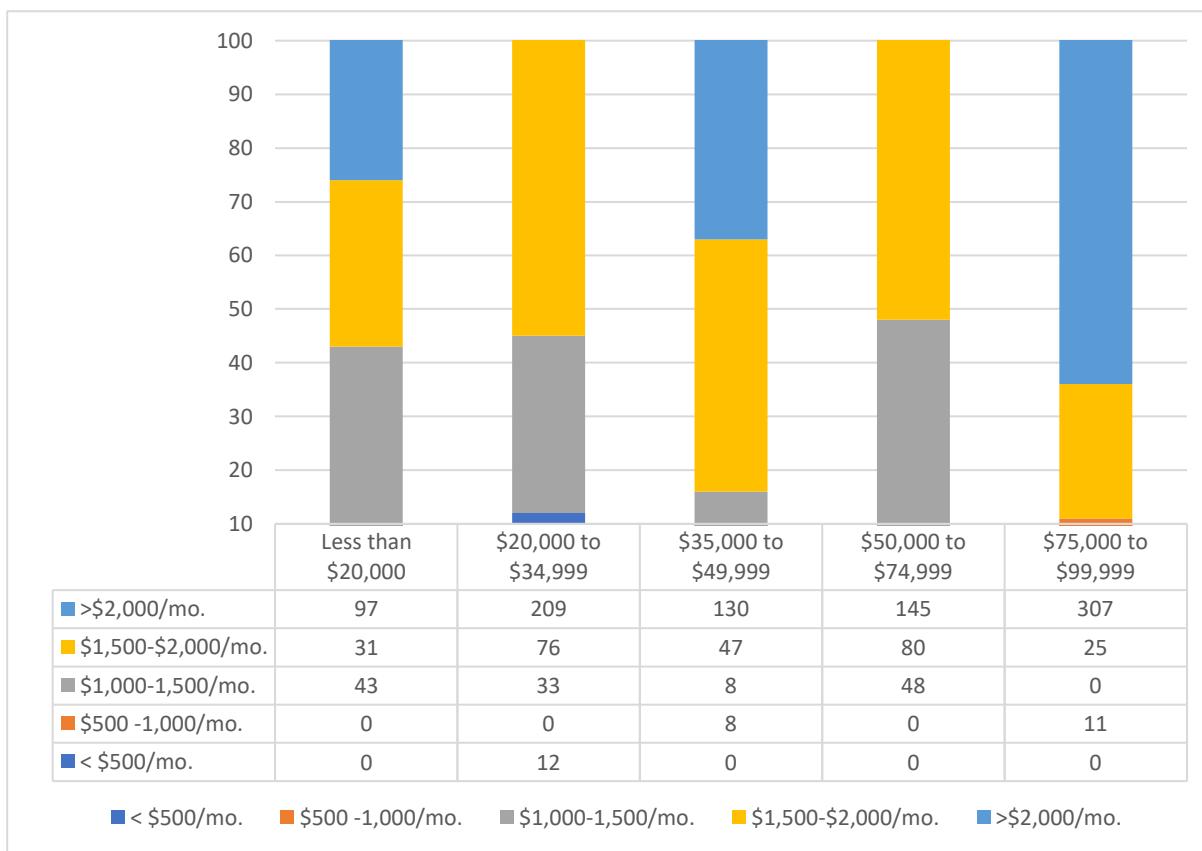
Household Income by (Cash) Rent

Analyzing the cash rent paid by household income also provides insight into the extent of the cost burden on renter households. The 2015–2019 ACS 5-Year Data indicates a general trend of households paying higher rents across the board. As shown in Figure 2-38, Household Income by (Cash) Rent, rent categories range from less than \$500 per month (1% of Millbrae renters) to over \$2,000 per month (68% of Millbrae renters).

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Figure 2-38. Household Income by (Cash) Rent



Source: U.S. Census Bureau, CHAS ACS tabulation, 2015–2019 release, Table B25122.

Higher-income households can spend more on rent more comfortably, as expenses on essential items become a smaller share of spending income. Nevertheless, Figure 2-38 shows that the majority of households at all income levels spend over \$1,500 on rent. Furthermore, a greater number of households with incomes greater than \$35,000 pay over \$2,000. The development of affordable housing would address the need for rents that are affordable to lower-income families and reduce the number of cost-burdened and severely cost-burdened households.

2.6.8.4 Spending on Mortgage

The housing costs of an owner-occupied unit will significantly decrease when a mortgage on the unit is paid in full, thereby making the unit more affordable. However, while a mortgage is being paid by the homeowner, monthly housing costs can represent a cost burden, particularly for retiree households, which are typically on a somewhat fixed income. Increases in other required expenses, such as healthcare, food, and home maintenance, can exacerbate this situation.

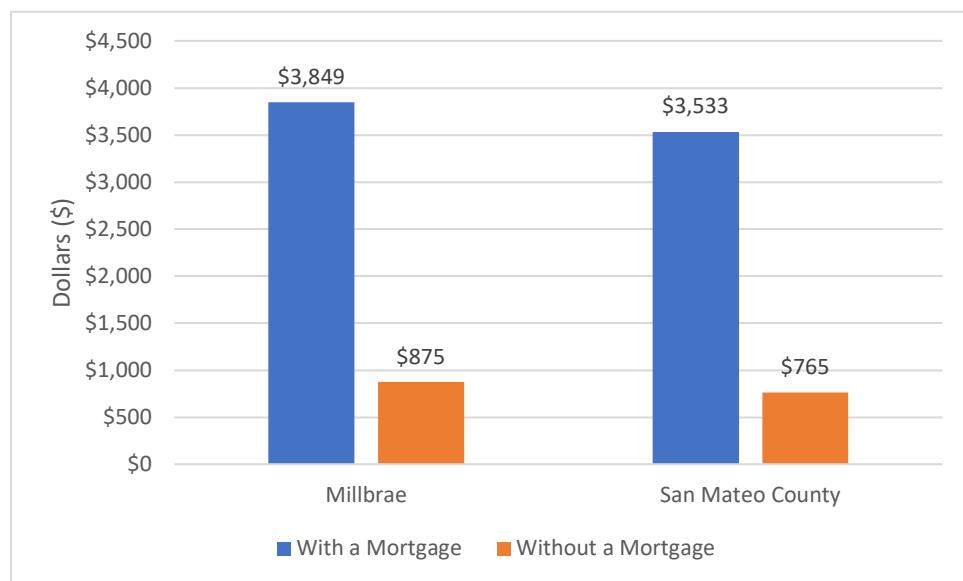
As previously illustrated in Figure 2-31, 34.3% of Millbrae homeowners are cost-burdened. This could be explained by the fact that Millbrae homeowners with a mortgage pay a median of \$3,849 in housing costs (See Figure 2-39, Median Owner Costs). While the percentage of cost-

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burdened homeowners in the City (34.3%) is lower than that of renters (40.9%), Millbrae is principally made up of owner-occupied households, making the 30% of cost-burdened homeowners a significant number.

Figure 2-39. Median Owner Costs



Source: U.S. Census Bureau, ACS 5-Year Data (2015–2019), Table B25088.

Costs for Mortgage Holders by Income

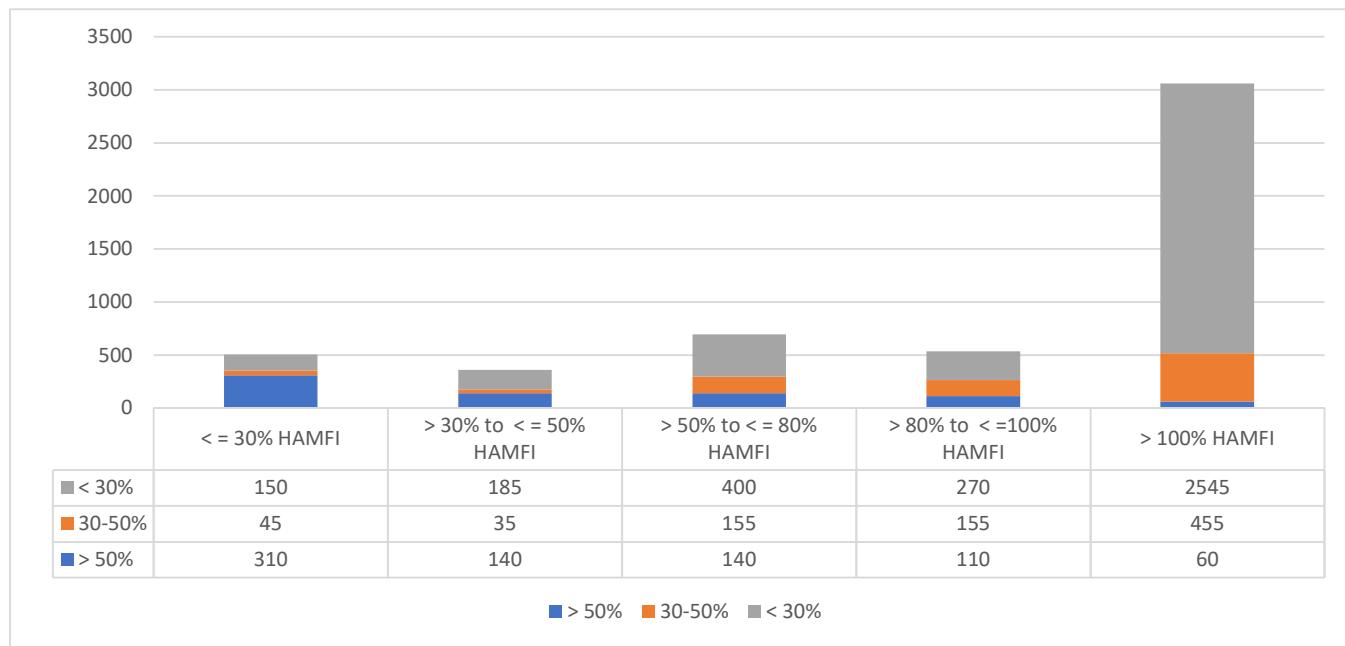
The CHAS data on mortgage-holding households in the City (by income and the percentage of income spent on mortgage costs) indicates that lower-income households spend a higher share of income on housing costs, while higher-income households spend a lower share of income on housing costs.

Approximately 83% of Millbrae mortgage-holding, above median-income households, have payments that make up less than 30% of household income, while only 17% of the same households have payments that exceed 30% of income (Figure 2-40, Monthly Owner Costs for Mortgage Holders). As expected, the cost burden is more common at lower-income levels. For example, compared to the 17% of mortgage-holding, above median-income households with a cost burden, 70% of mortgage-holding, extremely low-income households have a cost burden.

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Figure 2-40. Monthly Owner Costs for Mortgage Holders



Source: CHAS ACS tabulation, 2015–2019 release.

2.6.8.5 Overcrowding

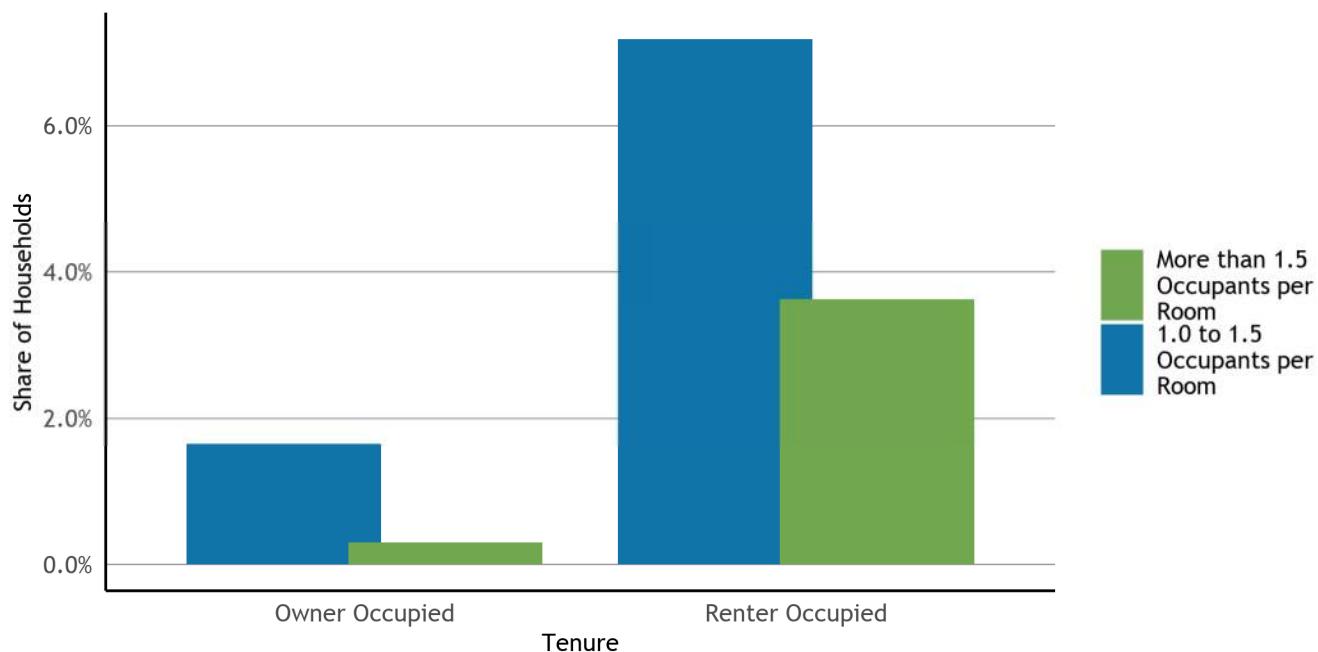
Overcrowding occurs when the number of people living in a household is greater than the home was designed to hold. There are several different standards for defining overcrowding, but this report uses the Census Bureau definition, which is more than one occupant per room (not including bathrooms or kitchens). Additionally, the Census Bureau considers units with more than 1.5 occupants per room to be severely overcrowded.

Overcrowding is often related to the cost of housing and can occur when demand in a city or region is high. In many cities, overcrowding is seen more amongst those that are renting, with multiple households sharing a unit to make it possible to stay in their communities. In Millbrae, 3.6% of households that rent are severely overcrowded (more than 1.5 occupants per room), compared to 0.3% of households that own (see Figure 2-41, Overcrowding by Tenure and Severity). In Millbrae, 7.2% of renters experience moderate overcrowding (1 to 1.5 occupants per room), compared to 1.7% for those who own.

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Figure 2-41. Overcrowding by Tenure and Severity



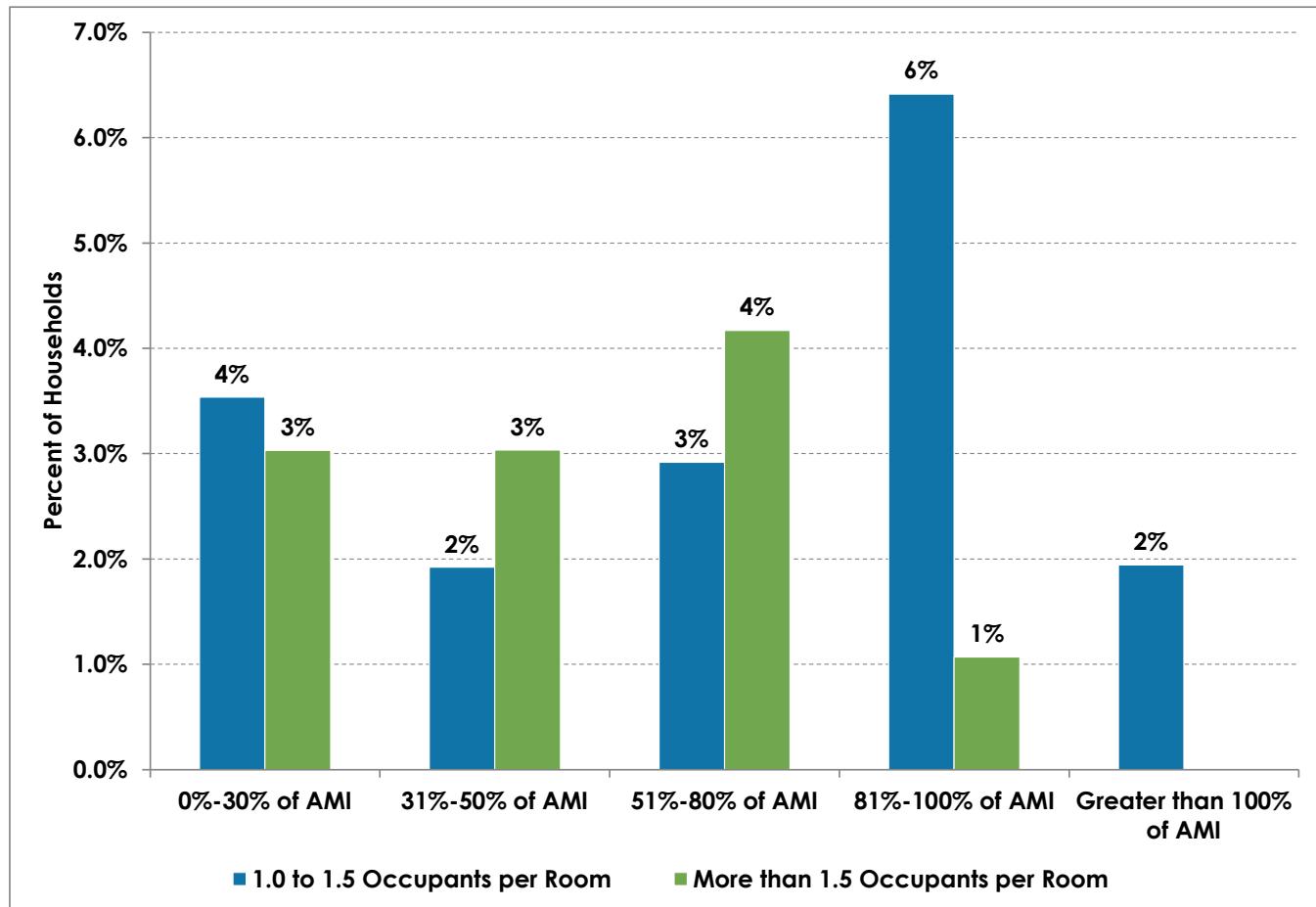
Source: HUD, CHAS ACS tabulation, 2013-2017 release

Overcrowding often disproportionately impacts low-income households. 6% of very low-income households (below 50% AMI) experience severe overcrowding, while 0% of households above 100% experience this level of overcrowding (see Figure 2-42, Overcrowding by Income Level and Severity).

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Figure 2-42. Overcrowding by Income Level and Severity



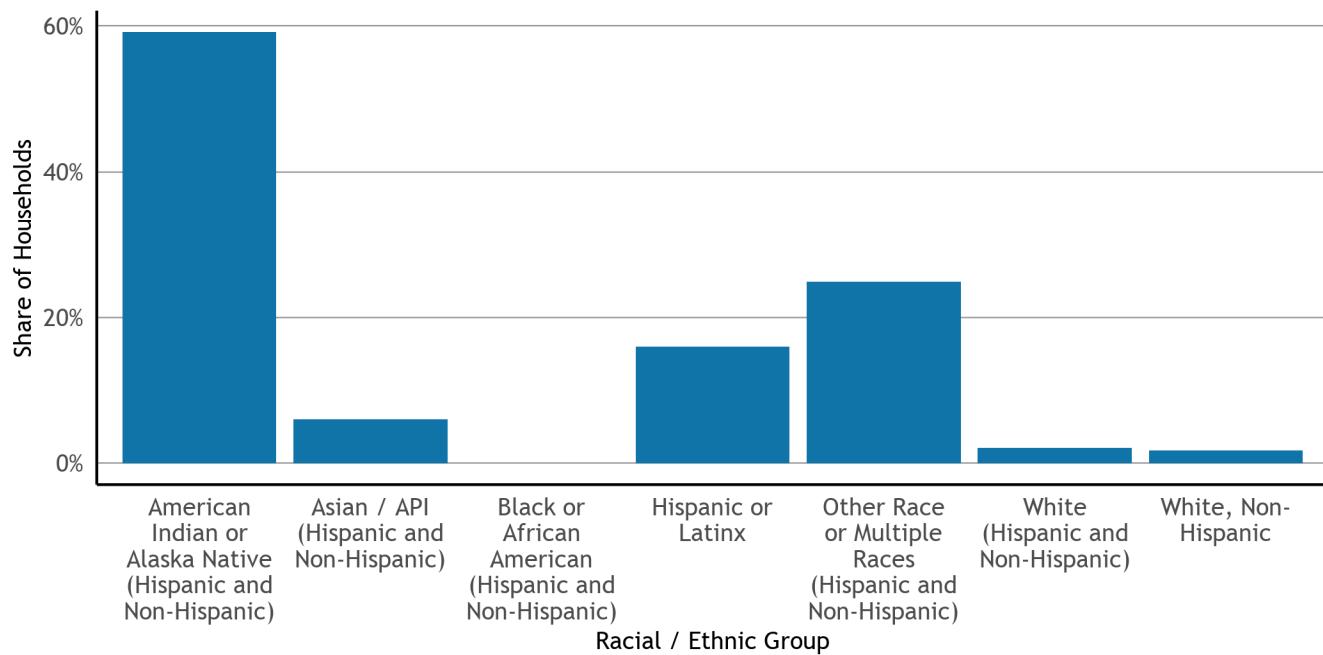
Source: HUD, CHAS ACS tabulation, 2013-2017 release

Communities of color are more likely to experience overcrowding similar to how they are more likely to experience poverty, financial instability, and housing insecurity. People of color tend to experience overcrowding at higher rates than White residents. In Millbrae, the racial group with the largest overcrowding rate is *American Indian or Alaska Native (Hispanic and Non-Hispanic)* (see Figure 2-43, Overcrowding by Race)

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Figure 2-43. Overcrowding by Race



Source: U.S. Census Bureau, ACS 5-Year Data (2015-2019), Table B25014

2.7 Displacement

Because of increasing housing prices, displacement is a major concern in the Bay Area. Displacement has the most severe impacts on low- and moderate-income residents. When individuals or families are forced to leave their homes and communities, they also lose their support network.

The University of California, Berkeley has mapped all neighborhoods in the Bay area, identifying their risk for gentrification. They find that in Millbrae, 0% of households live in neighborhoods that are susceptible to or experiencing displacement, and 0% live in neighborhoods at risk of or undergoing gentrification.

Equally important, some neighborhoods in the Bay Area do not have housing appropriate for a broad section of the workforce. The University of California, Berkeley estimates that 51.1% of households in Millbrae live in neighborhoods where low-income households are likely to be excluded due to prohibitive housing costs.¹⁸

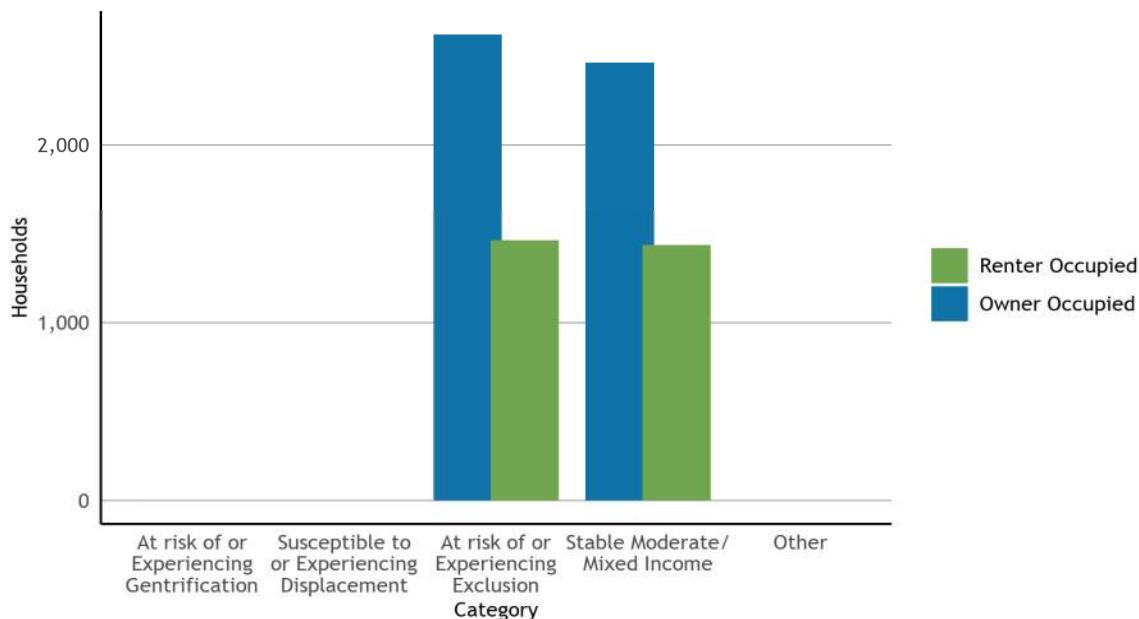
¹⁸ More information about this gentrification and displacement data is available at the Urban Displacement Project's webpage: <https://www.urbandisplacement.org/>. Specifically, one can learn more about the different gentrification/displacement typologies shown in Figure 18 at this link: https://www.urbandisplacement.org/sites/default/files/typology_sheet_2018_0.png. Additionally, one can view maps that show which typologies correspond to which parts of a jurisdiction here: <https://www.urbandisplacement.org/san-francisco/sf-bay-area-gentrification-and-displacement>

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As shown by Figure 2-44, Households by Displacement Risk and Tenure, despite owner-occupied households identifying as stable moderate/mixed-income households, nearly double that of renter-occupied households, owner-occupied households were also at risk of experiencing exclusion at nearly double the rate of renter-occupied households.

Figure 2-44. Households by Displacement Risk and Tenure



Source: Urban Displacement Project for classification, ACS 5-Year Data (2015-2019), Table B25003 for tenure.

2.7.1 Assisted Housing Developments At-Risk of Conversion

While there is an immense need to produce new affordable housing units, ensuring that the existing affordable housing stock remains affordable is equally important. Additionally, it is typically faster and less expensive to preserve currently affordable units that are at risk of converting to market rate than it is to build new affordable housing.

It is important to note that there are no affordable housing units in the City at risk of converting to market-rate units over the next 10 years. There are 26 affordable housing units, but they are not due to expire for more than 20 years. California Housing Partnership tracks affordable housing units and as shown in the Affirmative Furthering Fair Housing section (Appendix B), there are 26 affordable and assisted units in the City. However, these units are not at risk of converting to market-rate units over the next 10 years. California Housing Partnership lists the inventory of affordable units and does not specify when units expire in terms of housing element cycles. Units shown at “low risk” of converting to market rate are essentially designated as those units that will remain affordable for a long period of time.

2.8 Extremely Low-Income Households

HCD defines extremely low-income as households with income less than 30% of AMI. According to the HCD “Revised State Income Limits for 2021” letter dated December 31, 2021, the 2021 AMI in San Mateo County is \$149,600. For extremely low-income households, this results in an income of \$54,800 or less for a four-person household or \$38,400 or less for a one-person household. Extremely low-income households experience a variety of needs, such as a need for public assistance like social security insurance or disability insurance. The majority of households receiving such public assistance are often considered to be extremely low-income. At the same time, a worker with an annual income of approximately \$72,350 or less could be part of an extremely low-income household, depending on their household size.

2.8.1 Existing Needs

Despite the economic and job growth experienced throughout the region since 1990, the income gap has continued to widen. California is one of the most economically unequal states in the nation, and the Bay Area has the highest income inequality between high- and low-income households in the State.¹⁹

2.8.1.1 Household Income

According to the 2013-2017 CHAS ACS tabulation, there are 8,214 households residing in Millbrae. Of the total households, 50.2% make more than 100% of the AMI²⁰, compared to **12% making less than 30% of the AMI** (extremely low-income households). Generally, Millbrae, San Mateo County, and the Bay Area have similar household income distributions by income level (see Figure 2-45, Households by Household Income Level).

Regionally, more than half of all households (2,701,033 total households) make more than 100% AMI, while 15% make less than 30% AMI. In San Mateo County, 30% AMI is equivalent to an annual income of \$44,000 for a family of four. Many households with multiple wage earners – including food service workers, full-time students, teachers, farm workers, and healthcare professionals – can fall into lower AMI categories due to relatively stagnant wages in many industries.

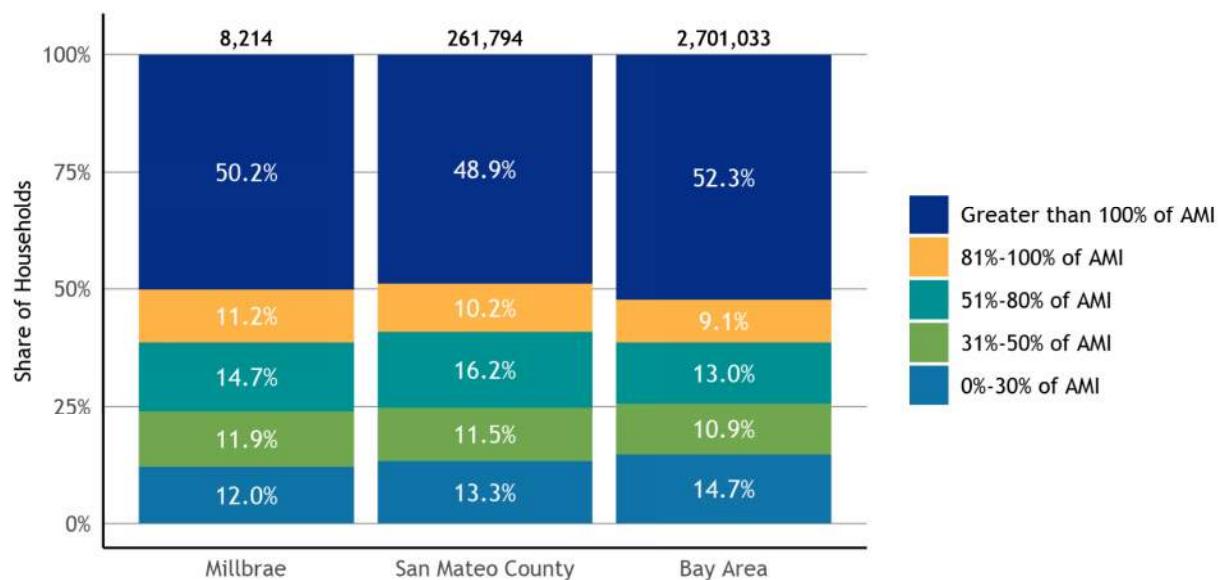
¹⁹ Bohn, S. et al. 2020. Income Inequality and Economic Opportunity in California. *Public Policy Institute of California*.

²⁰ Income groups are based on HUD calculations for AMI. HUD calculates the AMI for different metropolitan areas, and the nine county Bay Area includes the following metropolitan areas: Napa Metro Area (Napa County), Oakland-Fremont Metro Area (Alameda and Contra Costa Counties), San Francisco Metro Area (Marin, San Francisco, and San Mateo Counties), San Jose-Sunnyvale-Santa Clara Metro Area (Santa Clara County), Santa Rosa Metro Area (Sonoma County), and Vallejo-Fairfield Metro Area (Solano County). The AMI levels in this chart are based on the HUD metro area where this jurisdiction is located. Households making between 80% and 120% of the AMI are moderate-income, those making 50% to 80% are low-income, those making 30% to 50% are very low-income, and those making less than 30% are extremely low-income. This is then adjusted for household size.

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Figure 2-45. Households by Household Income Level



Source: HUD, Comprehensive Housing Affordability Strategy (CHAS) ACS tabulation, 2013-2017 release

2.8.1.2 Cost Burden

In Millbrae, 18% of households spend 50% or more of their income on housing, while 17% spend 30% to 50%. However, these rates vary greatly across income categories (see Figure 2-32, Cost Burden by Income Level). **For extremely low-income households in particular, 75.3% are severely cost-burdened (spend 50% or more of their income on housing costs) and 9.1% are cost-burdened (spend 30% - 50% of their income on housing costs).** Contrastingly, residents making more than 100% of AMI hardly experience housing cost burden with only 1.1% of these households experiencing severe cost burden. On the other hand, 87.3% of households making more than 100% of AMI spend less than 30% of their income on housing.

Compared to the County and Bay Area, the City has similar percentages of cost-burdened (18-20%) and severely cost-burdened (16-18%) households (see Figure 2-33, Cost Burden Severity)

2.8.1.3 Tenure

Throughout the region, there are disparities between the incomes of homeowners and renters. Typically, the number of low-income renters greatly outpaces the amount of housing available that is affordable for these households.

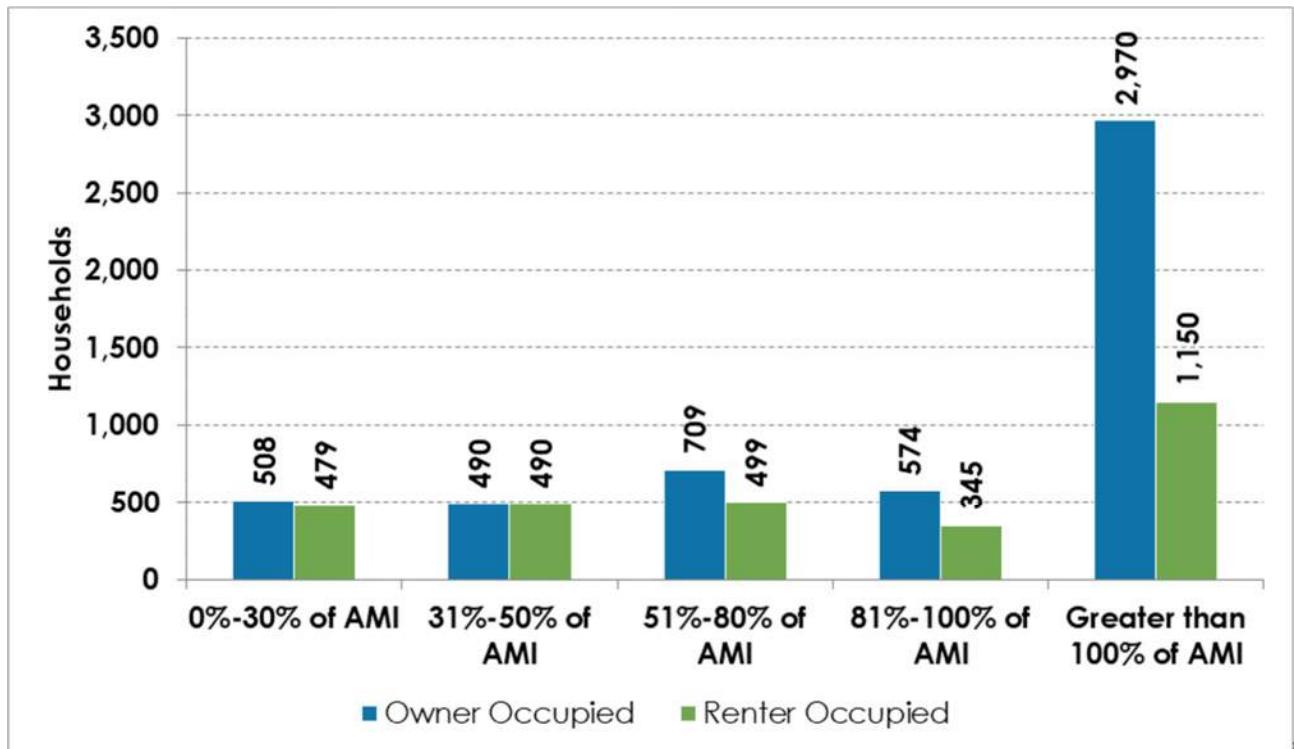
In Millbrae, the largest proportion of both renters and homeowners falls in the above-moderate (households with incomes above 100% of AMI) income group (see Figure 2-46, Household Income Level by Tenure).

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As shown in Figure 2-46, extremely low-income households in Millbrae are fairly equally split between owners and renters. In fact, a significant disparity is not seen until the AMI reaches 51-80%, with the greatest disparity happening for above moderate-income households (those with a household income greater than 100% of the AMI).

Figure 2-46. Household Income Level by Tenure



Source: HUD, CHAS ACS tabulation, 2013-2017 release

2.8.1.4 Race

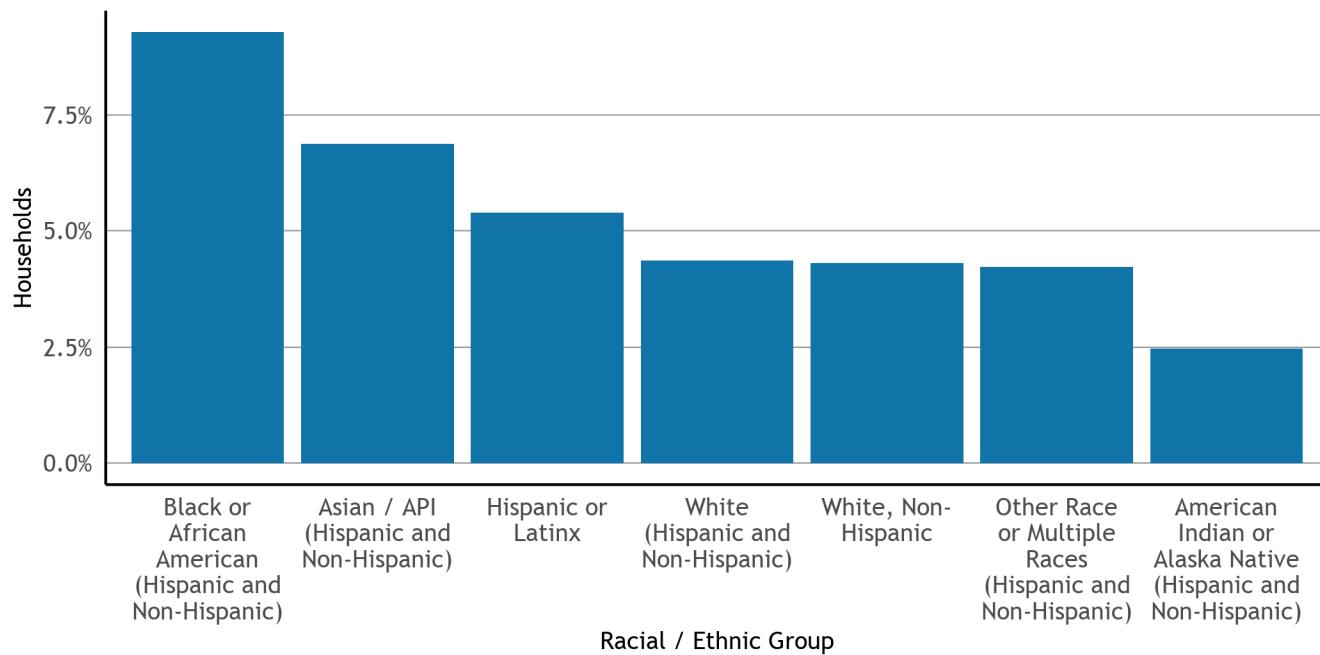
Currently, people of color are more likely to experience poverty and financial instability as a result of federal and local housing policies that have historically excluded them from the same opportunities extended to white residents.²¹ These economic disparities also leave communities of color at higher risk for housing insecurity, displacement, or homelessness. In Millbrae, **Black or African American (Hispanic and Non-Hispanic) residents experience the highest rates of poverty, followed by Asian / API (Hispanic and Non-Hispanic) residents** (see Figure 2-47, Poverty Status by Race).

²¹ Moore, E., Montojo, N. and Mauri, N., 2019. Roots, Race & Place: A History of Racially Exclusionary Housing the San Francisco Bay Area. *Hass Institute*.

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Figure 2-47. Poverty Status by Race



Source: U.S. Census Bureau, ACS 5-Year Data (2015-2019), Table B17001(A-I)

2.8.1.5 Overcrowding

Overcrowding often impacts low-income households disproportionately. Generally, Millbrae's households experience a low percentage of overcrowding. As shown in Figure 2-42, **Overcrowding by Income Level and Severity, 7% (or 69 of the total 987 extremely low-income households) experience some level of overcrowding.**

2.8.2 Projected Needs

Through the analysis of existing needs for extremely low-income households, the City learned the following:

- Extremely low-income households make up 12% of the total households.
- Millbrae's household income distribution by income level is similar to those of the County and the Bay Area (See Figure 2-45), with extremely low-income households ranging from 12% (Millbrae) to 15% (Bay Area).
- 9.1% of extremely low-income households are cost-burdened and 75.3% are severely cost-burdened.
- 508 owner-occupied units and 479 renter-occupied units make up the total extremely low-income households in the City, indicating a similar number of households per tenure.
- Black residents experience the highest rates of poverty, followed by Asian residents.

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- 7% (or 69 of the total 987 extremely low-income households) experience some level of overcrowding.

This analysis of existing needs helps the City prioritize and effectively manage existing and future programs. For instance, there is a significant disparity in cost burden between extremely low-income and above moderate-income households. As such, 9.1% (or 84) of the 923 extremely low-income households in Millbrae are cost-burdened and 75.3% (or 695) are severely cost-burdened, while 11.6% of above moderate-income are cost-burdened and 1.1% are severely cost-burdened. While it can be expected that extremely low-income households are cost-burdened, a significant majority spend over 50% of their income on housing costs. **This data points to the need for housing units at deeper affordability levels.**

Based on guidance provided by HCD via communications with their staff, the City calculated the projected housing needs required to address extremely low-income households by assuming 50% of its very low-income RHNA (575) are extremely low-income households, or 288 units. **The projected 288 new units and the existing 779 cost-burdened households make up a gap of 1,067 extremely low-income units.** Many extremely low-income households will be seeking rental housing, and most will likely face an overpayment. Furthermore, many extremely low-income households will be occupied by those who fall under a special needs housing category as identified in the section titled “Special Housing Needs.”

To address the housing needs of extremely low-income households, Millbrae has identified several initiatives to help expand affordable housing opportunities and decrease the affordability gap for low-income households. These include the following programs from the Housing Plan (Chapter 8, Housing Plan, of this Housing Element) focused on lower-income housing development (including extremely low-income housing units):

- **HIP-1.** Triennial Advocacy Meeting with Affordable Housing Property Owners/Managers, Fair Housing Providers, Service Providers, Housing Advocates, and Non-Profits
- **HIP-20.** BMR Eligibility Guidelines
- **HIP-23.** Prioritize Review and Expedite the Development of Affordable and Special Needs Projects
- **HIP-31.** Pursue State and Federal Funding for Affordable Housing
- **HIP-32.** Local Funding for Affordable Housing
- **HIP-36.** Funding, Incentives, and Concessions for Extremely Low-Income Developments

As part of this effort, the City will follow the Housing Plan and collaborate with housing providers and stakeholders to meet the City’s affordable housing needs.

2.9 Special Housing Needs

California Government Code Section 65583(a) requires an assessment of housing needs and an inventory of resources and constraints relevant to meeting these needs. Per California Government Code, Section 65583(a)(7), this section includes an analysis of special housing needs. This section details the needs of seniors, people with disabilities (including those with developmental disabilities), large families, farmworkers, families with female heads of households, and families and individuals in need of emergency shelter in the City. Studying these groups is an important component of identifying special housing needs and addressing those needs through plans, programs, and projects.

These specific segments of the population may have more difficulty finding decent, affordable housing due to special needs. Special circumstances may be related to one's employment and income, family characteristics, disability, and household characteristics, among other factors. Furthermore, many of these groups overlap. For example, many seniors have a disability, and many single mothers experience homelessness. Generally, these groups would be assisted by an increase in affordable housing, especially housing located near public transportation and services.

The City used the ABAG Housing Needs Data to identify special housing needs for the purposes of this 6th Cycle Housing Element. Finally, resources and services dedicated to serving special housing needs are derived from the City's available data. Appendix B, Affirmatively Furthering Fair Housing Analysis, also contains analysis related to special needs housing issues

2.9.1 Seniors

Senior households often experience a combination of factors that can make accessing or keeping affordable housing a challenge. They often live on fixed incomes and are more likely to have disabilities, chronic health conditions, and/or reduced mobility.

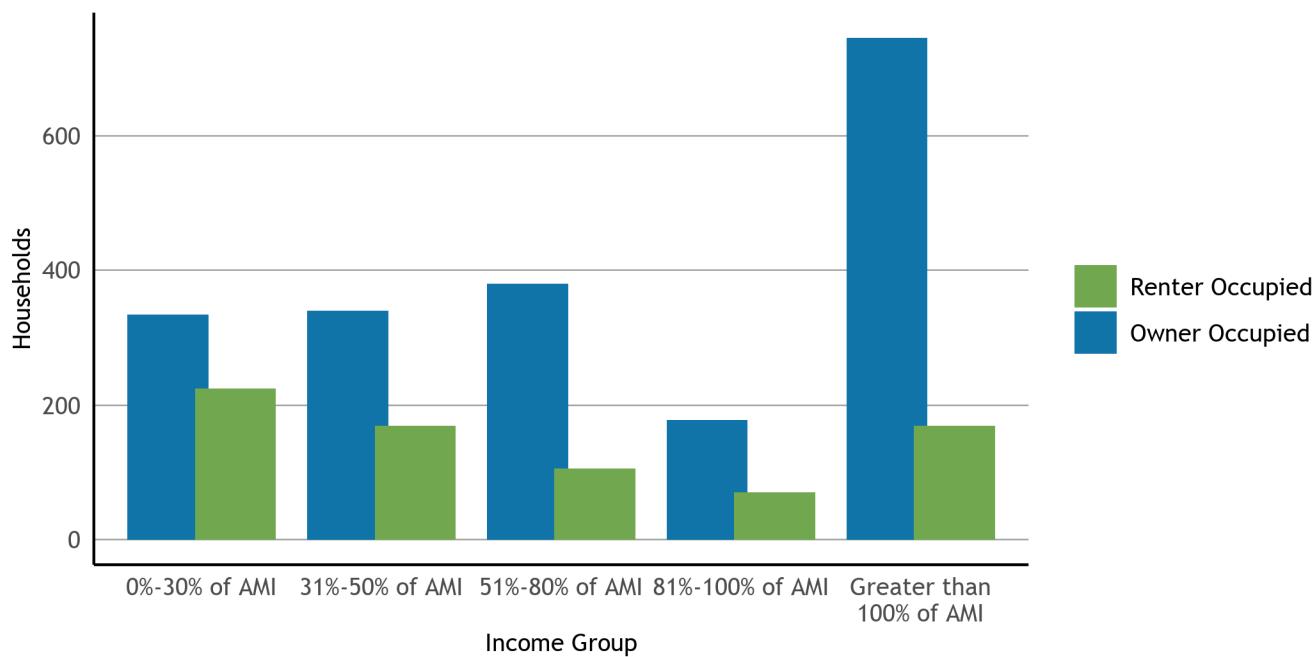
2.9.1.1 Needs Assessment for Seniors

Seniors who rent may be at even greater risk for housing challenges than those who own, due to income differences between these groups. The largest proportion of senior households who rent make *0%-30% of AMI*, while the largest proportion of senior households who are homeowners falls in the income group *Greater than 100% of AMI* (see Figure 2-48, Senior Households by Income and Tenure).

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Figure 2-48. Senior Households by Income and Tenure



Source: HUD, CHAS ACS tabulation, 2013-2017 release

While a large portion of senior households in Millbrae have incomes above 80% of the AMI, it is important to recognize that 1,069 (or 39%) of senior renter households have incomes below 50% of the AMI, making very low-income senior renters a demographic in the City that should be considered when planning for housing. Furthermore, as shown in Figure 2-49, Cost-Burdened Senior Households by Income Level, 72% of seniors with incomes below 30% of the AMI spend more than 50% of their income on housing costs. In comparison, 91% of seniors with income above 100% of the AMI spend less than 30% of their income on housing costs. This illustrates an obvious disparity in cost burden between those with the lowest and highest incomes.

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Figure 2-49. Cost-Burdened Senior Households by Income Level



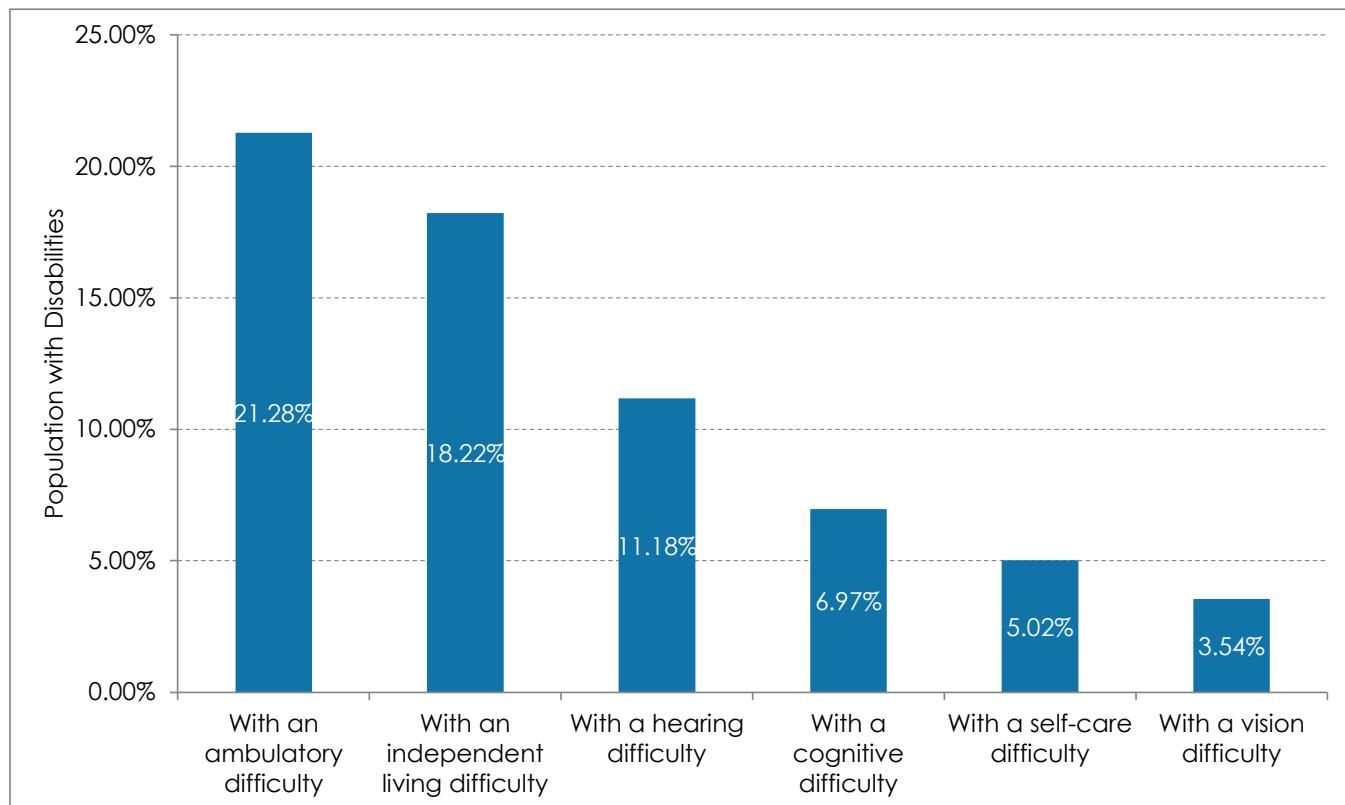
Source: HUD, CHAS ACS tabulation, 2013-2017 release

Seniors typically have additional physical and social needs. As shown in Figure 2-50, Disability by Type – Seniors (Age 65 or Older), the most commonly occurring disability among seniors is an ambulatory disability, which 21% of seniors in the City experience. Ambulatory disabilities are those that result in serious difficulty walking or climbing stairs, which requires housing that is more accessible to transportation, in-house assistance, and housing options with more accessible accommodations.

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Figure 2-50. Disability by Type – Seniors (Age 65 or Older)



Source: U.S. Census Bureau, ACS 5-Year Data (2015–2019), Table B18102, Table B18103, Table B18104, Table B18105, Table B18106, Table B18107.

In terms of housing, seniors typically require smaller, more affordable housing options and/or assistance with accessibility and home maintenance. Seniors often require ramps, handrails, and lower cupboards and counters to allow greater access and mobility for wheelchairs or walkers. Housing options that provide proximity to transportation assistance to shopping and medical facilities are often required for seniors with mobility issues.

2.9.1.2 Resources and Services for Seniors

Millbrae currently has a number of existing programs and services available to seniors. These services are outlined in Table 2-11, Special Housing Needs Resources, in Section 2.9.8, Special Housing Needs Resources.

Furthermore, the San Mateo County Consolidated Action Plan (that includes the City of Millbrae as a non-entitlement city) includes the following goal to address any gaps in senior housing and services:

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- Support the acquisition, creation, rehabilitation, and preservation of affordable housing units, including the adaptive reuse of non-housing structures for use as affordable housing.

2.9.2 Large Households

Large households are identified in State housing law as a “group with special housing needs based on the generally limited availability of adequately sized, affordable housing units.” Large households are defined as those with five or more members. Due to the limited supply of adequately sized units to accommodate large-family households, large families face an above-average level of difficulty in locating adequately sized, affordable housing. Even when larger units are available, the cost is generally higher than that of smaller units. The lack of supply, compounded with the low incomes of larger families, results in many large families living in overcrowded conditions.

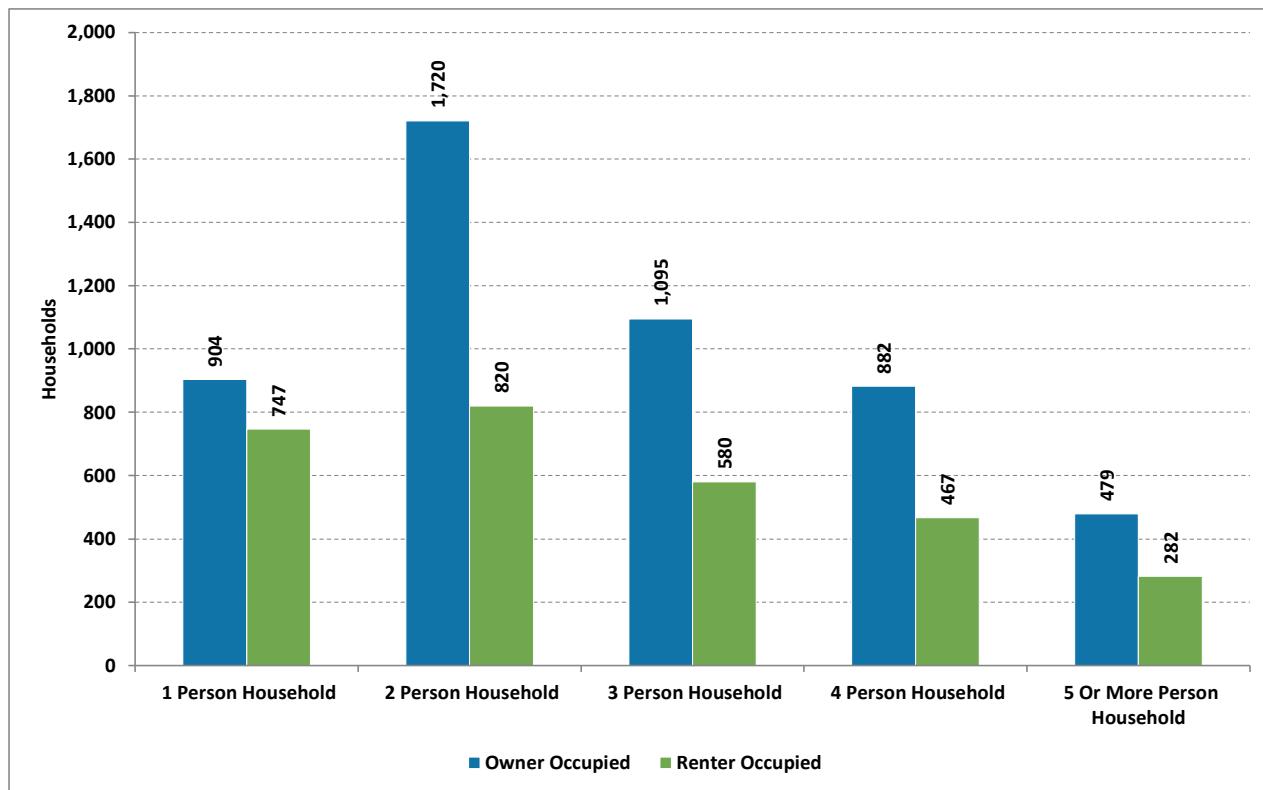
2.9.2.1 Needs Assessment for Large Households

Large households often have different housing needs than smaller households. If a city’s rental housing stock does not include larger apartments, large households who rent could end up living in overcrowded conditions. In Millbrae, 761 (or 10%) households have five or more persons, of which 479 (or 62.9%) are owner-occupied (see Figure 2-51, Household Size by Tenure) and 282 (or 37.1%) are renter-occupied. In comparison to the City’s 10%, San Mateo County and the Bay Area’s large households make up 11% of the total number of households.

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Figure 2-51. Household Size by Tenure



Source: U.S. Census Bureau, ACS 5-Year Data (2015-2019), Table B25009

There are 487 large households (households with five or more people) in the City. As shown in Table 2-6, Household Size by Household Income Level, 40 (or 8.2%) large households in Millbrae have a median income that falls below the 30% AMI. In addition, 22 (or 12.7%) of large households have a median household income that falls below the 50% AMI.

Table 2-6. Household Size by Household Income Level

Variable	0%-30% of AMI	31%-50% of AMI	51%-80% of AMI	81%-100% of AMI	Greater than 100% of AMI
All other household types	883	948	1,165	842	3,824
Large Families of 5+ Persons	40	22	55	75	295
Totals	923	970	1,220	917	4,119

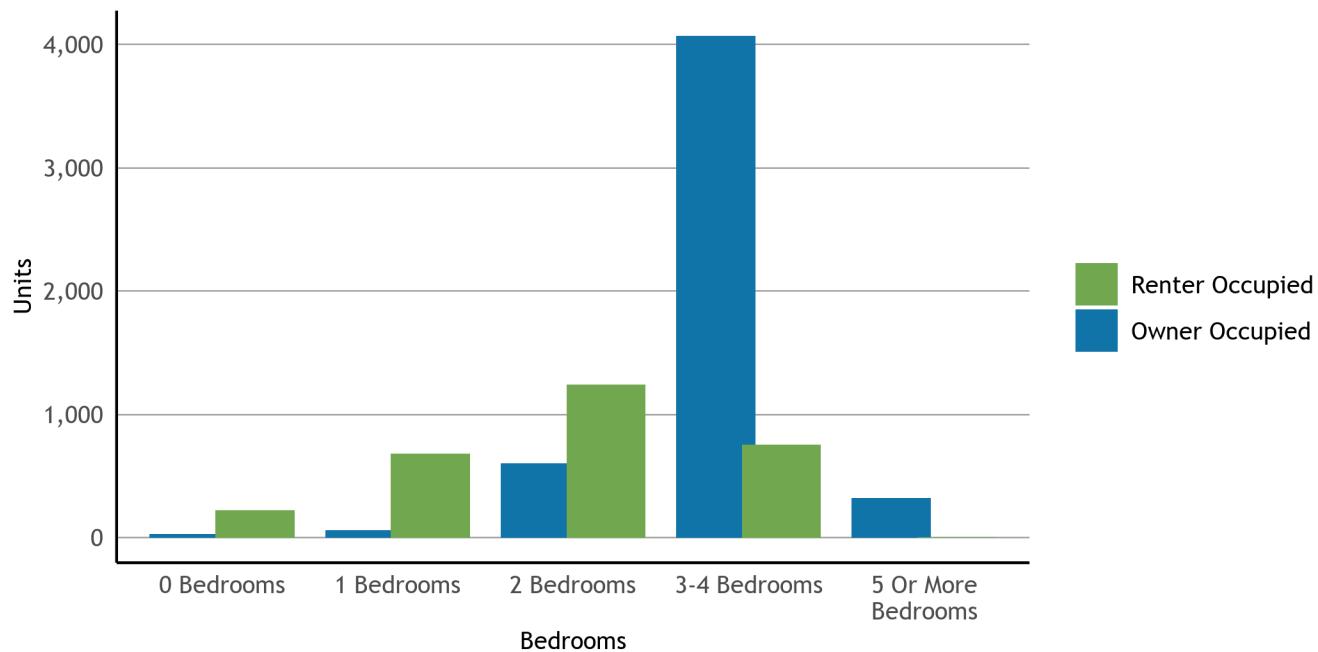
Source: U.S. Department of Housing and Urban Development (HUD), Comprehensive Housing Affordability Strategy (CHAS) ACS tabulation, 2013-2017 release

The unit sizes available in a community affect the household sizes that can access that community. Large families are generally served by housing units with three or more bedrooms, of which there are 5,142 units in Millbrae. Among these large units with three or more bedrooms, 14.7% are owner-occupied and 85.3% are renter-occupied (see Figure 2-52, Housing Units by Number of Bedrooms).

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Figure 2-52. Housing Units by Number of Bedrooms



Source: U.S. Census Bureau, ACS 5-Year Data (2015-2019), Table B25042

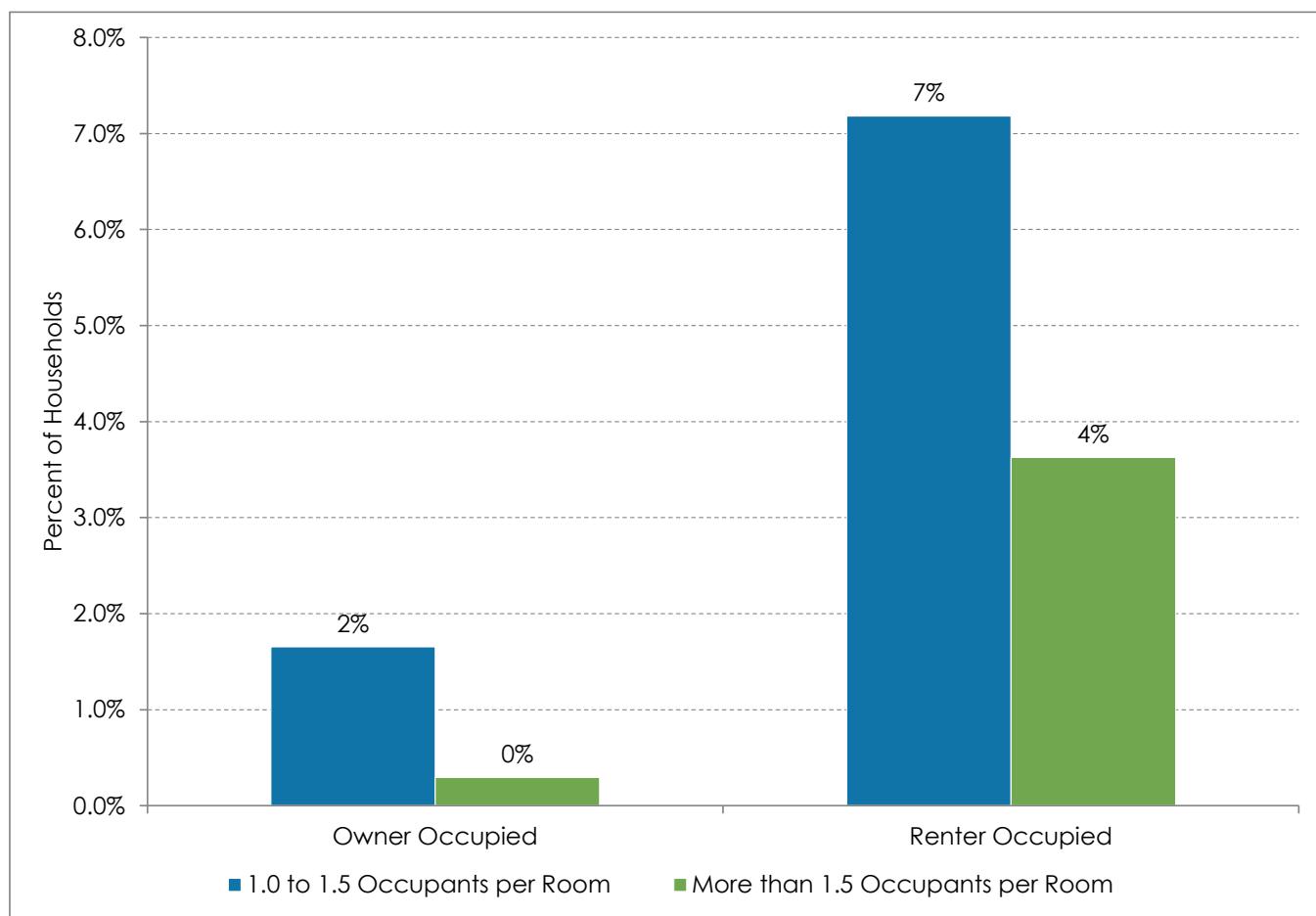
The ACS defines “overcrowding” as a unit with more than one person per room and “severe overcrowding” as a unit with more than 1.5 people per room.

As shown in Figure 2-53, Crowding by Tenure and Severity, the incidence of overcrowding in Millbrae is fairly low, suggesting that the City has an adequate supply of larger homes to accommodate its households.

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Figure 2-53. Crowding by Tenure and Severity



Source: HUD, CHAS ACS tabulation, 2013–2017 release.

2.9.2.2 Resources and Services for Large Households

Millbrae currently has a number of existing programs and services available to large households. These services are outlined in Table 2-11, Special Housing Needs Resources, in Section 2.9.8, Special Needs Resources.

Furthermore, the San Mateo County Consolidated Action Plan includes the following goals to address any gaps in large household housing and services:

- Support the development of larger publicly supported affordable housing units (2- and 3-bedroom units, or larger).
- Support the acquisition, creation, rehabilitation, and preservation of affordable housing units, including the adaptive reuse of non-housing structures for use as affordable housing.

2.9.3 People with Disabilities

The Americans with Disabilities Act defines a person with a disability as a person having a physical or mental impairment that substantially limits one or more major life activities. People with disabilities have special needs and many earn little income, have high healthcare costs, are dependent on supportive services, and/or require special accessibility accommodations, such as access ramps or elevators.

People with disabilities face unique problems obtaining adequate housing. This specific segment of the population, which includes individuals with mental, physical, and developmental disabilities, requires affordable housing conveniently located near needed services that is also specially adapted for their specific needs. Living arrangements for people with disabilities depend on the severity of the disability and can include arrangements such as living at home in an independent environment with the help of other family members, special housing design features for those with physical disabilities, income support for those unable to work, and in-home supportive services for people with medical conditions.

2.9.3.1 People with Physical and Mental Disabilities

Physical and mental disabilities can hinder access to housing units of conventional design and limit the ability of individuals with disabilities to earn an adequate income. The proportion of individuals with physical disabilities is increasing nationwide due to overall increased longevity and lower fatality rates. Individuals with mental disabilities include those disabled by a mental illness or injury, including schizophrenia, Alzheimer's disease, and conditions related to brain trauma. Disabilities tabulated by the census include sensory, physical, and mental limitations.

Needs Assessment for People with Physical and Mental Disabilities

According to the 2015–2019 ACS 5-Year Data, 2,048 Millbrae residents (approximately 9% of the City's population) were identified as having a disability. Disabilities included each of the categories tabulated by the census, with the majority of residents having a physical disability.

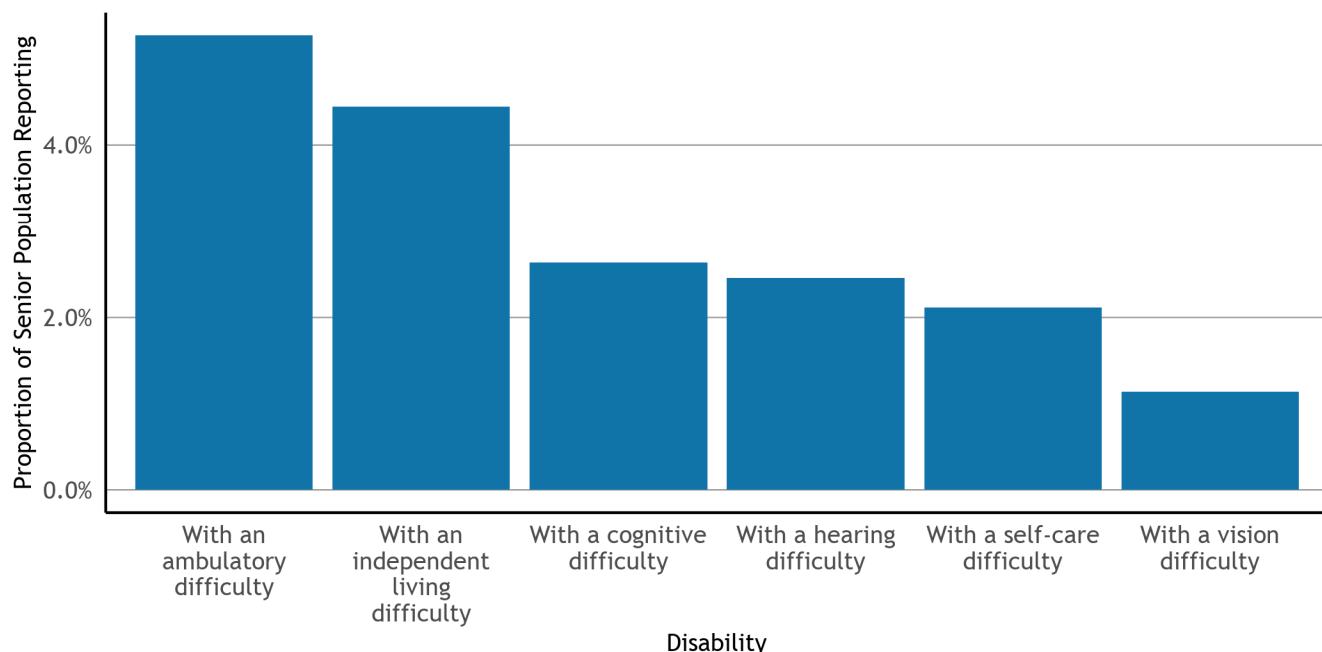
Figure 2-54, Disability by Type, presents the percentage of adult residents in the City with different types of disabilities, as reported by the 2015–2019 ACS 5-Year Data.²²

²² These disabilities are counted separately and are not mutually exclusive, as an individual may report more than one disability. These counts should not be summed.

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Figure 2-54. Disability by Type



Source: U.S. Census Bureau, ACS 5-Year Data (2015–2019), Table B18102, Table B18103, Table B18104, Table B18105, Table B18106, Table B18107.

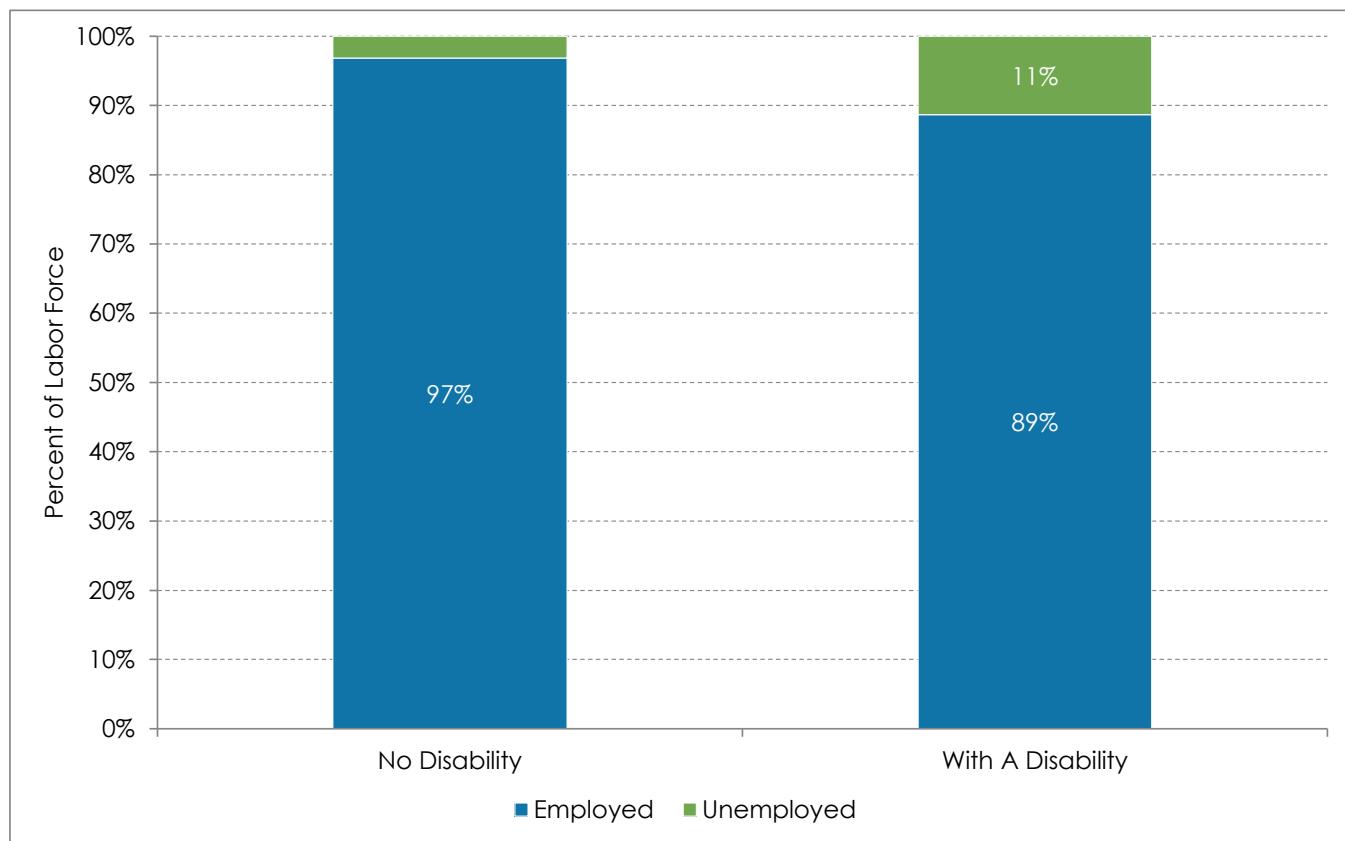
Per the 2015–2019 ACS 5-Year Data, 919 (or 21%) of the City’s 4,319 seniors live with an ambulatory disability, the most common disability for seniors as well as for all adults. As the general population ages, the City will remain vigilant to address the needs of senior residents who are part of the City’s population with disabilities (See Figure 2-50).

Understanding the employment status of individuals with disabilities may also be an important component in evaluating specialized housing needs. In Millbrae, 89% of the population with a disability are employed compared to 97% of the population with no disability. Conversely, the City’s unemployment rate for individuals with a disability is higher than it is for those with no disability (11% and 3%, respectively) (Figure 2-55, Disability by Employment Status). Overall, because individuals with a disability are less often employed, they may require more assistance with finding affordable housing options.

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Figure 2-55. Disability by Employment Status



Source: U.S. Census Bureau, ACS 5-Year Data (2015–2019), Table C18120.

2.9.3.2 People with Developmental Disabilities

Pursuant to California Welfare and Institutions Code, Section 4512(a), developmental disabilities are those disabilities that begin before adulthood and include intellectual disability, cerebral palsy, epilepsy, autism, and those disabling conditions that are closely related to intellectual disabilities or require treatment similar to that of those with intellectual disabilities. This definition does not include handicapping conditions that are solely physical in nature.

Using this definition as a benchmark for the purpose of this analysis, data provided by the ACS for the City's population with cognitive difficulties was used to quantify the total number of people with developmental disabilities. The definition of a "cognitive difficulty" provided by the ACS includes those resulting "because of a physical, mental, or emotional problem, having difficulty remembering, concentrating, or making decisions." Therefore, the ACS data used the definitions provided by the California Welfare and Institutions Code.

Some people with developmental disabilities are unable to work, rely on Supplemental Security Income, and live with family members. In addition to their specific housing needs, they are at

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increased risk of housing insecurity after an aging parent or family member is no longer able to care for them.²³

Needs Assessment for People with Physical and Mental Disabilities

The California Department of Developmental Services provides data on developmental disabilities by age and type of residence (Table 2-7, Population with Developmental Disabilities by Age, and Table 2-8, Population with Developmental Disabilities by Residence). This information includes a breakdown of the housing types in which individuals with developmental disabilities reside and a breakdown by age (minors versus adults). This data is collected at the ZIP-code level and may not perfectly match the ACS data used in this chapter. However, the data provide more context for the housing conditions of individuals with disabilities.

As shown in Table 2-7, of the population with a developmental disability, children under the age of 18 make up 50.6%, while adults account for 49.4%.

Table 2-7. Population with Developmental Disabilities by Age

Age Group	Number
Age Under 18	43
Age 18+	42

Source: California Department of Developmental Services, Consumer Count by California ZIP Code and Age Group (2020)

As shown in Table 2-8, individuals with developmental disabilities typically reside with a parent, family member, or guardian. However, many individuals reside in independent/supported living or in a community care facility.

²³ For more information or data on developmental disabilities in your jurisdiction, contact the Golden Gate Regional Center for Marin, San Francisco, and San Mateo Counties; the North Bay Regional Center for Napa, Solano, and Sonoma Counties; the Regional Center for the East Bay for Alameda and Contra Costa Counties; or the San Andreas Regional Center for Santa Clara County.

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Table 2-8. Population with Developmental Disabilities by Residence

Residence Type	Value
Home of Parent /Family /Guardian	79
Other	5
Community Care Facility	5
Independent /Supported Living	5
Foster /Family Home	0
Intermediate Care Facility	0

Source: California Department of Developmental Services, Consumer Count by California ZIP Code and Residence Type (2020)

Developmental disabilities can result in individuals with self-care and/or independent living difficulties, thereby preventing the usability of housing units of typical design and function without personal care. Due to these individuals' ability to remember, concentrate, and make decisions, their housing opportunities are further hindered because of economic constraints. These factors together drive the need for facilities designed to accommodate individuals with developmental disabilities.

Resources and Services for All Disability Types

Fair Housing Accessibility Standards and California Administrative Code, Title 24, set forth access and adaptability requirements for those with physical disabilities. These regulations apply to public buildings such as motels, employee housing, factory-built housing, and privately funded newly constructed apartment houses containing five or more dwelling units. The regulations also require that rampways, wider doorways, and restroom modifications be designed to enable free access.

Millbrae currently has a number of existing programs and services available to persons with disabilities. These services are outlined in Table 2-11 in Section 2.9.8.

Furthermore, the San Mateo County Consolidated Action Plan includes the following goals to address any gaps in housing and services for people with disabilities:

- Continue to convene meetings between SamTrans and disability advocates to discuss how to address barriers to transit access. Explore partnerships with private providers of transportation services to better address the transportation needs of persons with disabilities.

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- Support the acquisition, creation, rehabilitation, and preservation of affordable housing units, including the adaptive reuse of non-housing structures for use as affordable housing.

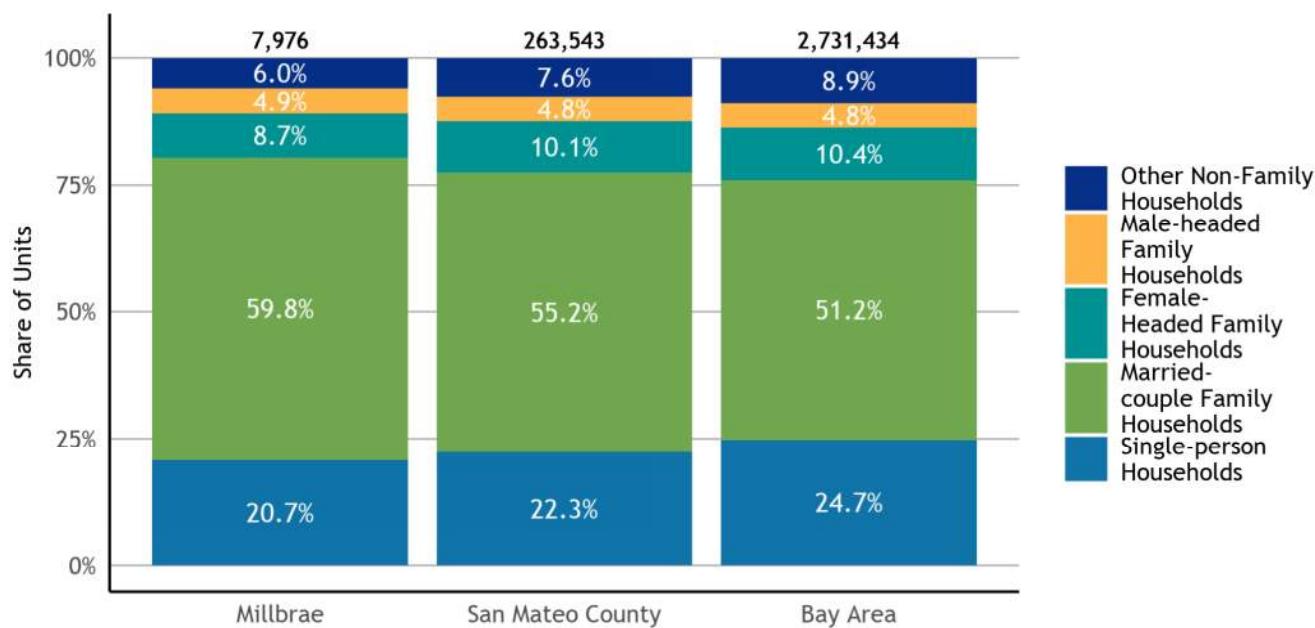
2.9.4 Female-Headed Households

Single-parent households require special consideration and assistance because of their greater need for daycare, healthcare, and other facilities. According to the HCD's website, "female-headed households can have lower incomes and higher living expenses and may lack the resources needed for adequate childcare or job training services, often making the search for affordable, decent, and safe housing more difficult."

2.9.4.1 Needs Assessment for Female-Headed Households

Households headed by one person are often at greater risk of housing insecurity, particularly female-headed households, who may be supporting children or a family with only one income. As shown in Figure 2-56, Household Type, the largest proportion of households is *Married-couple Family Households* at 59.8% of the total, while *Female-Headed Households* make up 8.7% of all households.

Figure 2-56. Household Type



Source: U.S. Census Bureau, ACS 5-Year Data (2015-2019), Table B11001

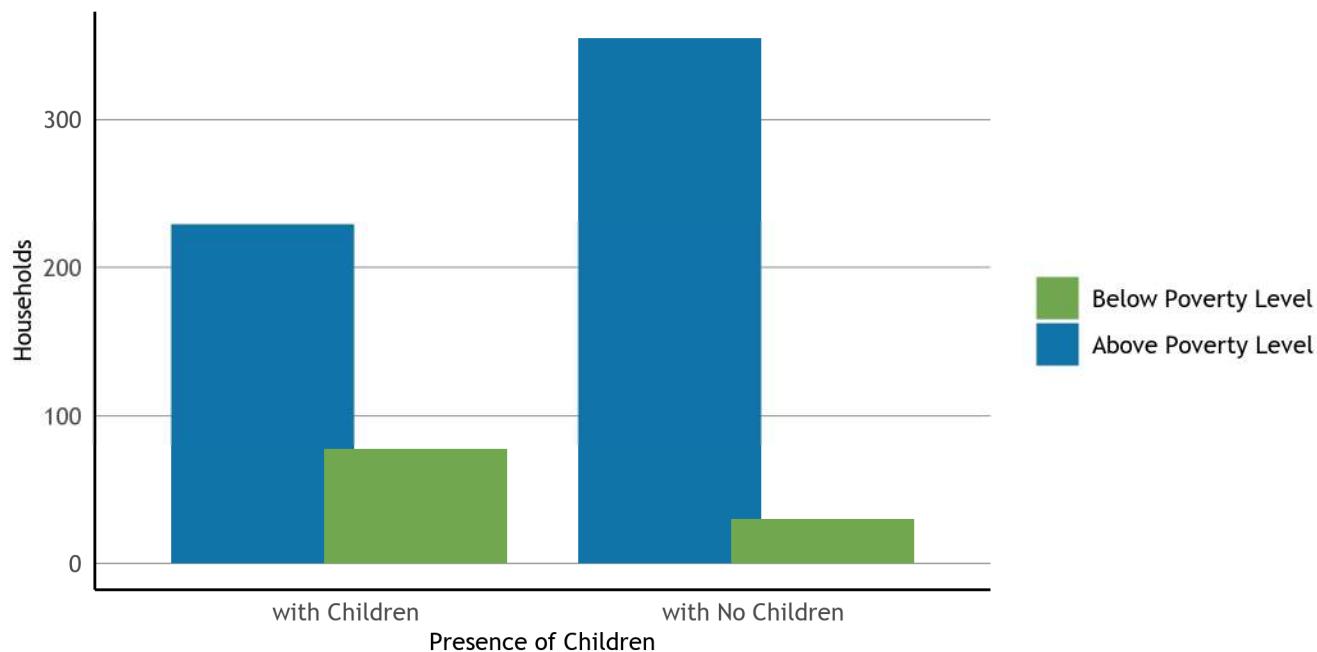
Female-headed households with children may face particular housing challenges, with pervasive gender inequality resulting in lower wages for women. Moreover, the added need for childcare can make finding a home that is affordable more challenging.

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In Millbrae, 25.2% of female-headed households with children fall below the Federal Poverty Line, while 7.8% of female-headed households *without* children live in poverty (see Figure 2-57, Female-Headed Households by Poverty Status).

Figure 2-57. Female-Headed Households by Poverty Status



Source: U.S. Census Bureau, ACS 5-Year Data (2015-2019), Table B17012

High-quality, affordable childcare is a challenging issue that affects all families but especially those headed by women. This can be a significant constraint that can prevent parents from being fully employed, resulting in lower income for the household and an inability to pay market rents or mortgages.

Although female-headed households in Millbrae represent a smaller special needs group than seniors and people with disabilities, the Housing Element provides for the needs of this group through policies that promote the maintenance and construction of affordable housing, specifically in areas close to commercial districts and transportation corridors.

2.9.4.2 Resources and Services for Female-Headed Households

Millbrae currently has a number of existing programs and services available to female-headed households. These services are outlined in Table 2-11, Special Housing Needs Resources, in Section 2.9.8, Special Needs Resources.

Furthermore, the San Mateo County Consolidated Action Plan includes the following goals to address any gaps in housing and services for female-headed households:

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- Support the acquisition, creation, rehabilitation, and preservation of affordable housing units, including the adaptive reuse of non-housing structures for use as affordable housing.

2.9.5 Farmworkers

Across the state, housing for farmworkers has been recognized as an important and unique concern. Farmworkers generally receive wages that are considerably lower than other jobs and may have temporary housing needs. Finding decent and affordable housing can be challenging, particularly in the current housing market.

In January 2022, ABAG prepared a Farmworker Toolkit as a resource for Bay Area cities to identify farmworker needs. According to the Farmworker Toolkit, the Bay Area has shifted away from its historically agricultural economic base. However, Bay Area counties have continued to preserve their agricultural roots because many farmworkers live within Bay Area cities while commuting long distances for work. These farmworkers are considered permanent residents in their home communities. [The Farmworker Toolkit presents data at the State level, and the ABAG Housing Needs Data presents data at the county level. Farmworker data available for this section is not presented at a city level.](#)

2.9.5.1 Needs Assessment for Farmworkers

As shown in Table 2-9, Migrant Worker Student Population, there were no reported students of migrant workers in the 2019-20 school year in Millbrae. The trend for the region for the past few years has been a decline of 2.4% in the number of migrant worker students since the 2016-17 school year. The change at the county level is a 57.1% decrease in the number of migrant worker students since the 2016-17 school year.

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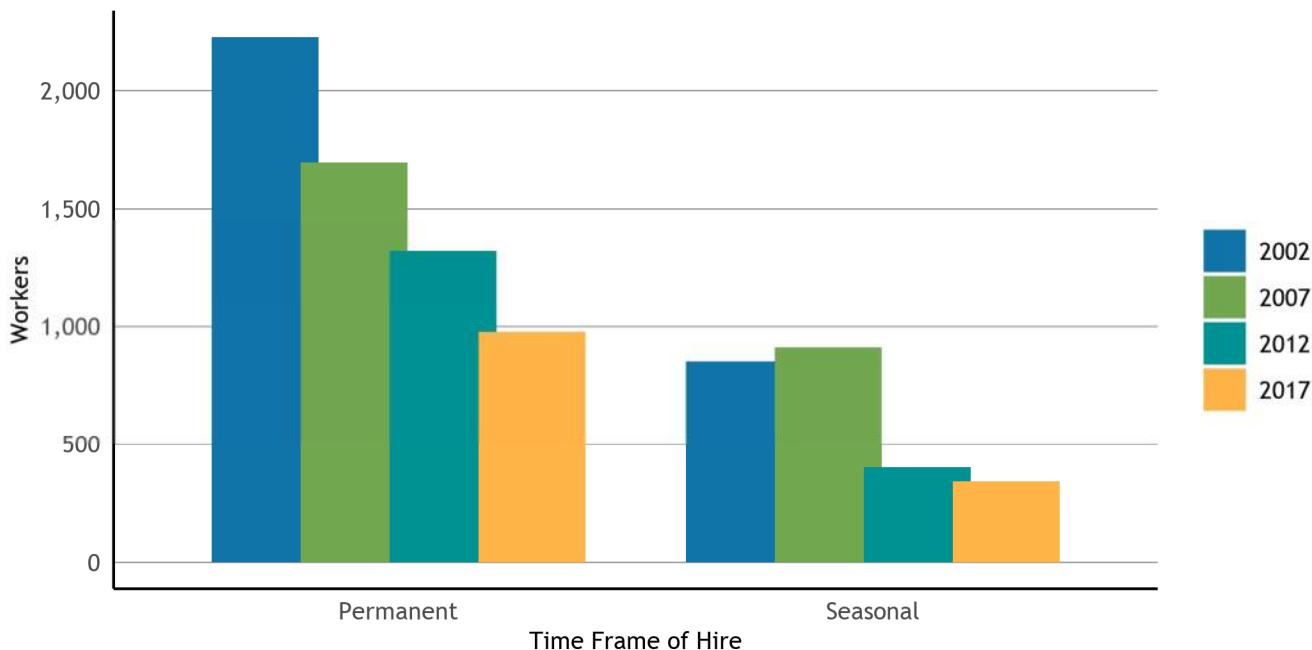
Table 2-9. Migrant Worker Student Population

Academic Year	Millbrae	San Mateo County	Bay Area
2016-17	0	657	4,630
2017-18	0	418	4,607
2018-19	0	307	4,075
2019-20	0	282	3,976

Source: California Department of Education, California Longitudinal Pupil Achievement Data System (CALPADS), Cumulative Enrollment Data (Academic Years 2016-2017, 2017-2018, 2018-2019, 2019-2020)

According to the U.S. Department of Agriculture Census of Farmworkers, the number of permanent farm workers in San Mateo County has decreased since 2002, totaling 978 in 2017, while the number of seasonal farm workers has decreased, totaling 343 in 2017 (see Figure 2-58, Farm Operations and Farm Labor by county, San Mateo County).

Figure 2-58. Farm Operations and Farm Labor by County, San Mateo County



Source: U.S. Department of Agriculture, Census of Farmworkers (2002, 2007, 2012, 2017), Table 7: Hired Farm Labor

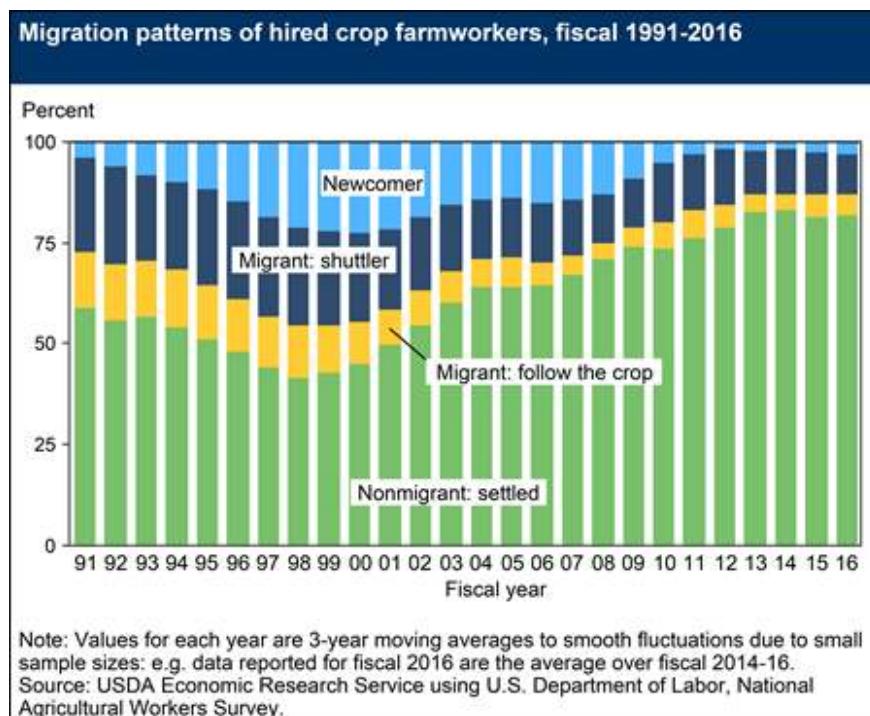
According to the Farmworker Toolkit provided by ABAG, over the past 2 decades, there has been a shift to a more permanent workforce for many farms, shifting the bulk of the affordable housing need from seasonal to permanent. As shown in Figure 2-59, Farmworker Migration Patterns, more than 80% of hired crop farmworkers are not migrant workers, but rather, settled.

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This means that they work at a single location within 75 miles of their home. Among the smaller share of migrant workers are those who migrate from state to state, working on different crops as seasons advance, those who are shuttled across international borders, and newcomers who have not established a migration pattern.

Figure 2-59. Farmworker Migration Patterns



Source: U.S. Department of Agriculture Economic Research Services, Farm Labor Webpage.

Among other issues, farmworkers typically face low wages, leading to high rates of housing cost burden for farm working families. According to the BLS, California's mean farmworker wages range from \$30,370 to \$42,480 per year (see Figure 2-60, California Farmworker Wages). As discussed in Section 2.6.6, the 2022 median contract rent in the City is \$3,479. This means that a worker would have to make \$11,597 per month (\$139,164 per year) to avoid being housing cost-burdened (spending more than 30% of their household income on housing costs).

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Figure 2-60. California Farmworker Wages

Occupational Employment and Wages, May 2020	Employment	Employment (per thousand jobs)	Location quotient (1)	Hourly mean wage	Annual mean wage
<u>Farmworkers and Laborers, Crop, Nursery, Greenhouse (45-2092)</u>	200,130	12.18	5.76	\$ 14.60	\$ 30,370
<u>Farmworkers, Farm, Ranch and Aquacultural Animals (45-2093)</u>	2,290	0.14	0.53	\$ 16.54	\$ 34,400
<u>Agricultural Workers, All Others (45-2099)</u>	1,390	0.08	1.82	\$ 20.42	\$ 42,480
<u>Agricultural Equipment Operators (45-2091)</u>	7,060	0.43	2.04	\$ 16.55	\$ 34,420

Source: BLS, California Farmworker Wages (May 2020).

Finally, the Farmworker Toolkit states that based on recent studies in the greater Bay Area (San Mateo and Monterey County), the following issues affect farmworkers:

- High unmet needs for agricultural workforce housing;
- Housing that is often in poor repair and overcrowded;
- Financial needs to support small agricultural producers/employers and employees that cannot afford market-rate housing;
- Difficulty attracting and retaining employees as a result of low housing availability;
- Sharp decline in foreign agricultural workers and a shift to more permanent workers (2002 permanent workers equaled 38%; 2017 permanent workers equaled 49%); and
- Need for farmworker housing that accommodates families in urban communities.

Ultimately, a very small percentage (if any) of residents are employed farm workers, and there are no parcels within the City that are zoned for agricultural use. Given the minimal presence of farm workers in the community, the City has not identified a need for specialized farm worker housing. Still, there are a number of existing programs and policies applicable to the needs of farmworkers that the City provides.

2.9.5.2 Resources and Services for Farmworkers

Millbrae currently has a number of existing programs and services available to farmworkers. These services are outlined in Table 2-11 in Section 2.9.8.

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Furthermore, the San Mateo County Consolidated Action Plan includes the following goals to address any gaps in housing and services for farmworkers:

- Support the acquisition, creation, rehabilitation, and preservation of affordable housing units, including the adaptive reuse of non-housing structures for use as affordable housing.

2.9.6 Homelessness

Homelessness remains an urgent challenge in many communities across the state, reflecting a range of social, economic, and psychological factors. Previous factors contributing to the rise in people experiencing homelessness included the general lack of housing affordable to lower-income people, increases in the number of people whose incomes fall below the poverty level, reductions in public subsidies, the de-institutionalization of those with mental illness, and increasing substance abuse issues. The increase in the number of layoffs and the loss of employment during the COVID-19 pandemic have likely contributed to an increase in this population because these effects resulted in the inability to afford housing. Any impacts of the COVID-19 pandemic on homelessness in San Mateo County likely continued beyond the lifting of eviction moratoriums and resulted in a further increase in people experiencing homelessness.

Far too many residents who have found themselves housing insecure have ended up unhoused or homeless in recent years, either temporarily or long-term. Addressing the specific housing needs of the unhoused population remains a priority throughout the region, particularly since homelessness is disproportionately experienced by people of color, people with disabilities, those struggling with addiction, and those dealing with traumatic life circumstances.

2.9.6.1 Needs Assessment for Persons Experiencing Homelessness

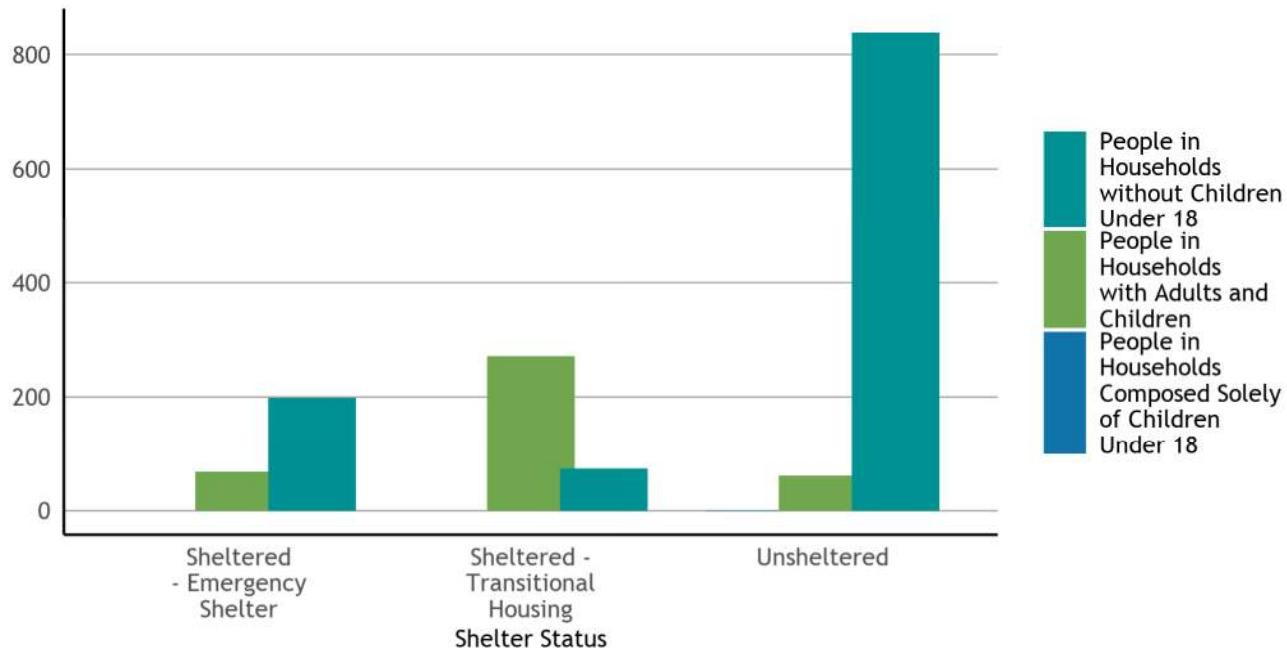
According to the San Mateo County 2022 Point in Time count, there are 1,808 people experiencing homelessness in the County. While the data gathered by the County does not provide a complete breakdown of the types of households experiencing homelessness in Millbrae, it does specify that, in 2022, there were 9 unsheltered persons experiencing homelessness. It is important to note that the data provided in Figures 2-60 through 2-63 and Table 2-10, Students in Local Public Schools Experiencing Homelessness, portray 2019 data provided by ABAG. As a result, the data provided previously may not correspond with the figures and table.

The most common type of household experiencing homelessness in the County is those without children in their care. Among households experiencing homelessness that do not have children, 75.5% are unsheltered. Of homeless households with children, most are sheltered in transitional housing (see Figure 2-61, Homelessness by Household Type and Shelter Status, San Mateo County).

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Figure 2-61. Homelessness by Household Type and Shelter Status, San Mateo County



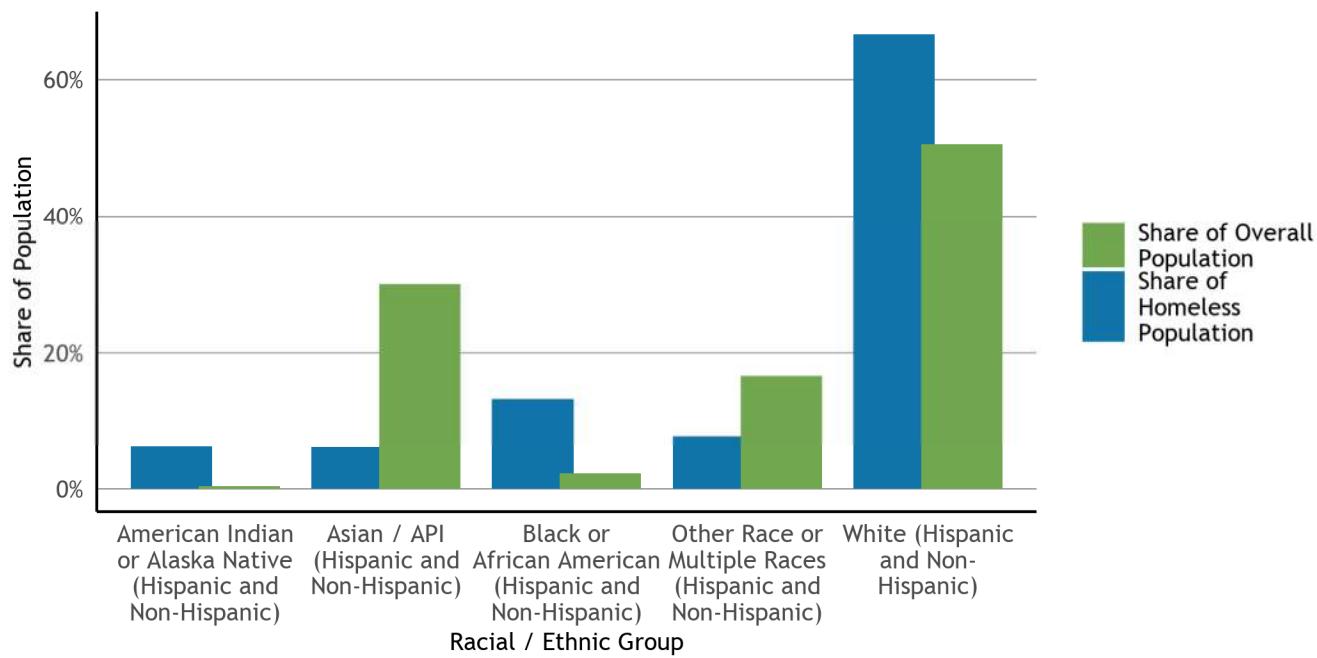
Source: HUD, Continuum of Care (CoC) Homeless Populations and Subpopulations Reports (2019)

People of color are more likely to experience poverty and financial instability as a result of federal and local housing policies that have historically excluded them from the same opportunities extended to white residents. Consequently, people of color are often disproportionately impacted by homelessness, particularly Black residents of the Bay Area. In San Mateo County, White (Hispanic and Non-Hispanic) residents represent the largest proportion of residents experiencing homelessness and account for 66.6% of the homeless population, while making up 50.6% of the overall population (see Figure 2-62, Racial Group Share of General and Homeless Populations, San Mateo County).

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Figure 2-62. Racial Group Share of General and Homeless Populations, San Mateo County



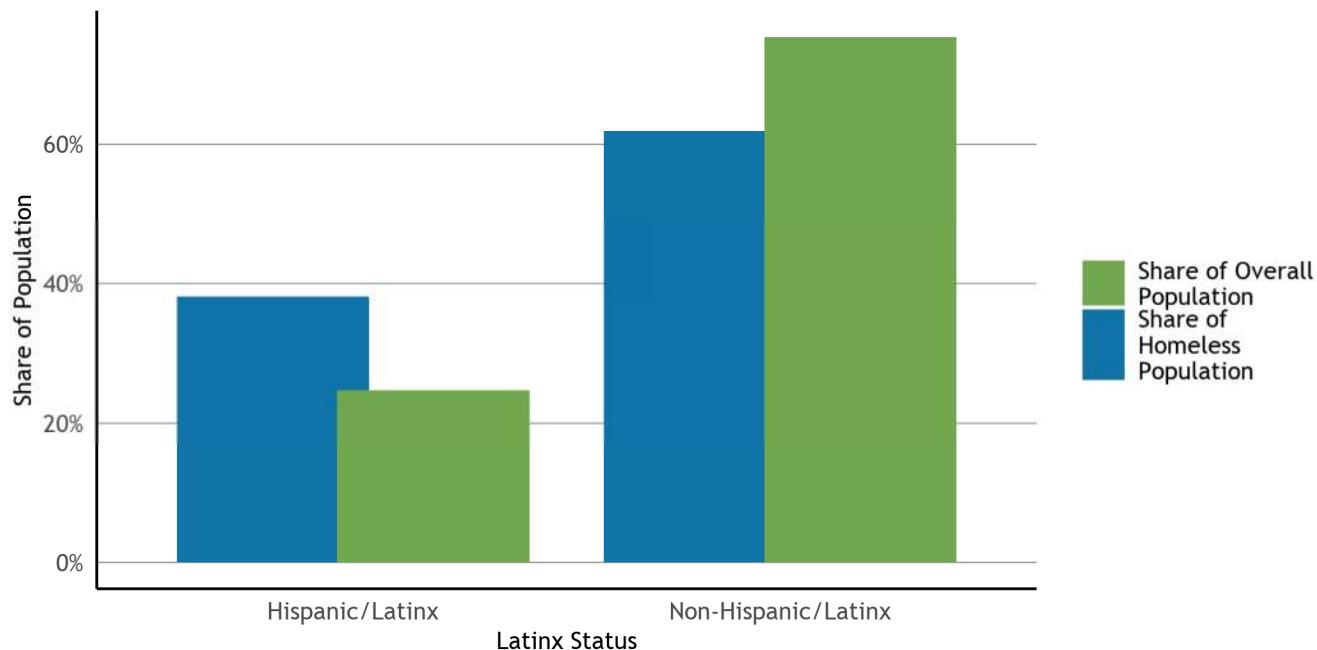
Source: HUD, CoC Homeless Populations and Subpopulations Reports (2019); U.S. Census Bureau, ACS 5-Year Data (2015-2019), Table B01001(A-I)

In San Mateo County, Latinx residents represent 38.1% of the population experiencing homelessness, while Latinx residents comprise 24.7% of the general population (see Figure 2-63, Latinx Share of General and Homeless Populations, San Mateo County).

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Figure 2-63. Latinx Share of General and Homeless Populations, San Mateo County



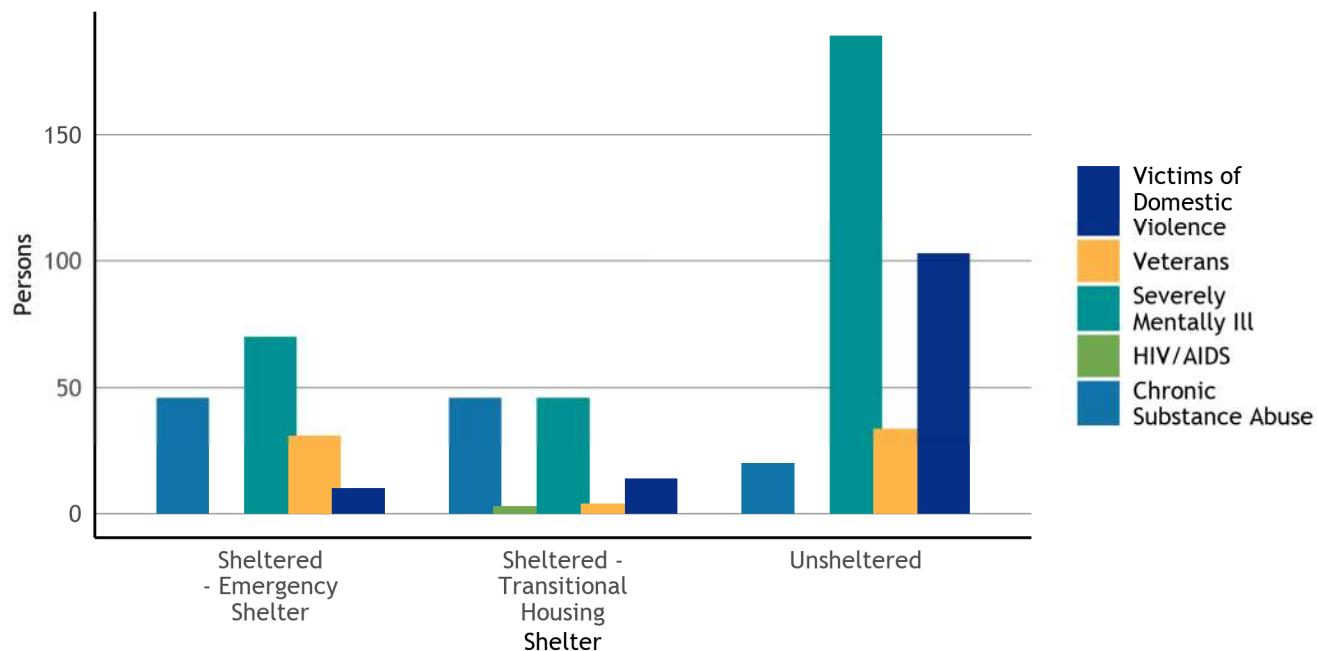
Source: HUD, CoC Homeless Populations and Subpopulations Reports (2019); U.S. Census Bureau, ACS 5-Year Data (2015-2019), Table B01001(A-I)

Many of those experiencing homelessness are dealing with severe issues – including mental illness, substance abuse, and domestic violence – that are potentially life-threatening and require additional assistance. In San Mateo County, homeless individuals are commonly challenged by severe mental illness, with 305 reporting this condition (see Figure 2-64, Characteristics for the Population Experiencing Homelessness, San Mateo County). Of those, some 62% are unsheltered, further adding to the challenge of handling the issue.

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Figure 2-64. Characteristics for the Population Experiencing Homelessness, San Mateo County



Source: HUD, CoC Homeless Populations and Subpopulations Reports (2019)

In Millbrae, the student population experiencing homelessness totaled 16 during the 2019-20 school year and decreased by 51.5% since the 2016-17 school year. By comparison, San Mateo County has seen a 37.5% decrease in the population of students experiencing homelessness since the 2016-17 school year, and the Bay Area population of students experiencing homelessness decreased by 8.5%. During the 2019-2020 school year, there were still some 13,718 students experiencing homelessness throughout the region, adding undue burdens on learning, and thriving, with the potential for longer-term negative effects. The number of students in Millbrae experiencing homelessness in 2019 represents 1.3% of the San Mateo County total and 0.1% of the Bay Area total (See Table 2-10, Students in Local Public Schools Experiencing Homelessness).

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Table 2-10. Students in Local Public Schools Experiencing Homelessness

Academic Year	Millbrae	San Mateo County	Bay Area
2016-17	33	1,910	14,990
2017-18	15	1,337	15,142
2018-19	19	1,934	15,427
2019-20	16	1,194	13,718

Source: California Department of Education, California Longitudinal Pupil Achievement Data System (CALPADS), Cumulative Enrollment Data (Academic Years 2016-2017, 2017-2018, 2018-2019, 2019-2020)

2.9.6.2 Resources and Service for Persons Experiencing Homelessness

Millbrae currently has a number of existing programs and services available to people experiencing homelessness. These services are outlined in Table 2-11 in Section 2.9.8.

Furthermore, the San Mateo County Consolidated Action Plan includes the following goals to address any gaps in housing and services for people experiencing homelessness:

- Continue to support the development of publicly supported housing for County Clients - residents with special needs (experiencing homelessness, frail elderly, mental health issues, substance abuse issues).
- Support the acquisition, creation, rehabilitation, and preservation of affordable housing units, including the adaptive reuse of non-housing structures for use as affordable housing.
- Support public services, including shelter operations, rapid re-housing, and shelter diversion, which address the goals of the County's plan to prevent and end homelessness.
- Support public facilities, including emergency shelters and supportive housing facilities, that address County goals to prevent and end homelessness.

2.9.7 Non-English Speakers

California has long been an immigration gateway to the United States, which means that many languages are spoken throughout the Bay Area. Since learning a new language is universally challenging, it is common for residents who have immigrated to the United States to have limited English proficiency. This limit can lead to additional disparities if there is a disruption in housing, such as an eviction, because residents might not be aware of their rights, or they might be wary to engage due to immigration status concerns.

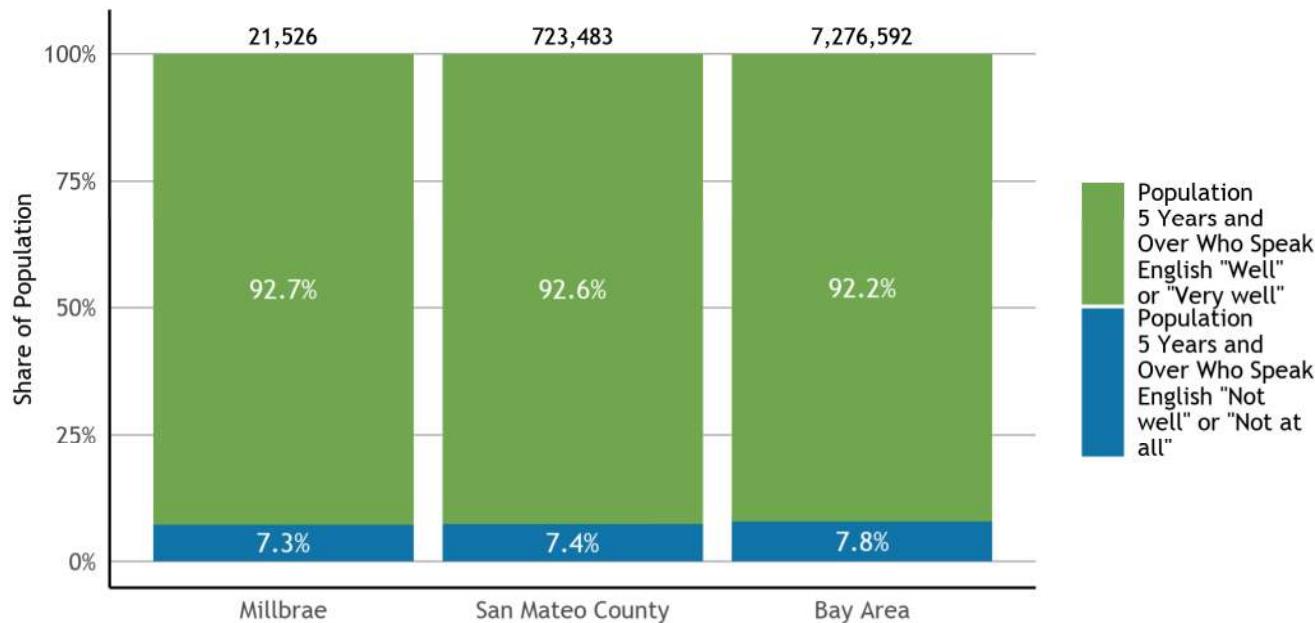
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2.9.7.1 Needs Assessment for Non-English Speakers

In Millbrae, 7.3% of residents five years and older identify as speaking English not well or not at all, which is below the proportion for San Mateo County. Throughout the region, the proportion of residents five years and older with limited English proficiency is 8% (See Figure 2-65, Population with Limited English Proficiency).

Figure 2-65. Population with Limited English Proficiency



Source: U.S. Census Bureau, ACS 5-Year Data (2015-2019), Table B16005

2.9.7.2 Resources and Service for Non-English Speakers

Millbrae currently has a number of existing programs and services available to non-English Speakers. These services are outlined in Table 2-11 in Section 2.9.8.

2.9.8 Special Housing Needs Resources

The City of Millbrae provides access to affordable housing services for special housing needs populations in the City. Table 2-11, Special Housing Needs Resources, details some of the services available for special housing needs populations.

Table 2-11. Special Housing Needs Resources

Name	Phone	Website	Utilization	Group
San Mateo County of Department of Housing	650.802.5050	smc.housingbayarea.org	Resource for finding affordable housing opportunities across San Mateo County.	All

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Name	Phone	Website	Utilization	Group
Housing Authority of the County of San Mateo	650.802.3300	smchousingwaitlist.org	Moving To Work (MTW) program	All
HIP Housing	650.348.6660	hiphousing.org	A non-profit organization providing home sharing, self-sufficiency, and property development.	All
The Housing Endowment and Regional Trust (HEART)	650.204.5640	www.heartofsmc.org	Public/private partnership among the cities, businesses, and communities in San Mateo County that works to create more affordable housing through land acquisition, rehabilitation, and early funding to affordable housing projects for low-income residents.	All
Legal Aid Society of San Mateo County	650.558.0915	legalaidsmc.org	Provides tenant/landlord assistance.	All
Project Sentinel	650.321.6291	housing.org	Provides tenant/landlord assistance and fair housing education.	All
Community Legal Services of East Palo Alto	650.326.6440	clsepa.org	Free legal assistance for housing-related issues.	All
Peninsula Conflict Resolution Center	650.345.7272	prcweb.org	Mediation, coaching, and collaborative problem-solving for landlords and tenants.	All
Samaritan House	650.345.7272	samaritanhousesanmateo.org	Provides a range of services and helps families avoid a major crisis and homelessness with emergency rent or assistance with utility bills.	All
Libre Project	650.517.8936	thelibreproject.org/pbservices.html	Offers free public benefits enrollment assistance in health insurance, food Programs, and financial assistance.	All
San Mateo County Emergency Rental Assistance Program	833.430.2122	smcgov.org/san-mateo-county-emergency-rental-assistance-program	Offers COVID-19 rental assistance through the California State Rent Relief Program – Housing is Key.	All
Below Market Rate (BMR) Housing		smcgov.org/housing/below-market-rate-bmr-housing	Affordable housing homeownership assistance.	All

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Name	Phone	Website	Utilization	Group
California Mortgage Relief Program	888-840-2594	Camortgagerelief.org	Provides one-time payments to qualified homeowners who have fallen behind on housing payments.	All
Emergency Housing Vouchers	650.347.3648	samaritanhousesanmateo.org	Housing assistance provided through a local core service agency.	Homeless
Monthly Birthday Luncheons for Seniors	650.259.2360		Social gatherings and food events for seniors. Requires a reservation.	Seniors
Self-Help for the Elderly	415.319.4115 650.342.0822	selfhelpelderly.org/locations	Provides nutritious meals to the elderly with an option for home-delivered meals. Requires a reservation.	Seniors
Grocery Assistance Program	650.342.2255	callprimrose.org	Provides free weekly groceries for pick-up or walk-in to individuals and families in need.	All
Second Harvest of Silicon Valley	800.984.3663	shfb.org/get-food	Grocery and meal programs are served in San Mateo County.	All
Virtual Social Groups and Activities		highway61.co	Provides real-time conversation groups for those over 50 including support groups, trivia, bingo, etc.	Seniors
San Mateo Adult & Career Education	650.558.2100	sanmateoadulted.org	Provides a range of programs to help adult learners of all ages and backgrounds grow their skills and community.	All
Resources for Veterans		aarp.org hsa.smcgov.org/veterans-resources	Resource guide for veterans	Veterans
Bread Sales		Community Center lobby 623 Magnolia Ave, Millbrae, CA 94030	Bread and pastries are available to be purchased in the Community Center lobby.	All

3 HOUSING CONSTRAINTS

City, State of California (State or California), and federal governments can constrain development through regulatory requirements and internal processes that affect project permitting complexity, timelines, and costs. Additional nongovernmental constraints take the form of market factors (e.g., land costs, construction costs, ability to obtain financing, and development feasibility of housing projects), and environmental constraints.

The City (City or Millbrae) works to reasonably reduce governmental constraints to development and influence nongovernmental constraints, where and when possible, to support housing development. However, the pace of new housing supply has not kept up with demand: The increase in the number of homes between 2010 and 2020 was only 3.1%, which is below the growth rate of the region's housing stock during this period¹. This chapter includes a summary of constraints and discusses past and planned initiatives to reduce them where possible.

3.1 Nongovernmental Constraints

Nongovernmental constraints are market and environmental forces that act as impediments to building housing. The City has less control over these factors but can take actions to help mitigate burdens to housing production.

3.1.1 Land Costs

Since the City is mostly developed, vacant land is significantly limited. Opportunities to redevelop underutilized commercial and retail properties with existing structures and improvements can be the most feasible option for higher-density residential development, particularly within the boundaries of the Millbrae Station Area Specific Plan (MSASP).

Land values in the City are relatively high, as is the case in most of the Bay Area. According to an April 2022 study by Century Urban (prepared as part of the San Mateo County collaborative, 21 Elements), the price of the average single-family lot is \$1 million, while multifamily zoned land costs approximately \$100,000 per entitled unit in the County (San Mateo County or County).

¹ABAG/MTC Staff and Baird + Driskell Community Planning. (2021). *Housing Needs Data Report: Millbrae*.

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Chapter 3. Housing Constraints

According to 2012-2019 data published by the Federal Housing Finance Agency in October 2020, the Citywide price of the average single-family lot is approximately \$1,773,000, while multifamily zoned land costs approximately \$63,000 per entitled unit.

3.1.2 Construction Costs

Residential construction costs have increased significantly since the Great Recession that occurred generally between 2007-2010. According to a report by the University of California, Berkeley, Terner Center (Terner Center) in March 2020, construction costs in California increased by 25% between 2008 and 2018. The Terner Center notes that construction costs fell immediately following the Great Recession but rose 80% between 2014 and 2018. Furthermore, supply chain issues paired with an increase in residential construction activity have caused lumber and other material costs to rise significantly since the beginning of the COVID-19 pandemic in 2020. According to Century Urban, single-family residential construction costs range from \$420 to \$525 per square foot and multifamily residential construction costs range from \$517 to \$522 per square foot in the County.

3.1.3 California Government Code, Section 65583(a)(6), Development Analysis

California Government Code, Section 65583(a)(6), requires an analysis of requests to develop housing at densities below those anticipated in the Sites Inventory and the length of time between receiving approval for housing development and submittal of an application for a building permit. The analysis must also look at local efforts to remove nongovernmental constraints that create a gap in the jurisdiction's ability to meet the Regional Housing Needs Assessment (RHNA) by income category.

There were no requests to develop housing on sites identified in the 5th Cycle Housing Element Update at densities below those anticipated in the 5th Cycle Sites Inventory.

The length of time between receiving approval for a housing development and approval of an application for building permits is typically four to six months under normal circumstances for a professional design team, but this timeframe can vary depending on project complexity and the time the developer takes to complete construction documents. Incomplete construction documents or construction documents that do not clearly demonstrate compliance with State and local building codes can require additional review time and potentially require additional rounds of review, which can delay projects. Items like changes to construction costs or other development costs that affect the feasibility, financing, or negotiations with design professionals are outside the City's control and may delay projects.

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This analysis is required to examine local efforts to remove nongovernmental constraints that create a gap in the jurisdiction's ability to meet the RHNA by income category. The primary nongovernmental constraint to the development of affordable housing (very low-, low- and moderate-income housing) is the overall cost of affordable housing development (high land and development costs) and the lack of public funding sources to subsidize the development of these units. Given current construction costs and rents/sales prices that are affordable to very low-, low-, and moderate-income households, even with by-right density bonuses pursuant to California's Density Bonus Law, constructing affordable housing (particularly for households with low- and very low-incomes) costs more to develop than the revenues derived from the project, requiring public funding sources to fill the gap for funding/financing. Developers requiring funding from investors and lending institutions are required to submit a pro forma analysis (i.e., an analysis showing the costs to develop and the revenues available to fund the development) demonstrating financial feasibility or costs that are less than or equal to revenues.

Therefore, public subsidies are required to develop affordable housing. The subsidy typically comes from multiple sources in the form of Low-Income Housing Tax Credits (LIHTC), State grants, Investment Partnerships Program (HOME), funds, dedication of land for projects, and/or other public sources. The lack of funding options can result in affordable projects that are more concentrated in areas with lower development and land costs. It is important to note that the City can offer concessions, such as expedited permit processing; development impact fee deferrals; reduction in park dedication standards (as permitted by the Subdivision Ordinance); and financial subsidies, such as Community Development Block Grants (CDBG), HOME, and in-lieu fee funds, to offset the cost impacts of development and planning fees, but it cannot fill the gap in funding for affordable housing developments on its own.

3.1.4 Availability of Financing

The availability of capital to finance new residential development is a significant factor that can affect both the cost and supply of housing. Two types of capital are involved in the housing market: (1) capital used by developers for initial site preparation and construction and (2) capital for financing the purchase of units by homeowners and investors. Interest rates substantially affect home construction, purchase, and improvement costs. A fluctuation in rates of just 2.5% can make a dramatic difference in the annual income needed to qualify for a loan. In general, financing for new residential development is available at reasonable rates. However, economic fluctuations due to the COVID-19 pandemic and recent inflation patterns have caused caution among lenders and may have lasting effects through this Housing Element Planning Period. Additionally, interest rates have climbed in recent months, making home prices and the cost of lending for projects more expensive. Lenders are also scrutinizing applicants more than they did in the past, leading to a lower number of approved mortgages despite affordable interest rates.

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It is important to note that the availability of financing for developers of market-rate housing units does not appear to be a constraint as evidenced by the large number of housing units developed in the City at the “above moderate” income levels (pursuant to the City’s 2021 Annual Progress Report). However, the availability of financing for affordable housing to lower-income households represents a governmental constraint as the lack of sufficient public subsidies required by affordable housing developers prevents more affordable units from being constructed. This topic is covered in Section 5.3, Governmental Constraints, in this chapter.

3.1.4.1 Homeownership

Federal Reserve Economic Data show home mortgage interest rates rising steadily from January 2022 after experiencing historic lows in January 2021 due to the COVID-19 pandemic and peaking in June 2022. High demand combined with a low supply of housing has led to significant increases in home prices. According to Redfin.com, the median sale price for single-family residences in the City increased by 40% between May 2020 and 2022. These trends could create barriers to homeownership for residents with lower incomes because wage growth has not kept up with rising home prices. For instance, median home prices for ownership residences in the City increased 103% between December 2012 and 2020 (according to Zillow.com), while median household income (reported by the U.S. Census Bureau) only increased 46% during the same period. The California Department of Finance (DOF) survey data presented in Chapter 2, Community Profile and Needs, of this Housing Element also shows that production has not been able to keep up with the housing demand in Millbrae with just 4.2% of the City’s housing stock being built since 2010.

3.1.4.2 Rental Housing

According to the 2020 ACS 5-Year Estimates, more renter households in the City are severely cost-burdened (i.e., the household spends 50% or more of its income on rent) than in the County and the Bay Area as a whole. More specifically, 27% of renter households in the City spend 50% or more of their gross income on housing costs compared to 24% in the County and 22% in the Bay Area. Demand for housing in San Mateo County increased as a result of inland migration from San Francisco. This increase in demand could lead to an increase in rent across San Mateo County. According to the Marcus & Millichap San Francisco Metro Area Multifamily Market Report for Q2 of Fiscal Year (FY) 2021–22 (Marcus & Millichap Market Report), numerous residents in the densely populated cities of the Bay Area sought larger accommodations in more sparsely populated cities like Millbrae following the work-from-home orders of the COVID-19 pandemic. Figure 2-25 in Chapter 2 shows 26.4% of rental units were rented for \$3,000 or more monthly compared to 22.1% in the County and 13.0% in the Bay Area.

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3.1.5 Availability of Mortgage Financing

Under the Home Mortgage Disclosure Act (HMDA), lending institutions are required to disclose information on the disposition of loan applications and the income, gender, and race of loan applicants. The data for Millbrae was compiled by aggregating census tracts to approximate the City boundaries. Conventional financing involves market-rate loans provided by private lending institutions such as banks, mortgage companies, savings and loans, and thrift institutions.

In 2021, four households applied for government-backed mortgage loans, 324 households applied for conventional home mortgage loans, 1,721 households applied to refinance, and 95 households applied for home improvement loans in Millbrae (see Table 3-1, Disposition of Home Purchase and Improvement Loan Applications (2021), below). Of the applications for conventional purchase loans, 77% were approved, 8% were denied, and 15% were withdrawn or closed for incompleteness. Applications in 2021 increased for government-backed mortgage loans from zero to four applications and conventional mortgage loans by 17% from 2018. The 2021 conventional mortgage loans maintained a 75% approval rate from 2018 (Table 3-2, Disposition of Home Purchase and Improvement Loan Applications (2018), below). Approximately 70% of refinance applications were approved in 2021, exceeding the 60% approval rate in 2018. The denial rate for home improvement loans (16%) in 2021 decreased as compared to 2018 (32%).

Table 3-1. Disposition of Home Purchase and Improvement Loan Applications (2021)

	LOAN TYPE							
	GOVT-BACKED PURCHASE		CONVENTIONAL PURCHASE		REFINANCE		HOME IMPROVEMENT	
	#	%	#	%	#	%	#	%
Approved ¹	3	75.0%	248	76.5%	1,219	70.8%	58	61.1%
Denied	0	0.0%	25	7.7%	138	8.0%	15	15.8%
Other ²	1	25.0%	51	15.7%	364	21.2%	22	23.2%
Total Applicants	4	100%	324	100%	1,721	100%	95	100%

¹ Includes applications approved by lenders but not accepted by the applicants.

² Includes files closed for incompleteness and withdrawn applications

Source: FFIEC MSA/MD 2021 Aggregate Report for Census Tracts in Millbrae

Table 3-2. Disposition of Home Purchase and Improvement Loan Applications (2018)

	LOAN TYPE					
	GOVT-BACKED PURCHASE		CONVENTIONAL PURCHASE		REFINANCE	HOME IMPROVEMENT
#	%	#	%	#	%	
Approved ¹	3	75.0%	248	76.5%	1,219	70.8%
Denied	0	0.0%	25	7.7%	138	8.0%
Other ²	1	25.0%	51	15.7%	364	21.2%
Total Applicants	4	100%	324	100%	1,721	100%

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	#	%	#	%	#	%	#	%
Approved ¹	0	0.0%	210	75.8%	253	59.8%	66	54.5%
Denied	0	0.0%	31	11.2%	85	20.1%	39	32.2%
Other ²	0	0.0%	36	13.0%	85	20.1%	16	13.2%
Total Applicants	0	0%	277	100%	423	100%	121	100%

¹ Includes applications approved by lenders but not accepted by the applicants.

² Includes files closed for incompleteness and withdrawn applications

Source: FFIEC MSA/MD 2018 Aggregate Report for Census Tracts in Millbrae

3.1.6 Requests to Develop Housing at Lower Densities

In order to account for potential requests to develop housing at densities below those anticipated in the Sites Inventory, the City performed an analysis of sites included in the City's 5th Cycle Housing Element Update. The City found that no projects were completed at densities below those identified in the 5th Cycle Housing Element Update during the Planning Period. Therefore, it does not appear that requests to develop housing at densities below those anticipated in the Sites Inventory present a constraint.

3.2 Environmental Constraints

Environmental factors can constrain residential development in a community by increasing costs and reducing the amount of land suitable for housing. Known environmental constraints in the City of Millbrae include geologic and seismic hazards, flooding and landslides, biological resources, and risk from wildfire.

3.2.1 Geologic and Seismic Hazards

Geological conditions of concern that present additional vulnerability to the community include fault zones, earthquakes, unstable soils, and liquefaction. The City is located in San Mateo County in the seismically active San Francisco Bay region. Four major faults identified by the Alquist-Priolo Earthquake Fault Zoning Act are in proximity to the City: the San Andreas Fault, San Gregoria Fault, Hayward Fault, and Calaveras Fault. The greatest seismic risk to the City is the active San Andreas Fault, located within a mile of the western boundary of the City limits. In addition to these faults, the Serra Fault is a relatively short fault that crosses the City from north to south. Though not considered an active Alquist-Priolo fault, due to its proximity to the San Andreas Fault, the City considers it a potentially active fault and requires geologic studies for development proposed near the fault. In addition, the Association of Bay Area Governments (ABAG) Resiliency Program has identified the ground-shaking potential for the City as 'violent,' largely due to its proximity to the San Andreas Fault. Soils found in the eastern portion of the City have the strongest amplification of ground shaking and have been identified as having a very high susceptibility to liquefaction during an earthquake event. Geotechnical and geologic

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reviews would be required prior to housing development to assess the seismic and geologic hazards. Adherence to the standards and regulations in the California Building Code and City Municipal Code would be required for all new development in the City to mitigate these potential hazards.

3.2.2 Flooding and Landslides

According to the Federal Emergency Management Agency (FEMA) flood insurance rate maps, portions of the City are in inundation zones for the 100-year and 500-year floods. The City has been subject to increased flash floods and extreme weather, which has been exacerbated by sea level rise specifically in low-lying areas in the eastern portion of the City. The western portions of the City contain steeper slopes and are susceptible to landslides induced by heavy rainfall events. There are numerous areas where landslides have occurred in recent history including Crestview and Sleepy Hollow, Clearfield, and Morningside. In April 2020, the City prepared a Sea Level Rise Adaptation Assessment with the support of a grant from the San Mateo County Office of Sustainability. The purpose of the Assessment is to expand the understanding of sea level rise risks to the City, communicate these risks to the community, and plan for sea level rise by identifying potential mitigations, adaptation, and hazard mitigation strategies.

The City has also prepared a Local Hazard Mitigation Plan Annex (2010), which focuses on mitigating these hazards and provides a comprehensive assessment of the threats the City faces from natural and human-caused hazard events and a coordinated strategy to reduce these threats. In addition, San Mateo County has recently updated the Multijurisdictional Local Hazard Mitigation Plan (2021), which also defines measures to reduce risks from natural disasters. This was developed in partnership with local governments throughout the County.

3.2.3 Biological Resources

The City predominantly consists of developed areas (approximately 81%), however, there are small patches of habitat, including California mixed evergreen forests, redwood forest, chaparral, grassland, pacific coast scrub, western riparian woodland, and open water, which provide potential habitat for special status species. Several wetland and non-wetland waters or features are located in and around the City, including estuarine wetlands, marine habitats, riverine, freshwater emergent wetlands, and freshwater ponds. Areas of estuarine and marine wetlands are located on the eastern border of the City at Bayside Park on the San Francisco Bay and provide potential habitat for special status species. Freshwater emergent wetlands occur in the eastern portion of the City in undeveloped areas along Highway 101. Wetlands and non-wetland habitats are typically subject to the U.S. Army Corps of Engineers jurisdiction under Section 404 of the Clean Water Act.

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The California Natural Diversity Database has identified three special-status reptile species, one special-status amphibian, five special-status bird species, 10 special-status mammal species, 16 special-status invertebrate species, two special-status fish species, 35 special-status plant species, and three critical habitat areas known to occur within five miles of the City. There is no known critical habitat within the City limits.

3.2.4 Risk from Wildfires

The City is identified by the California Department of Forestry and Fire Protection (CAL FIRE) as a local responsibility area, meaning fire protection is provided by the Central County Fire Department. The western edge of the City is subject to moderate to high fire hazard risk. The remainder of the City is not zoned, indicating there is no designated fire hazard severity. Fire on undeveloped land in the City is predominantly located adjacent to or west of Spur Trail and in large sloping private lots throughout the western portion of the City. Structure fires represent the majority of fire hazards in the City. Climate change is expected to increase the incidents of wildfire in the surrounding foothills and mountains in the San Francisco Bay Area, including the City. The potential for post-wildfire soil erosion is moderate to high on the eastern edge of the City. All new development would be required to comply with the City's Fire Code, which is in accordance with the California Fire Code.

3.3 Governmental Constraints

Housing affordability is influenced by factors in both the private and public sectors. The policies that guide residential development in the City and the processes for building or expanding housing influence the amount of housing developed and its type, form, location, and ultimate price. Land use controls, development standards, fees, and other local programs can have the unintended consequence of serving as a constraint to housing development. The following describes the various potential government constraints on housing development in Millbrae.

3.3.1 State and Federal Constraints

In addition to local governmental constraints (described later in this chapter), federal and State barriers and disincentives also exist that limit the production of housing. These constraints include national economic and job market conditions, State and federal laws and regulations, and a significant lack of funding and subsidies needed to support housing that lower- and moderate-income families can afford.

3.3.2 National and State Economic and Job Market Conditions

Technology and globalization have changed the economy significantly in the last two decades. Federal laws and policies have allowed U.S. companies to move manufacturing and service jobs

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overseas and outsourced for much lower costs to maintain or increase profits, leading to a significant stagnation in wages for lower-skilled workers, while the cost of living (including housing costs) has continued to increase. The Congressional Research Service published a study titled “Wage Inequality and the Stagnation of Earnings of Low-Wage Workers: Contributing Factors and Policy Options” (February 5, 2020) that states the following:

Over the 1979–2018 period, real wages at the 10th percentile of the hourly wage distribution grew by 1.6%, whereas wages at the 50th percentile grew by 6.1% and wages at the 90th percentile grew by 37.6%.

The Massachusetts Institute for Technology published a study called “The Work of the Future: Shaping Technology and Institutions” (2019), which states that, with automation, technology changes, and globalization, workers lacking some form of college degree suffer stagnating wages and significantly less economic security. This study states that employment is “polarizing” in both the United States and the industrialized world for the following reason:

At the top end, high-education, high-wage occupations offer strong career prospects and rising lifetime earnings. On the other end, low-education, low-wage occupations provide little economic security and limited career earnings growth. As a result, the pathways to economically stable and secure careers for workers without college degrees are becoming narrower and more precarious. Simply put: we see no shortage of good careers for highly educated workers. And we see no shortage of jobs for less educated workers. But we do find a paucity of good careers for workers without significant post-secondary training—strong technical or vocational training, associate’s degree level certification in a credentialed field, or attainment of a traditional four-year college or graduate degree.

As documented above, and in numerous articles and studies in recent years, as automation, technology changes, and globalization of jobs and manufacturing have occurred, lower-skilled and less-educated workers are not experiencing wage growth that is sufficient to keep up with rising housing costs. This has exacerbated the affordable housing need and crisis currently affecting California and many other states.

The University of California, Berkeley, Labor Center also reports the following information on low-wage earners on their website (<https://laborcenter.berkeley.edu/low-wage-work-in-california/>):

- One of every three California workers earns low wages.
- 32% of California workers earned less than \$14.35 per hour in 2017.
- Nearly 5 million low-wage workers are in California.

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- Changes in the employment market and wage growth are experienced on a local level. In Millbrae, median sales prices for single-family homes have increased up to 73% between 2017 and 2020 (according to Redfin.com), while median household income in San Mateo County (reported by the U.S. Census Bureau) only increased 10% during the same period. Limited wage growth is a significant barrier to individuals and families who are currently housed or seeking housing and has created a large need for affordable housing.

3.3.2.1 Lack of Federal and State Funding and Subsidies for Affordable Housing

Market factors and government regulations contribute to increased costs toward the development of affordable housing, making it even more costly than market-rate housing development. These factors include the need to secure multiple funding sources (which delays project development), prevailing wage premiums, and sustainable development standards (which help to address sustainability but increase costs).

Although Millbrae does not have any income-restricted affordable housing covenants expiring during the 6th Cycle Planning Period, generally high costs of development can result from high land and labor costs, density restrictions, development fees, and the complexity of financing. As stated previously, affordable housing relies on a multitude of State and federal subsidies documented in Chapter 4, Housing Resources and Opportunities, of this Housing Element.

While the need for affordable housing is significant across California, neither the State nor the federal governments allocate sufficient funding subsidies for the number of affordable units required by RHNA. Furthermore, public subsidies are rarely sufficient to fully fund an individual affordable housing project. Therefore, developers must leverage and apply for several State and federal sources of funds, in addition to private lending; all of which can be an extremely time-consuming process. More specifically, a multifamily development can require five to 10 funding sources to finance its construction and developers generally layer financing from State and federal tax credits, Federal, and State housing programs, local land donations, and private loans from a financial institution.

Federal funding represents a large portion of California's resources to support affordable housing development. However, with pressures to cut spending at the federal level, funding for housing has declined in recent years, while the number of severely cost-burdened (i.e., those spending 50% or more of their income on housing), low-income renter households continue to increase. More specifically, CDBG and HOME funds allocated to California for the development of affordable housing declined by 51% and 66% between 2003 and 2015, respectively. These decreases in public subsidies, paired with increased demand for affordable housing, have made funding sources for affordable housing incredibly competitive.

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3.3.2.2 Redevelopment Dissolution

As a result of legislation in 2011, all redevelopment agencies in the State were dissolved, which has had a profound effect on the quantity and complexity of affordable housing development in the State. Redevelopment was a tax increment financing tool that allowed cities and counties to retain a higher share of the growth in property taxes in designated “blighted” areas to invest in those areas to remediate blight. Referred to as “urban renewal” before 1979, over 400 cities and counties in the State used this tool. Redevelopment projects were required to allocate 20% of all tax increment for affordable housing in the community. On a Statewide level, over \$2 billion generated on an annual basis for affordable housing was lost due to this State law change.

Despite State legislative efforts to replace Redevelopment with Enhanced Infrastructure Financing Districts and Community Revitalization Investment Areas (CRIAs), these financing tools generate a tiny fraction of the local funding that redevelopment did previously, which is the reason only a few Enhanced Infrastructure Financing Districts and no CRIAs have been adopted over the last 10 years. Given these facts, it is clear that the State has never initiated policies to replace this significant permanent source of affordable housing funding.

According to the tax increment projections contained in the Official Statement for the 2015 Tax Allocation Refunding Bond issued by the Successor Agency to the former Millbrae Redevelopment Agency, the Millbrae Redevelopment Project would have generated between \$1.9 million and \$2.5 million of affordable housing revenues **per year** over the 6th Cycle Planning Period. However, State law in 2011 dissolved redevelopment, and this significant funding source has been lost. Despite State efforts to provide annual grants and other programs, these sources are not a guaranteed stream of income that is needed to build more affordable housing in the State.

3.3.2.3 State Regulations and Development Challenges

Other regulatory challenges that present barriers to development include the following:

- **Compliance with State regulations** and energy standards, GHG emissions reduction requirements, and other environmental conditions (needed to preserve the environment but add to development costs).
- **Prevailing wages** (a federal and State legal requirement for publicly funded projects) that can add 13–25% to hard construction costs (these additional costs are added to very high construction and materials costs and can push an affordable housing project to be financially infeasible).

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3.3.3 Local Constraints

The Land Use Element sets forth City policies for local land development. These policies, together with existing zoning regulations, establish the amount and distribution of land allocated for different uses.

The intent of local government regulations is to protect public health and safety and to ensure a decent quality of life for the community. However, local policies and regulations may affect positively or negatively the price and availability of housing and in particular, the provision of affordable housing. Land use controls, site improvement requirements, fees and exactions, permit processing procedures, and other factors can constrain the maintenance, development, and improvement of housing.

State and federal regulations also affect the availability of land for housing and the cost of producing housing. Regulations related to environmental protection, building codes, and other topics are designed to protect public health and safety, but often, these regulations have adverse impacts on housing costs and availability. Perhaps one of the greatest constraints to the production of housing affordable to lower-income households is the chronic shortage of State and federal financial assistance for affordable housing. While constraints exist at other levels of government, the City has little or no control over these regulations and no ability to directly mitigate their effects on housing. Therefore, the City's efforts emphasize policies and regulations that can be mitigated by the City.

The current Land Use Element was adopted in 1998 as part of a comprehensive 1998-2015 General Plan Update. In 2015, the City began preparing its 2040 General Plan which includes a new Land Use and Built Environment Element.

Also in 1998, the City concurrently prepared and adopted the Millbrae Station Area Specific Plan (MSASP) in preparation for the BART/Caltrain Millbrae Station, which opened in 2003. The MSASP encompasses 16 acres around the Station and is intended to create a compact, walkable area that is highly transit-oriented. In 2016, the City revisited the MSASP and conducted a comprehensive update. It has been amended several times since.

Concurrently with the General Plan Update that is underway at the time of this writing, the City is preparing a new specific plan that will encompass all parcels in downtown and El Camino Real that are not within the boundaries of the MSASP. The Downtown and El Camino Real Specific Plan (Specific Plan) is intended to “transform the City’s primary areas of business and commerce into vibrant and connected mixed-use centers of cultural and economic activity.”

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3.3.3.1 Land Use Policies

Existing

The current Land Use Element of the Millbrae General Plan contains the primary policies that guide residential development in the City. These policies are implemented primarily through the Zoning Ordinance, which establishes the amount and distribution of different land uses in Millbrae, and the Subdivision Ordinance, which regulates the division and improvement of land. The Land Use Element establishes the following residential designations:

- **Very Low Density Residential** (up to 4 units/acre)
- **Low Density Residential** (4 to 8 units/acre)
- **Medium Density Residential** (8 to 17 units/acre)
- **Higher Density Residential** (17 to 80 units/acre)
- **Millbrae Station Area Specific Plan** (Mixed Use and Residential designations with densities up to 80 units/acre)

General Plan Update and Downtown and El Camino Real Specific Plan.

The Millbrae 2040 General Plan was adopted in December 2022. The residential land use designations in the General Plan allow the same densities that were previously allowed, except for the introduction of a new designation – Medium High Residential, which allows densities between 17 and 43 units per acre, as well as new designations within the Downtown and El Camino Real Specific Plan, which was developed concurrently with the General Plan Update. This specific plan provides new land use policies, density allowances, and development standards for all of the properties adjacent to El Camino Real that is not within the MSASP. The following residential designations are identified in the Downtown and El Camino Real Specific Plan:

- **Downtown Mixed Use** (25 to 50 units/acre on parcels fronting Broadway Ave; 70 to 110 units/acre on parcels fronting El Camino Real)
- **Corridor Mixed Use** (70 to 130 units/acre)
- **Residential Focused Mixed Use** (60 to 80 units/acre)
- **Neighborhood Commercial Mixed Use** (80 units/acre)
- **Residential** (no change to underlying zoning)

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3.3.3.2 Density Bonus

Under State law (California Government Code, Sections 65915–65918), developers are entitled to a density bonus and/or equivalent concessions or incentives for the provision of affordable units to encourage the development of affordable and senior housing, including up to 50% increase in project densities for most projects, depending on the amount of affordable housing provided, and an 80% increase in density for projects that consist of 100% affordable units.

Cities and counties are required to grant a density bonus and other incentives and concessions to projects that contain one of the following:

- 5% or more of units are restricted to very low-income residents, as defined in Section 50105 of the Health and Safety Code.
- 10% or more of units are restricted to lower-income residents, as defined in Section 50079.5 of the Health and Safety Code.
- 10% of the total dwelling units in a common interest development, as defined in Section 4100 of the Civil Code, for persons and families of moderate income, as defined in Section 50093 of the Health and Safety Code, provided that all units in the development are offered to the public for purchase.
- 100% of all units in the development, including total units and density bonus units, but exclusive of a manager's unit or units, are for lower-income households, as defined by Section 50079.5 of the Health and Safety Code, except that up to 20% of the units in the development, including total units and density bonus units, may be for moderate-income households, as defined in Section 50053 of the Health and Safety Code.
- 10% of the units or more are for transitional foster youth, as defined in Section 66025.9 of the Education Code, disabled veterans, as defined in Section 18541, or homeless persons, as defined in the federal McKinney-Vento Homeless Assistance Act (42 U.S.C. Sec. 11301 et seq.). The units described in this subparagraph shall be subject to a recorded affordability restriction of 55 years and shall be provided at the same affordability level as very low-income units.
- 20% of the units or more are for lower-income students who have a household income and asset level that does not exceed the level for Cal Grant A or Cal Grant B award recipients as outlined in paragraph (1) of subdivision (k) of Section 69432.7 of the Education Code and attend an accredited college full-time.
- Donation of at least one acre of land or of sufficient size to permit the development of at least 40 units (with appropriate General Plan designation, zoning, permits, and approvals

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and access to the public facilities) to the City or San Mateo County for very low-income units.

- Senior housing (no affordable units required).
- Mobile home park age-restricted units for seniors (no affordable units required).

The amount of the density bonus is set on a sliding scale that is based on the percentage of affordable units at each income level and ranges from 5% to 80%. In general, the deeper the levels of affordability of a project, the higher the density bonus.

The City, through its inclusionary housing ordinance, requires that a minimum of 15% of all housing units in developments that are proposing ten or more units be affordable. The inclusionary housing ordinance also allows for a minimum density bonus of 20% per State law, as well as other incentives for the development of affordable housing. **The City's density bonus ordinance (Section 10.05.0430 of the Municipal Code) defers to current Government Code requirements.**

Assembly Bill 2345 went into effect on January 1, 2021, amending California Government Code Section 65915, and reducing the percentage of affordable units that a developer must provide to receive a density bonus. Under the law, developers can receive a maximum density bonus of 50% when a project provides one of the following:

- 15% of the total units for Very Low-Income households.
- 24% of the total units for Low-Income households.
- 44% of the total units for Moderate-Income households.

Assembly Bill 2345 amended Government Code 65915(d)(2), reducing the threshold for concessions and incentives for projects with affordable units. As of January 21, 2021:

- 2 incentives or concessions may be requested for projects that include at least 17% of the total units for lower-income households, at least 10% of the total units for very low-income households, or at least 20% for persons or families of moderate-income in a common interest development.
- 3 incentives or concessions may be requested for projects that include at least 24% of the total units for lower income households, at least 15% of the total units for very low-income households, or at least 30% for persons or families of moderate-income in a common interest development.

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Waiver or Reduction of Development Standards

If a city or county development standard would physically prevent a project from being built at the permitted density and with the granted concessions/incentives, a developer may propose to have those standards waived or reduced. A city or county is not allowed to apply any development standard which physically precludes the construction of the project at its permitted density and with the granted concessions/incentives. However, a jurisdiction is not required to waive or reduce development standards that would cause a public health or safety problem, cause an environmental problem, harm historical property, or would be contrary to State law. The waiver or reduction of a development standard does not count as an incentive or concession and can apply to setbacks, lot coverage and open space, and building height requirements.

Maximum Parking Requirements

State density bonus law also imposes Statewide-parking standards equal to 1.5 spaces for two- and three-bedroom homes. Parking requirements for density bonus projects located near accessible major transit stops have lower parking standards. Per Government Code Section 65915(p)(3), local governments may no longer impose any parking requirements for

1. **100%** affordable rental housing projects located within 0.5 mile from an accessible major transit stop.
2. **100%** affordable senior rental housing projects that either offer paratransit service or are located within 0.5 mile from an accessible major transit stop.

Senate Bill 290, which amended Government Code Section 65915(p)(2) and became effective on January 1, 2022, prohibits cities from requiring more than 0.5 spaces per unit for projects that include:

1. **20%** lower-income units or at least **11%** very low-income units and are located within 0.5 mile of an accessible major transit stop.
2. For-sale projects that include at least **40%** moderate-income units and are within 0.5 mile of an accessible major transit stop.

Importantly, in the City of Millbrae, **units which are constructed in satisfaction of the inclusionary housing ordinance (MMC 10.05.3300, see Section 5.5.7, below) may also be counted toward the number of affordable units required to qualify for a density bonus.**

As shown in Table 3-3. 5th Cycle Density Bonus Projects, several density bonus projects have been submitted during the 5th Cycle and have either been approved or are currently under review. These projects include a total of 791 new units, of which 97 (or 12%) are affordable. As shown in Chapter 8, Housing Plan, of this Housing Element, the City is taking on the following program to update its density bonus ordinance to comply with State requirements:

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- **Program HIP-27, Update Density Bonus Ordinance.** Update the local ordinance to be consistent with State law, offering a greater density bonus than allowed by the default State standards. Continue applying the State density bonus standards until a local law is passed.

Table 3-3. 5th Cycle Density Bonus Projects

ADDRESS	STATUS	NO. OF UNITS	NO. OF AFFORDABLE UNITS
1100 El Camino Real	Approved	384	19
130 El Camino Real	Under Review	30	3
1301 Broadway	Under Review	99	49
959 El Camino Real	Approved	278	26
Total		791	97

Source: City of Millbrae

3.3.4 Development Standards

Residential development standards established in the Zoning Ordinance are designed to protect and promote the health, safety, and general welfare of residents and to implement the policies of the Millbrae General Plan. These standards also help preserve the character and integrity of existing neighborhoods.

The development standards, as summarized in Table 3-4, Citywide Development Standards, can affect the ability of property owners to construct and maintain housing. The development standards that are contained in the Zoning Ordinance, the MSASP, and the Downtown and El Camino Real Specific Plan are examined and discussed below, with an emphasis on their potential impacts on the production of housing in Millbrae. The Millbrae 2040 General Plan contains a program to conduct a comprehensive Zoning Code update between 2022 and 2025 to bring it into consistency with the new General Plan and Downtown and El Camino Real Specific Plan.

To facilitate transparency pursuant to Government Code, Section 65940.1(a)(1), the City's website provides links to the zoning map, zoning ordinance, and specific plans, which contain all the development standards for each parcel in the City. Additionally, various development application and developer impact fee information sheets, Planning and Development Services fee schedule, building permit fee schedule, and development application forms are available online at <https://www.ci.millbrae.ca.us/departments-services/community-development/planning-division>. Specifically, the City provides development impact fee information at <https://www.ci.millbrae.ca.us/departments-services/community-development/planning-division>.

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ci.millbrae.ca.us/departments-services/community-development/fees and a fee schedule at <https://www.ci.millbrae.ca.us/home/showpublisheddocument/26666/637995507390030000>

3.3.4.1 Citywide Development Standards (Outside of Specific Plans)

The majority of land in Millbrae is outside of any specific plan and defaults to the development standards that are contained in the Zoning Code. There are four (4) zones which allow residential uses by right and two (2) zones which allow residential uses with a CUP (see Table 3-4). Additionally, the Planned Development District allows residential uses through Planning Commission and City Council review and approval (see Section 3.3.6, Processing and Permitting Procedures).

Planned Development

Planned development districts allow more flexible design and allow densities up to that which is allowed by the General Plan. As such, planned development districts are not a constraint to residential development. They are permitted, but not mandatory, and are intended to facilitate diversification in the location of structures and other site qualities while ensuring adequate standards relating to public health, safety, welfare, comfort, and convenience. Plans for planned development are reviewed on a case-by-case basis through the submittal of a Precise Development Plan. The City of Millbrae has three areas designated planned development, none of which are included in the sites inventory

Table 3-4, Citywide Development Standards (Outside of Specific Plans), summarizes the development standards for zones outside of the specific plan areas.

Table 3-4. Citywide Development Standards (Outside of Specific Plans)*

DISTRICT/ STANDARD	R-1LL	R-1	R-2	R-3		COMMERCIAL DISTRICT**
Max Height	30'	30'	30'	40'		40'
Max Density (DUA)	1 unit per 10,000 sf	1 unit per 5,000 sf	1 unit per 2,500 sf	1 unit per 1,000 sf		N/A
Min Lot Area	50' width (+10' for corner lots) 10,000 sf	50' width (+10' for corner lots) 5,000 sf	50' width (+10' for corner lots) 5,000 sf (6,000 sf for corner lots) (7,000 sf for triplex lots)	50' width (+10' for corner lots) 5,000 sf (6,000 sf for corner lots)		25' width 2,500 sf
Setbacks	Front: 20' Side: 3'-5' Rear: 10'	Front: 20' Side: 3'-5' Rear: 10'	Front: 20' Side: 3'-5' Rear (duplex): 10' Rear (triplex): 15'	Front: 20' Side: 5'-20' Rear: 5'		None, but ten feet when adjacent to an alley or any "R" district.

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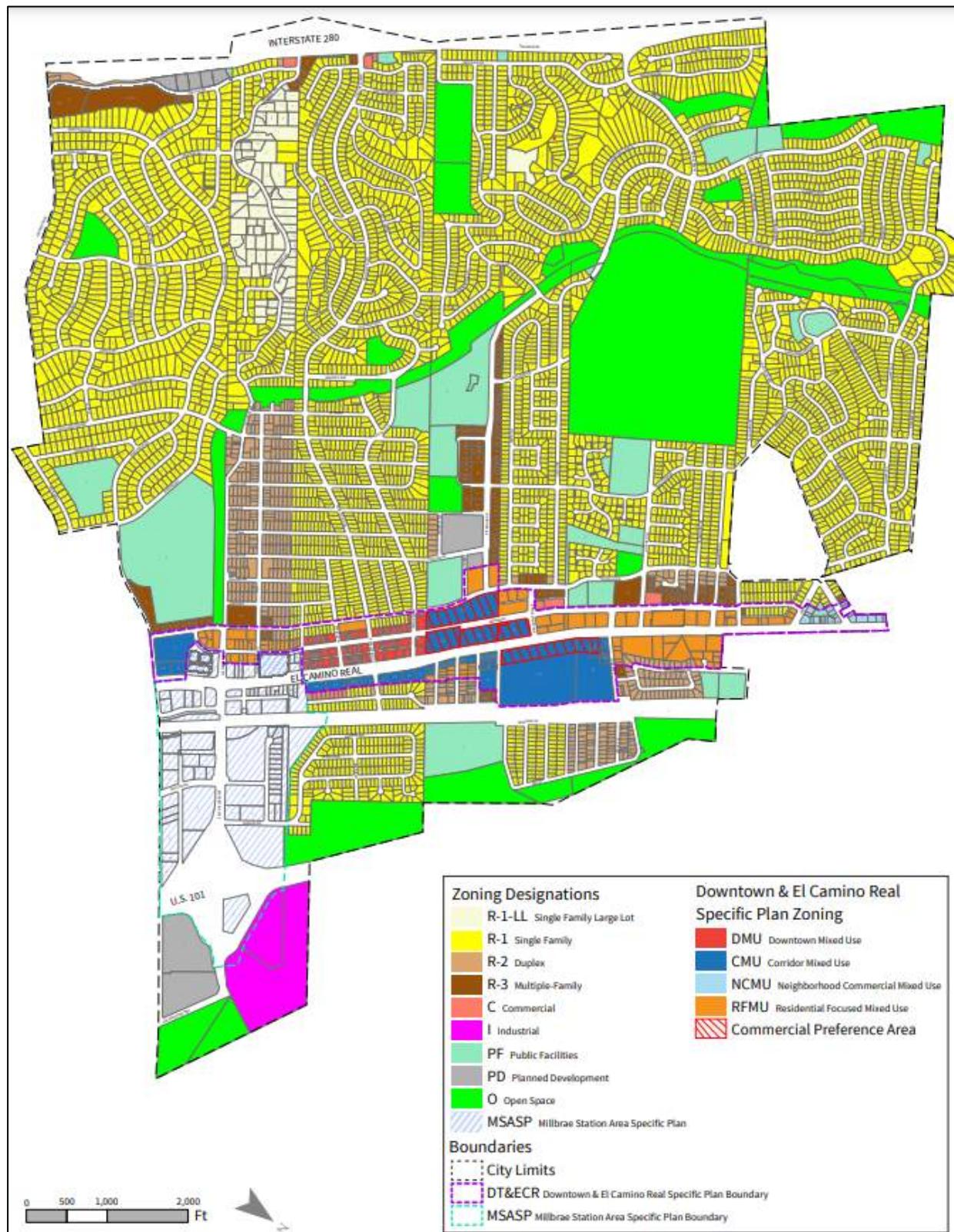
DISTRICT/ STANDARD	R-1LL	R-1	R-2	R-3		COMMERCIAL DISTRICT**
FAR	0.55	0.55	0.88	No limit		No Limit
Open Space	Min. 1,000 sf of open uncovered space in the rear 1/3 of the lot	Min. 1,000 sf of open uncovered space in the rear 1/3 of the lot	Min. 1,000 sf of open uncovered space in the rear 1/3 of the lot	-		-
Lot Coverage	40%	50%	50%	75%		100%

* Does not include zones within the MSASP or DECRSP areas. See Tables 3-5 and 3-6. ** Requires Conditional Use Permit but all sites in sites inventory will either be rezoned as part of the Downtown El Camino Real Specific Plan or have an approved project or project under review where the zoning is in the process/will be changed. No opportunity sites (i.e., sites without pipeline projects) will retain this zoning designation.

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Figure 3-1. Millbrae Citywide Zoning Map



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3.3.4.2 Millbrae Station Area Specific Plan

The MSASP was adopted in 1998 along with the current General Plan, and ahead of the opening of the Millbrae Station (2003), which serves transit lines from Caltrain and Bay Area Rapid Transit (BART). The plan was comprehensively updated in 2016 and has been amended several times since. The Plan area encompasses 16 acres and has five planning zones and one overlay zone. Because of its proximity to Millbrae Station and appropriateness for transit-oriented, high-density housing, it contains a separate set of development standards which allow higher densities than elsewhere in the City. Per the Plan's conceptual development program, 1,440 new residential units are planned.

Table 3-5. Millbrae Station Area Specific Plan Development Standards

DISTRICT/ STANDARD	TOD	RESIDENTIAL MIXED USE	EMPLOYMENT CENTER / LIGHT INDUSTRIAL	RESIDENTIAL OVERLAY
Max Height	90'-100'	65'	85'	35'
Min Height	2 Stories	2 Stories	2 Stories	-
Max Density (DUA)	80	60	40	30
MAX DUA w/ Community Benefits	Determined by height and setbacks	80*	60*	-
Min Lot area	-	-	-	-
Front Setbacks	Varies by frontage location rather than zone. See Figure 5.3 in the MSASP.			
Side, Rear Setbacks	5'	5'	5'	5'
FAR	2.5	2.0 / 2.5*	2.0 / 2.5*	-
Publicly Accessible Open Space	10%	10%	10%	10%
Required Affordable Units	15%	15%	15%	15%

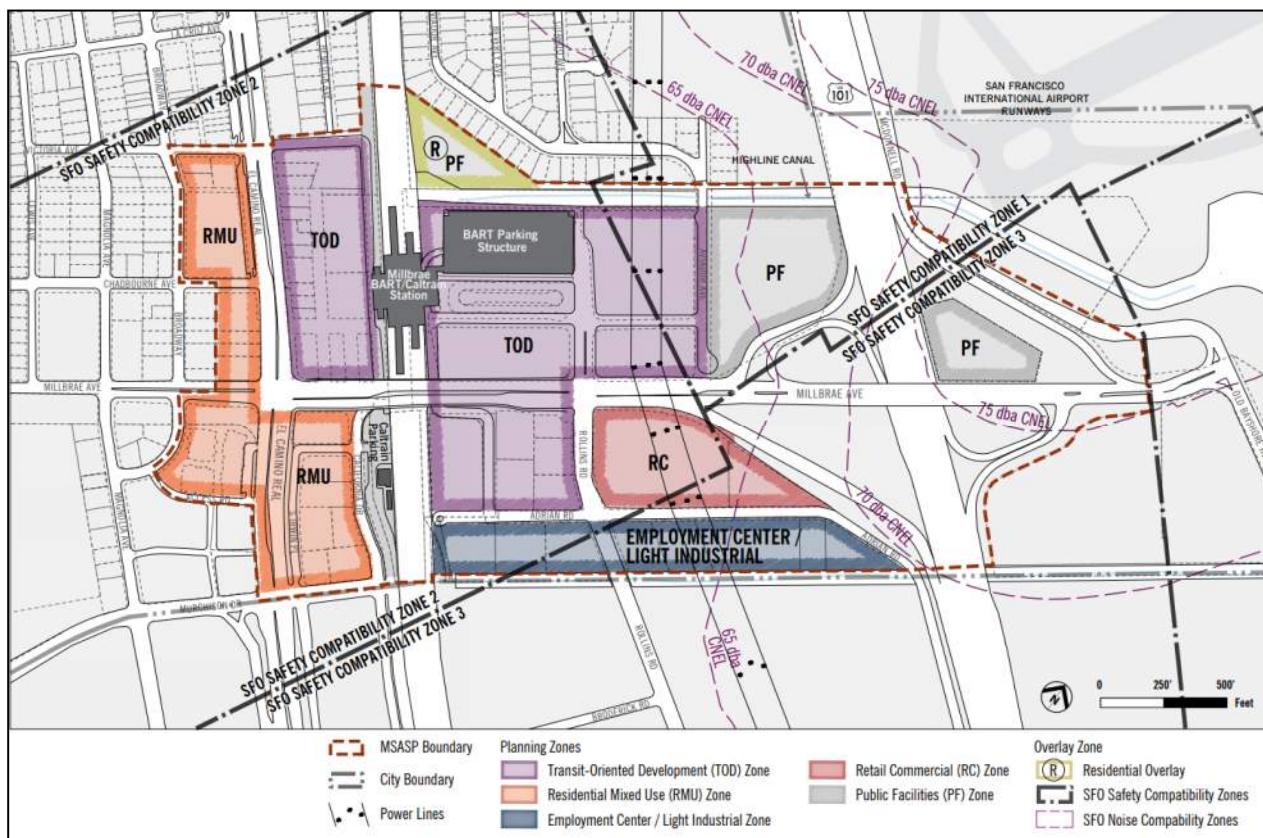
* The higher DUA and FAR listed requires that the developer enter into a voluntary community benefits agreement and provide community benefits in exchange for greater project density. Community benefits include but are not limited to the construction of a greater percentage of affordable units than required by the inclusionary housing ordinance, public improvements, and transportation demand management plans. Increase density allowance and community benefits are negotiated and decided on a case-by-case basis and can be combined for increased density, subject to compliance with the SFOALUCP

Source: City of Millbrae

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Figure 3-2. Millbrae Station Area Specific Plan Planning Zones Map



3.3.4.3 Downtown & El Camino Real Specific Plan

The Downtown and El Camino Real Specific Plan was developed concurrently with the Millbrae 2040 General Plan update. This Specific Plan covers approximately 95 acres of the City and will replace the current underlying zoning with new development standards. The Plan's conceptual development program plans for 3,130 new residential units. This is not a development cap, but the amount of likely development studied for the purpose of environmental analysis and infrastructure demand projections. Note that the development standards for parcels in the Residential zone (those in yellow in Figure 3-3) default to the standards of the underlying zoning.

Table 3-6. Downtown and El Camino Real Specific Plan Development Standards

DISTRICT/ STANDARD	DOWNTOWN MIXED USE	CORRIDOR MIXED USE	RESIDENTIAL FOCUSED MIXED USE	NEIGHBORHOOD COMMERCIAL MIXED USE	RESIDENTIAL
Max Height	See Figure 3-5				
Max Density (DUA)	25-50 if lot fronting Broadway Ave;	70-130	60-80	80	Underlying zoning

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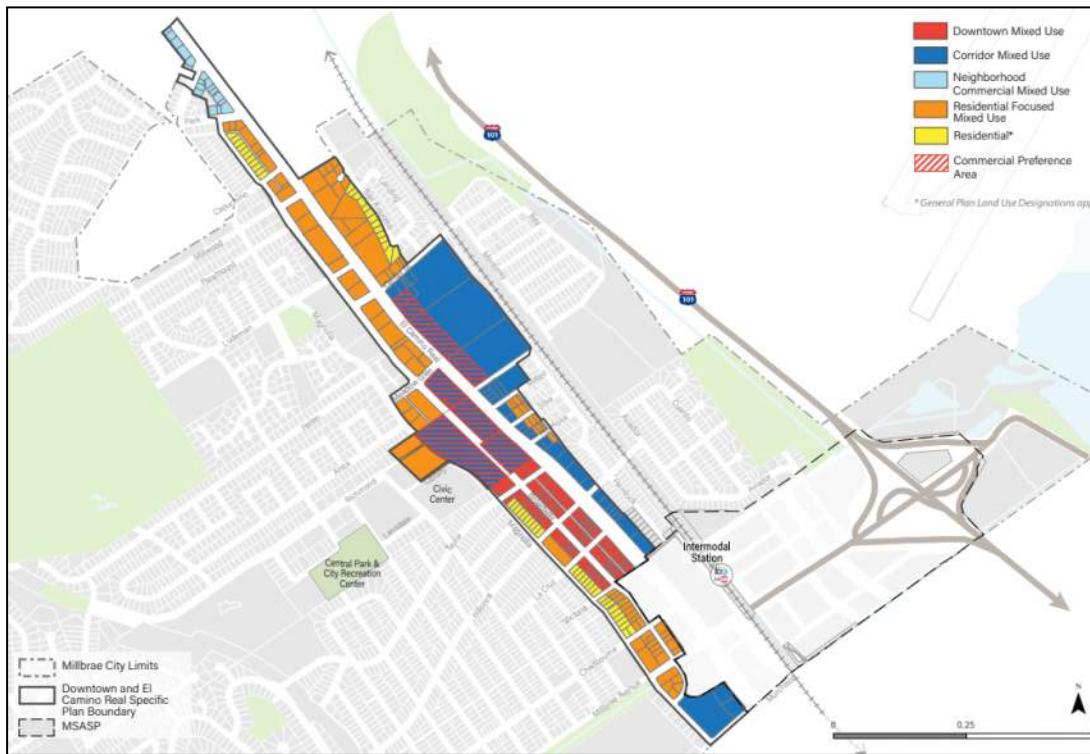
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DISTRICT/ STANDARD	DOWNTOWN MIXED USE	CORRIDOR MIXED USE	RESIDENTIAL FOCUSED MIXED USE	NEIGHBORHOOD COMMERCIAL MIXED USE	RESIDENTIAL
	70-110 if lot fronting ECR				
Min Setbacks (Broadway Frontage)	Front: 0' Side: 0' Rear: 0'	Front: 5' Side: 0' Rear: 10'	Front: 5' Side: 0' Rear: 5'	Front: 0' Side: 0' Rear: 0'	Underlying zoning
Min Setbacks (ECR Frontage)	Front: 0' Side: 0' Rear: 5'	Front: 5' Side: 5' if 23ldg. is ≤ 45' and all corners; 10' if 23ldg. > 45' Rear: 10' if lot < 150' deep, otherwise 20'	Front: 5' Side: 0' Rear: 15' only if east of ECR	Front: 0' Side: 0' Rear: 0'	Underlying zoning
FAR	3.5	3.5	2.5	2.5	Underlying zoning

Notes: ECR = El Camino Real; DUA = dwelling units per acre

Source: City of Millbrae

Figure 3-3. Downtown and El Camino Real Specific Plan Land Use Designations



3.3.4.4 Residential Density

Citywide (Outside of Specific Plan Areas)

The Zoning Ordinance allows for base residential densities ranging from four (4) dwelling units per acre in the R-1LL zone to up to 40 dwelling units per acre in R-3.

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Millbrae Station Area Specific Plan

The Millbrae Station Area Specific Plan (MSASP) allows up to 80 dwelling units per acre in the Residential Mixed Use planning zone (in exchange for community benefits) and unlimited density in the TOD planning zone, provided height and setback standards are met.

Downtown & El Camino Real Specific Plan

The Downtown and El Camino Real Specific Plan (Specific Plan) allows densities of up to 130 dwelling units per acre in the Corridor Mixed Use land use designation, up to 110 dwelling units per acre on parcels within the Downtown Mixed-Use designation that front onto El Camino Real, and up to 80 dwelling units per acre in both the Residential Focused Mixed Use and Neighborhood Commercial Mixed-Use designations. Greater density may be achieved per density bonus law. Residential densities outlined in the Zoning Ordinance, in the MSASP, and in the Specific Plan may be exceeded on a case-by-case basis to encourage development of low- and moderate-income housing pursuant to State density bonus laws, and subject to the San Francisco Airport Land Use Compatibility Plan. See Section 5.5.7 below.

Conclusions

Through the adoption of both specific plans, the City created more opportunities for high-density residential development near transit, services, and employment. **Therefore, density requirements in Millbrae do not constrain housing development.**

3.3.4.5 Lot Size and Area

Citywide (Outside of Specific Plan Areas)

The current Zoning Ordinance establishes minimum lot areas for all residential zones outside of the MSASP and outside of any Planned Development areas. The minimum lot area varies from 5,000 square feet in R-I to 10,000 square feet in RI-LL. Millbrae Station Area Specific Plan

Properties in the MSASP do not have minimum lot area standards. This allows for a range of housing options in Millbrae (Table 3-5).

Downtown & El Camino Real Specific Plan

Properties in the Downtown and El Camino Real Specific Plan area do not have minimum lot area standards. This allows for a range of housing options in Millbrae (Table 3-6).

3.3.4.6 Setbacks

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Citywide (Existing)

All residential zones require 20-foot front setbacks. Side yard setbacks range from three (3) to ten (10) feet in R-1LL, R-1, and R-2, and 10% of the lot width (5 feet minimum, up to 20 feet max) in R-3. Required rear yard setbacks in these zones range from 10 to 15 feet. **These standards are typical for residential zones and do not constrain housing development.**

Millbrae Station Area Specific Plan

Within the MSASP, side setbacks range from 5 to 10 feet, depending on the zone. Requirements for front setbacks and upper floor setbacks within the MSASP vary by frontage location (See Figure 3-2). Most locations require only a 10-foot setback and a 20-foot setback for portions of buildings above 55 or 65 feet, depending on location. **These requirements are typical and do not pose a constraint to development.**

Downtown & El Camino Real Specific Plan

Within the Specific Plan area, side setbacks range from zero (0) to five (5) feet in the front, zero (0) to 10 feet on the sides, and zero (0) to 15 feet in the rear, depending on location. **These requirements are typical and do not pose a constraint to development.**

3.3.4.7 Lot Coverage and Required Open Space

Citywide (Outside of Specific Plan Areas)

The City imposes limits on building lot coverage in the residential zones, ranging from 40% maximum in R-1LL to 75% maximum in R-3. **This is typical for residential zones and does not pose a constraint on the type of developments that the zone is intended for.**

Millbrae Station Area Specific Plan

Land within the MSASP does not have maximum lot coverage requirements but requires that every project set aside 10% of the lot area for publicly accessible open space. The requirement for publicly accessible open space is typical for large developments. **Given that this is the only limitation on lot coverage, this does not pose a constraint.**

Downtown & El Camino Real Specific Plan

The Specific Plan does not regulate lot coverage but contains standards for private open space. Developments are required to provide 80 square feet of private open space per unit, and common open space at a rate of 150% of the sum of the private open space required. **Private and public open space standards are typical for large developments and do not pose a constraint.**

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3.3.4.8 Maximum Floor Area Ratio

Floor area ratio in all parts of the City is measured by dividing the gross floor area divided by the net site area. The gross floor area is considered the sum of the gross horizontal areas of all floors of a building or other enclosed structure on the lot, measured from the outside perimeter of the exterior walls. The calculation includes all habitable space that is below the roof and within the outer surface of the main walls of the buildings, excluding basement areas.

Citywide (Outside of Specific Plan Areas)

Allowed floor area ratios (FARs) range from 0.55 in R-1LL to 0.88 in R-2. There is no maximum FAR in the R-3 zone. **These are typical limits on residential zoning and do not pose constraints for the type of development that the zones are intended for.**

Millbrae Station Area Specific Plan

The maximum FAR in the MSASP ranges from 2.0 to 2.5. In the TOD zone, the maximum FAR may be lifted in exchange for community benefits. **This is not a constraint on development.**

Downtown & El Camino Real Specific Plan

The maximum FAR in the Specific Plan area ranges from 2.5 to 3.5. The maximum FAR may be waived pursuant to density bonus law .. The City's inclusionary housing ordinance automatically qualifies multifamily housing projects for density bonuses under density bonus law. **This is not a constraint on development.**

3.3.4.9 Parking

Citywide (Outside of Specific Plan Areas)

The City requires a minimum of two (2) enclosed off-street parking spaces for every single-family, duplex, and triplex unit. Accessory dwelling units (ADUs) require an additional parking space unless exempt by proximity to transit in compliance with Government Code 65852.2. Parking requirements for multifamily developments of four or more units in R-3 require the following number of on-site spaces:

- Studio: one (1) garage space per unit
- One bedroom: one (1) and a half garage spaces per unit
- Two or more bedrooms: two garage spaces per unit

While the City requires some on-site spaces outside of specific plan areas, **Assembly Bill (AB) 2097 removes all parking requirements for most new developments located within one-half mile of specific transit stops** (in the case of Millbrae, this would be the Millbrae BART

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Station). However, AB 2097 allows for jurisdictions to require higher parking ratios if a specified parking study determines it is appropriate.

Millbrae Station Area Specific Plan

Assembly Bill (AB) 2097 removes all parking requirements for most new developments located within one-half mile of specific transit stops (in the case of Millbrae, this would be the Millbrae BART Station). However, AB 2097 allows for jurisdictions to require higher parking ratios if a specified parking study determines it is appropriate.

The entire MSASP area is within a half mile of transit and the Specific Plan boundary is along the El Camino Real corridor.

The MSASP requires 1.25 on-site spaces per unit, but only one (1) on-site space per unit if the development is within 600 feet of Millbrae Station. **However, developers who incorporate Transportation Demand Management (TDM) techniques including shared parking, employer TDM programs, subsidized transit passes, and rideshare incentives may negotiate with the City on reducing their parking requirement.** The following six sites are within the MSASP area and are subject to the MSASP parking requirements:

- **Site 17 (150 Serra Ave.):** Lower, Moderate, & Above Moderate-income site within 0.5 miles from the BART station.
- **Site 18 (130-140 El Camino Real):** Lower & Above Moderate-income site within 0.5 miles from the BART station.
- **Site 19 (300 Millbrae, Bldg. 6A):** Lower Income Only site within 0.5 miles from the BART station.
 - ***This site is 100% affordable and within a 0.5-mile radius of the Millbrae BART Station. Therefore, the City cannot impose parking requirements on this site.***
- **Site 20 (300 Millbrae, Bldg. 5B):** Moderate & Above Moderate-Income site within 0.5 miles from the BART station
- **Site 21 (39 El Camino Real):** Moderate-income Only site within 0.5 miles from the BART station
- **Site 22 (9 and 15 El Camino Real):** Moderate-income Only site within 0.5 miles from the BART station

As previously mentioned, despite the City's on-site parking requirements, **AB 2097 removes all parking requirements for most new developments located within one-half mile of specific transit stops (in the case of Millbrae, this would be the Millbrae BART Station). The entire MSASP area is within a half mile of transit and the Specific Plan boundary is along the El**

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Camino Real corridor. It is important to note that, AB 2097 allows for jurisdictions to require higher parking ratios if a specified parking study determines it is appropriate.

Downtown & El Camino Real Specific Plan

The Downtown & El Camino Real Specific Plan requires only one (1) on-site space per dwelling. In addition to the required one (1) on-site space per dwelling, multifamily developments require a visitor parking space for every ten units. However, **AB 2097 removes all parking requirements for most new developments located within one-half mile of specific transit stops** (in the case of Millbrae, this would be the Millbrae BART Station). **The entire MSASP area is within a half mile of transit and the Specific Plan boundary is along the El Camino Real corridor.**

The following 16 sites are within the DECRSP area and would be subject to the DECRSP parking requirements:

- **Site 1 (1395 El Camino Real):** Moderate-income Only site.
- **Site 3 (1201 El Camino Real):** Moderate-income Only site.
- **Site 4 (1121 and 1125 El Camino Real):** Moderate-income Only site.
- **Site 5 (1150 El Camino Real):** Lower Income Only site not within 0.5 miles from the BART station.
- **Site 6 (1100 El Camino Real):** Lower & Above Moderate-Income site.
- **Site 7 (979 Broadway):** Lower & Moderate-Income site.
- **Site 8 (959 El Camino Real):** Lower & Above Moderate-Income site.
- **Site 9 (West of Magnolia Ave. and Library Ave.):** Lower, Moderate, & Above Moderate-Income site.
- **Site 10 (537 Broadway):** Lower & Above Moderate-Income site within 0.5 miles from the BART station.
- **Site 11:** Lower & Above Moderate-Income site.
- **Site 12 (480 El Camino Real):** Above Moderate-income Only site within 0.5 miles from the BART station.
- **Site 13 (450 and 460 El Camino Real):** Lower Income Only site within 0.5 miles from the BART station.
- **Site 14 (400-420 El Camino Real):** Lower Income Only site within 0.5 miles from the BART station.

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- **Site 15 (300 El Camino Real):** Above Moderate-income Only site within 0.5 miles from the BART station.
- **Site 16 (230 Broadway):** Above Moderate-income Only site within 0.5 miles from the BART station.
- **Site 24 (95 Murchison Dr.):** Lower & Above Moderate-Income site within 0.5 miles from the BART station.

Parking Relief

State law imposes the following parking maximums (i.e., a city or county may not require on-site parking in excess of these ratios for a density bonus projects) (Table 3-7, Maximum Parking Requirements for Density Bonus Projects)

Table 3-7. Maximum Parking Requirements for Density Bonus Projects

UNIT SIZE	MAXIMUM PARKING REQUIREMENT
Studio	1
One Bedroom	1
Two Bedroom	1.5
Three Bedroom	1.5
Four Bedroom	2.5

Source: City of Millbrae

Parking requirements for low-income projects or projects located near accessible major transit stops with five (5) or more units have reduced parking standards. The reduced parking minimums vary by number of bedrooms, affordability level, and proximity to a BART station. In addition, State law no longer allows local governments to impose any parking requirements for:

- 100% affordable housing projects located within 0.5 miles from an accessible major transit stop; and
- 100% affordable senior housing projects that either offer paratransit service or are located within 0.5 miles from an accessible major transit stop.

Parking requirements for projects with at least 11% very low-income or at least 20% lower-income units that are located within 0.5 miles from an accessible major transit stop are limited to 0.5 space per unit. Senate Bill (SB) 290 (signed by Governor Newsom in September 2021) expands this requirement to projects that provide at least 40% moderate-income units and are also within 0.5 mile of a major transit stop, except that the 0.5 spaces metric is per bedroom, and not per unit.

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Two active development projects in Millbrae are utilizing State density bonus law and SB-35 streamlining to bypass minimum parking requirements. A 30-unit mixed-use density bonus project at 130 El Camino Real is currently under review is an SB-35 project and does not require any parking. Similarly, a 99-unit mixed-use density bonus project at 1301 Broadway Avenue is also an SB-35 project and is not mandated to provide parking but provides 24 parking spaces.

Parking requirements in the specific plan areas are relatively low, and State density bonus law allows developers to provide affordable units in exchange for flexibility on parking. Recent state laws such as AB 2097 prohibits local agencies from imposing minimum parking requirements for residential and other development projects within a half mile of a high-quality transit corridor or a major transit stop. The entire MSASP area is within a half mile of transit and the Specific Plan boundary is along the El Camino Real corridor. However, minimum parking requirements continue to be a constraint to the production of market-rate housing, outside of the specific plan areas. The sites in the 6th Cycle Sites Inventory affected by parking requirements are broken down in the following way:

- Of the 26 sites in the Sites Inventory, 13 have a proposed or approved project in the pipeline (2, 6, 8, 12, 15, 16, 17, 18, 19, 20, 23, 25, 26).
- The remaining 13 are opportunity sites (Sites 1, 3, 4, 5, 7, 9, 10, 11, 13, 14, 21, 22, and 24).
- Four of the sites are 100% affordable and three of those are located within a 0.5-mile radius from the BART station. Therefore, three sites (Sites 13, 14, and 19) would receive parking relief from the City's requirements.

Despite parking requirements being relatively low and provide developers with flexibility, **the City included the following programs to further remove constraints related to parking requirements:**

- **Program HIP-25.** Parking Requirement Options in Downtown Area
- **Program HIP-42.** Implement Reduced Parking for Affordable Housing

3.3.4.10 Height Limits

Height limits are 30 feet in residential zones outside of the specific plans and are significantly higher within the specific plans. Because of Millbrae's proximity to the San Francisco Airport, limitations to building heights are also affected by the Airport Land Use Compatibility Plan (see Section 3.3.4.11).

It should be noted that the City's height limits may be able to be exceeded either through density bonus or in exchange for community benefits that are provided to the City. However, the density and unit calculations for all sites in the Sites Inventory do not include any additional density or

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concessions to increase building heights but are limited to the maximum allowed by the City's current zoning or the proposed zoning as contained in the Specific Plan (excluding density bonuses allowed by State law).

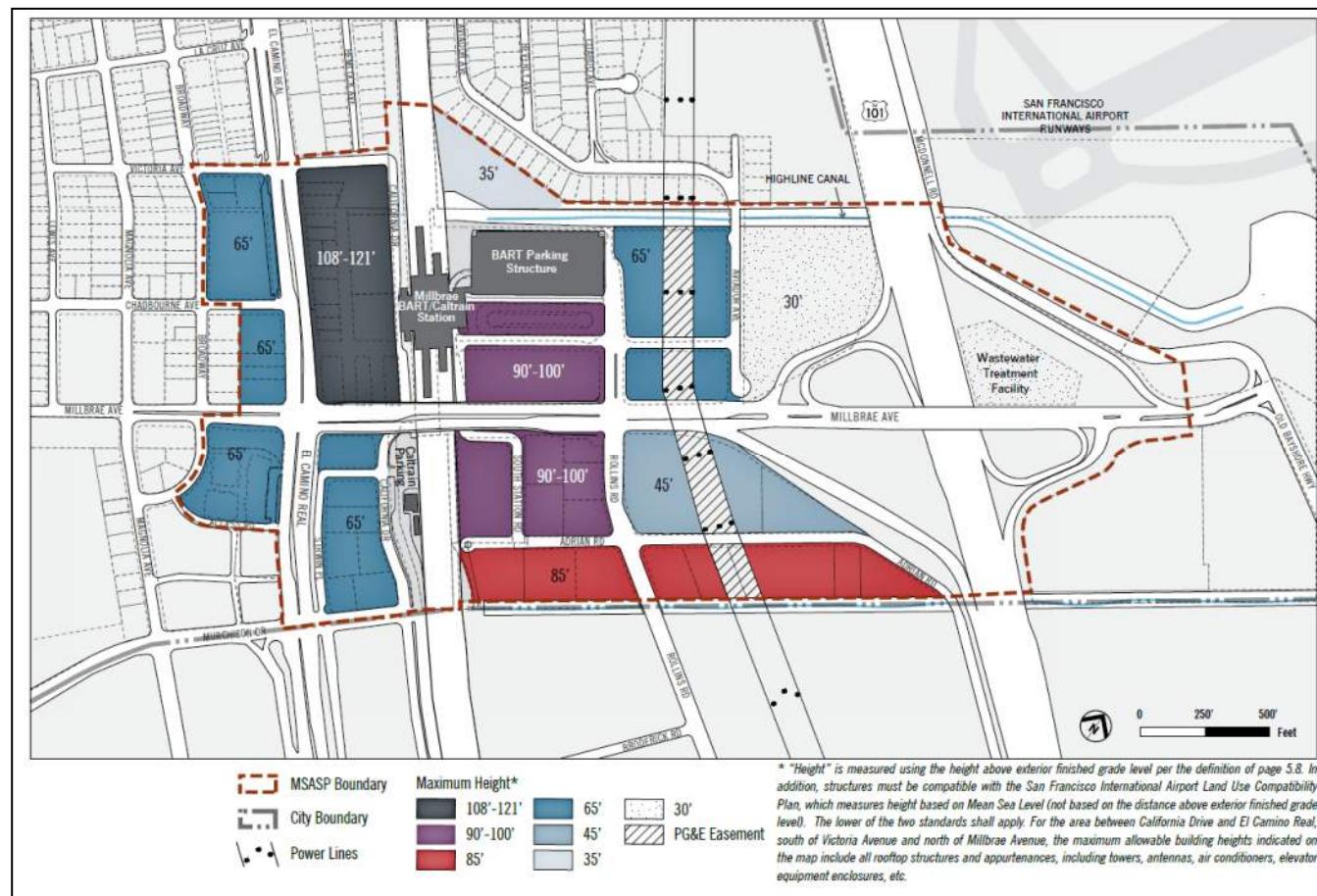
Citywide (Outside of Specific Plan Areas)

Land use regulations establish a height limit of 30 feet (or 3 stories) in the lower density residential zones, including R-1 and R-2. In R-3, the height limit is 40 feet (or 4 stories) (See Table 3-4. Citywide Development Standards (Outside of Specific Plans)).

Millbrae Station Area Specific Plan

The height limits in the MSASP are not correlated with the zones. As shown in Figure 3-4, maximum height for each parcel ranges from 30 – 121 feet (3 to 12 stories) throughout the MSASP area (See Table 3-5. Millbrae Station Area Specific Plan Development Standards).

Figure 3-4. Millbrae Station Area Specific Plan Height Limits



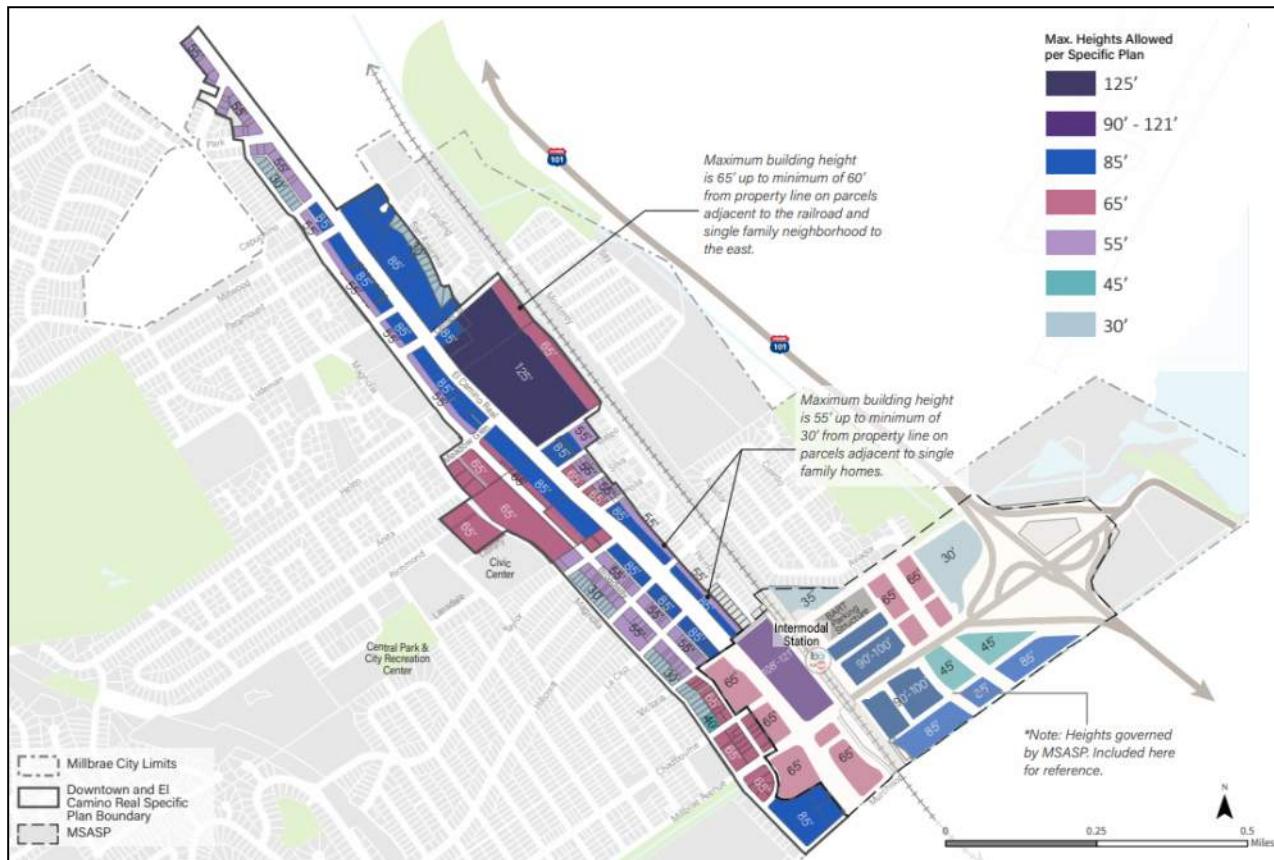
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Downtown & El Camino Real Specific Plan

The height limits in the Specific Plan are not correlated with the zones. As shown in Figure 3-5, maximum height for each parcel ranges from 30 – 125 feet (3 to 12 stories) throughout the DECR area (See Table 3-6. Downtown and El Camino Real Specific Plan Development Standards).

Figure 3-5. Downtown and El Camino Real Specific Plan Height Limits



Conclusion

Despite its proximity to the San Francisco Airport, which limits the City's ability to completely remove height limits, Millbrae's height limits range from 30 – 125 feet. In addition, the City gives developers some flexibility to exceed height limits using development tools such as density bonuses. Furthermore, Millbrae has made the effort to increase building height limits through the adoption of the Millbrae Station Area Specific Plan and the Downtown and El Camino Real Specific Plan. **Given the recent increase in height limits through the adoption of the Downtown and El Camino Real Specific Plan, Millbrae's flexibility to exceed height limits, and the City's considerable residential development activity, height limits do not constrain housing development.**

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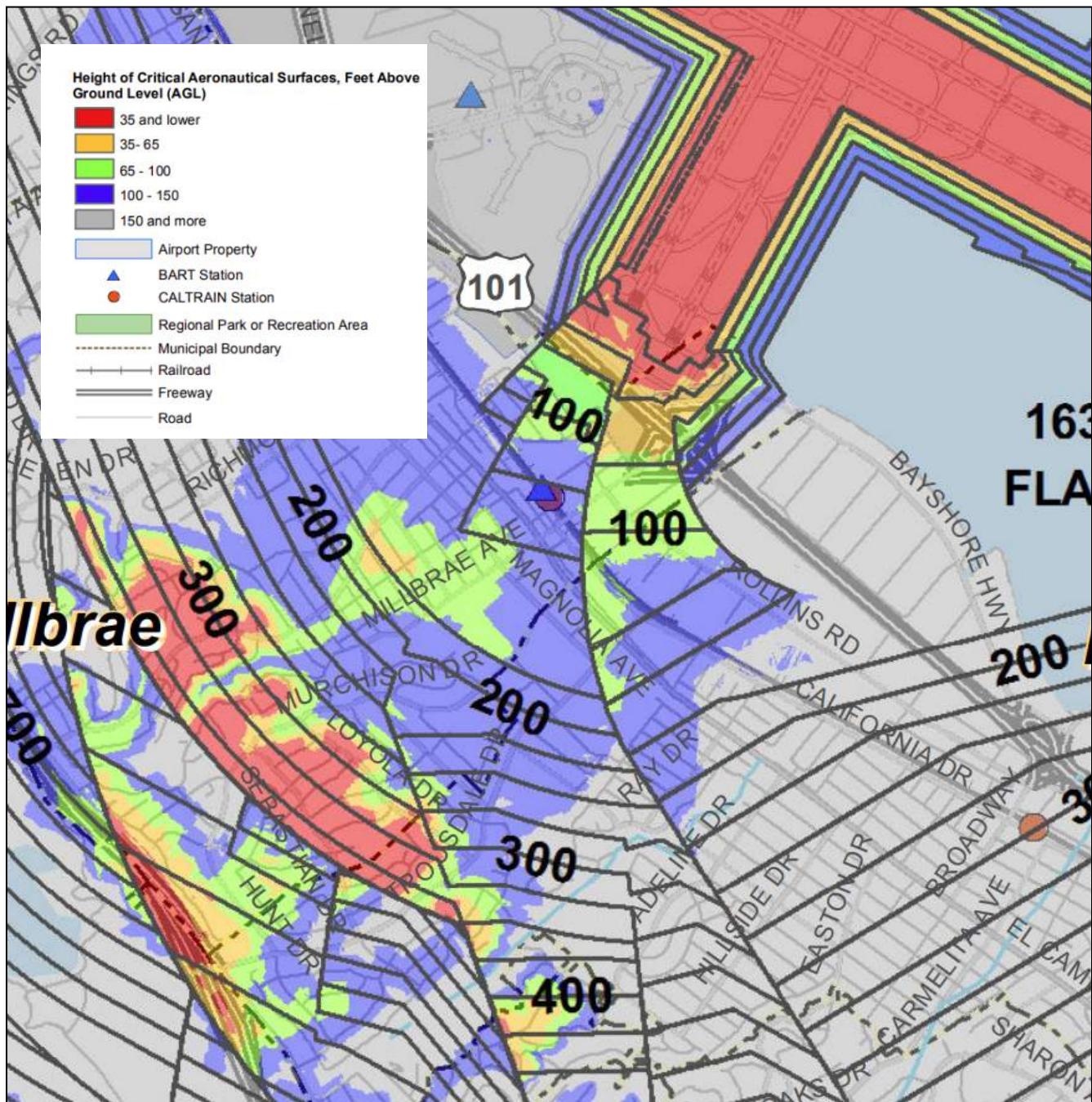
3.3.4.11 San Francisco Airport Land Use Compatibility Plan

The San Francisco International Airport (SFO) is immediately adjacent to Millbrae. State law requires that land use commissions adopt an Airport Land Use Compatibility Plan (ALUCP), and use it to review the plans, regulations, and other actions by local agencies. The City/County Association of Governments' (C/CAG) Board of Directors (acting as the Airport Land Use Commission for San Mateo County) prepared and adopted the Comprehensive Airport Land Use Compatibility Plan for the Environs of San Francisco International Airport ("Compatibility Plan") in July of 2012. Included in this plan are land use restrictions for development near SFO, which intend to ensure that development in the areas surrounding SFO is compatible with airport activities. These restrictions include height limits on structures in the path of the runways. See Figure 3-6, Critical Aeronautical Surfaces, from the Compatibility Plan. This map was prepared to illustrate the critical aeronautical surfaces, which include those established in accordance with FAA Order 8260.38, Terminal Instrument Procedures (TERPS), and One Engine Inoperative (OEI) departures from 28L (to the west through San Bruno Gap). The exhibits depict the lowest elevations from the combination of the OEI procedure surface and all TERPS surfaces. The surfaces are defined with Required Obstacle Clearance (ROC) criteria to ensure safe separation of aircraft using the procedures from the underlying obstacles. Any proposed structures penetrating these surfaces are likely to receive Determinations of Hazard (DOH) from the FAA through the 7460-1 aeronautical study process. These surfaces indicate the maximum height at which structures can be considered compatible with Airport operations (Figure 3-6).

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Figure 3-6. Critical Aeronautical Surfaces



The areas in the City wherein the building height maximums could potentially affect the building heights allowed by the City are in the specific plan areas. The MSASP, which contains the development standards (including building height) for parcels with its boundaries was reviewed and approved by the Airport Land Use Committee (ALUC) on July 28, 2022. The General Plan and Specific Plan, which contains the development standards (including building height) for

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parcels with its boundaries, was sent to ALUC for review on June 20, 2022. The ALUC heard both items in their July 28, 2022, meeting and provided recommended revisions to the General Plan and Specific Plan. The City resubmitted the documents to the ALUC on August 5, 2022. The ALUC has tentatively scheduled review of the comment responses for their August 25, 2022, meeting. If the ALUC makes a determination of consistency with the Airport Land Use Compatibility Plan at this meeting, then the C/CAG Board of Directors, acting as the Airport Land Use Commission, would make a final determination of consistency in their October meeting.

Therefore, Millbrae's proximity to the San Francisco Airport does not represent a constraint to housing development because all building heights contained in the City current zoning ordinance have been reviewed and approved by ALUC, with the Specific Plan building heights currently under review with a final decision expected in October 2022, prior to the City's State mandated deadline for Housing Element certification.

3.3.4.12 Cumulative Impacts of Development Standards

The cumulative impacts of Millbrae's development standards established in the Zoning Ordinance and specific plans do not unduly constrain achieving the densities permitted by the City. This is evident, as high-density developments have consistently achieved the maximum permitted densities permitted by the zones, as documented in Table 7-3, Entitled and Pending Development Applications in Chapter 7 of this Housing Element. Higher densities are also frequently achieved pursuant to State Density Bonus Law or other provisions, as also shown in Table 7-3. The components of the City's residential development standards are as follows:

- The Zoning Ordinance and specific plans allow residential properties with densities ranging from 4-130 units per acre. As discussed in Section 3.3.4.4, the maximum allowable densities are not a constraint to development.
- The Zoning Ordinance establishes minimum lot areas for all residential zones outside of the Millbrae Station Area Specific Plan and Planned Development areas. The minimum lot area varies from 2,500–10,000 square feet. Furthermore, properties in both specific plan areas do not have minimum lot area requirements. As discussed in Section 3.3.4.5, the lot size and area requirements for residential development are not a constraint.
- The Zoning Ordinance establishes minimum setbacks for all residential zones outside of the specific plan areas. The Zoning Ordinance requires residential developments outside of the specific plan areas to have a 20 feet front setback, a 3-20 feet side yard setback, and a 10-15 feet rear yard setback. On the other hand, residential developments in the specific plan areas are required to have a 0-5 feet front setback, a 0-10 feet side setback, and a 0-15 feet rear yard setback. As discussed in Section 3.3.4.6, the lot size and area requirements for residential development are not a constraint.

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- The Zoning Ordinance imposes limits on building lot coverage in residential zones outside of the specific plan areas, ranging from 40-75%. The specific plans, however, do not regulate lot coverage. Instead, projects are required to set aside 10% of the lot area and 80 square feet of publicly accessible open space in the Millbrae Station Area Specific Plan and Downtown and El Camino Real Specific Plan, respectively. As discussed in Section 3.3.4.7, the limits on building lot coverage and open space requirements for residential development are not a constraint.
- The Zoning Ordinance and specific plans have maximum floor area ratio requirements ranging from 0.55-0.88 in the areas outside of the specific plan area, 2.0-2.5 in the Millbrae Station Area Specific Plan area, and 2.5-3.5 in the Downtown and El Camino Real Specific Plan area. As discussed in Section 3.3.4.8, the floor area ratio requirements are not a constraint to residential development.
- The Zoning Ordinance and specific plans require 1-2 parking spaces per dwelling, depending on a development's location and proximity to public transit. Parking requirements in the specific plan areas are relatively low, State density bonus law allows developers to provide affordable units in exchange for flexibility on parking, and recent state laws such as AB 2097 prohibit local agencies from imposing minimum parking requirements for residential and other development projects within a half mile of a high-quality transit corridor or a major transit stop. **In order to further reduce parking requirements, the City is including Programs HIP-25 and HIP-42 to increase flexibility and reduce requirements.**
- The Zoning Ordinance and specific plans have height limits ranging from 30 – 125 feet. As discussed in Section 3.3.4.10, the height limits for residential development are not a constraint.

As demonstrated by this analysis of development standards and the City's development trends, residential development is not constrained by the City's standards. When compared to the rest of the Bay Area, Millbrae offers lower requisites and more flexibility for residential development. **As such, there are no negative impacts on development cost, housing supply, affordability, timing, approval certainty, housing choice, and ability to achieve maximum densities.** Still, the City included the following programs to further remove constraints:

- **HIP-14.** Conduct a Residential Development Feasibility Study
- **HIP-25.** Parking Requirement Options in Downtown Area
- **HIP-27.** Update Density Bonus Ordinance
- **HIP-42.** Implement Reduced Parking for Affordable Housing

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3.3.5 Fees and Exactions

Housing developers typically conduct a financial feasibility analysis, or a pro forma analysis, which compares the cost of developing with the revenues received in rent or sales prices prior to embarking on a housing project. This analysis also calculates the rate of return on the project or investment. Like all businesses, developers require a minimum profit (and not a loss) or rate of return on housing projects, and revenues must exceed costs to the level where this rate of return is achieved. Housing development requires investors, who in turn require a rate of return on their investment. Fees and exactions add to the cost of developing housing, and developers include these fees in the financial feasibility/pro forma analysis mentioned above. If revenues do not outweigh costs (including a required rate of return), developers will not build projects. Development impact fees and community development services fees can add significant costs to development projects.

3.3.5.1 Development Impact Fees

Development impact fees are assessed on new development projects to help offset the costs of public capital facilities and infrastructure needed to serve new demand that is created by development projects. Assembly Bill 1600 (commonly known as the Mitigation Fee Act), enacted by the State in 1987 created Section 66000 et. Seq. of the Government Code. AB1600 requires public agencies to satisfy the following requirements when establishing, increasing, or imposing a fee as a condition of approval of a development project:

- Identify the purpose of the fee.
- Identify the use for the fee.
- Determine how there is a reasonable relationship between the fee's use and the type of development project on which the fee is imposed.
- Determine how there is a reasonable relationship between the need for the public facility and the type of development project on which the fee is imposed.
- Determine how there is a reasonable relationship between the amount of the fee and the cost of the public facility or portion of the public facility attributable to the development on which the fee is imposed.

The fees must be based on a rational nexus between new development and the costs of the capital facilities and infrastructure needed to accommodate such development. The fees do not pay for operation and maintenance of capital facilities, or for City staffing costs.

On June 9, 2020, the City Council adopted Ordinance No. 777 adding the Millbrae Municipal Code, Article XXXI of Chapter 10.05.3100 et seq. development impact fees by adopting

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Resolution No. 20-35 following the preparation of a legally compliant nexus study pursuant to the requirements of Government Code 66000. This nexus study was led by a California licensed civil engineer and can be accessed at the following location:

- <https://www.ci.millbrae.ca.us/home/showpublisheddocument/25235/637666218887930000>

The citywide Development Impact Fees were effective on August 8, 2020 (and are adjusted each year on January 1st based on the Engineering News Record Construction Cost Index (CCI) for the San Francisco Bay Area) and include the following:

- Citywide development impact fees: Automatically adjusted on January 1st of each year in accordance with the change in the Engineering Construction Cost Index, as most recently published by Engineering News Record, for the previous calendar year.
- MSASP development impact fees: Automatically adjusted sixty days following the end of the City's fiscal year (June 30th of each year) in accordance with the change in the Engineering Construction Cost Index, as most recently published by Engineer News Record, for the elapsed time period from the previous July 1st. Figure 3-7 depicts the locations within the Plan area where different impact fees apply (see also Table 3-8).

Table 3-8. Summary of Citywide and MSASP Development Impact Fees (per unit)

LOCATION	SINGLE-FAMILY	MULTIFAMILY
Citywide:	\$75,274.42	\$55,073.96
MSASP TOD* 1&2:	NA	\$58,885.01
MSASP* Res 4:	NA	\$59,015.15

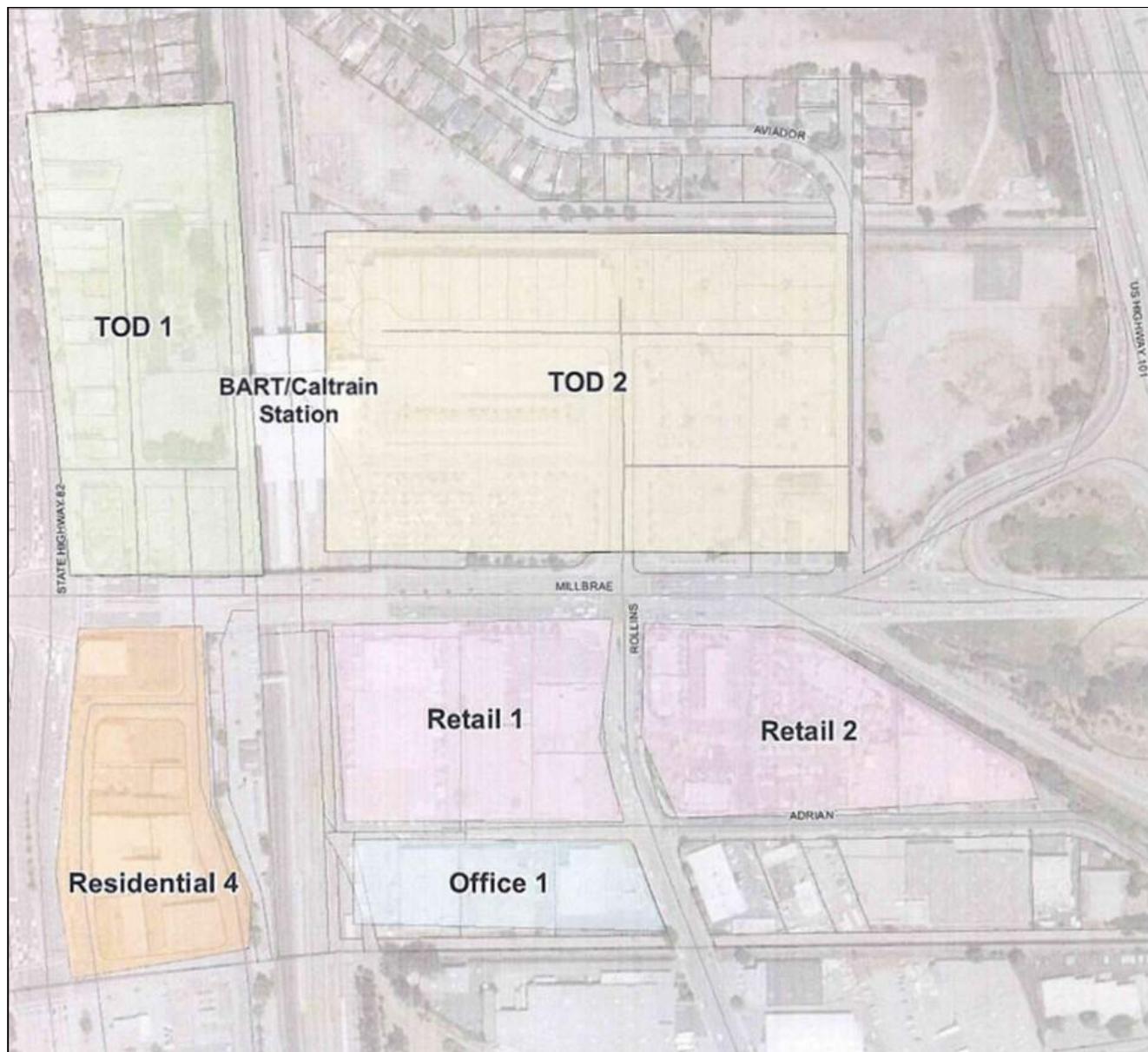
*See Figure 3-7, MSASP Fee Map

Source: City of Millbrae Development Impact Fees

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Figure 3-7. MSASP Fee Map



Citywide Development Impact Fees (including the Specific Plan)

In June 2020, the City Council adopted (by ordinance) updated development impact fees. These fees are subject to annual indexing every January 1 and are posted on the City website.

There are seven types of Development Impact Fees: a library fee, a general government facilities fee, a recreation services fee, a public safety fee, a park acquisition and facilities fee, and a mobility fee. A description of each fee is provided below.

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- **Library.** The purpose of the Library Fee is to fund new library facilities or improvements to existing library facilities to maintain the City's existing level of service. New residential and nonresidential development will bring additional residents, workers, and visitors to the City, increasing the demand on existing library facilities. The Library Fee is based on the cost per capita of the library assets necessary to provide the current level of service.
- **General Government Facilities.** The General Government Facilities Fee will be used to fund new general governmental facilities or improvements to existing general governmental facilities that are not covered by another impact fee to maintain the City's existing level of service. An increase in residential and non-residential development generates additional residents and workers that increase the need for government facilities to maintain the City's existing level of service.
- **Recreation Service.** The Recreation Services fee is to fund new development's share of planned new recreation facilities or improvements to existing recreation facilities. New residential and nonresidential development will bring additional residents, workers, and visitors to the City, increasing the demand on existing recreation facilities. The Recreation Services Fee will generate revenue to fund new development's share of planned Recreation Center, and other improvements.
- **Public Safety.** The Public Safety Fee is to fund new public safety facilities or improvements to existing public safety facilities to maintain the City's existing level of service. New residential and nonresidential development will bring additional residents, workers, and visitors to the City, increasing the demand on existing public safety facilities. The Public Safety Fee will generate revenue to fund new public safety facilities or improvements to existing public safety facilities to maintain the City's existing level of service. Development within the MSASP area is already subject to a fee that includes a public safety component. Projects in the MSASP area are required to pay the Citywide Public Safety Fee and with the portion of the MSASP fee paid credited towards the total fee payment (described in the next section).
- **Park Acquisition and Facilities.** The fee is to fund park acquisition and new park facilities or improvements to existing park facilities to maintain the City's existing level of service. New residential and nonresidential development will bring additional residents, workers, and visitors to the City, increasing the demand on existing park facilities. The Park Acquisition and Facilities Fee will generate revenue to fund acquisition of parks and new park facilities or improvements to existing park facilities to maintain the City's existing level of service. An increase in residential and non-residential development generates additional residents and workers that increase the need for park facilities to maintain the City's existing level of service. The City also requires dedication of parkland in connection with subdivision maps, and as part of the MSASP impact fee (described in the next

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section). Projects that pay this fee will receive a credit based on other park fees paid or land dedicated to the City as part of a subdivision.

- **Mobility.** The purpose of the Mobility Fee is to fund new development's share of planned pedestrian and bicycle improvements. New residential and nonresidential development will bring additional residents, workers, and visitors to the City, increasing the demand on existing mobility facilities. The Mobility Fee will generate revenue to fund the new mobility facilities or improvements to existing mobility facilities detailed in the Fee Study. The Mobility Fee is based on new development's share of the planned mobility improvements stated in the Fee Study as determined by the trip generation rate of the new development. Development within the MSASP area is already subject to a fee that includes a transportation component (described in the next section). Projects in the MSASP area will receive a credit against the Mobility Fee. Projects within a half mile of a transit stop are also eligible for a discount on this fee.
- **Administration.** The Administration Fee amounting to 5% of each fee to cover legal, accounting, and other administration support as well administration cost including revenue collection, revenue and cost accounting, mandated public reporting, and fee justification analysis.
- Consistent with Government Code Section 65852.2(f)(3), accessory dwelling units up to 750 square feet are exempt from development impact fees, and ADUs in excess of this size are charged proportionately in relation to the square footage of the primary dwelling unit based on the Single-Family Residential Fee, which is currently \$71,309.30.

MSASP Development Impact Fees

Updated MSASP development impact fees were established in February 2017 by City Council ordinance (the fees for the MSASP were originally established in 2000). The ordinance sets out a protocol for adopting impact fees, details when the fees will be paid, establishes exemptions, and credits, implements procedures for appeals and refunds, and provides for reporting and accounting procedures. The fees, subject to annual adjustment every July 1 based on actual construction cost index increases, were established and imposed within the MSASP area to finance the cost of the following categories of facilities:

- **Sewer – Utilities infrastructure.** The fees will fund Rainfall Infiltration Inflow (RDII) and gravity main improvements needed to provide adequate sewage treatment services to the MSASP. The RDII improvements are required to serve the whole MSASP area, while an additional fee will only apply in the specific subareas of the MSASP which the gravity main improvements will serve.

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- **Transportation – Traffic improvement measures.** This fee is intended to help maintain acceptable transportation operation in the Specific Plan Area, including for users of alternative modes. The Nexus Study stated that in combination with grant and other funding, fee revenue will be used to fund the required new transportation facility improvements including roadway and alternative mode facility improvements.
- **Parks and recreation facilities.** The fee will fund the provision of additional parks and recreation land and facilities sufficient to maintain the City's existing service standards. Fee revenues will contribute funding towards the acquisition of parkland as well as the improvement of parkland/recreational facilities.
- **Public Safety.** The fee helps ensure there are sufficient fire facilities and equipment to serve new MSASP development. Fee revenues will be used to replace capital equipment as required, such as acquisition of new public safety vehicles, motorcycles, and associated equipment, and to provide upgrades to the Millbrae Fire Station #37.

3.3.5.2 Community Development Service Fees

While development impact fees offset the costs of improvements serving the development, Community Development services fees cover review and processing of the development by City staff. The City's fee schedule is based on typical anticipated costs associated with review and approval of proposed projects. Millbrae's current planning and development fee schedule for residential projects is summarized in Table 3-9, Planning Fees for Residential Projects.

Table 3-9. Planning Fees for Residential Projects

FEE NAME	SINGLE-FAMILY	MULTIFAMILY
Impact Fees (Total)	Citywide: \$75,274.42	Citywide: \$55,073.96 MSASP TOD* 1 & 2: \$58,885.01 MSASP* Res 4: \$59,015.15
Design Review	\$7,517	\$10,022
Conditional Use Permit	Minor: \$6,264 Major: \$17,539	Minor: \$6,264 Major: \$17,539
CEQA	Categorical Exemption: \$250 Negative Declaration: \$3,758	Categorical Exemption: \$250 Negative Declaration: \$3,758 EIR: Varies
Development Agreement	NA	Varies
Zoning Amendment	\$21,798	\$21,798
General Plan / Specific Plan Amendment	\$27,248	\$27,248

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Subdivisions	Lot Line Adjustment: \$2,506 Parcel Map: \$3,758 Tract Map: \$6,264		Lot Line Adjustment: \$2,506 Parcel Map: \$3,758 Tract Map: \$6,264	
MSASP Development Plan	NA		≤ 1 Acre: \$43,597 Deposit > 1 Acre: \$49,047 Deposit	
PD Development Plan	NA		≤ 1 Acre: \$43,597 Deposit > 1 Acre: \$49,044 Deposit	
Large Project (> 50 Units)	NA		\$10,899	
Building Permit	Valuation \$2,000 \$10,000 \$25,000 \$50,000 \$100,000 \$500,000 \$1,000,000 \$5,000,000	Fee \$462.08 \$1,263.62 \$1,725.70 \$2,527.25 \$3,602.64 \$5,403.96 \$ 9,511.62 \$33,402.45	Valuation \$2,000 \$10,000 \$25,000 \$50,000 \$100,000 \$500,000 \$1,000,000 \$10,000,000 \$25,000,000	Fee \$395.28 \$996.44 \$2,794.43 \$4,014.39 \$ 5,891.33 \$9,399.99 \$13,646.27 \$95,963.04 \$240,463.88
Plan Review	70% Of Building Permit Fee		70% Of Building Permit Fee	

*See Figure 3-7, MSASP Fee Map

Source: City of Millbrae Service and Fee Schedule, January 1, 2020

3.3.5.3 Comparable Fees (Other Cities)

Table 3-10, Comparison of Residential Development Fees for Residential Projects, outlines the various planning related fees charged by Millbrae, with a comparison of similar fees charged by neighboring cities. It is important to note that, as mentioned previously, fees can vary significantly among jurisdictions based on the year the fees were updated.

Table 3-10. Comparison of Development Fees for Residential Projects

JURISDICTION	MULTIFAMILY DESIGN REVIEW	GENERAL PLAN AMENDMENT	ZONE CHANGE	TENTATIVE TRACT MAP	VARIANCE
Millbrae	\$10,022	\$27,248 (deposit)	\$21,798 (deposit)	\$6,264	\$1,503 (reduced to 25% of fee if application includes design review)
South San Francisco	\$2,204 \$2,513 (deposit when PC review required)	\$10,038 (deposit)	\$8,798 (deposit)	\$879	\$4,398

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JURISDICTION	MULTIFAMILY DESIGN REVIEW	GENERAL PLAN AMENDMENT	ZONE CHANGE	TENTATIVE TRACT MAP	VARIANCE
Burlingame	≤ 25 units: \$2,209 > 25 units: \$3,261	\$8,218	\$8,218	\$3,836 + deposit + \$234 per lot (after 5 th) + consultant costs Condo: \$3,119 + \$587 per unit (after 4 th) + consultant costs	\$4,902
San Mateo County	\$3,489	\$15,549	\$15,549	\$15,549 + \$234 per lot (after 5 th)	\$1,782 (+ \$1,706 if public hearing required)
Redwood City	\$1,493	\$15,250 (deposit)	\$15,250 (deposit)	\$15,250 (deposit)	\$3,386
Belmont	\$10,950 + \$4,948 (Engineering Fee)	\$16,153	\$16,153	\$12,426 + \$15,191 (Engineering Fee)	\$4,660
San Carlos	\$8,427	\$8,427	Major: \$16,854 Moderate: \$8,427 Minor: \$4,214	\$16,854	\$8,427

Source: City of Millbrae Service and Fee Schedule, January 1, 2020;
 City of South San Francisco Fee Schedule, effective July 11, 2022
 City of Burlingame Master Fee Schedule, effective July 1, 2018
 County of San Mateo Planning Service Fee Schedule, effective October 5, 2018
 City of Redwood City Fee Schedule, effective July 1, 2022
 City of Belmont Master Revenue Schedule, as amended through June 14, 2022
 City of San Carlos Cost of Services, Fiscal Year 2021-2022

3.3.5.4 Typical Cost for Development Impact Fees and Building Permit Fees

As shown in Table 3-11. Overall Development Cost for Typical Residential Unit, combining planning/processing fees and development impact fees, a developer can expect to pay approximately \$97,756 in fees per single-family unit and \$55,186 to \$68,237 in fees per multifamily unit, depending on the size of the project and location within the City. Furthermore, Table 3-12. Typical Building Permit and Development Impact Fees (Recent Developments) shows the fees paid by two recent developments. **As shown in Table 3-12, the actual fees per unit are similar to the estimated fees per unit shown in Table 3-11, supporting the fact that the current fees are financially feasible for developers and, therefore, not a constraint to development.**

Table 3-11. Overall Development Cost for Typical Residential Unit

DEVELOPMENT COST	SINGLE-FAMILY	MULTIFAMILY (10 UNITS)	MULTIFAMILY RENTAL (100 UNITS)
Estimated Fees Per Unit	\$97,756	\$68,237	\$55,186
Estimated Cost of Development per Unit ¹	\$2,826,000	\$507,000	\$451,000

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Estimated Percent Fee Cost to Overall Development Cost	3.4%	13.5%	12.2%
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¹ Development costs are based on Century Urban's estimates on the cost to build in San Mateo County (April 2022), and land prices per Federal Housing Finance Agency and ParcelQuest data. Assumes single-family unit is 2,600 sf and multifamily unit averages between 750 square feet (100 units) – 850 square feet (10 units).

Source: 21 Elements Constraints Survey, December 2021 (for fees) Century Urban Cost to Build in San Mateo County, Federal Housing Finance Agency, and ParcelQuest, 2021-2022 (for development cost).

Table 3-12. Typical Building Permit and Development Impact Fees (Recent Developments)

FEE NAME	SINGLE-FAMILY (244 South Ashton)	MULTIFAMILY (126 Rollins, 320 Units)
Development Impact Fees (per dwelling unit)	\$71,309.30	\$52,172.91
Building Permit Fees (per dwelling unit)	\$18,150.59	\$161,837.51 / 320 du = <u>\$505.74</u>
Total Fees (per dwelling unit)	\$89,459.89	\$52,678.65

*See Figure 3-7, MSASP Fee Map

Source: City of Millbrae Service and Fee Schedule, January 1, 2020

In exploring the existence of current development costs as a possible hurdle to the City's ability to develop more affordable housing, a review of comparative costs among their neighboring cities was done. Table 3-13Table 3-13,Comparison of Residential Development Fees, outlines the various development-related fees charged by the City in comparison to cities nearby. The City's fee structure reflects the types of developments in the City and the necessary costs associated with proper review and project mitigation.

It should be noted that different cities have different fees and requirements, and these fees are adopted at different time. Additionally, and very significantly, development impact fees adopted within the 1-2 years are significantly higher than those originally adopted in 2014 when land, construction, materials, and labor costs were a fraction of what they are today. If fees are lower in one city vs. another, it is due to the fact that the city with lower fees has not had a fee update for several years while the city with higher fees has completed a recent update, rather than because the actual cost of proving facilities and infrastructure is significantly different. All cities must adhere to the requirements of AB 1600 and prepare a legally compliant nexus study in order to establish or update fees.

For example, while Millbrae has very specific inclusionary housing in-lieu fees if a developer chooses not to build affordable housing as part of a residential project, San Carlos does not appear to allow an in-lieu fee option for large developments – affordable units must be built with the project. Additionally, Foster City is in the process of updating all development impact fees and the City of Redwood City's fees on the city website do

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not appear to match the development impact fee information presented in a March 7, 2022, staff report to City Council on the potential of raising park fees in the City.

It is important to note that the information presented in this section is not a true “apples to apples” comparison due to the following factors:

- Some cities have not updated their development impact fees on their websites (some information dates back to 2014).
- There is a lack of information publicly available, including the most recent nexus studies.
- Not all cities have the same types of fees or provide the same level of clarity on how fees apply to different sized projects. Many cities like South San Francisco, San Carlos, and San Mateo have inclusionary housing requirements and in-lieu fee options, but it is not clear how the fee amounts apply to larger developments.
 - In the City of San Mateo, in-lieu fees are included for the 10-unit prototype project only, as information on the City’s website indicates that fractional in-lieu fees are allowed for projects of 5 to 10 units. But inclusionary housing requirements are in effect for all residential projects. The cost of constructing the affordable units as part of a project larger than 10 units or for a single-family development is not reflected in Table 3-12.

However, the information below is based on information contained on the city’s websites, publicly available staff reports, and publicly available nexus studies.

As presented in Table 3-13, the City’s development fees appear to be similar to those in Redwood City and San Mateo, but lower than East Palo Alto. Millbrae’s fees are higher than several surrounding cities for both single-family and small multifamily projects (10 units) but are significantly higher than many cities for larger multifamily developments. This is primarily due to Millbrae’s impact fees being established over the last two years where similar fees in other cities have not been updated in many years. Additionally, the majority of the cities do not provide the most recent nexus study establishing development impact fees and reference fees that are anywhere from two to eight years old.

It is a well-established fact that the cost of land, labor and materials has skyrocketed during the last 5-6 years. In fact, the most recent annual Consumer Price Index increase (2021 to 2022) in California was 7% compared to annual increases of 2% or less for the last decade. Therefore, if a nexus study establishing development impact fees was completed more than one to two years ago, the cost of providing facilities, services, and infrastructure (how the fees are calculated and determined) is significantly understated.

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While the fee variance between Millbrae and surrounding cities is a result of Millbrae's recent update to its fees, the City included the following programs to ensure that development impact fees are not a constraint to housing development:

- **HIP-14.** Conduct a Residential Development Feasibility Study

Table 3-13. Comparison of Residential Development Fees

DEVELOPMENT FEE – CITY	ENTITLEMENT FEES	BUILDING PERMIT FEES	IMPACT FEES	TOTAL PROJECT FEES
Single-family Residential Development (per unit)				
Millbrae	\$7,767	\$19,050	\$71,309	\$98,126
Burlingame	\$3,645	\$49,500	\$16,280	\$69,425
Colma	\$0	\$6,760	\$0	\$6,760
Daly City	\$0	\$19,128	\$5,074	\$24,202
East Palo Alto	\$6,342	\$9,090	\$206,739	\$222,171
Foster City	\$3,000	\$64,886	\$18,644	\$86,530
Redwood City	\$1,493	\$4,952	\$90,982	\$97,4272
San Bruno	\$5,000	\$28,000	\$25,209	\$58,209
San Carlos	\$13,604	\$32,096	\$38,803	\$84,503
San Mateo	\$4,979	\$33,844	\$50,180	\$89,003
South San Francisco	\$1,490	\$24,932	\$54,944	\$81,366
Multifamily Residential Development – 100 Units				
Millbrae	\$42,387	\$258,950	\$5,217,291	\$5,518,628
Burlingame	\$12,112	\$965,000	\$1,345,750	\$2,322,862
Colma	\$22,529	\$480,516	\$1,200,000	\$1,703,045
Daly City	\$5,555	\$977,818	\$243,750	\$1,227,123
East Palo Alto	\$89,105	\$223,639	\$26,896,500	\$27,209,244
Foster City	\$10,000	\$1,118,823	\$1,453,800	\$2,582,623
Redwood City	\$42,857	\$469,623	\$3,621,989	\$4,134,469
San Bruno	\$200,000	\$1,426,400	\$2,314,800	\$3,941,200
San Carlos	\$80,880	\$509,529	\$1,227,815	\$1,818,224
San Mateo	\$205,000	\$611,684	\$3,338,000	\$4,154,684
South San Francisco	\$20,260	\$223,028	\$2,996,151	\$3,239,439
Multifamily Residential Development – 10 Units				
Millbrae	\$18,613	\$142,024	\$521,729	\$682,366
Burlingame	\$5,431	\$152,390	\$145,625	\$303,446
Colma	\$15,121	\$35,781	\$315,000	\$365,902
Daly City	\$5,555	\$269,288	\$50,740	\$325,583
East Palo Alto	\$53,024	\$65,205	\$2,686,150	\$2,804,379
Foster City	\$5,000	\$466,794	\$145,380	\$617,174
Redwood City	\$22,000	\$143,714	\$362,199	\$527,913
San Bruno	\$60,000	\$430,000	\$231,480	\$721,480
San Carlos	\$48,721	\$130,439	\$112,206	\$291,366
San Mateo	\$50,000	\$198,431	\$666,734	\$915,165
South San Francisco	\$7,458	\$71,979	\$674,449	\$753,885

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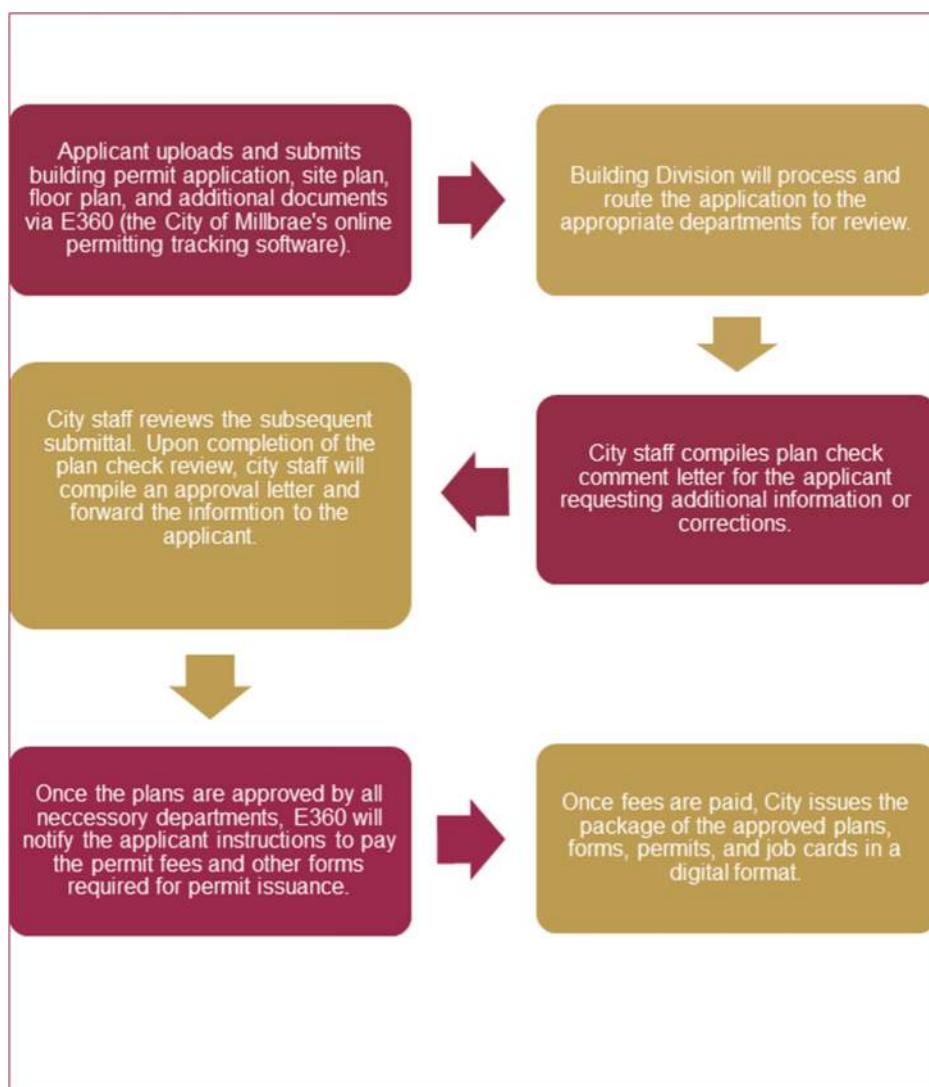
Note: It should also be noted the 21 Elements Survey data is comprised of the draft results obtained from the constraints survey completed by 17 jurisdictions and unincorporated San Mateo County at the end of 2021. For consistency in comparison's sake, we have elected to feature the cities who provided complete responses.

Source: [21 Elements Constraints Survey](#), December 2021

3.3.6 Processing and Permitting Procedures

Development review and permit processing are necessary steps to ensure that residential construction proceeds in an orderly manner. It ensures that development standards of the City are met, as well as those of outside agencies that have vested interests in projects. However, the time and cost of permit processing and review can be a constraint to housing development if they place an undue burden on developers.

Figure 3-8. Residential Building Permit Process



Source: City of Millbrae 2022.

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The development community commonly cites processing times needed to obtain development permits and approvals as a prime contributor to the high cost of housing. Depending on the magnitude and complexity of each development proposal, the time that elapses from application submittal to project approval may vary considerably. Factors that can affect the length of development review on a proposed project include completeness of the development application submittal, and the responsiveness of developers to staff comments and requests for information.

Certainty and consistency in permit processing procedures and reasonable processing times are important to ensure that the development review/approval process does not discourage developers or add excessive costs (including carrying costs on property) that would make projects economically infeasible.

Table 3-14, Timelines for Entitlement Procedures, outlines the standard processing times for some of the City's typical approvals and permits. Depending on the level of environmental review required, the processing time for a project may be lengthened, as the City must completely implement CEQA processes, which can substantially add to processing times. Table 3-15, Typical Processing Procedures by Project Type, lists the typical approval requirements and estimated total processing times for various residential projects. However, coordination with other impacted parties, such as community groups and homeowner's associations, may extend the overall time frame for development. Table 3-16, Review Processes, lists the most common types of entitlements required for housing projects, the reviewing and approving, and processing times.

It is important to note that all properties identified as sites in the Sites Inventory (Chapter 7 and Appendix C) are currently zoned to allow residential development at the densities required by State law. Therefore, none of the sites would require a zone change, general plan amendment, or environmental impact report. Due to the City's efforts in adopting specific plans and updating the General Plan, major constraints to development have already been lifted, significantly streamlining the entitlement process.

Table 3-14. Timelines for Entitlement Procedures

TYPE OF APPROVAL OR PERMIT	TYPICAL PROCESSING TIME (BASED ON WORKING DAYS)
CUP	3 to 6 months
Zone Change (not needed for any site inventory sites)	12 to 15 months
Design Review	6 to 8 months
Conceptual / Precise Site Plan (Planned Developments)	6 to 9 months
Site Development Plan (MSASP) (unlikely for Site Inventory properties)	6 to 9 months
General Plan Amendment (not needed for any projects at site inventory sites that are consistent with applicable development standards)*	12 to 15 months

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TYPE OF APPROVAL OR PERMIT	TYPICAL PROCESSING TIME (BASED ON WORKING DAYS)
Environmental Impact Report (not needed for any projects in the Specific Plan area at site inventory sites, and which are consistent with Specific Plan development standards)**	15 to 18 months

* General Plan Amendments are highly unlikely in either of the specific plan areas, which are already set up to allow dense development.

** Environmental Impact Reports are prepared for the specific plans, which already contain the impacts of future development in their analyses.

Source: 21 Elements Constraints Survey, December 2021; City of Millbrae, 2022

Note: Subdivision review is included within the time frames indicated in this table.

Table 3-15. Typical Processing Procedures by Project Type

	SINGLE-FAMILY DETACHED UNITS	ATTACHED RESIDENTIAL	PLANNED DEVELOPMENT	MSASP
Typical Discretionary Requirements	Design Review	- Design Review - Parcel/Tract Map	- Parcel/Tract Map - Conceptual Development Plan - Precise Development Plan	- Parcel/Tract Map - Site Development Plan
Estimated Total Processing Time	- Without General Plan Amendment or EIR: 3-8 months - With General Plan Amendment and EIR: 12-15 months	- Without General Plan Amendment: 8-12 months - With General Plan Amendment and EIR: 12-15 months	- Without General Plan Amendment: 6-9 months - With General Plan Amendment and EIR: 15-18 months	- Without General Plan Amendment: 6-9 months - With General Plan Amendment and EIR: 15-18 months

Source: 21 Elements Constraints Survey, December 2021; City of Millbrae, 2022

Table 3-16. Review Processes

PROJECT TYPE	REVIEWING BODIES	PUBLIC HEARING REQUIRED	APPEAL BODY	ESTIMATED TOTAL PROCESSING TIME (WORKING DAYS)
Single-Family Units (Design Review, CUP)	Planning Commission	Yes	City Council	6 to 8 months
Mixed Use, Commercial (Design Review, CUP, Master Sign Program)	Planning Commission	Yes	City Council	Design Review: 12 to 14 months, CUP & Master Sign Program: 3 to 6 months
Other applications (Conditional Use Permit, Variance, Exception, General Plan Amendment, Zoning Text Amendment)	Planning Commission (for CUP, Variances, Exceptions) or Planning Commission and City Council (for General Plan Amendment, Zoning Text Amendment)	Yes	City Council	Processing time varies

Notes: CUP = Conditional Use Permit

Source: City of Millbrae 2022.

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3.3.6.1 Design Review (Outside of Specific Plan Areas)

Every application for the construction, alteration, or exterior modification of a building is subject to design review in the City of Millbrae. The design review application materials are evaluated by planning staff, followed by a review and required findings by the Millbrae Planning Commission for design review approval:

- The architectural, landscaping, and general appearance of the proposed building or structure and grounds are in keeping with the character of the neighborhood;
- The project complies with all applicable development regulations;
- The project complies with the intent of the adopted design review guidelines, including a finding that the project will not cause a significant visual impact to neighboring views from the principal rooms of a residence unless it is proven by the applicant that there is no other viable or cost-effective alternative; and
- The proposal is not detrimental to the orderly, harmonious, and safe development of the City and will not impair the desirability of investment or occupation in the neighborhood in which the building or structure is proposed to be erected.

Not only does design review provide an opportunity to review the multifamily projects against objective development standards such as setbacks, height, parking, density, and open space; it provides an opportunity to evaluate quality of life issues such as a resident's exposure to noise, noxious odors/fumes, other health effects and, where appropriate, social, and environmental justice issues when projects located in transitional areas of the community. In particular, neighborhood compatibility provides design direction to applicants in advance, which drives design. Nonetheless, Millbrae has an eclectic mix of building styles, as evidenced by recently built projects at Gateway at Millbrae Station (affordable housing and mixed-use development), 30 Hermosa, and Pinedera. Moreover, the approved project at Millbrae Serra Station (multi-building mixed-use development) provides a contrasting design. Therefore, **as a result of the varying design styles approved by the City, design review has not been detrimental to development projects.**

For a minimum of five years, residential developments have successfully undergone the design review process without being jeopardized. Proposed projects have been approved at the proposed densities and have even increased their density in the process. For example, a mixed-use project at 959 El Camino Real began the design review process with a proposed 232 units and through the same process, increased the number of units to 278. This development was approved by the Planning Commission in 2022 and has applied for building permits.

Furthermore, the pipeline developments included in the Sites Inventory of this Housing Element are continuing to move forward. For instance, a 488-unit transit-oriented mixed-use project

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adjacent to the Millbrae transit station has a 10-year development agreement (to 2028) with a developer option to extend the agreement an additional five years (to 2033).

3.3.6.2 Development Review in Districts/Specific Plan Areas

The Millbrae Station Area Planned Development District was established to implement the MSASP. Regardless of zoning district within the Specific Plan, applicants must prepare and submit a detailed site development plan, which is reviewed by staff and prepared for submission to the Planning Commission. Prior to submission of the development plan to the Planning Commission, an environmental review of the plan is conducted to the extent required by and in full accordance with the California Environmental Quality Act.

Because the Planning Commission is required to hold a public hearing to review the site development plan, a public hearing notice, paid for by the applicant and performed by the City, must be given in accordance with Article XXIX of the Millbrae Municipal Code.

Following the close of the public hearing, the Planning Commission approves, conditionally approves, or denies approval of the site development plan. In granting any approval, the Planning Commission is required to make the following findings:

- That the proposed development conforms to the overall intent of the Millbrae Station Area Specific Plan, and will produce an environment of stable, desirable character and produce high-quality development with uses that contribute to the visual identity and environmental quality of the station area; and
- That the proposed development complies with goals, policies, objectives, development standards, and design guidelines of the MSASP, and provides overall standards of population densities, of open space, of circulation and off-street parking and other general conditions of use at least equivalent to those required by the MSASP or by the terms of this chapter in districts where similar uses are permitted; and
- That the proposed site development plan represents a development of sufficient harmony within itself and with adjacent areas; and
- That fire protection is adequate; and
- That drainage is adequate; and
- That capacity of utilities and infrastructure, including size and location of streets and sidewalks, are adequate or will be installed/improved to an adequate level prior to the granting of a certificate of occupancy; and
- That recreation is adequately provided for in the area (or adequate in-lieu fees are paid).

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If a site development plan is approved, approved with conditions, or disapproved by the Planning Commission, the applicant or any protestant may appeal the decision of the Planning Commission to the City Council in the manner provided in Article XXVII of the Millbrae Municipal Code.

The process for development approval for property within the Downtown and El Camino Real Specific Plan will be similar to that of the Millbrae Station Area Planned Development District; however, it will be more streamlined in that the entitlements will not require Site Development Plan findings.

To provide a clear picture of the approval processes for the non-pipeline opportunity sites, Table 3-17, Approval Process of Opportunity Sites (Not Including Pipeline Projects), shows the existing and proposed approval process for each.

Table 3-17. Approval Process for Opportunity Sites (Not Including Pipeline Projects)

SITE NO.	EXISTING ZONING	PROCESS UNDER EXISTING ZONING	PROPOSED ZONING	PROCESS UNDER PROPOSED ZONING
1	Commercial	Design Review Approval by the Planning Commission	Residential Focused Mixed Use (DECSP)	Design Review Permit Approval by the Planning Commission
3	Commercial	Design Review Approval by the Planning Commission	Residential Focused Mixed Use (DECSP)	Design Review Permit Approval by the Planning Commission
4	Commercial	Design Review Approval by the Planning Commission	Corridor Mixed Use (DECSP)	Design Review Permit Approval by the Planning Commission
5	Commercial	Design Review Approval by the Planning Commission	Corridor Mixed Use (DECSP)	Design Review Permit Approval by the Planning Commission
7	Planned Development	Conceptual and Precise Development Plan Approvals by the Planning Commission	Residential Focused Mixed Use (DECSP)	Design Review Permit Approval by the Planning Commission
9	Planned Development	Conceptual and Precise Development Plan Approvals by the Planning Commission	Residential Focused Mixed Use (DECSP)	Design Review Permit Approval by the Planning Commission
10	Planned Development	Conceptual and Precise Development Plan Approvals by the Planning Commission	Corridor Mixed Use (DECSP)	Design Review Permit by the Planning Commission
11	Planned development	Conceptual and Precise Development Plan Approvals by the Planning Commission	Corridor Mixed Use (DECSP)	Design Review Permit by the Planning Commission
13	Commercial	Design Review Approval by the Planning Commission	Corridor Mixed Use (DECSP)	Design Review Permit Approval by the Planning Commission
14	Commercial	Design Review Approval by the Planning Commission	Corridor Mixed Use (DECSP)	Design Review Permit Approval by the Planning Commission

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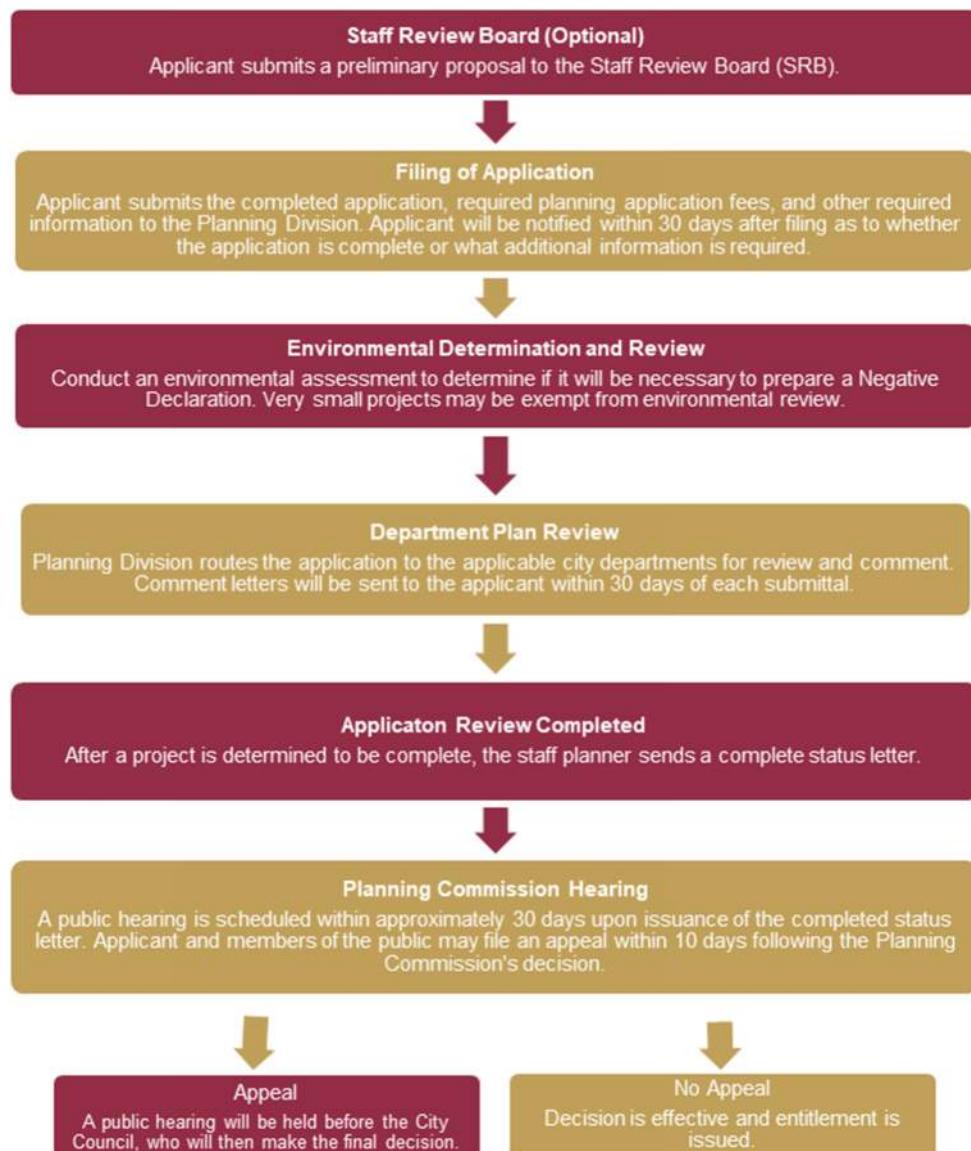
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SITE NO.	EXISTING ZONING	PROCESS UNDER EXISTING ZONING	PROPOSED ZONING	PROCESS UNDER PROPOSED ZONING
21	Residential Mixed Use (MSASP)	Site Development Plan Approval by the Planning Commission	Residential Mixed Use (MSASP)	Design Review Permit Approval by the Planning Commission
22	Residential Mixed Use (MSASP)	Site Development Plan Approval by the Planning Commission	Residential Mixed Use (MSASP)	Design Review Permit Approval by the Planning Commission
24	Commercial	Design Review Approval by the Planning Commission	Corridor Mixed Use (DECRSP)	Design Review Permit Approval by the Planning Commission

Notes: MSASP = Millbrae Station Area Specific Plan; DECRSP = Downtown and El Camino Real Specific Plan

Source: City of Millbrae 2022.

Figure 3-9. Design Review Permit Process and Timelines



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Source: City of Millbrae 2022.

3.3.7 Conditional Use Permits

The City has an established Conditional Use Permit (CUP) process by which City staff and the Planning Commission review a proposed use and consider the potential impacts on its surroundings. Applications for a CUP may be approved, approved with conditions, or denied by the Planning Commission.

Uses which require CUP approval are identified as such in the City's land use tables (in the Zoning Code and in both specific plans) and summarized below in Table 3-18. Please note that this table shows only those residential uses that require a CUP. Please see Table 3-22 for the complete use tables.

Table 3-18. Uses that Require Conditional Use Permits

CITYWIDE ZONING	R-2	R-3	COMMERCIAL	
Flats	-	-	C	
Triplexes	P	P	-	
Multifamily dwellings	-	p	C	
Care Facilities	C	P	P	
Boarding Houses / Rooming Houses	-	C	C	
MSASP	TOD	RESIDENTIAL MIXED USE	EMPLOYMENT CENTER / LIGHT INDUSTRIAL	RESIDENTIAL OVERLAY
Live / Work Units	P*	P*	C	-
Multifamily more than 6 units	P*	P	C	P
DECRSP	RESIDENTIAL FOCUSED MIXED USE	NEIGHBORHOOD COMMERCIAL MIXED USE	DOWNTOWN MIXED USE	CORRIDOR MIXED USE
Boarding Houses / Rooming Houses	C	C	-	-
Residential Care Facilities	C	C	-	-

Notes: (P) = Permitted; (P*) = Permitted if part of a mixed-use project; (C) = Conditional Use Permit; (-) = Not Permitted

3.3.7.1 CUP Process

Planning staff provides the applicant with an Application for Planning Action form, a project submittal requirements checklist, and other information pertaining to the Conditional Use Permit application which includes processing fees, noticing requirements, and public hearing scheduling. The applicant must submit all the required information including site plans, information regarding existing conditions, the proposed changes, and any other data in support

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of the request. For projects which require environmental review, additional information may be required.

Because the Planning Commission is required to hold a public hearing on each Conditional Use Permit application, a public hearing notice, paid for by the applicant and performed by the City, must be given in one or more of the following manners:

- Publication of the hearing notice in a newspaper of general circulation in the City at least once and not less than ten days prior to such hearing;
- Posting of the hearing notice in at least three locations not less than ten days prior to such hearing. The affidavit of the person who posted the notices shall establish conclusively that such posting was accomplished;
- Mailing of the hearing notice to all recorded owners of property within 300 feet of the subject property. Planning Commission hearings are generally held on the first and third Monday of each month at 7:00 p.m. in the Millbrae City Council Chambers.²

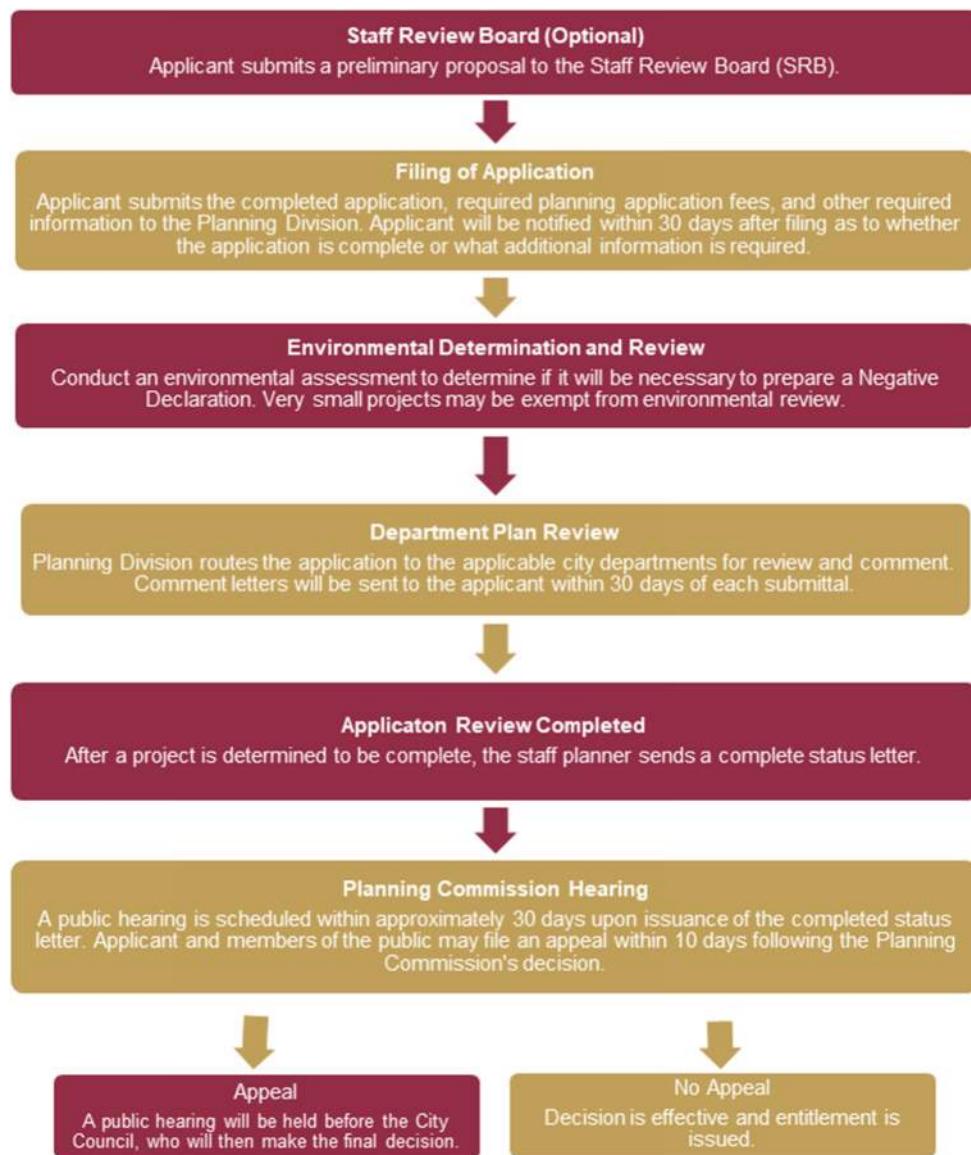
Public hearings begin with a Planning staff presentation on the nature of the request, the staff analysis, and staff recommendation. Then the applicant presents the proposed project and justification for the requested Conditional Use Permit. Following the applicant's presentation, the Commission hears public testimony from persons in favor of and opposed to the request. The Commission then discusses the request among themselves, with staff, and with the applicant. The Planning Commission then makes its decision on whether to approve, approve with conditions, deny, or continue the application to a subsequent public hearing. Planning Commission decisions are final but may be appealed to the City Council. Figure 3-10 shows the process and timelines for Conditional Use Permits.

² The Planning Commission has been meeting via Zoom during the ongoing COVID pandemic.

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Figure 3-10. Conditional Use Permit Process and Timelines



In terms of timing and procedure, the CUP process is identical to and runs in conjunction with the City's design review processes, which are required for all residential development. Regardless of application type, all residential development applications are reviewed against the pertinent Zoning Ordinance, Municipal Code, Specific Plan if applicable, and General Plan sections. Applicable conditions are selected from a Standard Conditions of Approval list, and any project-specific conditions of approval are prepared, if necessary, for every application to ensure the public health, safety, and welfare is maintained.

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Although the timeline for processing a CUP and the associated fees can be a constraint to housing development, the City has eliminated the CUP requirement for multifamily dwellings in the new Downtown and El Camino Real Specific Plan.

The Planning Commission, under Section 10.05.2520.D of the Millbrae Municipal Code, are required to make the following findings prior to approving any CUP:

- The establishment, maintenance, or operation of the use applied for will not, under the circumstances of the particular case, be detrimental to the health, safety, morals, comfort, and general welfare of the persons residing or working in the neighborhood of such proposed use;
- The establishment, maintenance, or operation of the use applied for will not, under the circumstances of the particular case, be detrimental to property and improvements in the neighborhood of such proposed use.

All CUPs are subject to the following additional conditions:

- Unless otherwise specified, a Conditional Use Permit applies to the subject property, rather than to its owner or other individual, and remains with the land when conveyed to any subsequent owner(s).
- A Conditional Use Permit becomes invalid if not used within one year from the date of approval (or within any shorter period of time if so, designated by the Planning Commission or City Council).
- A Conditional Use Permit may be revoked if conditions of approval are violated.
- Conditional Use Permits do not take effect until the ten-day appeal period has ended without incident and the applicant has signed a copy of the Declaration of Acceptance of the Conditional Use Permit and all conditions thereof and returned it to the City.
- The Planning Commission may add any reasonable condition(s) it deems necessary in approving a Conditional Use Permit.

While the City of Millbrae requires housing projects to obtain other entitlements prior to submitting for building permits, Conditional Use Permits are generally only required for certain types of residential development or use, namely:

- Residential uses in nonresidential zones
- Rooming houses / Boardinghouses
- Residential Care Facilities

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The requirement for a CUP for the development of residential uses in nonresidential zones is typical across California cities and does not necessarily pose a constraint to the development of housing, especially given the amount of residentially zoned land available. Not only does a CUP provide an opportunity to review the multifamily projects against objective development standards such as setbacks, height, parking, density, and open space; it provides an opportunity to evaluate quality of life issues such as a resident's exposure to noise, noxious odors/fumes, other health effects and, where appropriate, social and environmental justice issues when projects located in transitional areas of the community.

The requirement for a CUP for rooming houses and boardinghouses is consistent with State law, and is a reasonable requirement based on the nature of the use. Boardinghouses and rooming houses are residences with a single kitchen and three or more rooms that are under separate lease agreements.

The requirement for a CUP for residential care facilities is inconsistent with State law, specifically California Health and Safety Code, Section 1500 et seq., which establishes that residential care facilities serving six or fewer people be (1) treated the same as any other residential use, (2) allowed by right in all residential zones, and (3) subject to the same development standards, fees, taxes, and permit procedures as those imposed on the same type of housing in the same zone. The City does not distinguish between the size of residential care facilities.

Consistent with State law, the City does permit State Regulated Residential Care Facilities by right in zones R-1LL, R-1, R-2, and R-3, and does not divide the use into land use categories by size. However, they are allowed in only two of the four zones in the Specific Plan and require CUPs in the other two zones. **The MSASP does not mention residential care facilities. Program HIP-45, Update the Zoning Ordinance, MSASP, and DECRSP to Comply with Residential Care Facilities Requirements, is included in Chapter 8 to address this.**

Most residential projects that go through the CUP process are completed in a 3 to 6-month timeframe. The longest time a CUP application would take would be 12 months. For example, the 278-unit mixed use development at 959 El Camino Real was submitted on June 28, 2021 and approved by the Planning Commission on June 29, 2022.

The CUP process has not historically been a governmental constraint on the development of housing in Millbrae. It is important to note that the rate of approval for CUP's for multifamily projects has been 100% in recent years. Additionally, City staff conducted multiple stakeholder meetings with three (3) affordable housing developers and four (4) market rate developers, and the CUP requirement was not identified by any developer as a constraint to housing development. Conditions of approval are standard and placed on all market-rate and affordable housing projects throughout the City.

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3.3.8 Inclusionary Zoning Ordinance

In July of 2021, the City Council adopted and added Affordable Housing On-Site and In-Lieu Fee Requirements (Ordinance 787) to the City's Municipal Code. The City maintains an updated web page that contains a list of affordable housing resources that are provided by the County of San Mateo as well as newly available affordable housing in the City:

- <https://www.ci.millbrae.ca.us/departments-services/community-development/redevelopment/affordable-housing>.

3.3.8.1 Requirements

Under Ordinance 787, new development projects are required to include deed restricted affordable housing for very low-, low-, and moderate-income households in compliance with the minimums set forth in the Affordable Housing Requirements and Program Regulations (Resolution No. 21-49). Under these provisions, all residential projects which include ten or more units are required to provide a minimum of 15% of the total number of units as follows:

- **Ownership Units.** Fifteen percent (15%) of the total number of units in the residential development project must be set aside for occupancy by and be affordable to Moderate-income households.
- **Rental Units.** Fifteen percent (15%) of the total units in the residential development project must be set aside for occupancy by and be affordable to Very Low (10%) and Low-income (5%) households.

Table 3-19. Inclusionary Zoning

INCOME CATEGORY	OWNERSHIP UNITS	RENTAL UNITS
Very Low-income	-	10%
Low-income	-	5%
Moderate-income	15%	-
Total	15%	15%

Source: City of Millbrae

In determining the required number of inclusionary units, any decimal fraction of half a unit or more is rounded up to the nearest whole number and may be satisfied by payment of an in-lieu fee (see below) or by the construction of an additional unit. The developer of rental units may

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alternatively request the option to satisfy the affordable housing requirement through the donation of land or through the construction of off-site units.

It is important to note that inclusionary units that are provided in satisfaction with these requirements may be counted toward the number of affordable units required to qualify for a density bonus.

3.3.8.2 Affordable Housing In-Lieu Fees

Concurrently with the adoption of Ordinance No. 787 and Resolution 21-49, the City Council also approved Resolution No. 21-50 to establish affordable housing in-lieu fees to provide developers flexibility in meeting the City's inclusionary housing requirement. A developer may include the required affordable units as part of a residential project or can pay in-lieu fee instead. The fees were established based on a nexus study that was completed in May 2021 which analyzed the linkage between the development of new market-rate residential units and the need/demand for additional affordable housing.

It is important to note that affordable housing in-lieu fees may only satisfy the inclusionary housing requirement in the following situations:

- For residential development projects consisting of 4 to 9 units.
- When the calculation of the inclusionary units in development projects of 10 or more units results in a fractional unit less than 0.5.

The fees listed in Table 3-20 are required to be paid by developers of projects of 4 to 9 units.

Table 3-20. In-Lieu Fees for Residential Development Projects with 4 to 9 Units

PROJECT TYPE AND SIZE	IN-LIEU FEE
Rental Projects	
4 Unit Project	\$216,990.60
5 Unit Project	\$271,238.25
6 Unit Project	\$325,485.90
7 Unit Project	\$379,733.55
8 Unit Project	\$433,981.20
9 Unit Project	\$488,228.85
Ownership Projects	
4 Unit Project	\$171,164.27
5 Unit Project	\$213,955.34
6 Unit Project	\$256,746.41
7 Unit Project	\$299,537.48
8 Unit Project	\$342,328.55

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9 Unit Project	\$385,119.62
Source: City of Millbrae	

For projects of 10 or more units, in lieu of providing an additional unit when less than 0.5 of a unit is required, developers may satisfy the requirement for that fractional unit via an in-lieu fee. The required fee varies by the required affordability level of the fractional unit not constructed and on the fraction itself:

Table 3-21. In-Lieu Fees for Residential Development Projects with 10 or More Units

FRACTIONAL UNIT REQUIREMENT	AFFORDABILITY GAP	IN-LIEU FEE
Very Low-Income		
0.5 Unit	\$376,440	\$18,822
0.10 Unit	\$376,440	\$37,644
0.15 Unit	\$376,440	\$56,466
0.20 Unit	\$376,440	\$75,288
0.25 Unit	\$376,440	\$94,110
0.30 Unit	\$376,440	\$112,932
0.35 Unit	\$376,440	\$131,754
0.40 Unit	\$376,440	\$150,576
0.45 Unit	\$376,440	\$169,398
Low-Income		
0.5 Unit	\$332,073	\$16,604
0.10 Unit	\$332,073	\$33,207
0.15 Unit	\$332,073	\$49,811
0.20 Unit	\$332,073	\$66,415
0.25 Unit	\$332,073	\$83,018
0.30 Unit	\$332,073	\$99,622
0.35 Unit	\$332,073	\$116,226
0.40 Unit	\$332,073	\$132,829
0.45 Unit	\$332,073	\$149,433
Moderate-Income		
0.5 Unit	\$285,274	\$14,264
0.10 Unit	\$285,274	\$28,527
0.15 Unit	\$285,274	\$42,791
0.20 Unit	\$285,274	\$57,055
0.25 Unit	\$285,274	\$71,318
0.30 Unit	\$285,274	\$85,582
0.35 Unit	\$285,274	\$99,846
0.40 Unit	\$285,274	\$114,110
0.45 Unit	\$285,274	\$128,373

Source: City of Millbrae

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Because prices and rents have also grown substantially with the costs of developing affordable housing, these prices and rents are typically high enough to absorb the additional costs resulting from the inclusionary requirement. As described above, the City offers a range of options and incentives to ensure the inclusionary housing policy does not unduly constrain housing development in the City.

The inclusionary housing requirement and related fees are intended to provide affordable housing choices in the community that the private market, acting alone, will not build. Density bonuses are helpful for providing affordable units, but at numbers that fall below the RHNA requirements. However, these additional requirements do add costs to residential development and could be considered a constraint to housing development. In order to ensure that residential development is financially feasible in Millbrae, the following program is proposed in the Housing Plan:

- **Program HIP-14, Conduct a Residential Development Feasibility Study**, provides that the City will prepare a financial feasibility analysis for residential development following the Housing Element certification and update the analysis every two (2) years.

3.3.9 Codes and Enforcement and On-/Off-Site Improvement Standards

3.3.9.1 Codes and Enforcement

In 2001, the State of California consolidated its building codes into the California Building Standards Code, which is contained in Title 24 of the California Code of Regulations. The City most recently adopted the 2019 California Building Code; Green Building Standards Code; and Electrical, Mechanical, Plumbing, Fire, Energy, Historical, and Uniform Housing Codes.

Code Enforcement investigates any type of complaint regarding property, parked vehicles, and trees, and enforces a variety of codes, including the following:

- California Building Codes.
- Zoning Ordinance.
- Municipal Codes.
- Uniform Fire Code, Uniform Housing Code, and Building Code, including Americans with Disabilities Act (ADA) accessibility requirements.

Code Enforcement responds to complaints concerning all types of properties in the City. However, complaints related to housing in Millbrae typically involve the following:

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- Hoarders.
- Short-term rentals.
- Signage.
- Life/safety issues.
- Property maintenance issues.
- Drainage.
- Illegal home occupation.
- Construction without permits.
- Inoperative vehicles.
- Noise.
- Water quality violations involving paint spills, oil spills, raw sewage, washing debris into gutters, draining pool into gutters, and storm drains.

Code Enforcement staff responds to approximately 50 new residential complaints and participates in 65 active investigations each month. Enforcement procedures place emphasis on voluntary compliance. On average, Code Enforcement administers the following:

- 300 courtesy notices, verbal warnings, and notices of violation per year.
- 70 administrative citations per year.
- 40 direct abatements (including graffiti – tag & litter removals)

3.3.9.2 On-/Off-Site Improvement Standards

The City requires developers of large projects to provide public improvements to promote and protect the health and safety for all residents. Required public improvements are most frequently provided through approvals of land subdivision. The most significant improvements required involve City streets and park space.

Streets

The 2009 Mobility & Circulation Element intends in part to ensure uniform design and provide guidance to those preparing improvement plans for the City. The Element contains several policies which ensure that development projects do not adversely impact surrounding

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transportation infrastructure and traffic flow. Depending on the project size and scope, developers may be required to perform site-specific transportation studies to identify and implement transportation-related improvements (and/or a fair share contribution via the payment of the applicable required development impact fees for transportation and mobility) to maintain an acceptable level of service standards and VMT thresholds. While this financial burden may be seen as a constraint to the production of housing, the City allows developers of projects which are forecasted to cause unacceptable levels of traffic congestion to instead incorporate TDM measures and/or vehicle trip reduction measures that promote non-vehicular transportation. An updated Mobility & Circulation Element is included in the 2040 General Plan and is in public review form as of this writing. The updated Element retains the core policies of requiring developers to conduct transportation studies and contribute their fair share of off-site transportation improvements.

Parks

As a condition of tentative map approval, the City requires a developer to dedicate land, make improvements, and/or pay fees for the purpose of developing new parks or recreational facilities. Improvements include site grading, automatic irrigation systems, adequate drainage, lawn, shrubs, trees, concrete walkways, and walkway lighting.

Chapter 10.20 of the Municipal Code (Parks and Recreation Land) specifies that where a park or recreational facility has been designated in the General Plan and is to be located in whole or in part within the proposed subdivision to serve the immediate and future needs of the residents of the subdivision, the subdivider must dedicate land for a local park at a rate of 2 acres per 100 dwelling units.

In cases where there is no such designation in the General Plan, then the developer is required to pay a fee equal to the value of the land prescribed for dedication.

3.3.10 Constraints on Housing for People with Disabilities

State law requires that each local jurisdiction assess its local governmental constraints relating to the construction and improvement of housing for people with disabilities.

3.3.10.1 Zoning and Land Use Policies and Practices

The City has a total of 13 licensed residential care facilities, including the following:

- Golden Age, Inc.
- Heritage Royale
- Magnolia of Millbrae

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- Cadence Millbrae
- Millbrae Manor (Millbrae Care Center)
- Millbrae Assisted Living
- Millbrae Family Care Home
- Hearts at Millwood Assisted Living
- Advent Residential Home 2
- Elle's Care Home 2
- J and V Family Care Home
- Millbrae Board & Care Home
- Millbrae Paradise Retirement Home

Currently, housing facilities for people with disabilities are regulated in the Zoning Ordinance under State Regulated Residential Care Facilities. The requirements of the California Health and Safety Code, Section 1520.5, are enforced by the California Department of Social Services, Health, and Human Services Agency. The law requires that residential facilities be separated by a minimum of 300 feet to avoid over-concentration. Although the City complies with state spacing and concentration requirements for housing for persons with disabilities, the Zoning Ordinance does not specify such requirements. To ensure this information is included, the City included **Program HIP-45. Update the Zoning Ordinance, MSASP, and DECRSP to Comply with Residential Care Facilities Requirements.**

Residential care facilities often provide care to people with disabilities, including those with physical and mental disabilities. California law states that people who require supervised care are entitled to live in normal residential settings and preempts cities from imposing many regulations on residential care facilities. California Health and Safety Code, Section 1500 et seq., establishes that residential care facilities serving six or fewer people be (1) treated the same as any other residential use, (2) allowed by right in all residential zones, and (3) subject to the same development standards, fees, taxes, and permit procedures as those imposed on the same type of housing in the same zone. Currently, the Zoning Ordinance does not clearly demonstrate its compliance with state law regarding residential care facilities. For instance, **the Zoning Ordinance does not specify requirements for residential care facilities of any size or specify whether non-state-regulated facilities are subject to the same requirements as those with**

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a license. To address this, the City included **Program HIP-45. Update the Zoning Ordinance, MSASP, and DECRSP to Comply with Residential Care Facilities Requirements**.

Consistent with State law, **the City permits State Regulated Residential Care Facilities by right in zones R-1LL, R-1, R-2, and R-3, and does not divide the use into land use categories by size**. However, they are allowed in only two of the four zones in the Downtown and El Camino Real Specific Plan and require CUPs in R-2 and C zones. The MSASP, on the other hand, does not mention residential care facilities. The requirement of CUPs for residential care facilities is inconsistent with state law. To ensure the City is compliant with state requirements, this Housing Element includes the following program:

- **Program HIP-45, Update the Zoning Ordinance, MSASP, and DECRSP to Comply With Residential Care Facilities Requirements.** This program shall update land use tables in the MSASP and the Downtown and El Camino Real Specific Plan to allow residential care facilities by right in accordance with California Health and Safety Code, Section 1500 et seq.

3.3.10.2 Reasonable Accommodations

Section 10.05.0420 of the Zoning Ordinance allows the City Manager to grant limited exceptions to development standards for minor improvements to existing residences to accommodate access needs for disabled persons. The City Council adopted Ordinance 748 in January 2015, which establishes specific written procedures for requesting and granting reasonable accommodation for housing for persons with disabilities, and procedures for City approval. As part of these procedures, the City Manager must make the following findings:

- The proposed improvements are necessary to provide housing access for disabled persons.
- The proposed exception(s) will cause no significant negative environmental impacts to the applicant's property, adjacent properties, or the surrounding neighborhood and community.
- The proposed exception(s) will cause no significant negative impacts on the privacy of the applicant or adjacent neighbors.

Requests for reasonable accommodations are reviewed by the Building and Planning Divisions through an online building permit process to increase access for applicants. It is important to note that reasonable accommodations are specifically to deviate from development standards. If the project complies with the existing development standards, the above findings do not need to be made. As such, the application process does not pose a constraint for reasonable accommodations.

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In order to ensure that access to reasonable accommodations does not pose a housing constraint, the City is proposing the following program:

- **Program HIP-26: Coordination with Disability Rights Service Providers and Updates to Reasonable Accommodations for People with Disabilities**

3.3.10.3 Definition of Family

Some local governments may illegally attempt to restrict access to housing for households failing to qualify as a “family” by the definition specified in the local government’s municipal code. Specifically, a restrictive definition of “family” that limits the number of and differentiates between related and unrelated individuals living together may illegally limit the development and siting of group homes for people with disabilities, but not for housing families that are similarly sized or situated. The City’s Zoning Ordinance (Section 10.05.0200, Definitions) explicitly includes residents of residential care facilities and group homes for people with disabilities in its definition of “family”:

“Family” means any individual or group of two or more individuals occupying a dwelling unit where all residents share living expenses, chores, and other household responsibilities, and/or form social, economic, and psychological commitments to each other. A family includes the residents of residential care facilities and group homes for people with disabilities. A family does not include institutional group living situations such as dormitories, fraternities, sororities, monasteries, convents, military barracks, or commercial care facilities such as retirement centers, nursing homes, and the like, or commercial group living arrangements such as boardinghouses, rooming houses, and the like.

The City’s definition of family is not used to limit the use or operations of group homes and is consistent with fair housing law, as it does not limit the number of members in a family and does not require members to be related by blood.

3.3.10.4 Building Codes

Building procedures within the City are also required to conform to the California Building Code, as adopted in the City’s Municipal Code. Standards within the Building Code include provisions to ensure accessibility for people with disabilities. These standards are consistent with the ADA and Title 24. No local amendments that would constrain accessibility or increase the cost of housing for people with disabilities have been adopted.

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3.4 Zoning for a Variety of Housing Types

Housing Element law specifies that jurisdictions must identify adequate sites to be made available through appropriate zoning and development standards to encourage the development of a variety of housing types for all economic segments of the population. The City's residential, mixed-use, and commercial zones allow for a variety of housing types. Tables 3-21, 3-22, and 3-23 summarize the housing types permitted in the City within zoning categories that permit residential development Citywide, for the MSASP, and for the DECRSP, respectively.

As shown in Table 3-23, Allowed Residential Uses in the Millbrae Station Area Specific Plan and Table 3-24, Allowed Residential Uses in the Draft Downtown and ECR Specific Plan, 100% multifamily residential development is only allowed in TOD zones and the DECRSP area as a part of a mixed-use development. However, applicants typically request a density bonus waiver of this standard and all projects easily meet the mixed-use requirement. As such, this is not a constraint to development.

Table 3-22. Allowed Residential Uses Citywide (Outside of Specific Plan Areas)*

HOUSING TYPE	R-1LL	R-1	R-2	R-3	C
Single-Family Dwellings	P	P	P	P	-
Flats	-	-	-	-	C
Duplexes	-	-	P	P	-
Triplexes	-	-	P	P	-
Multiple-Family Dwellings	-	-	-	P	C
Care Facilities	-	-	C	P	P
Rooming & Boarding Houses	-	-	-	C	C
State-Regulated Residential Care Facilities	P	P	P	P	-
Emergency, Transitional, & Supportive Housing	-	-	-	P	-
Accessory Dwelling Units	PP	PP	PP	PP	PP
Junior Accessory Dwelling Units	PP	PP	PP	-	-

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Table 3-23. Allowed Residential Uses in the Millbrae Station Area Specific Plan

HOUSING TYPE	TOD	RESIDENTIAL MIXED USE	EMPLOYMENT CENTER / LIGHT INDUSTRIAL	RESIDENTIAL OVERLAY
Duplexes	-	-	-	P
Live/Work Units	P*	P*	C	-
Multifamily up to 6 units	-	-	-	P
Multifamily more than 6 units	P*	P	C	P

Notes: (P) = Permitted; (P*) = Permitted if part of a mixed-use project; (C) = Conditional Use Permit; (-) = Not Permitted

Table 3-24. Allowed Residential Uses in the Downtown and ECR Specific Plan

HOUSING TYPE	RESIDENTIAL FOCUSED MIXED USE	NEIGHBORHOOD COMMERCIAL MIXED USE	DOWNTOWN MIXED USE	CORRIDOR MIXED USE
Flats	P*	P*	-	-
Duplexes	-	-	-	-
Triplexes	P	P	-	-
Multifamily	P*	P*	P*	P*
Live/Work	P	P	P*	P*
ADUs/JADUs	P	P	P	P
Boardinghouse / Rooming house	C	C	-	-
Residential Care Facilities	C	C	-	-

Notes: (P) = Permitted; (P*) = Permitted if part of a mixed-use project; (C) = Conditional Use Permit; (-) = Not Permitted

3.4.1 Single-Family Housing

Single-family residences are allowed by right in the following zones: Single-family large lot (R1-LL), Single-family Residential (R-1), Duplex/Triplex Residential (R-2), and Multifamily Residential (R-3).

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3.4.2 Multifamily Housing

Duplexes are allowed by right in the Residential overlay of the MSASP. Duplexes and triplexes are allowed by right in Duplex/Triplex Residential zone (R-2) and Multifamily Residential zone (R-3).

Flats above commercial uses are allowed with a CUP in the Commercial zone (C), along secondary frontages in the Downtown Improvement Area zone (which is to be replaced by the Downtown and El Camino Real Specific Plan), and in the Employment/Light Industrial Center zone of the MSASP. Flats above commercial uses are allowed by right in the TOD zone of the MSASP.

Single-use multifamily developments are permitted by right in the Multifamily residential zone (R-3), in the Residential Mixed-Use zone of the MSASP, and in the Residential Overlay zone of the MSASP. Single-use multifamily developments are allowed with a CUP in the Commercial zone (C) and in the Employment/Light Industrial Center zone of the MSASP.

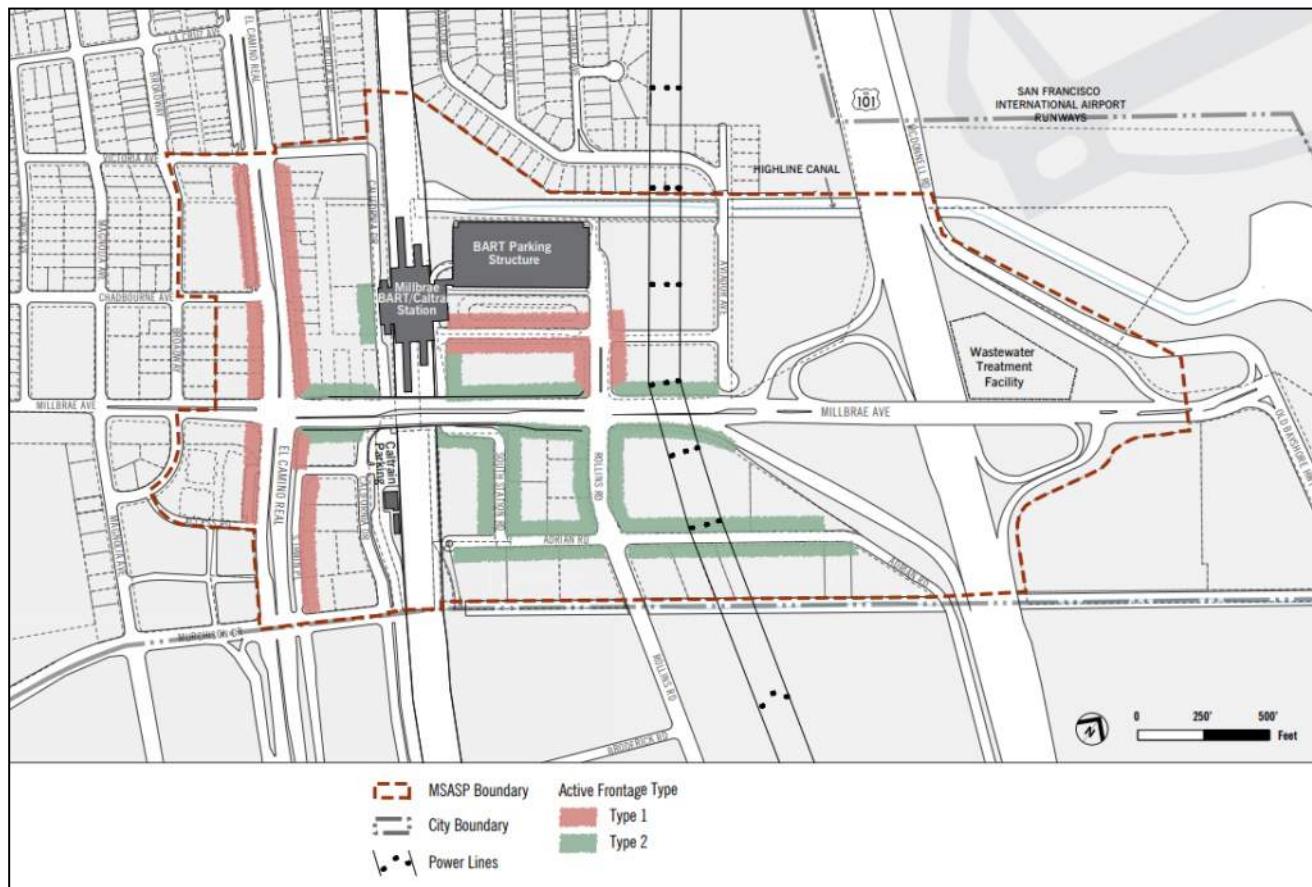
It is significant that multifamily development in the City's specific plan areas – where the majority of the Site Inventory sites are located – require residential projects to be mixed-use in the zones that allow the most residential density. Specifically, this requirement applies to the TOD (transit-oriented development) zone of the MSASP, and in all mixed-use zones of the DECRSP.

Figure 3-11 indicates a requirement for nonresidential ground floor uses in areas outside of the TOD zone as well. On frontages that are indicated as Type 1 in Figure 3-11, a minimum of 65% of the length of the building must consist of active ground floor uses, which may include retail, restaurant, services, lobby entries, live/work, and community gathering spaces.

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Figure 3-11. Required Commercial Ground Floors in the MSASP



3.4.3 Manufactured Housing, Mobile Homes, and Mobile Home Parks

The City's Zoning Ordinance does not define "Manufactured Housing," "Mobile Home," or "Mobile Home Parks." However, it does include manufactured housing in its definition of "Development":

"Development" or "development project" means any project within the city that requires a building permit. The term "development" or "development project" also includes projects for the erection of manufactured housing or structures, and structures moved into the city which require city permits.

While the definition of "development" acknowledges manufactured housing as a development, **the Zoning Ordinance does not specify if manufactured housing is processed with similar requirements to Single-Family Residential**, as required by California Government Code Section 65852.3. **Program HIP-44. Update the City's Zoning Ordinance is included in Chapter 8 – Housing Plan and will bring the City to compliance with current law.**

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3.4.4 Farmworker and Employee Housing

Pursuant to the California Employee Housing Act (Section 17000 of the California Health and Safety Code), specifically Section 17021.5, any employee housing providing accommodations for six or fewer employees shall be deemed a single-family structure within a residential land use designation. Employee housing for six or fewer people must be permitted wherever a single-family residence is permitted. To comply with State law, no conditional use permit or variance can be required.

Additionally, in accordance with California Health and Safety Code, Section 17021.6, any employee housing consisting of no more than 36 beds in group quarters, or 12 units or spaces designed for use by a single-family or household, or that is approved pursuant to California Health and Safety Code, Section 17021.8, shall be deemed an agricultural land use. Except as provided in Section 17021.8, housing is an activity that differs in any other way from an agricultural use. No CUP, zoning variance, or other discretionary zoning clearance shall be required of this employee housing that is not required of any other agricultural activity in the same zone. The permitted occupancy in employee housing in a zone allowing agricultural uses shall include agricultural employees who do not work on the property where the employee housing is located.

The City will continue to comply with the requirements of State law (as described above), the Housing Plan contains **Program HIP-44, Update the City's Zoning Ordinance, and Program HIP-30, Employee Housing**. Both programs help the City comply with State requirements.

In addition to the above provisions, zoning is available for housing for farmworkers through the variety of other housing types encouraged in the Zoning Code, including multifamily, SRO, and ADUs.

3.4.5 Single-Room Occupancy

Single-Room Occupancy units (SROs) are secure residential units that include communal or individual kitchens and communal or individual bathroom facilities. **The Millbrae Zoning Ordinance classifies SROs under the definition of “Boardinghouse/Roominghouse” and allows them conditionally in the Multifamily Residential, Commercial, Residential Focused Mixed-Use, and Neighborhood Commercial Mixed-Use zones.**

Furthermore, a Conditional Use Permit would need to be approved by the Planning Commission at a public hearing before the applicant can proceed to obtain their building permits – a process that, although necessary, could extend the approval time. **In order to mitigate any constraints caused by the requirement of a CUP, this Housing Element includes Program HIP-23, Prioritize Review and Expedite Development of Affordable and Special Needs Projects.**

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3.4.6 Emergency, Transitional and Supportive Housing

Millbrae allows emergency, transitional, and supportive housing in various areas of the City with the requirements summarized in Table 3-25 below.

Table 3-25. Constraints Related to Emergency Shelters, Transitional & Supportive Housing, and Low-Barrier Navigation Centers

	EMERGENCY SHELTERS	TRANSITIONAL & SUPPORTIVE HOUSING	LOW-BARRIER NAVIGATION CENTERS
Allowed Zones	Downtown and El Camino Real Specific Plan area, Commercial zones, and Industrial zones.		General Plan, Zoning Code, & Specific Plans are silent.
Parking Requirement	- 0.35 spaces per bed (rounded up to the nearest space), plus one space per employee that is working at the same time as another employee.	NA	NA
Additional Requirements	- No emergency shelter shall be located closer than 300 feet to another emergency shelter. - No emergency shelter shall contain more than ten beds.	NA	NA

The following sections expand on the requirements and compliance for emergency, transitional, and supportive housing.

3.4.6.1 Emergency Shelters

Senate Bill 2, enacted in October 2007, requires local governments to identify one or more zoning categories that allow emergency shelters (year-round shelters for people experiencing homelessness) without discretionary review. The statute permits the City to apply limited conditions to the approval of ministerial permits for emergency shelters. For instance, off-street parking requirements cannot exceed what is required for residential and commercial uses in the same zone. Also, per Senate Bill 2, the identified zone(s) must have sufficient capacity to accommodate at least one year-round shelter and accommodate the City's share of the regional unsheltered homeless population.

According to the 2022 point-in-time count, 1,092 people experiencing unsheltered homelessness were living in San Mateo County, of which **nine are in Millbrae**. The City defines emergency shelters as “housing with minimal support services for homeless persons that is limited to occupancy of six months or less by a homeless person.”

Emergency shelters are permitted by-right and without discretionary action throughout the Downtown and El Camino Real Specific Plan area, commercial zones, and industrial

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zones. The land use requirements listed below are imposed by the City on emergency shelters (all from Section 10.05.1030 of the Municipal Code):

- Proximity to Other Shelters. No emergency shelter shall be located closer than 300 feet to another emergency shelter.
- Parking. A ratio of 0.35 off-street parking spaces for each bed is required, rounded up to the nearest whole parking space; plus, one parking space for each employee who is working at the same time as another employee; plus, all parking spaces required under the Americans with Disabilities Act. These standards are not consistent with California Government Code, Section 65583(a)(4), which only allows parking to be required for shelter staff. However, **Program HIP-43. Update the City's Zoning Ordinance and Policies Related to Emergency Shelters, Low-Barrier Navigation Centers, Transitional and Supportive Housing, and Group Care Facilities to Comply with Current Laws, will bring the City's Zoning Ordinance into compliance with State law.**
- Shelter Capacity. No emergency shelter shall contain more than ten beds. The maximum number of beds in all emergency shelters in the City shall not be less than the number of unsheltered homeless persons in Millbrae as determined in San Mateo County's most recent homeless survey.
- Amenities. In order to ensure unhoused residents receive appropriate services at emergency shelters, the City also requires a number of amenities, such as bicycle parking, waiting areas, exterior lighting, laundry facilities, and personal property storage.

While emergency shelters are permitted by-right and without discretionary action throughout the Downtown and El Camino Real Specific Plan area, commercial zones, and industrial zones, **the Millbrae Zoning Ordinance does not clearly specify that they are allowed in all residential zones in the City.** In order to bring the City to compliance, the Housing Element includes **Program HIP-43, Update the City's Zoning Ordinance and Specific Plans Related to Emergency Shelters, Low-Barrier Navigation Centers, Transitional and Supportive Housing, and Group Care Facilities to Comply with Current Laws.**

Environmental Quality

As discussed on p. B-83 of Appendix B – AFFH, the City utilized the TCAC Opportunity Areas Environmental Scores to analyze the sites' proximity to environmental hazards. The TCAC's opportunity areas environmental scores are based on the CalEnviroScreen 3.0 indicators, which include ozone, PM2.5, diesel PM, drinking water, pesticides, toxic release, traffic, cleanup sites, groundwater threats, hazardous waste, impaired water bodies, and solid waste sites. The average scores provide a percentile rank for how each census tract ranks in comparison to

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others throughout the State. The higher the score is, the lower exposure to the pollution characteristics.

The City of Millbrae is divided for environmental outcomes. In the east areas of the City adjacent to the San Francisco Airport, census tracts have scores less than 0.25. However, in the west areas of the City, scores are greater than 0.5 (See Figures III-12, Figure III-13, and Figure III-14 in Appendix B - AFFH). As discussed in p. B-83 of Appendix B – AFFH, nearly 100% of the sites are located in the Downtown and El Camino Real Specific Plan and score low on CalEnviroScreen mainly due to diesel particulate matter from the San Francisco Airport (SFO). **Similarly, to the sites, emergency shelters are allowed and would be built in the Downtown and El Camino Real Specific Plan, as well as the area east of it.**

Although emergency shelters would be located in the eastern part of the City, they would be located in close proximity to Millbrae Station, close to transportation, services, and jobs. The State published a study titled “California’s Housing Future: Challenges and Opportunities Final Statewide Housing Assessment 2025” (2025 Assessment). The 2025 Assessment emphasizes throughout the document that the location of housing (including affordable housing and emergency shelters) near transit and job centers as an important policy and implementation strategy.

In addition, HCD’s Intersectional Policy Work webpage asserts the following regarding housing and transportation:

“After housing, transportation is the second-largest household expense... People who live near transit and job centers drive less, particularly lower income residents. More recently, however, those areas have become less and less affordable. Housing near transit is in high demand, and rents and property values near transit are 10 to 20 percent higher on average than similar homes further from transit. Modeling and analysis by the Legislative Analyst’s Office suggest ‘California’s high housing costs cause workers to live further from where they work, likely because reasonably priced housing options are unavailable in locations nearer to where they work.’ When households move further from job- and transit-rich areas to find more affordable homes, they encounter higher transportation costs and longer commutes. Beyond the quality-of-life consequences for individual households, longer commutes also increase greenhouse gas emissions and decrease productivity.”

As stated by HCD, lower-income households (including residents at risk of and experiencing homelessness) are especially vulnerable to higher housing cost burden. The increase in housing costs in the Bay Area, especially near transportation, can force individuals to lose their housing or move further away from job centers. Moving away and “over-commuting” can lead to increased transportation costs and even loss of employment for an already-impacted portion of

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our community. Millbrae's plan for the development of affordable housing and emergency shelters near the Downtown and El Camino Real Specific Plan area provides lower income families, who would be more vulnerable to extreme housing cost burden, with more opportunities to live near amenities, services, job centers and transportation.

Prioritizing the City's available sites closest to transportation and job centers for lower-income families is an important goal of this Housing Element. However, the City also considers environmental hazards to be an important consideration and will take steps to mitigate the effects to residents in this area with the following programs:

- **HIP-7.** Residential Energy Conservation Program
- **HIP-8.** Energy Conservation Grant Funding
- **HIP-9.** Reduce Exposure to Environmental Pollution
- **HIP-10.** Coordinate with the SFO Community Roundtable and C/CAG to Monitor Noise and Air Quality Outcomes

3.4.6.2 Transitional and Supportive Housing

State law requires transitional and supportive housing to be defined as a residential use and subject only to the same regulations as comparable residential uses. The City's Zoning Ordinance defines transitional and supportive housing as follows:

Transitional Housing: *One or more buildings physically configured as rental housing developments but operated under program requirements that call for the termination of assistance and recycling of the assisted units to other eligible program recipients at some predetermined future point in time.*

Supportive Housing: *Housing occupied by the target population, as defined in subdivision (d) of Section 53260 of the California Government Code, and that is linked to on- or off-site services that assist the supportive housing residents in retaining the housing, improving their health status, and maximizing their ability to live and, when possible, work in the community.*

Pursuant to California Government Code Section 65583 (c)(3), "transitional housing and supportive housing shall be considered a residential use of property and shall be subject only to those restrictions that apply to other residential dwellings of the same type in the same zone."

Similar to emergency shelters, transitional and supportive housing developments are permitted by-right and without discretionary action throughout the Downtown and El Camino Real Specific Plan area, commercial zones, and industrial zones. In order to bring the City to compliance, the Housing Element includes Program HIP-43, Update the City's Zoning

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Ordinance and Specific Plans Related to Emergency Shelters, Low-Barrier Navigation Centers, Transitional and Supportive Housing, and Group Care Facilities to Comply with Current Laws.

AB 2162 also prohibits minimum parking requirements for supportive housing within 0.5 mile of public transit. **The current parking requirement for emergency shelters is 0.35 spaces per bed (rounded up to the nearest space), plus one space per employee that is working at the same time as another employee.** This is in addition to the spaces required by the American Disabilities Act (ADA). The City's parking requirements for emergency shelters exceed the limits imposed by the State and will, therefore, be addressed through Program HIP-43, Update the City's Zoning Ordinance and Specific Plans Related to Emergency Shelters, Low-Barrier Navigation Centers, Transitional and Supportive Housing, and Group Care Facilities to Comply with Current Laws.

3.4.6.3 Low Barrier Navigation Centers

Adopted in 2019, AB 101 defines a Low-Barrier Navigation Center as “a Housing First, low-barrier, service-enriched shelter focused on moving people into permanent housing that provides temporary living facilities while case managers connect individuals experiencing homelessness to income, public benefits, health services, shelter, and housing.” Low-Barrier shelters may include options such as allowing pets, permitting partners to share living space, and providing storage for residents’ possessions.

AB 101 requires jurisdictions to permit Low-Barrier Navigation Centers that meet specified requirements by right in mixed-use zones and other nonresidential zones permitting multifamily residential development. These provisions sunset on December 31, 2026. The bill also imposes the following timelines for cities to act on an application for the development of a Low-Barrier Navigation Center:

- Within 30 days of receiving an application for a center, a City must notify the applicant whether the application is complete.
- Within 60 days of a completed application, a City must act on the application.

Currently, the Zoning Code and both specific plans are silent on low-barrier navigation centers. The Housing Plan includes the following program to bring the City's Zoning Ordinance and specific plans into compliance with State law.

- **Program HIP-43. Update the City's Zoning Ordinance and Policies Related to Emergency Shelters, Low-Barrier Navigation Centers, Transitional and Supportive Housing, and Group Care Facilities to Comply with Current Laws.**

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3.4.7 Accessory Dwelling Units

An ADU is an attached or detached residential unit that provides complete independent living facilities (i.e. kitchen, sleeping facilities, and full bathroom facilities) for one or more people and is located on the same lot as a single-family or multifamily dwelling. A junior accessory dwelling unit (JADU) is an ADU contained entirely within a single-family residence. JADUs include an efficiency kitchen and sleeping facilities and can include their own bathroom or share a bathroom with the single-family dwelling.

Recent State legislation, including AB 68, AB 881, AB 587, AB 670, AB 671, AB 3182, and SB 13, modified the way local jurisdictions are allowed to regulate ADUs and JADUs. This legislation promotes the construction of new ADUs and JADUs and limits the ways cities can regulate their design. Under current State law, the City may adopt regulations governing the design of ADUs, but no lot coverage, FAR, open space, or minimum lot size can preclude the construction of a “Statewide exemption ADU,” which is an ADU with an area up to 800 square feet, height up to 16 feet, and 4-foot side and rear yard setbacks. Further, under new State law, all jurisdictions must expand the zones and circumstances under which ADUs and JADUs are allowed. The City successfully overhauled and adopted a new ADU ordinance in 2020, which took into account recent legislation at the time, as well as community feedback received at various workshops.

As part of the Ordinance, the City adopted objective design standards for ADU's, reducing the likelihood of neighborhood opposition based on appearance. The City issued 9 permits in 2020 and 28 permits in 2021. Homeowners cite the high costs associated with the construction of ADUs, which offsets the incentives of building them. ADUs up to 749 square feet are exempt from development impact fees, but ADUs in excess of this size are charged proportionately in relation to the square footage of the primary dwelling unit based on the Single-Family Residential Fee, which is currently \$71,309.30 (an ADU that is half the size of the primary dwelling on the property would be charged half this amount in development impact fees). Additionally, applicants are required to pay school district fees on a square foot basis for all new buildings or additions over 500 square feet. Another cost is from the energy code requirement that ADUs provide solar panels if the unit is new construction, non-manufactured, or detached. (ADUs that are constructed within existing space, or as an addition to existing homes, including detached additions where an existing detached building is converted from non-residential to residential space, are not subject to the energy code requirement to provide solar panels).

To date, City staff has processed all ADU and JADU applications in a timely manner and has not denied any building permit application.

The current City permit and processing of ADUs requires the applicant to provide documentation to substantiate that they are the owner of the property and to apply for a building permit under that process, and all applicable divisions/departments review the plans submitted in accordance

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with State law requirements and limitations. More specifically, the parties that review the permit include the City's Building and Safety, Planning, and Public Safety departments. Generally, Planning staff review the ADU application for consistency against the State ADU regulations, Building and Safety would review against the Building Code, and the Central County Fire Department (CCFD) would review detached ADUs against pertinent Building and Fire Codes for access. Public Safety staff review the application against pertinent security code requirements for addressing and wayfinding for emergency response purposes.

3.4.7.1 Compliance

Housing element law requires that jurisdictions analyze their accessory dwelling unit ordinances to ensure they are compliant with state requirements. **While the City adopted a new ADU ordinance to comply with the recent state legislation at the time, new legislation has since been passed. Therefore, further updates are needed to bring the Accessory Dwelling Unit Ordinance to compliance.**

The Housing Plan in this Housing Element (Chapter 8) contains the following program to bring the Zoning Ordinance to compliance with ADU requirements:

- Program HIP-44. Update the City's Zoning Ordinance.

3.5 Senate Bill 35

The City has adopted a checklist for projects seeking approval for development projects under SB 35 (Chapter 366, Statutes of 2017) Streamlined Ministerial Approval Process and is reviewing several projects, including a 99-unit housing project at 1301 Broadway that includes 50% of the total units as affordable at the low-income level as well as a 30-unit project at 130-140 El Camino Real that includes 10% of the total units as affordable at the very low-income level.

3.6 Reductions to Constraints

To address the constraints identified in Chapter 3, Housing Constraints, as well as those identified by developers through the outreach process, the City has identified several initiatives that include the following programs from Chapter 8 of this Housing Element:

- **HIP-18. Encourage and Incentivize Accessory Dwelling Units (ADUs)**
- **HIP-26. Coordination with Disability Rights Service Providers and Updates to Reasonable Accommodations for People with Disabilities**
- **HIP-42. Implement Reduced Parking for Affordable Housing**

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- **HIP-43. Update the City's Zoning Ordinance and Specific Plans Related to Emergency Shelters, Low-Barrier Navigation Centers, Transitional and Supportive Housing, and Group Care Facilities to Comply with Current Laws**
- **HIP-45. Update the Zoning Ordinance, MSASP, and DECRSP to Comply With Residential Care Facilities Requirements**

As part of this effort, the City will follow the Housing Plan and collaborate with housing providers and stakeholders to help mitigate housing constraints in the City.

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4 HOUSING RESOURCES AND OPPORTUNITIES

This chapter provides an overview of the financial resources available to support implementation of the City's (City or Millbrae) housing policies and programs. More specifically, the various types of Federal, State, and local financial programs that are potentially available to assist the City in fulfilling its housing need, particularly the affordable housing need (as determined by the Regional Housing Needs Allocation [RHNA]), are presented below. The grants, loans, financing tools and programs represent publicly funded tools to support the development, rehabilitation, and preservation of housing.

4.1 Identification of Adequate Sites for Future Housing Needs

State (State or California) law requires that jurisdictions provide an adequate number of sites to allow for and facilitate the production of their regional share of housing. To determine whether a jurisdiction has sufficient land to accommodate its share of regional housing needs for all income groups, that jurisdiction must identify “adequate sites.” Under State law (California Government Code, Section 65583(c)(1)), adequate sites are those with appropriate zoning and development standards with services and facilities already in place needed to facilitate and encourage the development of a variety of housing for all income levels.

4.1.1 Regional Housing Targets

Table 4-1, 6th Cycle Regional Housing Needs Allocation (2023–2031), shows the 6th Cycle RHNA for the City, as determined by the Association of Bay Area Governments (ABAG), for the eight-year period (2023–2031).

Table 4-1. 6th Cycle Regional Housing Needs Allocation (2023–2031)

Income Category	Dwelling Units
Extremely Low/Very Low Income (0-50% AMI)	575
Low Income (51-80% AMI)	331
Moderate Income (81-120% AMI)	361
Above Moderate Income (Above 120% AMI)	932
Total	2,199

Housing Element law does not require the City to ensure that the number of dwelling units identified in the RHNA is built within the Planning Period. However, the law requires that the City provide an

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inventory of land suitably zoned and with available infrastructure and utilities to meet that need. California Government Code, Section 65583.2(c)(3)(B), specifies that a minimum density of 30 units per acre is necessary to meet the City's low- and very low-income housing needs. Additionally, California Government Code, Section 65583.2(c)(4)(A) requires housing elements due after January 1, 2022 (for metropolitan and suburban jurisdictions) to allocate 25% of their RHNA numbers for moderate- and above moderate-income housing to sites with zoning that allows at least four units of housing, with moderate-income sites being capped at a density of 100 units per acre (effective as of January 1, 2021).

4.2 Financial Resources

A variety of funding sources in the form of grants or loans through the Federal government exist to support housing. They range from annual allocations of formula-entitled grants to Section 108 loan programs and vouchers. The programs and resources in this chapter represent available funding sources used by the City to date as applicable.

4.2.1 Federal Funding Sources

Current Federal funding sources available for affordable housing (including special needs populations) and homelessness solutions are presented in this chapter.

4.2.1.1 U.S. Department of Housing and Urban Development Entitlement Funding

In 2018, a consortium of jurisdictions (Atherton, Belmont, Brisbane, Burlingame, Colma, East Palo Alto, Foster City, Half Moon Bay, Hillsborough, Menlo Park, Millbrae, Pacifica, Portola Valley, San Bruno, San Carlos, Woodside, and San Mateo County) prepared the 2018-2022 Consortium Consolidated Plan (Consolidated Plan) as required to receive Community Development Block Grants (CDBG), Emergency Solutions Grant (ESG), and HOME Investment Partnerships Program (HOME) entitlement grant funds from U.S. Department of Housing and Urban Development (HUD). The Consolidated Plan provides HUD with a comprehensive assessment of the City's housing and community development needs and outlines the City's priorities, objectives, and strategies for the investment of CDBG, ESG, and HOME funds to address these needs over the next five years, beginning July 1, 2018, and ending June 30, 2022. The Millbrae portion of the Consolidated Plan is referenced in this section.

The City has over \$13 million in its Low- and Moderate-income Housing Asset Fund per the 2020-21 Annual Comprehensive Financial Report and receives CDBG funds from HUD on a formula basis each year and, in turn, awards grants and loans to nonprofit, for-profit, or public organizations for programs and projects in furtherance of the Consolidated Plan. These

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programs provide for a range of eligible activities to address the needs of the City's residents, as discussed below.

During the five-year period of the Consolidated Plan, the County (San Mateo County or County) anticipates an estimated \$14.6 million in CDBG funds, although the final amount of funding the City will receive is subject to Federal appropriations and changes in the types of data used to allocate formulas to each program.

Housing Opportunities for People with AIDS

Housing Opportunities for Persons with AIDS (HOPWA) provides housing assistance and related supportive services for low-income people living with HIV/AIDS and their families. HOPWA funds may be used for a range of housing, social services, program planning, and development costs, including but not limited to the acquisition, rehabilitation, or new construction of housing units; costs for facility operations; rental assistance; and short-term payments to prevent homelessness. To date, the City has not received funding from this source, as it is not eligible to receive funding.

Section 108 Loan Guarantee Program

The Section 108 Loan Guarantee Program is the loan guarantee provision of the CDBG program. This provision provides communities with a source of financing for various housing and economic development activities. Rules and requirements of the CDBG program apply, and therefore, projects and activities must principally benefit low- to moderate-income people, aid in the elimination or prevention of blight, and/or meet urgent needs of the community.

Monies received per the Section 108 Loan Guarantee Program are limited to no more than five times the applicant's most recently approved CDBG amount, less prior Section 108 commitments. Activities eligible for these funds include economic development activities eligible under CDBG; acquisition of real property; rehabilitation of publicly owned property; housing rehabilitation eligible under CDBG; construction, reconstruction, or installation of public facilities; related relocation; clearance or installation of public facilities; payment of interest on the guaranteed loan and issuance costs of public offerings; debt service reserves; and public works and site improvements.

Section 108 loans are secured and repaid by pledges of future and current CDBG funds. Additional security requirements may also be imposed on a case-by-case basis. It is important to note that, although the loan may be repaid with CDBG, the City would incur interest charges and administrative costs. If CDBG funds are reduced or eliminated in the future, the City's General Fund would need to pay loan payment in addition to whatever the City is required to pledge as collateral. To date, this loan has not been necessary to provide funding for the City's community development objectives, but this could change in future years.

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Section 8 Housing Choice Voucher Program

The Federal Section 8 Housing Choice Voucher Program (Section 8) provides rental subsidies to extremely low- and very low-income households, including families, seniors, and people with disabilities. The Housing Authority of the County of San Mateo (HACSM) oversees and administers the Section 8 voucher program for participating jurisdictions, including the City. In 2021, the HACSM administered 5,288 Section 8 vouchers to households throughout San Mateo. As of June 30, 2022, the HACSM distributed 81 vouchers to City households. Of these, 34 vouchers were issued to disabled households, 34 vouchers were issued to senior households, 14 vouchers were issued to elderly and disabled households, and 27 were issued to families. Of the 81 vouchers issued, 2 Veterans Affairs Supportive Housing (VASH) vouchers went to veterans (2 disabled households, 0 senior households, and 0 families). The HACSM monitors all units to ensure they are in acceptable condition and meet the Section 8 Housing Quality Standards (HQS).

4.2.2 State Funding Sources

The funding currently and historically available through the California State Department of Housing and Community Development (HCD) and the California Tax Credit Allocation Committee (CTCAC) is presented in this chapter. While it is unknown what State funding will be available after next year, it is expected that the State will provide funding for projects for unhoused and lower-income households given the housing crisis.

In May 2022, the State's FY 2022–2023 budget revision (May Revision) included the following:

- Homelessness Package - \$2 billion in one-time General Fund over two years intended to address near-term homelessness needs while previously authorized funding for long-term housing solutions are implemented. Specifically, the budget proposes \$1.5 billion to the Department of Health Care Services' Behavioral Health Continuum Infrastructure Program for housing support for people with behavioral health needs. Many details of this proposal are still under development. Additionally, \$500 million for the Encampment Resolution Grants Program in 2022-23 administered by the California Interagency Council on Homelessness to provide targeted grants to local governments to rehouse individuals living in encampments. The May Revision builds on that investment providing additional interim bridge housing solutions and includes funding to support the administration of the Community Assistance, Recovery and Empowerment (CARE) Court framework.
- Housing Development Package (Expands Existing Programs) – The May Revision proposes an additional \$500 million in one-time funds over 2023-24 and 2024-25 to remove barriers to build more downtown-oriented and affordable housing through funding

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adaptive reuse. This added to the \$100 million one-time funds included in the Governor's Budget, total adaptive reuse investments total \$600 million over three years. Affordable Housing Package (Expands Existing State Programs) - \$1 billion in one-time General Fund over two years for affordable housing development. Specifically, the budget proposes \$500 million for tax credits to builders of rental housing affordable to low-income households, \$200 million for mixed-income housing, \$200 million to preserve affordable housing units, and \$100 million to preserve affordable mobile homes. The portion of funding the City may receive from these sources is unknown because of the highly competitive process to receive an award, but the City will track and pursue all available funding sources for affordable housing during the 2023-2031 6th Cycle Planning Period.

The May Revision reflects the State's commitment to equitably build more affordable and climate-smart housing for Californians and expand access to housing for vulnerable populations, including individuals with complex behavioral health conditions and people living in unsheltered settings. In total, the Budget includes \$9.1 billion for housing resources and \$9.4 billion for homelessness resources in 2022-23.

The programs below are existing and historical State funding sources that are anticipated to continue during the next eight-year period.

4.2.2.1 Low-Income Housing Tax Credits (Federally Funded for Most Part/State Administered)

The CTCAC administers the Federally funded Low-Income Housing Tax Credit (LIHTC) program to encourage private investment in affordable rental housing for households meeting certain income requirements. Credits are available for new construction projects or existing properties undergoing rehabilitation. Two types of Federal tax credits administered by the State are available and are generally referred to as 9% and 4% credits, respectively. Each number refers to the approximate percentage that is multiplied against a project's requested "qualified basis" to determine the amount of annual Federal credits CTCAC will award the project.

According to the CTCAC 2020 Annual Report, \$748 million in 9% tax credits were awarded to affordable housing projects. Because 9% credits provide for a larger source of funding, this source is competitive, and awards are made twice per year. Projects compete on point scoring, but since most projects receive the maximum, the CTCAC's tiebreaker formula generally decides the outcomes. This tiebreaker formula is based on the total development costs of a project and the amount of other financing sources a proposed project can secure. Generally, the lower the development costs and the higher the amount of other funding sources, the higher the tiebreaker score will be.

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The 4% tax credits derive from a project's use of tax-exempt bond authority allocated by the California Debt Limit Allocation Committee (CDLAC) and are limited only by the amount of bond cap available to California. In 2020, the CTCAC awarded \$504 million in tax credits. Historically, the CTCAC awards 4% tax credits non-competitively (i.e., over the counter) to all projects that meet threshold criteria, but in recent years, this source of funding has become competitive.

Recognizing the extremely high cost of developing housing in California, the State Legislature authorized a State LIHTC program to augment the Federal LIHTC program. Authorized by Chapter 1138, Statutes of 1987, the State LIHTC is only available to a project that has previously received or is concurrently receiving an allocation of Federal credits. Thus, the State LIHTC program does not stand alone but instead, supplements the Federal LIHTC program. In 2020, the State authorized \$500 million in State LIHTCs. These are one-time credits taken over four years; thus, there is no ten-fold multiplier. Because State LIHTCs are also in limited supply, the CTCAC awards them competitively. In total, 85% of the State credits are integrated into 9% tax credit projects, while the remainder of State LIHTCs are reserved for 4% tax credit projects.

It is important to note that, with the increased focus on homelessness and increased funding to address the rising annual point-in-time counts of people experiencing homelessness each year, permanent supportive housing projects have increased substantially throughout the State. These projects typically serve the deepest level of affordability for extremely low-income households earning at or below 30% of AMI. As a result of the increase in tax credit applications for permanent supportive housing, all tax credits (9% and 4%) have become increasingly competitive. The trend observed over the last year indicates that an award of 9% tax credits is not feasible for projects that do not include some component of permanent supportive housing. Thus, projects focused on low-income units or a mix of very low- and low-income units are now applying for 4% tax credits, which represent significantly less funding. Overall, the demand for this significant funding source critical to the development of lower-income housing greatly outweighs the supply of funding, which makes the development of affordable housing more challenging.

4.2.2.2 Affordable Housing and Sustainable Communities Program

The Affordable Housing and Sustainable Communities (AHSC) Program funds land use, housing, transportation, and land preservation projects that support infill and compact development and reduce GHG emissions in disadvantaged communities. Funds are available in the form of loans and/or grants in two project areas: Transit Oriented Development (TOD) and Integrated Connectivity (ICP). There is an annual competitive funding cycle. The May Revision shows \$75 million of funding to the program.

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4.2.2.3 CalHome Program

CalHome provides grants to local public agencies and nonprofit corporations to assist very low- and low-income people or families to become first-time homebuyers or provides assistance to current homeowners. Eligible activities include deferred-payment loans for down payment assistance for first-time homebuyers, home rehabilitation (for existing homeowners), homebuyer counseling, self-help mortgage assistance, or technical assistance for self-help homeownership. All funds to individual homeowners are in the form of loans. Funds can also be used to assist in the development of multiple-unit ownership projects.

4.2.2.4 California Emergency Solutions and Housing Program

The California Emergency Solutions and Housing (CESH) Program provides grant funds to assist people experiencing or at risk of homelessness. Eligible activities include housing relocation and stabilization services (including rental assistance), operating subsidies for permanent housing, flexible housing subsidy funds, operating support for emergency housing interventions, and systems support for homelessness services and housing delivery systems. Eligible applicants are Administrative Entities (AEs) (local governments, nonprofit organizations, or unified funding agencies) designated by the Continuum of Care (COC) to administer CESH funds in their service area. The HCD administers the CESH Program with funding from the Building Homes and Jobs Act Trust Fund (Senate Bill 2, Chapter 364, Statutes of 2017).

4.2.2.5 Golden State Acquisition Fund

The Golden State Acquisition Fund (GSAF) was seeded with \$23 million from HCD's Affordable Housing Innovation Fund. Combined with matching funds, the GSAF makes up to five-year loans to developers for acquisition or preservation of affordable housing. Loans are a maximum of \$13,950,000, and funds are made available over the counter.

4.2.2.6 Homekey Program

The Homekey Program provides grants to local entities (including cities, counties, and other local public entities, such as housing authorities and federally recognized tribes) to acquire and rehabilitate a variety of housing types, such as hotels, motels, vacant apartment buildings, and residential care facilities, to serve people experiencing homelessness or who are also at risk of serious illness from COVID-19. The May Revision included an additional round of funding for fiscal year 2022-23 of \$1.3 billion for continued Homekey acquisitions.

4.2.2.7 Housing for a Healthy California Program

The Housing for a Healthy California (HHC) Program provides funding on a competitive basis to deliver supportive housing opportunities to developers using the Federal National Housing Trust

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Fund (NHTF) allocations for operating reserve grants and capital loans. The HHC Program creates supportive housing for individuals who are recipients of or eligible for healthcare provided through the California Department of Health Care Services' Medi-Cal Program. The goal of the HHC Program is to reduce the financial burden on local and State resources due to the overutilization of emergency departments, inpatient care, nursing home stays, and use of corrections systems and law enforcement resources as the point of healthcare provision for people who are chronically homeless or homeless and a high-cost health user.

4.2.2.8 Housing Navigators Program

Housing Navigators Program (HNP) allocates \$5 million in funding to counties for the support of housing navigators to help young adults aged 18–21 years secure and maintain housing, with priority given to young adults in the foster care system.

4.2.2.9 Infill Infrastructure Grant Program

The Infill Infrastructure Grant Program (IIG) provides grant funding for infrastructure improvements for new infill housing in residential and/or mixed-use projects. Funds are made available through a competitive application process. The May Revision allocated \$225 million towards the IIG.

4.2.2.10 Local Housing Trust Fund Program

Affordable Housing Innovation's Local Housing Trust Fund (LHTF) Program lends money for construction of rental housing projects with units restricted for at least 55 years to households earning less than 60% of AMI. State funds match local housing trust funds as down payment assistance to first-time homebuyers.

4.2.2.11 Multifamily Housing Program

The Multifamily Housing Program (MHP) provides low-interest, long-term deferred-payment permanent loans for new construction, rehabilitation, and preservation of permanent and transitional rental housing for lower-income households.

4.2.2.12 National Housing Trust Fund

The NHTF is a permanent Federal program with dedicated source(s) of funding not subject to the annual appropriations. The funds can be used to increase and preserve the supply of affordable housing, with an emphasis on rental housing for extremely low-income households earning at or below 30% of AMI. In 2021, California received approximately \$10.1 million for the program. No information about the 2022 funding has been released.

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4.2.2.13 No Place Like Home Program

The May Revision states that \$400 million is budgeted for the No Place Like Home Program (NPLH). This program is funded through bond proceeds to invest in the development of permanent supportive housing for people who are in need of mental health services and are experiencing homelessness or chronic homelessness or are at risk of chronic homelessness.

4.2.2.14 Pet Assistance and Support Program

Pet Assistance and Support (PAS) Program provides funds to homeless shelters for shelter, food, and basic veterinary services for pets owned by individuals experiencing homelessness.

4.2.2.15 Permanent Local Housing Allocation

Permanent Local Housing Allocation (PLHA) from SB 2 provides a permanent source of funding to all local governments in California to help cities and counties accomplish the following:

- Increase the supply of housing for households at or below 60% of AMI.
- Increase assistance to affordable owner-occupied workforce housing.
- Assist people experiencing or at risk of homelessness.
- Facilitate housing affordability, particularly for lower- and moderate-income households.
- Promote projects and programs to meet the local government's unmet share of the RHNA.

Eligible activities include:

- The predevelopment, development, acquisition, rehabilitation, and preservation of multifamily, residential live-work, rental housing that is affordable to extremely low-, very low-, low-, or moderate-income households, including necessary operating subsidies.
- The predevelopment, development, acquisition, rehabilitation, and preservation of Affordable rental and ownership housing, including Accessory Dwelling Units (ADUs), that meets the needs of a growing workforce earning up to 120-percent of AMI, or 150-percent of AMI in high-cost areas. ADUs shall be available for occupancy for a term of no less than 30 days.
- Matching portions of funds placed into Local or Regional Housing Trust Funds.
- Matching portions of funds available through the Low- and Moderate-Income Housing Asset Fund pursuant to subdivision (d) of Health and Safety Code (HSC) Section 34176.

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- Capitalized Reserves for Services connected to the preservation and creation of new permanent supportive housing.
- Assisting persons who are experiencing or at risk of homelessness, including, but not limited to, providing rapid rehousing, rental assistance, supportive/case management services that allow people to obtain and retain housing, operating and capital costs for navigation centers and emergency shelters, and the new construction, rehabilitation, and preservation of permanent and transitional housing.
 - This activity may include subawards to administrative entities as defined in HSC Section 50490(a) (1-3) that were awarded CESH program or HEAP funds for rental assistance to continue assistance to these households.
 - Applicants must provide rapid rehousing, rental assistance, navigation centers, emergency shelter, and transitional housing activities in a manner consistent with the Housing First practices described in 25 CCR, Section 8409, subdivision (b)(1)-(6) and in compliance with WIC Section 8225(b)(8). An applicant allocated funds for the new construction, rehabilitation, and preservation of permanent supportive housing shall incorporate the core components of Housing First, as provided in WIC Section 8255, subdivision (b).
- Accessibility modifications in lower-income owner-occupied housing.
- Efforts to acquire and rehabilitate foreclosed or vacant homes and apartments.
- Homeownership opportunities, including, but not limited to, down payment assistance.
- Fiscal incentives made by a county to a city within the county to incentivize approval of one or more affordable housing projects, or matching funds invested by a county in an affordable housing development project in a city within the county, provided that the City has made an equal or greater investment in the project. The County fiscal incentives shall be in the form of a grant or low-interest loan to an affordable housing project. Matching fund investments by both the County and the City also shall be a grant or low interest deferred loan to the affordable housing project.

The City has not applied for this grant to date but will pursue the application in connection with the Housing Element Update.

4.2.2.16 Predevelopment Loan Program

The Predevelopment Loan Program (PDLP) makes short-term loans for activities and expenses necessary for the continued preservation, construction, rehabilitation, or conversion of assisted housing primarily for low-income households. Availability of funding is announced through a

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periodic NOFA from the State. Eligible applicants include local government agencies, nonprofit corporations, cooperative housing corporations, and limited partnerships or limited liability companies where all the general partners are nonprofit mutual or public benefit corporations.

4.2.2.17 Section 811 Project Rental Assistance Program

Section 811 Project Rental Assistance offers long-term project-based rental assistance funding from HUD through a collaborative partnership with the California Housing Finance Agency (CalHFA), Department of Health Care Services (DHCS), HCD, CA Department of Developmental Sciences (DDS), and CTCAC. Opportunities to apply for this project-based assistance are through a NOFA published by CalHFA.

4.2.2.18 Supportive Housing Multifamily Housing Program

The Supportive Housing Multifamily Housing Program (SHMHP) provides low-interest loans to developers of permanent affordable rental housing with supportive housing units.

4.2.2.19 Transit-Oriented Development Housing Program

The TOD program provides low-interest loans and grants for rental housing that includes affordable units located within one-quarter mile of a transit station. Eligible applicants include cities, counties, transit agencies, developers, and redevelopment agencies. Applications are accepted in response to a periodic NOFA.

4.2.2.20 Transitional Housing Program

The Transitional Housing Program allocates \$8 million in funding to counties for housing stability to help young adults aged 18 to 25 years secure and maintain housing, with priority given to young adults formerly in the foster care or probation systems.

4.2.2.21 Veterans Housing and Homelessness Prevention Program

The Veterans Housing and Homelessness Prevention (VHHP) Program provides long-term loans for development or preservation of rental housing affordable to very low and low-income veterans and their families. For-profit and nonprofit developers and public agencies are eligible for these loans, which are announced annually through a NOFA released by May of each year and is administered by HCD.

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4.2.3 Quasi-Government Agencies

4.2.3.1 Federal Home Loan Bank – Affordable Housing Program

The purpose of the Affordable Housing Program (AHP) is to subsidize the interest rates on advances or loans made by the Federal Home Loan Bank system to a member bank and to provide direct subsidies to these banks. The banks then pass these subsidized interest rates and direct subsidies on to housing developers to assist them with financing for the development of affordable rental housing. The subsidies must be used to finance the purchase, construction, and/or rehabilitation of rental housing, of which at least 20% of the units will be occupied by and affordable for very low-income households for at least 15 years.

4.2.3.2 Fannie Mae/Freddie Mac – National Housing Trust Fund

The NHTF was established as part of the Housing and Economic Recovery Act of 2008 (HERA) to provide grants to states for the addition and preservation of affordable rental housing serving extremely low and very low-income households. This funding source can also be used to assist in the provision of affordable homeownership opportunities for lower-income families and individuals. HERA requires Fannie Mae and Freddie Mac to transfer a percentage of their new business to finance the Trust Fund.

4.2.4 Local Entities/Programs/Funding Sources

The Millbrae City Council adopted a comprehensive affordable housing regulation policy package on July 13, 2021. These new regulations include the following components:

- Ordinance No. 787, adding Article XXXIII Section 10.05.3300 et seq. Affordable Housing On-Site and In-Lieu Fee Requirements and Article XXXIV Section 10.05.3400 et seq. Affordable Housing Commercial Linkage Impact Fee to Chapter 10.5 of Title 10 of the Millbrae Municipal Code.
- City Council Resolution No. 21-49, Adopting Affordable Housing Requirements and Program Regulations.
- City Council Resolution No. 21-50, Establishing Affordable Housing In-Lieu Fees for Residential Development Projects and Commercial Linkage Impact Fees for Commercial Development Projects.

4.2.4.1 Commercial Linkage Fee Revenues

The purpose of the Affordable Housing Commercial Linkage Impact Fee Ordinance is to establish requirements for an affordable housing commercial linkage impact fee applicable to new commercial development projects to address the impacts of their projects on the demand for affordable housing by contributing to the supply of housing for households with very low, low,

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and moderate incomes. These requirements will increase the supply of affordable housing to a broad range of households with varying income levels within the City and will help implement the Housing Element by creating a fiscal mechanism to meet the demand for additional affordable housing created by new commercial development.

The adopted fees are as follows:

- Visitor Accommodations - \$3,868.00 per hotel room
- Retail Sales, Eating and Drinking, Entertainment, Personal Services, Pet-Related Services, Vehicle Related - \$5.80 per gross square foot
- Offices - \$12.86 per gross square foot

The City has not collected any Commercial Linkage fee revenues to date.

4.2.4.2 Inclusionary Housing Fees

The City also adopted an Inclusionary Housing ordinance that requires new ownership units developed in the City to include affordable units at one of following income levels:

- 15% of the dwelling units as moderate-income ownership units.

For new rental units, the City requires that affordable units in either of the following income categories be included:

- 5% of the dwelling units as low-income rental units.
- 10% of the dwelling units as very low-income rental units.

The City allows developers to pay an in-lieu fee that ranges from approximately \$285,000 to \$376,000 per unit rather than build the affordable units as part of a project. The City has not collected Inclusionary Housing fees to date. Developers have taken advantage of density bonuses to fulfill inclusionary requirements.

4.2.4.3 General Fund

According to the City's 2020-21 Annual Comprehensive Financial Report, no General Fund monies have been designated for affordable housing projects in the City. However, the City's 2022-23 budget shows \$13.9 million in the Low- and Moderate-Income Housing Asset Fund with revenues for affordable housing. The revenues originate from the low and moderate-income set aside funds of the former Millbrae Redevelopment Agency.

4.3 Opportunities for Energy Conservation

Construction of energy efficient buildings can add to the production costs of ownership and rental housing. Over time, however, housing with energy conservation features should reduce occupancy costs as the consumption of fuel and electricity is decreased. This can result in monthly housing costs that are equal to or less than what they otherwise would have been had no energy conservation devices been incorporated in the new residential buildings.

4.3.1 State Regulations

Title 24 of the California Administrative Code establishes energy conservation standards that must be applied to all new residential buildings. The regulations specify energy saving design for walls, ceilings, and floor installations, as well as heating and cooling equipment and systems, gas cooling devices, conservation standards, and the use of non-depleting energy sources, such as solar energy or wind power. Compliance with the energy standards is achieved by satisfying applicable mandatory measures and an energy budget.

Residential developers must comply with these standards in California Energy Code (Title 24, Part 6) while localities are responsible for enforcing the energy conservation regulations.

4.3.2 State and Federal Programs

The California Department of Community Services and Development in partnership with the network of local community services agencies that assist lower-income households, administers the Low-Income Home Energy Assistance Program, which provides financial assistance to lower-income households to offset the costs of heating and/or cooling their residences.

4.3.3 Private Sector Programs

The following private sector energy conservation programs are available to housing developers and City residents:

- Power On Peninsula – solar panels and battery backup
- Heat Pump Water Heater Rebates - Peninsula Clean Energy (electric heat pump water heaters)
 - San Mateo County residents are eligible for \$2,500 to replace a gas water heater with a heat pump water heater.
 - California Alternate Rates for Energy (CARE) and Family Electric Rate Assistance (FERA) Program customers, or those upgrading an electrical panel, are eligible for larger rebates.

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- Free Energy Savings Program - HomeIntel
 - Online analysis of home energy use based on Pacific Gas and Electric (PG&E) smart meter data for no charge.
 - Customized recommendations that typically include low-or no-cost fixes, an energy coach, and regular email updates.
- Energy Upgrade California, San Mateo County.
 - Energy Upgrade California is a Countywide and Statewide residential energy efficiency program offering resources, rebates, and information to homeowners for home energy improvements. As part of the program, homeowners have access to a list of approved contractors who are eligible to install energy upgrades and secure rebates for completed work.
- PG&E - offers a variety of rebates for new energy efficiency appliances, HVAC units and pool pumps.
- San Mateo County Energy Watch - Turn-key Energy Efficiency Retrofit Program.
 - Energy efficiency resources for businesses.
 - Small and medium sized business can take advantage of the which provides free energy assessments and subsidized energy efficiency upgrades of lighting and refrigeration systems, with free project management.
- Property Assessed Clean Energy Financing for Residents and Businesses
 - The City has authorized three Property Assessed Clean Energy (PACE) programs to operate in Millbrae. PACE programs are an innovative financing solution to help reduce the upfront costs of renewable energy and energy efficiency projects. By allowing property owners to spread the cost of a project over many years as part of the owner's annual property tax payments, PACE programs make renewable energy and energy efficiency projects more affordable for property owners interested in saving energy and reducing their utility bills.
 - The various allowable PACE programs offer options for property owners to choose from. All of the City's PACE programs may be used to finance renewable energy, energy and water efficient improvements, and electric vehicle charging infrastructure. Water efficient landscaping projects range from drip irrigation to artificial turf installation and can also include graywater reuse systems, rotating sprinkler nozzle installation, and other drought tolerant landscaping upgrades. In addition, seismic retrofit financing may be included.

4.4 Local Measures and Programs

The 5th Cycle Housing Element references numerous local policies programs to remove governmental constraints to the maintenance, improvement, and development of housing. The following programs were implemented during the 5th Cycle to remove or mitigate constraints.

- **Incentives for Affordable Housing.** Continue to approve housing at higher densities when affordable units are provided, consistent with environmental constraints, surrounding development patterns, and design excellence (architecture, site planning, amenities, etc.). In the last 2-3 years, the City has approved multiple residential projects involving over 2,000 housing units through density bonuses and reduced parking requirements.
- **Update and Implement the Millbrae Station Area Specific Plan/Lot Consolidation within the Millbrae Station Area.** The City updated the Millbrae Station Area Specific Plan in 2016 and has approved and to date, over 400 housing units have been approved and are under construction, including a project for veterans with 80 very low and low-income units.
- **Adopt Requirements for Accessory Dwelling Units (ADUs)/Second Units.** Consistent with State legislation for second units (including AB 1866), the City adopted an ADU Ordinance in 2020, pursuant to Ordinance 782.
- **Inclusionary Housing and/or Impact Fee Requirements.** The City adopted an inclusionary housing ordinance in July 2021 that requires 15% of all new housing units developed to be affordable to very low, low and/or moderate-income households. The ordinance also allows developers the flexibility to pay an in-lieu fee rather than build the affordable units as part of a project.
- **Parking Requirements in Downtown Area.** Payment of an in-lieu parking fee will continue to be an option for developers. In-lieu parking fees will be used to build a parking garage or will be spent on other measures to manage the parking need.
- **Affordable Housing Development on City-Owned and Other Agency-Owned Land.** The City will investigate opportunities for affordable housing on City-owned and other agency-owned land in Millbrae, including the following actions to promote the development of affordable housing on two City-owned parking lots on Magnolia Avenue and El Camino Real:
 - Utilize flexible zoning standards that facilitate the development of the maximum number of affordable units. Require no more than one uncovered, off-street parking space per unit and consider off-site parking in fulfillment of the parking requirement.

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- Seek partnerships with non-profit organizations to develop and maintain the units.
- Provide financing from funds raised through the City's in-lieu affordable housing fees.
- Seek additional funding through State and Federal programs, community foundations, and local housing trust funds.
- Maintain the units as affordable rental housing for moderate, low, and very low/extremely low-income households, utilizing income eligibility requirements and affordability standards as published annually by HCD. Encourage affordability requirements that will enable the City to meet its regional housing needs.
- **Commercial Linkage Fee Study.** The City retained a consultant to prepare a commercial linkage fee study and subsequently adopted commercial linkage fees in July 2021 to help fund affordable housing.
- **Density Bonus.** The City adopted a density bonus ordinance, consistent with State law, in 2015.

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5 HOUSING ACCOMPLISHMENTS

The review of the City's 5th Cycle Housing Element provides an opportunity to reflect on past achievements, challenges, and identify what is working and what is impeding the City of Millbrae (City or Millbrae) from meeting the community's housing needs. Millbrae implemented several programs as part of its 5th Cycle Housing Element in an effort to increase housing production, provide assistance to households with special needs, create equal opportunity to housing, protect and conserve existing housing stock, further energy conservation and sustainable development, and conduct code amendments to comply with state law.

The following summary highlights key accomplishments and challenges from the 5th Cycle Planning Period (2015 – 2022). This information will help the 6th Cycle Housing Element Update to build on success, respond to lessons learned, and position the City to achieve the community's housing priorities.

5.1 2015-2023 RHNA Progress

The Regional Housing Needs Allocation (RHNA) by income category that was established for Millbrae by the Association of Bay Area Governments in the 5th Cycle is shown in Table 5-1, 2015-2023 RHNA Progress – Permitted Units. Additionally, Table 5-1 shows the number of residential building permits issued during the 5th Cycle Planning Period and the remaining RHNA. Between 2015 and 2022, a total of 461 units were permitted. However, 314 of the total units permitted were above-moderate units, exceeding the required units by 57. Pursuant to state law, above-moderate units permitted beyond the required number cannot be counted towards the RHNA progress. When analyzing the City's progress, it is important to acknowledge that the development of affordable housing, which requires public subsidies, has been challenging due to insufficient funding sources at the federal, state, and local levels.

Table 5-1. 2015-2023 RHNA Progress - Permitted Units

	Totals by Numbers of Units	Very Low (<=50% AMI)	Low-Income (51-80% AMI)	Moderate (81-120% AMI)	Above Moderate (>120% AMI)
2015-2023 RHNA	663	193	101	112	257
Units Permitted	461	41	70	36	314
Remaining RHNA	259	152	31	76	0

Note: While the City exceeded the required number of above-moderate units, units beyond the required 257 cannot be counted against the remaining RHNA, given that it is not affordable to lower- and moderate-income households.

Source: City of Millbrae 2022 Annual Progress Report

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5.2 Housing Challenges, Opportunities, and Achievements

During the 5th Cycle Planning period, the City faced multiple challenges, found growth opportunities, and achieved many goals.

5.2.1 Challenges

5.2.1.1 Transit Environment

The City identified that the areas surrounding San Francisco International Airport to be challenging for new housing developments due to the noise, traffic, parking, and height restrictions. In addition, the future integration of the High-Speed Rail could pose a potential threat to opportunity sites designated for the Millbrae Station.

5.2.1.2 Increasing Costs

Development costs are increasing at a rate higher than the City's housing funds can grow. In addition, advanced planning work proves to be expensive, adding on another layer of difficulty in financing affordable housing development for lower income units.

5.2.1.3 Community Concerns

There has been some community concern regarding new housing developments affecting the City's local character. This concern has resulted in slightly extended processing times for one development. However, a large majority of processing time is attributable to the need to obtain review comments from other departments, such as building, public works, and fire.

5.2.2 Opportunities

5.2.2.1 Accessory Dwelling Units

The City adopted a new Accessory Dwelling Unit (ADU) ordinance in response to changes in state law, resulting in a simplified process for ADU development in 2020. In 2020 and 2021, six and 18 ADUs were permitted, respectively. The low number of permit applications for ADU development could be a result of the high costs of construction, which offsets the incentives of building them. To address this, the City included Program HIP-18, Encourage and Incentivize Accessory Dwelling Units, Chapter 8, Housing Plan, of this Housing Element.

5.2.2.2 Affordable Housing and Funding

During the 5th Cycle, the City established inclusionary housing requirements. More specifically, the City adopted the Affordable Housing On-Site and In-Lieu Fee Requirements and Affordable Housing Commercial Linkage Impact Fees in 2021. The Affordable Housing On-Site program allows developers to build affordable units as part of a project or pay an in-lieu fee. The

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Commercial Linkage Impact Fee requirement for commercial development (on a square foot basis) addresses the need for affordable housing generated by new non-residential development. Both programs are expected to generate additional affordable housing units in the City and provide funding for affordable housing development.

5.2.3 Accomplishments

5.2.3.1 Millbrae Station Area Specific Plan

The City adopted the Millbrae Station Area Specific Plan (MSASP) in 2016 with a goal of producing developments connected to transit. The MSASP zones for the development of 1,750 units, which would exceed the total number of units required by the current RHNA allocation. As of August 9, 2022, the City has entitled 888 units in the MSASP.

In addition to the MSASP, the City is in the process of approving the Downtown & El Camino Real Specific Plan (Specific Plan). The City released the Specific Plan for public review on June 16, 2022. The Specific Plan establishes a vision for the downtown district and the El Camino Real corridor, providing overarching policy framework and design standards in order to achieve that vision. The purpose of the Specific Plan is to enhance the quality of life by providing a roadmap for future growth that emphasizes transit-oriented, mixed-use development that provides a mix of housing, restaurants, general commercial, hotels, offices, and entertainment uses. The Specific Plan is expected to be adopted by the end of calendar year 2022.

5.2.3.2 Housing Quality

The City addressed housing quality issues by establishing the groundwork for better code enforcement. To improve the code enforcement process, the City updated its website to provide homeowners with better information on code requirements, as well as information on how to address any code enforcement issues that arise.

5.2.3.3 Affordable Housing

The City adopted a series of measures to ensure more affordable housing in Millbrae. Such measures included:

- **MSASP:** Continued to implement and amended the MSASP to allow more flexibility for land uses in the MSASP area.
 - The City approved the Gateway at Millbrae Station project, located at the Millbrae BART Station. The project will encourage Transit Oriented Development and bring 400 new rental homes to the City, including 100 affordable units. 79 of the affordable units will be veteran preferred.

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- The City also approved the Millbrae Serra Station Transit Oriented Development project, which includes 488 rental units, of which 15% (73 units) are affordable for Low and Moderate-Income households.
- **ADU Ordinance:** Incorporated new housing laws, community feedback objective design standards to facilitate the approval of ADUs in the City.
- **General Plan Update and Downtown and El Camino Real Specific Plan:** Initiated the process of updating the Millbrae General Plan and adopting its Specific Plan. Both the General Plan and Specific Plan were approved in December 2022 with the goal of providing developers the tools to build more housing in the City.
- **Affordable Housing On-Site and In-Lieu Fee Requirements:** Amended the Millbrae Municipal Code in July 2021 to add these requirements. The amendment established requirements for the provision of inclusionary affordable housing at the rate of 15% on-site, affordable units for projects with ten (10) or more units.
- **Notice of Intent and Offer to Convey Surplus Property:** Provided to eligible agencies and affordable housing organizations in 2021, pursuant to the Surplus Land Act.
 - The City received four Notices of Interest from affordable housing organizations and conducted good faith negotiations with them.

5.2.3.4 Above Moderate-Income Housing

As shown in Table 5-1, the City permitted 314 above moderate-income housing – 662 more units than the 257 RHNA allocation. There is greater demand for these projects due to their economic attractiveness in rent and sales prices.

Furthermore, the demand for above-moderate units will continue into the 6th Cycle Planning Period. As of August 2022, the City has 11 projects with a total of 1,400 above-moderate units in the pipeline and will likely continue to develop throughout the planning period.

5.2.3.5 Climate Change and Sustainability

The City adopted a climate action plan in 2020 with an initial budget of \$1.3 million. The climate action plan focuses on promoting energy conservation through new REACH codes. The new local building codes are expected to exceed the minimum requirements provided by the State for energy usage, promoting clear air, climate solutions, and renewable energy. The codes include increased solar electric systems and expanding electrical vehicle charging, among others.

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5.2.3.6 Special Needs Housing

The City's programs addressed the housing needs of special needs populations during the 5th Cycle planning period. Special needs populations include seniors, people with disabilities (including developmental disabilities), large families, and families with female heads of household. The City addressed the housing needs of special needs populations through the following programs:

- **Seniors:** The City continues to allocate funding for and refer individuals at the lowest income levels (including seniors, individuals living with disabilities, residents at risk of homelessness, and female head of households) to the successful Human Investment Project Housing Home Sharing Program. Every year, Millbrae residents are successfully placed and housed through the program.
- **Large Families and Female-Headed Households:** The City continues to allocate funding for and refer individuals at the lowest income levels (including seniors, individuals living with disabilities, residents at risk of homelessness, and female head of households) to the successful Human Investment Project Housing Home Sharing Program. Every year, Millbrae residents are successfully placed and housed through the program.
- **People with Disabilities:** The City continues to allocate funding for and refer individuals at the lowest income levels (including seniors, individuals living with disabilities, residents at risk of homelessness, and female head of households) to the successful Human Investment Project Housing Home Sharing Program. Every year, Millbrae residents are successfully placed and housed through the program.

The City also approved the development of the Gateway at Millbrae Station Apartments, a 400-unit development with 100 affordable units. The project includes 8 units for mobility, sight, and hearing-impaired residents.

The City Council adopted Ordinance 748 in January of 2015, which establishes specific written procedures for requesting and granting reasonable accommodation for housing for persons with disabilities, and procedures for City approval

The City worked with the Golden Gate Regional Center to implement an outreach program that informs families about housing and services available for persons with developmental disabilities.

The City also continued to have the Building Official as the City's American with Disabilities Act Coordinator to carry out the City's compliance with nondiscrimination requirements. Furthermore, the Coordinator continued to receive questions, concerns, complaints, and requests.

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- **Families and Individuals in Need of Emergency Shelter:** The City continues to allocate funding for and refer individuals at the lowest income levels (including seniors, individuals living with disabilities, residents at risk of homelessness, and female head of households) to the successful Human Investment Project Housing Home Sharing Program. Every year, Millbrae residents are successfully placed and housed through the program.

The City Council approved funding for a pilot program with the San Mateo County Human Services Agency to provide Homeless Outreach Services at the Millbrae BART Station and surrounding areas. The Human Services agency will retain homeless outreach and service provider LifeMoves for one year to provide two full-time equivalent social worker/case managers.

5.3 Housing Element Policies and Programs

The City adopted a series of programs to accomplish the housing goals of the 5th Cycle Housing Element. Table 5-2, 5th Cycle Program Accomplishments, and Table 5-3, Progress in Achieving Quantified Objectives 2015–2023, provides an analysis of the progress and effectiveness of each program and reviews the appropriateness of the program to determine if it should be continued, modified, or removed from the 6th Cycle Housing Element.

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Table 5-2. 5th Cycle Program Accomplishments

GOAL H1 – REINFORCE THE CITY'S COMMITMENT TO MEETING HOUSING NEEDS				
Program Name & Description	Responsible Agency	Timeline	Progress and Continued Appropriateness	Recommendation
HIP-1. Future Housing Element Updates The City will update its Housing Element consistent with State Law requirements.	Community Development Department	Next update by 2023	The City plans to complete their 6 th Cycle Housing Element in 2023. This program is in progress.	Reporting Requirement - Remove
HIP-2. Coordination with Non-Profits The City will meet with affordable housing providers and representatives as needed. The City will actively partner with these groups to ensure affordable housing can be built in Millbrae. The City will listen to the suggestions of these groups and if possible and appropriate will accommodate their needs. The Community Development Director will act as a liaison role to housing groups.	Community Development Department	Annual	The City will continue to meet with affordable housing providers to ensure we gain an understanding of affordable housing concerns, suggestions, and how affordable housing can be built in Millbrae.	Retain and Modify

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Program Name & Description	Responsible Agency	Timeline	Progress and Continued Appropriateness	Recommendation
HIP-3. Annual Housing Element Reporting The City will complete the annual Housing Element Progress Report. It will provide a statistical summary of residential building activity tied to various types of housing, household need, income, and Housing Element program targets.	Community Development Department	Annual	The City continues to prepare Housing Element Reporting in the Annual Progress Reports.	Retain and Modify
HIP-4. Community Outreach The City will improve citizen awareness of rehabilitation and disaster assistance loan subsidy programs, code enforcement, energy conservation programs, fair housing laws and affordable housing programs by: <ul style="list-style-type: none"> a. Providing pamphlets on the programs at City Hall, the library, and with water bill inserts; b. Contacting neighborhood groups and associations; c. Providing special presentations to community groups periodically; and d. Providing public information through articles in the local newspaper and with cable 	Community Development Department	Ongoing	The City partners with local nonprofits to offer First Time Homebuyer workshops, ADU education outreach meetings, and home sharing programs. City also disseminates flyers and brochures on various programs, and regularly attends community meetings to share information. Due to the COVID-19 pandemic, the City relied much more on written communications via social media, with Spanish and Chinese translations for members of the community. In the area of code enforcement, the City disseminated new public information on the City website and City newsletter including an article focused on a 'did you know' covering multiple code enforcement and community preservation regulations. The Code Enforcement staff also provided an informational update to the City Council on September 28, 2021.	Retain and Modify

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Program Name & Description	Responsible Agency	Timeline	Progress and Continued Appropriateness	Recommendation
TV public service announcements.				
HIP-5. Non-Discrimination Increase public awareness through handouts of antidiscrimination laws and policies and of recourse available in case of violation. To ensure that the sale, rental, or financing of housing is not denied to any individual on the basis of race, sex, national origin, religion, age, or other arbitrary factors, Millbrae will help ensure that state and federal laws are adhered to regarding fair housing. The City, through its Community Development Department, will refer discrimination complaints to the appropriate legal service, County, or State agency. The City will assist local non-profit organizations, as appropriate, to provide public information and education services.	Community Development Department	Ongoing	The City has referred discrimination complaints to the appropriate local legal service. The City has updated its website to provide a comprehensive list of local non-profit organizations, as appropriate, to provide public information and education services on these services.	Retain and Modify

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Program Name & Description	Responsible Agency	Timeline	Progress and Continued Appropriateness	Recommendation
Goal H2 – PROTECT AND ENHANCE EXISTING HOUSING, COMMUNITY CHARACTER, AND RESOURCES				
HIP-6. Continue to Improve Code Enforcement <p>Continue the City's existing code enforcement program and consider expansion of the program to assure compliance with basic health and safety building standards and appropriate permits, potentially including:</p> <ol style="list-style-type: none"> 1. resale inspections of single-family homes; and 2. public outreach and education. In addition, continue the mandatory fire code inspection program. 	<ul style="list-style-type: none"> • Community Development Department • Fire Marshall 	Ongoing	<p>The City has expanded website information to include clear contact information for Code Enforcement staff. The City also updated its Notice of Violation and Notice of Administrative Citation forms to improve readability and accuracy. The City also updated and posted the form to appeal an Administrative Citation online and request a hearing and an advance deposit hardship waiver. Finally, the City Council adopted amendments to the City's municipal code related to code enforcement actions for greater accuracy and enforceability, including Sections 1.05.020 and 1.05.030 of Chapter 1.05 Penalty Provisions and Section 6.25.070 of Chapter 6.25 Community Preservation of the Millbrae Municipal Code related to code citations and nuisance abatement notices.</p>	Retain and Modify
HIP-7. Encourage Rehabilitation Loans <p>The City will encourage energy conservation, rehabilitation loan and disaster assistance programs to the extent possible given program funding criteria and local need. The City will facilitate greater participation in the program by advertising on the city website, in city mailings and by providing information at the Building Department counter.</p>	<ul style="list-style-type: none"> • San Mateo Housing Authority • San Mateo County Department of Housing • Community Development Department 	Ongoing	<p>The City provides information on local housing resources on the website, and through handouts at the Building Division.</p>	Retain and Modify

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Program Name & Description	Responsible Agency	Timeline	Progress and Continued Appropriateness	Recommendation
HIP-8. Contact Property Owners of Substandard Units Within current staffing limits, establish a program of contacting owners of structures that appear to be in declining or substandard condition, offer inspection services, advertise, and promote programs that will assist in funding needed work.	<ul style="list-style-type: none"> Community Development Department 	Ongoing	Program initiated and multiple properties assisted, often involving Sheriff's Office – P.E.R.T & Patrol; South San Francisco Scavenger; City of Millbrae Public Works as well as the Code Enforcement division of the Community Development Department	Retain and Modify
HIP-9. Energy Conservation Assistance Publicize energy conservation programs and weatherization services that are available to provide subsidized or inspection and improvement. The City can help publicize programs such as those offered by PG&E.	<ul style="list-style-type: none"> PG&E North Peninsula Neighborhood Service Center San Mateo County Department of Housing Community Development Department 	Annual	Updated the City webpage with energy conservation programs that provide financial assistance to homeowners to install energy conservation measures, or solar.	Retain and Modify
HIP-10. Increased Energy Conservation Apply Title 24 energy conservation requirements, and, where possible, require structural design to make use of natural heating and cooling and require landscape design to be drought tolerant.	Community Development Department	Ongoing	The 2019 Building Energy Efficiency Standards, which went into effect in January 2020, require all new residential construction and major remodels to be built to a zero-net energy standard. Along with new efficiency requirements, as of January 2020, all new residential construction statewide must include rooftop solar photovoltaic systems sized to offset simulated on-site electricity use. In addition, the City prepared and adopted new	Retain and Modify

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Program Name & Description	Responsible Agency	Timeline	Progress and Continued Appropriateness	Recommendation
			<p>REACH codes in 2020. These new codes provide for increased energy efficiency, use of renewable energy sources, and electric vehicle charging station expansion. The City continues to implement the State Title 24 energy conservation requirements, along with the local reach code requirements.</p> <p><u>Other measures the City has undertaken in 2020 year include:</u> Expediting the plan review process for Solar System by redlining plans and educating PV designers, thus resulting in more solar panels installation in Millbrae; Requiring LED Light Fixtures for simple bathroom and kitchen remodeling; and Enforcing plumbing fixtures that are approved and rated for water conservation for simple kitchen and bathroom remodeling which results in water conservation and using less electricity in delivering domestic water.</p>	
<p>HIP-11. Rental Housing Assistance Encourage landlords, tenants, and developers to participate in the Housing Authority Section 8 Rent Subsidy Program. Maintain descriptions of current programs and contacts at City Hall to provide to interested persons.</p>	<ul style="list-style-type: none"> • San Mateo County Housing Authority • Community Development Department 	<p>Develop in 2018; Ongoing</p>	<p>In 2020 calls and walk-ins from individuals seeking housing assistance have increased by a factor of approximately 50%. Staff screens them for need and then forwards them to one of several resources, such as County Housing Authority, County Housing Department, HIP Housing for home sharing, Project Sentinel for Housing disputes and Samaritan House for homeless caseworker services. In addition, there have been a substantial number of COVID-19-related inquiries regarding concerns over residential eviction. Furthermore, the City provides an updated list of local housing resources on its website.</p>	<p>Retain and Modify</p>

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Program Name & Description	Responsible Agency	Timeline	Progress and Continued Appropriateness	Recommendation
HIP-12. Condominium Conversion Regulation Continue the existing controls on conversions of rental units to condominium.	Community Development Department	Ongoing	The City has not received any applications for condominium conversion during the reporting period.	Remove
HIP-13. Neighborhood Conservation Continue the maintenance and enhancement of public facilities, such as streets, water supply, and drainage, in residential neighborhoods by allocations from the general fund, gas tax revenues, Block Grant funds and, where appropriate, through assessment districts, or as conditions of development.	<ul style="list-style-type: none"> • Public Works Department • Community Development Department 	Ongoing	The City has continued to implement the adopted Capital Improvement Program including improvements to public facilities. Specifically, the City replaced more than a mile of sanitary sewer pipeline, paved a principal arterial, Larkspur Drive from Skyline to Helen. The City also completed a recycled water feasibility study. The recycled water project will address long term regional water reliability issues and provide an alternative source of water supply considering the many anticipated high density development projects envisioned in the MSASP.	Remove
HIP-14. Home-Sharing Continue to support Human Investment Project Housing Home Sharing Program as part of a collection of policies, programs, and practices for addressing the housing needs of those at the lowest income levels including seniors, those living with disabilities, those at risk of homelessness, and female head of households.	Human Investment Project	Ongoing	The City continues to allocate funding for and refer individuals and homeowners to the successful Human Investment Project Housing Home Sharing Program. Every year, members of our community are successfully placed and housed through the program.	Retain and Modify

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Program Name & Description	Responsible Agency	Timeline	Progress and Continued Appropriateness	Recommendation
GOAL H3: PROVIDE NEW HOUSING AND ADDRESS AFFORDABLE HOUSING AND OTHER SPECIAL NEEDS				
<p>HIP-15. Continue to Implement the MSASP</p> <p>The City will continue to implement the specific plan for the Millbrae BART/Caltrain Station Area, which identifies potential housing sites. In the Station Area, there are three sites that are particularly well-suited for housing and have a strong potential of developing housing soon. The City will encourage developers to submit applications that meet the objectives and development policies of the Specific Plan. As development applications are received, the City will continue to apply development standards and incentives as described in the Specific Plan.</p> <p>The City expects to achieve the entitlement of at least 600 new dwelling units by 2023 with 15% of those being affordable.</p>	Community Development Department	Ongoing	<p>Construction has continued on The Gateway at Millbrae Station development project in the MSASP Area. This project includes 400 new housing units, of which 100 are affordable at income levels ranging from very low to moderate. Construction on the buildings started in 2020 and is expected to be completed by end of 2022. The City of Millbrae amended the MSASP to allow more flexibility in terms of uses in the plan area, see below</p> <p>The City has approved planning approvals for an additional 488 units at the Millbrae Serra Station TOD project of which 15% (up to 73 units) are affordable at various levels (10% low and 5% moderate).</p>	Retain and Modify
<p>HIP-16. Complete Update to Specific Plan</p> <p>The City is currently updating the Millbrae Station Area Specific Plan, with completion expected in 2015.</p>	Community Development Department	Fiscal Year 2015-16	The City of Millbrae amended the MSASP to allow more flexibility in terms of uses in the plan area, specifically in the portion south of Millbrae Avenue, east of the train tracks.	Remove

2023–2031 Housing Element

Chapter 5. Review of Previous Housing Element (2015–2023)

Program Name & Description	Responsible Agency	Timeline	Progress and Continued Appropriateness	Recommendation
HIP-17. Adopt Requirements for Second Units. Consistent with State legislation for second units (AB 1866), the City shall amend the Zoning Ordinance to allow second units under controlled conditions, such as maximum floor area and/or lot coverage, sufficient parking, owner-occupancy of one unit, and neighborhood compatibility.	<ul style="list-style-type: none">Planning CommissionCity CouncilCommunity Development Department	Develop by 2015	The City adopted a new ADU ordinance in 2020 taking into account the community feedback received at various prior workshops, as well as new laws pertaining to ADUs. As part of the Ordinance, the City adopted objective design standards for ADUs. The City has continued to disseminate information about the new regulations to the community, including at public workshops for homeowners and on the website.	Retain and Modify
HIP-18. Housing Opportunity Areas Encourage housing development of a higher density that maximizes production of very low-income units, consistent with environmental constraints, surrounding development patterns and design excellence (architecture, site planning, amenities, etc.). City will continue to offer incentives such as reduced parking requirements and fast-track project review, along with cost reduction methods.	Community Development Department	Ongoing	The City's General Plan Update and Downtown and El Camino Real Specific Plan preparation is currently in progress. The estimated completion date is late 2022. The City continues to process a number of higher density housing developments in the Housing Opportunity Area at various stages in the planning process, including projects with parking reductions consistent with State Density Bonus Law and SB 35 legislation. In addition, staff has evaluated areas of the city that could potentially accommodate new housing units as part of the housing element update. The City of Millbrae is working with 21 Elements on this effort.	Retain and Modify

2023–2031 Housing Element

Chapter 5. Review of Previous Housing Element (2015–2023)

Program Name & Description	Responsible Agency	Timeline	Progress and Continued Appropriateness	Recommendation
HIP-19. Home Ownership Mortgage Subsidy Programs San Mateo County offers Below Market Rate (BMR) home mortgages to qualified first time home buyers for purchasing units built by developers who participate in the program. Millbrae will encourage developers to participate in this program and will then publicize these projects and the Mortgage Subsidy Program through the City's communication channels, including handouts, the City newsletter, and the City website.	<ul style="list-style-type: none"> • San Mateo County Department of Housing and Community Development • HEART • Community Development Department 	Ongoing	Several BMR units have utilized this program in the past. City staff continues to work with developers of condominium units. The City has not received condominium development proposals with the intent to sell the units at soon after certificate of occupancy. Two development projects proposed condominium maps for the residential units: 959 El Camino Real and 130-140 El Camino Real. The developers of both projects have expressed intent to rent the condominium units. Staff will continue to work with developers on homeownership mortgage subsidy programs.	Retain and Modify
HIP-20. BMR Resale and Rental Controls Implement resale and rental regulations for low- and moderate-income units and assure that these units remain at an affordable price level.	<ul style="list-style-type: none"> • City Council • Community Development Department • BAAHA 	Ongoing	City staff continue to successfully work with sellers and buyers of BMR units to ensure the preservation of the affordability covenants and restrictions when any transfers occur. In the calendar year 2020, the City assisted in 3 BMR transactions, successfully preserving all affordability covenants and restrictions. To date, the City has successfully preserved all affordability covenants and restrictions and found new qualifying buyers and renters for eligible BMR units. BAAHA is a consultant who manages for-sale units.	Retain and Modify
HIP-21. BMR Eligibility Guidelines Consider targeting affordable housing to current City employees, school district employees, and other people	Community Development Department	Ongoing	The City has a lottery system for BMR units with preference points given to those working or living in Millbrae.	Retain and Modify

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Chapter 5. Review of Previous Housing Element (2015–2023)

Program Name & Description	Responsible Agency	Timeline	Progress and Continued Appropriateness	Recommendation
working in the City of Millbrae. Ensure that preferences are consistent with fair housing law.	BAAHA			
<p>HIP-22. Homelessness Assistance Participate and allocate funds, as appropriate and as funding is available, for County and non-profit programs providing homeless shelter (i.e., emergency housing) and related counseling services. Review proposals for emergency shelter uses based on the policies in the General Plan and other City development standards and requirements. Continue to permit homeless shelters in the Industrial Zone and continue to treat transitional and supportive housing as a residential use subject to only those restrictions that apply to other residential dwellings of the same type in the same zone. Continue to allow houses of worship to operate small emergency shelter facilities as an ancillary use, for limited periods.</p>	<ul style="list-style-type: none"> • City Council • Community Development Department 	Ongoing	<p>In September 2021, the City Council approved funding for a pilot program with the San Mateo County Human Services Agency to provide Homeless Outreach Services at the Millbrae BART Station and Surrounding Areas. HSA will retain homeless outreach and service provider LifeMoves for one (1) year to provide two (2) full-time equivalent social worker/case managers. The social worker/case managers will spend some time at the BART Station area and accept referrals from City/SMSO personnel of individuals in need of outreach services. These services include outreach, engagement, and case management services to people who may be experiencing unsheltered homelessness, mental health issues, and addiction with a focus on evening/nighttime hours to coincide with the arrival of the last BART train.</p>	Retain and Modify

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Chapter 5. Review of Previous Housing Element (2015–2023)

Program Name & Description	Responsible Agency	Timeline	Progress and Continued Appropriateness	Recommendation
HIP-23. Adaptable Units for the Disabled. The City will encourage universal design and ensure that new housing includes units that can be adapted for use by disabled residents. Ensure that relevant laws are followed, including the California Fair Employment and Housing Act.	Community Development Department	Ongoing	The City approved the development of Gateway at Millbrae Station Apartments, a 400-unit development with 100 affordable units. The development has 8 units for mobility, sight, and hearing impaired.	Retain and Modify
HIP-24. Maintain an Americans with Disabilities Act (ADA) Coordinator and Provide Information on Reasonable Accommodation Continue to have the Building Official as the City's ADA Coordinator to coordinate and carry out the City's compliance with the nondiscrimination requirements of Title IIA of the ADA. Direct questions, concerns, complaints, and requests regarding accessibility for people with disabilities to the City's ADA Coordinator. Provide information to the public regarding reasonable accommodations related to zoning, permit processing and building codes on the City's website and in City handouts.	Community Development Department	Ongoing, updates based on legal changes	The Building Division continues to provide information on ADA access requirements to applicants during the development review process and at the front counter.	Remove

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Chapter 5. Review of Previous Housing Element (2015–2023)

Program Name & Description	Responsible Agency	Timeline	Progress and Continued Appropriateness	Recommendation
HIP-25. Raise awareness of recently adopted Grand Boulevard Planned Development Zone Raise awareness about and encourage implementation of this zoning district to achieve higher density mixed-use redevelopment along the City's El Camino Real corridor by highlighting it on the City's website, creating an informational flier for distribution at City Hall, and promoting it in conjunction with the City's efforts to prepare and adopt a plan for the corridor as a Priority Development Area.	<ul style="list-style-type: none"> • City Council • Planning Commission • Community Development Department 	Ongoing	The Grand Boulevard Initiative has been replaced with the Downtown and El Camino Real Specific Plan.	Remove
HIP-26. Encourage Innovative Housing Approaches. Encourage cooperative and joint ventures between owners, developers, and non-profit groups in the development of BMR housing. Assist in identifying financing sources for housing projects.	Community Development Department	Ongoing	The Gateway and Millbrae Station project included the construction of an 80-unit BMR housing project; this project was completed in the summer of 2022. Additionally, that project included a 320-unit residential building with 20 BMR units; this project is slated for completion in fall 2022.	Retain and Modify
HIP-27. Housing Developer Outreach Distribute informational materials on housing programs to local non-profit and private	Community Development Department	Annual	The City is in the final stages of creating a Downtown and El Camino Real Specific Plan. This plan will create new housing opportunities for both affordable and market-rate developers. The plan doubles the maximum height allowed and permits densities up to 130 dwelling units/acre.	Retain and Modify

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Chapter 5. Review of Previous Housing Element (2015–2023)

Program Name & Description	Responsible Agency	Timeline	Progress and Continued Appropriateness	Recommendation
developers. Provide information on: <ol style="list-style-type: none">1. newly adopted development standards for mixed-use and planned development districts;2. incentives for the development of deed-restricted and market rate affordable housing; and3. appropriate areas for high density housing.				
HIP-28. Encourage Special Needs Housing <p>Encourage non-profit developers to target housing projects for identified special needs groups in Millbrae, including seniors, families with children, single parents, young families, lower income households including extremely low income, and the disabled. Encourage housing developers to design units that meet the requirements of these special needs groups, such as rental units, accessibility features for the disabled and the elderly, additional bedrooms for large families, and playgrounds and on-site day care facilities for families with children.</p>	<ul style="list-style-type: none">• City Council• Planning Commission• Community Development Department	Ongoing, annual review	The City will encourage non-profit developers to target special needs groups. The City shall adopt a formal policy for expedited review and permitting of affordable housing development for special needs populations.	Retain and Modify

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Chapter 5. Review of Previous Housing Element (2015–2023)

Program Name & Description	Responsible Agency	Timeline	Progress and Continued Appropriateness	Recommendation
HIP-29. Inclusionary Housing and/or Impact Fee Requirements. To the extent consistent with applicable law, adopt an inclusionary housing ordinance and/or affordable housing impact fee ordinance that requires developers to provide BMR housing or pay a fee. For units produced by developers, the City will require units to remain affordable for at least 55 years. Alternatively, the city may adopt an impact fee ordinance to mitigate the effects of new development by requiring developers contribute to an affordable housing trust fund.	<ul style="list-style-type: none">• City Council• Planning Commission• Community Development Department	Ongoing	<p>In July 2021, the City Council adopted amendments to the Millbrae Municipal Code Title 10 to add the Millbrae Affordable Housing On-Site and In-Lieu Fee Requirements and adopted 1) a Resolution Adopting Affordable Housing Requirements and Program Regulations and 2) a Resolution Establishing Affordable Housing In-Lieu Fees for Residential Development Projects and Commercial Linkage Impact Fees for Commercial Development Projects.</p> <p>The purpose of the Ordinance is to establish requirements for the provision of inclusionary affordable housing at the rate of 15% on-site, designated as deed restricted for very low-, low-, and moderate-income households in conjunction with new development projects that include ten or more new units in the City of Millbrae. This Ordinance also establishes the requirement for an affordable housing in-lieu fee on residential development projects consisting of four (4) to nine (9) units, or when the calculation of the inclusionary units in development projects of ten (10) or more units result in a fractional unit of less than 0.5. The fee is to be contributed to the City's Affordable Housing Fund and used to fund the development of affordable housing and related programs in Millbrae.</p>	Remove

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Program Name & Description	Responsible Agency	Timeline	Progress and Continued Appropriateness	Recommendation
<p>HIP-30. Lot Consolidation within the MSASP</p> <p>Consistent with the goals and policies of the MSASP, the City will encourage lot consolidation among property owners of lots within Sites 1, 4, 11 and 12 of the MSASP.</p> <p>The City will identify owners and distribute information to them regarding development potential, development standards, affordable housing incentives and density bonuses, and the development review and approval process.</p>	<ul style="list-style-type: none"> • City Council • Planning Commission • Community Development Department 	Ongoing	Still in progress	Retain and Modify
<p>HIP-31. Parking Requirements in Downtown Area</p> <p>Payment of an in-lieu parking fee will continue to be an option for developers. In-lieu parking fees will be used to build a parking garage or will be spent on other measures to manage the parking need.</p>	<ul style="list-style-type: none"> • City Council • Planning Commission • Community Development Department 	Ongoing	Still in progress	Retain and Modify
<p>HIP-32. Affordable Housing Development on City-Owned and Other Agency-Owned Land</p> <p>The City will investigate opportunities for affordable housing on City-owned and other agency-owned land in Millbrae,</p>	Community Development Department	Ongoing, annual review	The City provided a Notice of Intent and Offer to Convey Surplus Property to eligible agencies and affordable housing organizations pursuant to the provisions of Government Code Section 54222 (Surplus Lands Act) on August 24, 2021. The City received four Notices of Interest from affordable	Retain and Modify

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Chapter 5. Review of Previous Housing Element (2015–2023)

Program Name & Description	Responsible Agency	Timeline	Progress and Continued Appropriateness	Recommendation
including the following actions to promote the development of affordable housing on two City-owned parking lots on Magnolia Avenue and El Camino Real: <ol style="list-style-type: none">1. Utilize flexible zoning standards that facilitate the development of the maximum number of affordable units. Require no more than one uncovered, off-street parking space per unit and consider off-site parking in fulfillment of the parking requirement.2. Seek partnerships with non-profit organizations to develop and maintain the units.3. Provide financing from funds raised through the City's in-lieu affordable housing fees.4. Seek additional funding through state and federal programs, community foundations, and local housing trust funds.5. Maintain the units as affordable rental housing for moderate, low- and very low/extremely low-income households, utilizing income eligibility requirements and affordability standards as			housing organizations and has conducted good faith negotiations with them.	

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Chapter 5. Review of Previous Housing Element (2015–2023)

Program Name & Description	Responsible Agency	Timeline	Progress and Continued Appropriateness	Recommendation
published annual by HCD. Encourage affordability requirements that will enable the City to meet its regional housing needs.				
HIP-33. Commercial Linkage Fee Study Study the possibility of adopting a commercial linkage fee to help fund affordable housing. The fee should be set low enough to not discourage new development.	Community Development Department	Fiscal Year 2015-16	In July 2021, the City Council adopted amendments to the Millbrae Municipal Code Title 10 to add the Affordable Housing Commercial Linkage Impact Fee Zoning Ordinance and adopted a Resolution Establishing Commercial Linkage Impact Fees for Commercial Development Projects. This creates a fiscal mechanism to meet the demand for additional affordable housing created by new commercial development. At the time of adoption these fees were set at \$3,868.00 per hotel room; \$5.80 per gross square foot for Retail Sales, Eating and Drinking, Entertainment, Personal Services, Pet-Related Services, Vehicle Related; and \$12.86 per gross square foot for offices.	Remove
HIP-34. Definition of Family Continue to use a definition of family for the zoning code that does not discriminate. A definition of family was added to the zoning code in 2014.	Community Development Department	Ongoing	Complete. Ongoing implementation.	Remove
HIP-35. Reasonable Accommodations for People with Disabilities. Implement the newly adopted Reasonable Accommodation policy. Ensure that planners and	Community Development Department	Ongoing	Ongoing implementation	Retain and Modify

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Chapter 5. Review of Previous Housing Element (2015–2023)

Program Name & Description	Responsible Agency	Timeline	Progress and Continued Appropriateness	Recommendation
the general public know about the policy.				
HIP-36. Density Bonus Adopt a local ordinance, consistent with state law, offering a greater density bonus than allowed by the default state standards. Continue applying the state density bonus standards until a local law is passed.	Community Development Department	2015	The City has applied density bonus provisions consistent with State law. The following projects have approved density bonus as well as development concessions/incentives/waivers: 1100 El Camino Real, 959 El Camino Real, Gateway at Millbrae Station, Millbrae Serra Station. The following projects under review include density bonus and concessions/incentives/waivers: 1301 Broadway, 130-140 El Camino Real	Retain and Modify
HIP-37. Anti-Displacement Measures Evaluate potential displacement of existing lower income residents and adopt measures, as appropriate, to address the risk of displacement of existing residents. Coordinate with other jurisdictions if possible. Displacement might be direct, caused by the redevelopment of sites with existing residential properties, or indirect, caused by increased market rents as an area becomes more desirable. The city will implement programs as appropriate to address displacement. The city will monitor such programs annually for effectiveness and make adjustments, as necessary.	Community Development Department	Fiscal Year 2016-2017	The City has anti-displacement measures for condominium conversions but has not received an application for condominium conversion during the period.	Retain and Modify

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Chapter 5. Review of Previous Housing Element (2015–2023)

Program Name & Description	Responsible Agency	Timeline	Progress and Continued Appropriateness	Recommendation
HIP-38. Airport development restrictions. Coordinate with C/CAG's Airport Land Use Commission to ensure that all zoning changes comply with the Comprehensive Airport Land Use Compatibility Plan for the Environs of San Francisco International Airport.	Community Development Department	Ongoing	City has coordinated with C/CAG's Airport Land Use Commission on the City's Specific Plan and General Plan Update. The City has received input and incorporated comments.	Retain and Modify
HIP-39. Outreach to People With Developmental Disabilities Work with the Golden Gate regional center to implement an outreach program that informs families within the City on housing and services available for persons with developmental disabilities. The program could include the development of an informational brochure, including information on services on the City's website, and providing housing-related training for individuals/families through workshops.	Community Development Department	Fiscal Year 2016-17	Ongoing. Improve on the program during the 6 th Cycle.	Retain and Modify
HIP-40. Employee Housing. Ensure that the City is in compliance with State Health and Safety Code Sections 17021.5, which concerns employee housing that serves six or fewer employees.	Planning Department	Fiscal Year 2018-19	Ongoing. Improve on the program during the 6 th Cycle.	Retain and Modify

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Table 5-3. Progress in Achieving Quantified Objectives 2015–2023

Program Types	Quantified Objectives					Progress					Total
	Extremely Low	Very Low	Low	Moderate	Above Moderate	Extremely Low	Very Low	Low	Moderate	Above Moderate	
New Construction (Including Issued Permits)	20	36	47	61	518	-	41	70	36	314	461
Rehabilitation	5	5	0	0	0	-	-	-	-	-	-
Conservation and Preservation	0	10	5	1	0	-	-	-	-	-	-
Total	25	51	52	62	518	-	41	70	36	314	461

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Chapter 6. At-Risk Affordable Housing

6 AT-RISK AFFORDABLE HOUSING

Pursuant to California Government Code, Section 65583(a)(9), an analysis of existing assisted housing developments that are eligible to change from low-income housing uses during the next 10 years due to termination of subsidy contracts, mortgage prepayment, or expiration of restrictions on use must be identified in the Housing Element.

There are no affordable housing units at risk of reverting to market rate during the 6th Cycle Housing Element Planning Period.

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Chapter 6. At-Risk Affordable Housing

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7 ADEQUATE SITE INVENTORY ANALYSIS AND METHODOLOGY

California Government Code, Section 65583(a)(3), requires the Housing Element to identify sites suitable for the development of all housing types, with the capacity to satisfy the City of Millbrae's (City or Millbrae) housing needs for the current 2023–2031 6th Cycle Housing Element period. The Site Inventory is an assessment of the City's capacity for new housing development, which must demonstrate that the Regional Housing Needs Assessment (RHNA) target of 2,199 housing units, including 906 lower-income (extremely low-, very low-, and low-income) affordable units, can reasonably be achieved under the City's current land use plans and zoning regulations, or with planned amendments thereto.

The Site Inventory prepared for the 2023–2031 Planning Period demonstrates a capacity for at least 3,861 housing units, including 1,062 housing units on sites adequate for lower-income housing. Pursuant to California Government Code, Section 65583.1, this capacity includes:

- A credit of 1,813 units (including 295 lower-income units) toward the RHNA consisting of:
 - 1,701 units from entitled or proposed projects (227 lower-income units); and
 - 112 units from Accessory Dwelling Unit (ADU) potential (68 lower-income units).

The Site Inventory was prepared for the purpose of satisfying California (California or State) requirements (as detailed later in this chapter) and is a planning estimate based on several factors including market demand, recent development patterns, property owner interest, and other factors. However, the Site Inventory does not approve any project or guarantee what will be built on the site. Actual housing development is implemented by the development community and will be largely dependent on market factors that are outside of the City's control. Housing developers, market trends, and availability of funding are among the constraints that will dictate if and when housing units will be constructed.

With regard to the development of affordable housing, which requires public subsidies to be financially feasible, California Government Code, Section 65583(b)(2), State law recognizes that housing needs may (and do) exceed available resources. Acknowledgment of funding limitations is extremely important—cities and counties are required to prepare Housing Elements every eight years to identify needs and actions to provide for housing at all income levels and for all populations despite a severe shortage in local, state, and federal funding that makes many of the actions needed and planned financially infeasible. It is important

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Chapter 7. Adequate Site Inventory Analysis and Methodology

to recognize that state law requires cities to plan for housing, but almost all housing is developed by the private sector.

The capacity documented in this Chapter is achieved through various methods in accordance with state law, including the following:

- Developable sites pursuant to California Government Code, Section 65583.2(a), were identified. These included sites with zoning that currently allow residential uses. Vacant land was prioritized in the identification of sites. The City identified two vacant sites that are viable for development. The majority of land in the City is largely developed.
- Non-vacant sites that have a high likelihood of being redeveloped for residential uses during the 6th Cycle Housing Element Planning Period were identified.
- Sites to accommodate low and very low-income housing were identified and a residential development capacity analysis for all sites pursuant to California Government Code, Section 65583.2(c), was performed.
- Finally, alternative means of meeting the RHNA, as allowed by State law, were considered to meet the RHNA, including entitled or pending units and potential for ADUs.

A complete analysis of the Site Inventory follows. The Site Inventory is included as Appendix C and satisfies state requirements to identify units by parcel; This identification is for the Housing Element. Parcels may be modified, further subdivided, or otherwise amended in the future.

7.1 Summary of Sites Capacity

Table 7-1, Summary of Sites Capacity, includes a summary of the detailed inventory of vacant and underutilized parcels in the City's Site Inventory, Appendix C. Each identified site is adjacent to developed land and/or is the subject of a proposed housing development. Based on the review of the documentation outlined later in this chapter, each site has a sufficient utility supply available and is accessible to support housing development.

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Chapter 7. Adequate Site Inventory Analysis and Methodology

Table 7-1. Summary of Sites Capacity

Existing ¹		Previous ¹		# of Sites	Total Area (ac)	Net Units	Units		
Zoning	Max Density	Zoning	Max Density				Lower	Mod.	Above Mod.
Vacant				2	0.20	2	0	0	2
Single Family Residential (R-1)	9	Same as Proposed	9	2	0.20	2	0	0	2
Non-Vacant				24	36.81	3,747	994	431	2,322
Commercial (C)	N/A	Same as Proposed	N/A	1	0.67	99	49	0	50
Corridor Mixed Use (CMU)	130	Commercial (C)	N/A	8	12.92	1,271	420	0	851
Corridor Mixed Use (CMU)	130	Planned Development (PD)	N/A	2	7.83	868	295	0	573
Downtown Mixed Use (DMU)	50	Downtown Improvement Area (DIA)	N/A	1	0.05	5	0	0	5
Residential Mixed Use (RMU)	80	Commercial (C)	N/A	3	2.26	179	0	179	0
Residential Mixed Use (RMU)	80	Planned Development (PD)	N/A	2	4.22	337	99	138	100
Residential Mixed Use (RMU)	60	Same as Proposed	60	2	1.18	70	0	70	0
Single Family Residential (R-1)	9	Same as Proposed	9	1	0.63	1	0	0	1
Transit Oriented Development (TOD)	80	Same as Proposed	80	4	7.05	917	131	44	742
ADU Potential						112	68	33	11
TOTAL				26	37.02	3,861	1,062	464	2,335

¹ The City adopted the Downtown and El Camino Real Specific Plan (DECRSP) as part of the 2040 General Plan in December 2022. The DECRSP rezoned parcels within its specific plan area to allow for increased densities. The City is using the existing zoning and densities for purposes of this analysis and showing the previous zoning for background, as allowed by HCD during a meeting with staff on July 29, 2022. See Section 7.3.4.2 of this Sites Inventory chapter for more information.

Source: City of Millbrae.

7.2 Capacity Determination

Table 7-2, Capacity Determination, summarizes the **City's determination that there is sufficient capacity to accommodate the City's RHNA by income and categorizes credits and sites by zoning, representing land suitable and available for residential development, as defined in California Government Code, Sections 65583.1 and 65583.2(a)**. A description of the methodology used to determine the capacity of sites is presented later in this Chapter.

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Chapter 7. Adequate Site Inventory Analysis and Methodology

It is important to note that all lower-income sites in the Site Inventory have zoning that allows for residential use at densities that exceed State legal requirements for lower-income sites (i.e., 30 units per acre) or have an approved plan to develop lower-income housing (i.e., Site 2).

Table 7-2. Capacity Determination

	Units by Income Level				
	VLI	LI	Mod.	Above Mod.	Total
RHNA	575	331	361	932	2,199
Alternative Methods to Meet the RHNA (Credits)					
Entitled or Proposed Projects	69	156	44	1,432	1,701
Accessory Dwelling Unit Potential	34	34	33	11	112
Subtotal	103	190	77	1,443	1,813
Net RHNA (after credits are applied)	472	141	284	(511)	386
Step #1 Determination of Opportunity Sites (Existing Zoning and Zone Changes in Process)¹					
Corridor Mixed Use (CMU)	508	162	0	792	1,462
Residential Mixed Use (RMU)	61	38	387	100	586
Step #1 Subtotal	569	200	387	892	2,048
Total (Credits & Step #1)	672	390	464	2,335	3,861
Surplus/(Shortfall)	97	59	103	1,403	1,662
No Net Loss Buffer Surplus/(Shortfall), as a percent of RHNA²	17%	18%	29%	-	-

¹ The determination of opportunity sites utilizes the existing zoning and densities of the Downtown and El Camino Real Specific Plan (DECRSP), which the City adopted in December 2022. HCD allowed the utilization of the existing zoning and densities during a meeting with staff on July 29, 2022.

² HCD recommends a 15-30% buffer for lower-income (very low and low) sites to protect the City from the No Net Loss provision. The City included a buffer for the moderate-income level for the same reason. The City calculated its buffer as a percentage of the gross RHNA (Before any credits were applied).

Source: City of Millbrae.

7.3 Identification of Developable Sites

7.3.1 Legal Requirements and State Housing Policies

State law requires that a housing element of a general plan must include an inventory of land suitable and available for residential development to meet the locality's share of the regional housing need by income level and demonstrate sufficient zoned housing capacity to meet each Housing Element Cycle's RHNA target. The City determines its housing capacity through a review of planned development and vacant and non-vacant developable land throughout the City that may reasonably develop within the Housing Element Planning Period. This approach

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Chapter 7. Adequate Site Inventory Analysis and Methodology

(as recommended by HCD) is utilized because many factors will affect housing development, including feasibility, trends, and developer and property owner choices within the City. Additionally, mandating housing development on private property or property owned by other government agencies is not within the City's authority or powers.

Per California Government Code, Section 65583.2(a), the City identified the following types of sites as land suitable for residential development:

- Vacant sites zoned for residential use.
- Vacant sites zoned for mixed-use, including residential.
- Residential and mixed-use zoned sites that are capable of being developed at a higher residential density than the current density (nonvacant sites, including underutilized sites).

HCD provides legal guidance on the selection of sites for Housing Elements in the Housing Element Site Inventory Guidebook (2020).

In addition to the legal requirements for appropriate sites shown above, ***California's Housing Future: Challenges and Opportunities Final Statewide Housing Assessment 2025 (2025 Assessment)***, prepared by HCD emphasizes throughout the document that the location of housing (including affordable housing) near transit and job centers as an important policy and implementation strategy. Excerpts that highlight this point are provided below along with page number references.

- “Land use policies and planning can help encourage greater supply and affordability as well as influence the type and location of housing. Thoughtful land use policies and planning can translate into the ability for families to **access neighborhoods of opportunity, with high-performing schools, greater availability of jobs that afford entry to the middle class, and convenient access to transit and services**. Easy access to jobs and amenities reduces a household’s daily commute and other travel demands. Encouraging new homes in already developed areas and areas of opportunity

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not only alleviates the housing crisis but also supports the State’s climate change and equity goals” (page 3).

- **Housing for persons with disabilities “could greatly benefit from access to transit options”** (page 12).
- The Center for Neighborhood Technology developed Housing and Transportation Affordability Index shows “**lower overall cost burdens aligning with more transit-accessible areas**” (page 33).
- “State housing and planning law encourages housing development that also helps the State meet its sustainability goals (developing inward and more compactly, close to jobs, transit, and services), and encourages the development of housing that is affordable to Californians at a range of income levels” (page 36).
- “**In urban and suburban areas, compact infill development at increased density is critical for addressing housing needs and using valuable, location-efficient land near transit and job centers**” (page 43).

7.3.2 Data Sources

To prepare the Site Inventory, the City utilized multiple data sources. First, it relied on publicly available data, such as the City’s General Plan, specific plans, zoning maps, and the San Mateo County (San Mateo County or County) assessment roll. Furthermore, the City utilized resources provided by 21 Elements, a collaborative of all 21 San Mateo County jurisdictions and partner agencies.

As part of its process to assist cities in their Housing Element preparation process, 21 Elements evaluated potential rezoning strategies early in the HEU process and provided jurisdictions with a capacity study table that included a list of sites for the City to consider for the Site Inventory. While many of the sites proved to be unfit for development, the City utilized 21 Elements’ analysis as a starting point.

The City’s process of evaluating potential sites involved applying specified criteria to identify sites where planned/zoned residential capacity can be realistically achieved.

7.3.3 Housing Units Approved/Entitled/Under Construction

As of August 3, 2022, the City has identified 1,701 pending or entitled housing units that will be constructed during the 6th Cycle Planning Period. The City will credit these units toward its RHNA requirement, pursuant to California Government Code, Section 65583.1. Some of these developments have started construction while others have been approved or are under

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review. The City expects that all can be built within the 6th Cycle Planning Period based on their current status and the timing of approval and construction for recently built developments. The pending or entitled developments include 69 very low-income units, 156 low-income units, and 44 moderate-income units, based on the developers' applications.

Table 7-3, Entitled and Pending Development Applications, summarizes the pending and entitled units, including the status and the estimated completion date for each project. A description of each zoning designation shown in this table can be found in Chapter 3, Housing Constraints.

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Table 7-3. Entitled and Pending Development Applications

Site No.	Address	Status	Area (ac)	Previous ¹		Existing ¹		Density Realism ²	Units				I:LV Ratio ³	
				Zoning	Max Density	Zoning	Max Density		VLI	LI	Mod.	Ab. Mod.		
2	1301 Broadway	In Review	0.67	Commercial (C)	N/A	Same as Previous	N/A	N/A	0	49	0	50	99	0.02
6	1100 El Camino Real	Approved	5.50	Commercial (C)	N/A	Corridor Mixed Use (CMU)	130	52.6%	19	0	0	357	376	2.32
8	959 El Camino Real	Approved	1.81	Commercial (C)	N/A	Corridor Mixed Use (CMU)	130	118.1%	26	0	0	252	278	1.95
12	480 El Camino Real	Approved	0.13	Commercial (C)	N/A	Corridor Mixed Use (CMU)	130	53.3%	0	0	0	9	9	0.00
15	300 El Camino Real	In Review	0.12	Commercial (C)	N/A	Corridor Mixed Use (CMU)	130	93.5%	0	0	0	14	14	4.93
16	230 Broadway	In Review	0.05	Downtown Improvement Area (DIA)	N/A	Downtown Mixed Use (DMU)	50	200.0%	0	0	0	5	5	0.33
17	150 Serra Ave.	Approved	3.60	Transit Oriented Development (TOD)	80	Same as Previous	80	169.4%	0	49	24	415	488	0.25
18	130-140 El Camino Real	In Review	0.23	Transit Oriented Development (TOD)	80	Same as Previous	80	164.0%	0	3	0	27	30	0.21
19	300 Millbrae, Bldg. 6A ⁴	Approved	0.54	Transit Oriented Development (TOD)	80	Same as Previous	80	182.9%	24	55	0	0	79	0.00
20	300 Millbrae, Bldg. 5B ⁵	Approved	2.68	Transit Oriented Development (TOD)	80	Same as Previous	80	149.3%	0	0	20	300	320	0.67
23	450 Chadborne	Approved	0.63	Single Family Residential (R-1)	9	Same as Previous	9	18.1%	0	0	0	1	1	5.42
25	842 Clearfield	Approved	0.11	Single Family Residential (R-1)	9	Same as Previous	9	100.0%	0	0	0	1	1	0.00
26	990 Larkspur	Approved	0.09	Single Family Residential (R-1)	9	Same as Previous	9	127.5%	0	0	0	1	1	0.00
TOTAL									69	156	44	1,432	1,701	

¹ The City adopted the Downtown and El Camino Real Specific Plan (DECRSP) as part of the 2040 General Plan in December 2022. The DECRSP rezoned parcels within its specific plan area to allow for increased densities. The City is using the existing zoning and densities for purposes of this analysis and showing the previous zoning for background, as allowed by HCD during a meeting with staff on July 29, 2022. See Section 7.3.4.2 of this Sites Inventory chapter for more information.

² For pending and entitled developments, "Density Realism" is based on the existing zoning for the development, rather than the previous zoning. There is no density realism for Site 2 because zoning is not changing and residential development is not allowed in Commercial (C) zones without a CUP. For other sites, "Density Realism" is an assumption based on the realized density of recent and proposed developments.

³ The Improvement to Land Value Ratio represents a comparison of a parcel's improvement value to the land value. Typically, a low ratio would indicate a low improvement value in comparison to the value of the land, which can point to a need for development of improvement.

⁴ 300 Millbrae is the address for the Gateway at Millbrae Station, which consists of multiple buildings. Site 19 (APN 024-181-080) is a 100% affordable housing development with veteran preference.

⁵ 300 Millbrae is the address for the Gateway at Millbrae Station, which consists of multiple buildings. Site 20 (APN 024-180-350) is a market-rate housing development that consists of 320 units, of which 20 are affordable to moderate-income households.

Source: City of Millbrae.

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7.3.3.1 Affordable Housing Units Approved/Entitled/Under Construction/Completed

The previously mentioned **approved, entitled, and in-process projects include seven developments with units affordable to 69 very low-, 156 low, and 44 moderate-income households**. Table 7-4, Rent and Income Level Summary for Entitled and Pending Affordable Developments, provides information on all pipeline projects, including these seven sites with affordable units. In addition to status, zoning, density allowances, and income categories for all the sites, Table 7-4 includes a unit size breakdown for projects with affordable units, as well as a rent estimate for each unit size, pursuant to Health and Safety Code Section 50053, which prescribes the methodology used by HCD to calculate affordable rent limits. This methodology involves calculating the product of 30% times the income level percentage (i.e., 50% for very low-, 60% for low-, and 110% for moderate-income households) of the area median income, adjusted for family size appropriate for the unit.

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Table 7-4 Rent and Income Level Summary for Entitled and Pending Affordable Developments

Site No.	Address	Status	Previous		Existing		Income Category					Affordable Unit Size Breakdown	Affordable Unit Rents ¹	
			Zoning	Max Den	Zoning	Max Den	VL	Low	Mod	Above Mod	Total			
PIPELINE DEVELOPMENTS														
2	1301 Broadway	In Review	Commercial (C)	N/A	Same as Previous	N/A	0	49	0	50	99	Low Income	Low Income	
												Studio: 17 du	Studio: \$1,743	
												1 bd: 5 du	1 bd: \$1,992	
												2 bd: 13 du	2 bd: \$2,241	
												3 bd: 14 du	3 bd: \$2,490	
6	1100 El Camino Real	Approved	Commercial (C)	N/A	Corridor Mixed Use (CMU)	130	19	0	0	357	376	Very Low Income	Very Low Income	
												Studio: 2 du	Studio: \$1,453	
												1 bd: 10 du	1 bd: \$1,660	
												2 bd: 7 du	2 bd: \$1,868	
8	959 El Camino Real	Approved	Commercial (C)	N/A	Corridor Mixed Use (CMU)	130	26	0	0	252	278	Very Low Income	Very Low Income	
												Studio: 3 du	Studio: \$1,453	
												1 bd: 14 du	1 bd: \$1,660	
												2 bd: 8 du	2 bd: \$1,868	
												3 bd: 1 du	3 bd: \$2,075	
12	480 El Camino Real	Approved	Commercial (C)	N/A	Corridor Mixed Use (CMU)	130	0	0	0	9	9	Rents not calculated for market-rate units	Rents not calculated for market-rate units	
15	300 El Camino Real	In Review	Commercial (C)	N/A	Corridor Mixed Use (CMU)	130	0	0	0	14	14	Rents not calculated for market-rate units	Rents not calculated for market-rate units	
16	230 Broadway	In Review	Downtown Improvement Area (DIA)	N/A	Downtown Mixed Use (DMU)	50	0	0	0	6	6	Rents not calculated for market-rate units	Rents not calculated for market-rate units	
17	150 Serra Ave.	Approved	Transit Oriented Development (TOD)	80	Same as Previous	80	0	49	24	415	488	Low Income	Moderate Income	
												Studio: 2 du	Studio: \$1,743	
												1 bd: 21 du	1 bd: \$1,992	
												2 bd: 25 du	2 bd: \$2,241	
												3 bd: 1 du	3 bd: \$2,490	
												Low Income	Moderate Income	
18	130-140 El Camino Real	In Review	Transit Oriented Development (TOD)	80	Same as Previous	80	0	3	0	27	30	Low Income	Low Income	
												2 bd: 5 du	2 bd: \$2,241	
19	300 Millbrae, Bldg. 6A	Approved	Transit Oriented Development (TOD)	80	Same as Previous	80	24	55	0	0	79	Very Low Income	Low Income	
												Studio: 10 du	Studio: \$1,453	
												1 bd: 14 du	1 bd: \$1,660	
												1 bd: 31 du	1 bd: \$1,992	
20	300 Millbrae, Bldg. 5B	Approved	Transit Oriented Development (TOD)	80	Same as Previous	80	0	0	20	300	320	Moderate Income	Moderate Income	
												Studio: 7 du	Studio: \$3,196	
												1 bd: 7 du	1 bd: \$3,652	
												2 bd: 5 du	2 bd: \$4,109	
												3 bd: 1 du	3 bd: \$4,565	
23	450 Chadborne	Approved	Single Family Residential (R-1)	8.7	Same as Previous	8.7	0	0	0	1	1	Rents not calculated for market-rate units	Rents not calculated for market-rate units	
25	842 Clearfield	Approved	Single Family Residential (R-1)	8.7	Same as Previous	8.7	0	0	0	1	1	Rents not calculated for market-rate units	Rents not calculated for market-rate units	
26	990 Larkspur	Approved	Single Family Residential (R-1)	8.7	Same as Previous	8.7	0	0	0	1	1	Rents not calculated for market-rate units	Rents not calculated for market-rate units	
AVERAGE:				49.4		76	69	156	44	1,433	1,702			

¹ Health and Safety Code Section 50053 prescribes the methodology HCD uses to calculate affordable rent limits. Generally, the methodology involves calculating the product of 30% times the percentage corresponding to each income level (i.e. 50% for very low-, 60% for low-, and 110% for moderate-income households) of the area median income adjusted for family size appropriate for the unit. The City utilized the area median income provided in HCD's 2022 income limits for these calculations.

Source: City of Millbrae.

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In addition, four developments with 308 market-rate units (not including ADUs) were built since 2005 (See Table 7-5, Income Level Summary for Completed Developments Since 2005). While these developments did not include affordable units, they did demonstrate the City's track record in approving high-density development, which is a crucial element of this Site Inventory analysis.

Furthermore, the City approved the development of 13, 11, 11, and 7 ADUs affordable to very low-, low-, moderate-, and above moderate-income households, respectively. Table 7-5 lists the affordability levels for these four completed developments.

Table 7-5. Income Level Summary for Completed Developments Since 2005

Development Name	Address	Year Built	Units ¹			
			VLI	LI	Mod.	Ab. Mod.
88 South Broadway	88 South Broadway	2007	0	0	0	105
Belamor	151 El Camino Real	2010	0	0	0	142
Pinedera	120 S El Camino Real	2014	1	1	0	52
30 Hermosa	30 Hermosa	2021	0	0	0	9
Accessory Dwelling Units	Various Addresses	2019-2021	13	11	11	7
TOTAL			14	12	11	315

¹ The total units for the completed developments in this table will not correspond to the total 5th Cycle Planning RHNA permitted units, as it represents a different time period for completed developments. Please see Table 8-3 for information on approved projects and projects under review.

Source: City of Millbrae, 2019-2021 Annual Progress Reports.

To address affordable housing needs, it is important to note that the City adopted an Inclusionary Housing ordinance in 2021 requiring that all new residential development provide affordable units as part of the project or pay an in-lieu fee to be used to support affordable housing developments (to allow flexibility to developers). Additionally, the City adopted a Commercial In-Lieu fee in 2021 to be paid by all new commercial development projects to be used to support affordable housing projects to address affordable housing needs generated by new development. Chapter 3, Housing Constraints, describes these recent requirements.

7.3.3.2 Approval of Housing Units Approved/Entitled/Under Construction

A Large majority of submitted development projects continue to move forward to construction. One of the main reasons why a project may not move forward is the high cost of construction, which has risen dramatically over the past several years, along with higher interest rates.

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According to a report by the National Association of Home Builders (NAHB), the cost of construction has been increasing significantly over the past several years. The report shows that from 2015 to 2020, the cost of construction materials increased by over 30%, while the cost of labor increased by over 20% (NAHB, 2021). This increase in construction costs can make it challenging for developers to undertake new projects, particularly when they have limited access to capital.

In the City, many commercial property owners are family-owned. **As a result, the high cost of construction and interest rates play a more significant role in their decision to redevelop.** A report by the Urban Land Institute (ULI) shows that developers are increasingly relying on equity financing and other alternative sources of funding to overcome these challenges (ULI, 2019).

Additionally, many commercial properties in the City have been owned for generations and passed on to heirs with low property taxes and positive cash flow. As a result, heirs often have little appetite to take on additional risk, making it challenging to secure financing for redevelopment projects (ULI, 2019).

Case studies of development projects in the City illustrate these challenges. Of the projects in the pipeline, only two projects are still pending building permits – 150 Serra (Millbrae Serra Station) and 400 Chadborne. The former project has a 10-year development agreement with the City of Millbrae, which vests the entitlements to 2028. The development agreement also provides the developer an option to extend the development agreement an additional five years, to 2033.

The latter project, a new residential unit on a church property at 400 Chadborne, reportedly had difficulty with PG&E as they required utility upgrades for the church, which would be costly and not accounted for in their budget. Other projects that have received entitlements have submitted building permits, is currently under construction, or has recently been completed.

In conclusion, the high cost of construction and interest rates are barriers to development in the City, particularly for family-owned commercial properties with limited access to capital. Alternative sources of funding and innovative financing strategies may be necessary to overcome these challenges and facilitate the redevelopment of commercial properties in the City. In order to assist developers with the cost of construction, the City included the following programs to help mitigate the costs of construction:

- **HIP-18.** Encourage and Incentivize Accessory Dwelling Units (ADUs)
- **HIP-31.** Pursue State and Federal Funding for Affordable Housing
- **HIP-32.** Local Funding for Affordable Housing
- **HIP-35.** Assist with Development of Lower-Income Housing

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- **HIP-36.** Funding, Incentives, and Concessions for Extremely Low-Income Developments

7.3.3.3 Accessory Dwelling Units

Pursuant to California Government Code, Section 65583.1, the City will credit a total of 112 units during the 6th Cycle period toward its RHNA requirement through the potential development of ADUs. The production of ADUs has increased in the City since 2018 due to new State laws passed to spur the development of such units. Between 2018 and 2021, the City reported an average of 14 ADUs permitted each year. The ADUs were reported in Table A2 of the annual progress reports (APRs). Table 7-6, ADU Permits Issued, 2018–2021, details the number of ADUs that the City permitted during the 5th Cycle.

Table 7-6. ADU Permits Issued, 2018–2021

Year	VLI	LI	Mod.	Above Mod.	Total
2018	-	-	-	-	-
2019	5	5	4	4	18
2020	2	1	2	1	6
2021	6	5	5	2	18
TOTAL	13	11	11	7	42
Annual Average	4	4	4	2	14

Source: City of Millbrae, 2018-2021 Annual Progress Reports.

The HCD Site Inventory Guidebook directs that the trend in ADU construction since January 2018 can be used to estimate new production. Furthermore, resources and incentives that will encourage the development of ADUs can support a projection of further growth to the trend since 2018. The City first applied the trend in ADU permits in 2018 to estimate ADUs expected during the 6th Cycle. The City allocated projected ADUs to income categories in accordance with the information available for ADU permits issued between 2018 and 2021. Table 7-7, Potential ADU Production by Income Level (Using 30-30-30-10 Affordability Split), provides a summary of the 64 ADUs by income level.

Table 7-7. Potential ADU Production by Income Level (Using 30-30-30-10 Affordability Split)

Income Level	VLI	LI	Mod.	Above Mod.	Total
Projected Total Units	34	34	33	11	112

Source: City of Millbrae

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To support the development of ADUs, the City included Program HIP-18, Encourage and Incentivize Accessory Dwelling Units (ADUs). The program focuses on making information more accessible, looking for incentives (i.e. Pre-approved plans and reduced building permit fees., and monitoring the production and affordability of ADUs. Program HIP-18 will support the development of the estimated 112 ADUs for the 6th Planning Cycle. However, the program also includes the monitoring of production and affordability of ADUs to ensure that the Housing Element ADU assumptions are met and adjust actions, as appropriate.

7.3.4 Specific Plans

All of the sites in the Site Inventory are zoned to allow for residential development in some capacity. This includes zoning that exclusively allows residential development, mixed-use and planned development zoning that include residential, and transit-oriented zoning that requires a minimum of 15% of residential units to be affordable. HCD's Site Inventory Guidebook requires further analysis for sites located in specific plans or master plan areas. **Of the City's 26 sites, 22 are located in a specific plan area.** More specifically, 16 sites are located in the Downtown & El Camino Real Specific Plan (DECRSP) area, and six sites are located in the Millbrae Station Area Specific Plan (MSASP) area.

7.3.4.1 Millbrae Station Area Specific Plan (adopted in 1998 with multiple updates over 24 years)

The 16-acre MSASP governs development in the vicinity of the Bay Area Rapid Transit (BART)/Caltrain Millbrae Station (Millbrae Station), which opened in 2003. In 1998, the City prepared and adopted the MSASP with the intent of creating a compact, walkable area that is highly transit-oriented in preparation for the upcoming Millbrae Station. The MSASP allows residential densities of between 30 and 80 dwelling units to the acre and allows higher density with the provision of community benefits.

To date, three developments with 301 total units have been completed in the MSASP, and another three projects have been approved to be built during the 6th Cycle Planning Period with an additional 887 units, including 128 lower-income units. Furthermore, one project is undergoing review for the development of 30 units, including 5 low-income units.

7.3.4.2 Downtown and El Camino Real Specific Plan (Adopted on December 1, 2022)

As part of the 2040 General Plan update, the City adopted the DECRSP in December 2022, which includes all parcels adjacent to El Camino Real that are not already within the MSASP

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(see Figure 7-1, MSASP and DECRSP Boundaries). The DECRSP focuses on downtown and the El Camino Real corridor, which will undergo the majority of change and development in the City over the next couple of decades. The overall objective of the DECRSP is to provide the overarching policy framework and development regulations that are necessary to accommodate future housing needs and create a community with access to employment, transportation, goods, and services. To encourage the development of affordable and accessible housing near transit, the DECRSP area includes the following policies:

- **H-1:** Affordable housing requirement for residential development projects.
- **H-2:** Affordable housing commercial linkage impact fee
- **H-3:** Relocation assistance

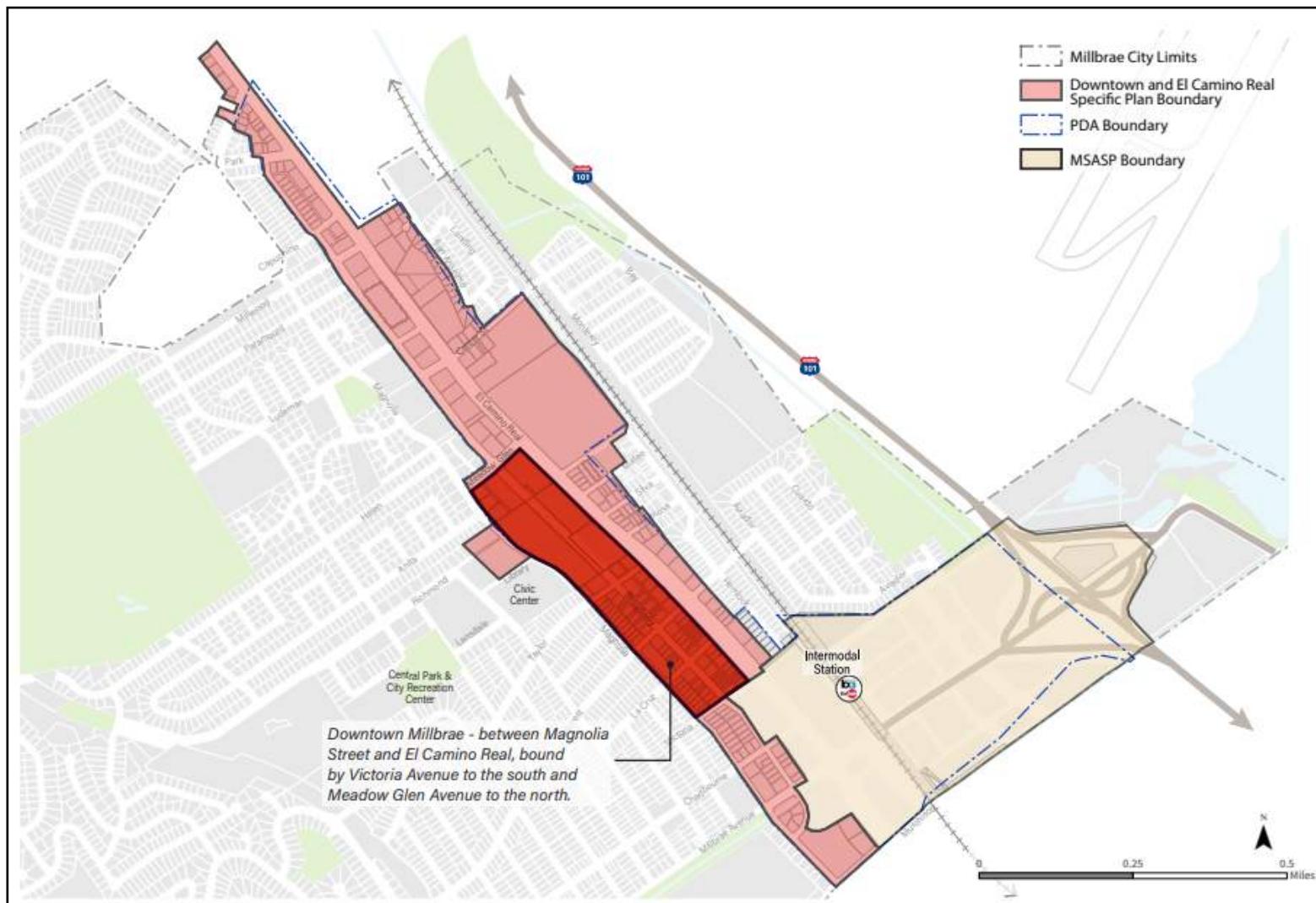
Additionally, the DECRSP includes multiple development standards and guidelines that encourage the development of higher-density residential developments, such as increased height allowances and higher allowable densities. The DECRSP allows residential densities of between 25 and 130 dwelling units per acre. Figure 7-1, MSASP and DECRSP Boundaries, provides a visual of the specific plan boundaries.

The public review draft of the DECRSP was released on June 16, 2022, and the final draft was adopted on December 1, 2022. During a meeting with HCD staff on July 29, 2022, the City confirmed that the increased density allowances and new zoning in the DECRSP could be utilized for the analysis of this Site Inventory as long as the DECRSP was approved before the beginning of the Association of Bay Area Government's 6th Cycle Planning Period, or January 31, 2023. The City approved the DECRSP on December 1, 2022 and has, therefore, utilized existing zoning and density allowances for the analysis of sites in this Site Inventory chapter, while including information on the previous zoning and densities.

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Figure 7-1. MSASP and DECRSP Boundaries



Source: City of Millbrae

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7.3.4.3 Specific Plan Area Sites

Pursuant to page 18 of HCD's Site Inventory Guidebook, the Housing Element must contain specific sites by parcel number (provided in Table 7-8, Specific Plan Area Sites, and in Appendix C) and demonstrate that the sites are available and suitable for development within the Planning Period, including the following:

- **Date of approvals and expiration dates.**
 - MSASP - was originally adopted in 1998 along with the General Plan, and ahead of the opening of the Millbrae Station (2003), was updated in 2016 and has been amended several times since. The MSASP has no expiration date, but it is envisioned that the final phase will conclude in 2035.
 - DECRSP - the public review draft was released on June 16th, 2022, and the adoption took place on December 2022, with no planned expiration date.
- **Approved or pending projects in the planning period, including anticipated affordability based on the actual or projected sale prices, rent levels, or other mechanisms establishing affordability in the planning period.**

All approved or pending projects are described below, with information on affordability levels and rents provided in Table 7-4.

- **MSASP**
 - Site 17 - 150 Serra Avenue (APNs 024-154-460, 024-337-010, -080, and -090): The Millbrae Serra Station mixed-use project was approved in 2019 and includes 488 units, of which 49 (10%) are low-income, and 24 (5%) are moderate-income units. Construction has not yet begun.
 - Site 18 - 130–140 El Camino Real (APN 024-335-150): 130 El Camino Real is currently under review for the development of 30 residential units, including three (10%) affordable to very low-income households.
 - Site 19 - 300 Millbrae (Bldg. 6A) (APN 024-181-080): the Gateway at Millbrae Station Building 6A affordable housing project received building permits in 2020 and includes 79 units, of which 100% are affordable. The project provides 24 (30%) and 55 (70%) units affordable to very low- and low-income veteran households, respectively. The project is currently under construction.
 - Site 20 - 300 Millbrae (Bldg. 5B) (APNs 024-180-350): the Gateway at Millbrae Station mixed-use project received building permits in 2019 and includes 320 units, of which 20 (6%) are affordable to moderate-income households. The project is currently under construction.

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- **DECRSP**

- Site 6 - 1100 El Camino Real (APN 021-324-320): the El Rancho Inn Redevelopment project was approved in 2022 and includes 384 residential units, of which 19 (5%) are affordable to very low-income households. The site will replace a motel and eight residential units for a net total of 376 residential units. Program HIP-13 in the Housing Plan will address the replacement of the eight units.
- Site 8 - 959 El Camino Real (APN 021-364-080): 959 El Camino Real was approved in 2022 and includes 278 units, of which 26 (9.6%) are affordable to very low-income households.
- Site 12 – 480 El Camino Real (APN 021-154-240): 480 El Camino Real was approved in 2020 and includes nine market-rate units.
- Site 15 – 300 El Camino Real (APN 024-154-240): 300 El Camino Real is under review for the development of 14 market-rate units.
- Site 16 – 230 Broadway (APN 024-152-180): 230 Broadway is under review for the development of six market-rate units. The site will replace a commercial building with one residential unit on the second story. Program HIP-13 in the Housing Plan will address the replacement of the unit.

More information about these projects, as well as above-moderate approved or pending projects, in the specific plan areas is provided in Table 7-8. Please see Section 7.6.2 for a detailed description of the Density Realism assumptions shown in Table 7-8.

It is important to note that three residential and mixed-use developments with a total of 301 market-rate units were completed in the MSASP since 2007 and one residential development with 9 market-rate units was completed in the DECRSP in 2016.

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Table 7-8. Specific Plan Area Sites (Necessary Steps for Entitlements Found in Chapter 3, Housing Constraints)

Site No.	APN	Address	Area (ac)	Previous ¹		Existing ¹		Density Realism ²	Units					SP Adoptn. Date ³	I:LV Ratio ⁴	Status	Dev. Agmt.	
				Zoning	Max Density	Zoning	Max Density		VLI	LI	Mod.	Above Mod.	Total					
1	021-278-010	1395 El Camino Real	0.60	Commercial (C)	N/A	Residential Mixed Use (RMU)	80	100%	-	-	48	-	48	DECRSP	N/A	0.12	Opportunity	N/A
3	021-291-020	1201 El Camino Real	0.54	Commercial (C)	N/A	Residential Mixed Use (RMU)	80	100%	-	-	43	-	43	DECRSP	N/A	0.18	Opportunity	N/A
4	021-292-030, 021-292-070	1121 El Camino Real; 1125 El Camino Real	1.12	Commercial (C)	N/A	Residential Mixed Use (RMU)	80	100%	-	-	88	-	88	DECRSP	N/A	0.86	Opportunity	N/A
5	021-324-310	1150 El Camino Real	0.55	Commercial (C)	N/A	Corridor Mixed Use (CMU)	130	85%	61	-	-	-	61	DECRSP	N/A	0.24	Opportunity	N/A
6	021-324-320	1100 El Camino Real	5.50	Commercial (C)	N/A	Corridor Mixed Use (CMU)	130	53%	19	-	-	357	376	DECRSP	N/A	2.32	Approved	Affordable Housing Requirement and Regulatory Agreement
7	021-362-310	979 Broadway	1.11	Planned Development (PD)	N/A	Residential Mixed Use (RMU)	80	100%	11	-	78	-	89	DECRSP	N/A	0.82	Opportunity	N/A
8	021-364-080	959 El Camino Real	1.81	Commercial (C)	N/A	Corridor Mixed Use (CMU)	130	118%	26	-	-	252	278	DECRSP	N/A	1.95	Approved	Affordable Housing Requirement and Regulatory Agreement
9	021-420-220	West of Magnolia Ave. and Library Ave.	3.11	Planned Development (PD)	N/A	Residential Mixed Use (RMU)	80	100%	50	38	60	100	248	DECRSP	N/A	0.06	Opportunity	N/A
10	021-420-110	537 Broadway	5.63	Planned Development (PD)	N/A	Corridor Mixed Use (CMU)	130	85%	110	65	-	449	624	DECRSP	N/A	2.45	Opportunity	N/A
11	021-420-130	0	2.20	Planned Development (PD)	N/A	Corridor Mixed Use (CMU)	130	85%	80	40	-	124	244	DECRSP	N/A	0.05	Opportunity	N/A
12	021-314-100	480 El Camino Real	0.13	Commercial (C)	N/A	Corridor Mixed Use (CMU)	130	53%	-	-	-	9	9	DECRSP	N/A	0.00	Approved	N/A
13	024-123-190, 024-123-200	450 El Camino Real; 460 El Camino Real	0.88	Commercial (C)	N/A	Corridor Mixed Use (CMU)	130	85%	85	12	-	-	97	DECRSP	N/A	0.04	Opportunity	N/A
14	024-123-130, 024-123-140	400 El Camino Real; 420 El Camino Real	0.84	Commercial (C)	N/A	Corridor Mixed Use (CMU)	130	85%	92	-	-	-	92	DECRSP	N/A	0.44	Opportunity	N/A

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Table 7-8 (Continued)

Site No.	APN	Address	Area (ac)	Previous ¹		Existing ¹		Density Realism ²	Units					SP Adoptn. Date ³	I:LV Ratio ⁴	Status	Dev. Agmt.	
				Zoning	Max Density	Zoning	Max Density		VLI	LI	Mod.	Above Mod.	Total					
15	024-154-240	300 El Camino Real	0.12	Commercial (C)	N/A	Corridor Mixed Use (CMU)	130	93%	-	-	-	14	14	DECRSP	N/A	4.93	In Review	N/A
16	024-152-180	230 Broadway	0.05	Downtown Improvement Area (DIA)	N/A	Downtown Mixed Use (DMU)	50	200%	-	-	-	5	5	DECRSP	N/A	0.33	In Review	N/A
17	024-154-460, 024-337-010, 024-337-080, 024-337-090	150 Serra Ave.	3.60	Transit Oriented Development (TOD)	80	Same as Previous	80	169%	-	49	24	415	488	MSASP	11/24/98	0.25	Approved	Development Agreement
18	024-335-150	130-140 El Camino Real	0.23	Transit Oriented Development (TOD)	80	Same as Previous	80	164%	-	3	-	27	30	MSASP	11/24/98	0.21	In Review	Affordable Housing Requirement and Regulatory Agreement
19	024-181-080	300 Millbrae, Bldg. 6A	0.54	Transit Oriented Development (TOD)	80	Same as Previous	80	183%	24	55	-	-	79	MSASP	11/24/98	0.00	Approved	Affordable Housing Requirement and Regulatory Agreement
20	024-180-350	300 Millbrae, Bldg. 5B	2.68	Transit Oriented Development (TOD)	80	Same as Previous	80	149%	-	-	20	300	320	MSASP	11/24/98	0.67	Approved	Affordable Housing Requirement and Regulatory Agreement
21	024-334-150	39 El Camino Real	0.57	Residential Mixed Use (RMU)	60	Same as Previous	60	100%	-	-	34	-	34	MSASP	11/24/98	0.50	Opportunity	N/A
22	024-334-020, 024-334-030	15 El Camino Real; 9 El Camino Real	0.61	Residential Mixed Use (RMU)	60	Same as Previous	60	100%	-	-	36	-	36	MSASP	11/24/98	0.39	Opportunity	N/A
24	024-344-090	95 Murchison Dr.	3.10	Commercial (C)	N/A	Corridor Mixed Use (CMU)	130	85%	80	45	-	219	344	DECRSP	N/A	0.79	Opportunity	N/A
TOTAL									638	307	431	2,271	3,647					

¹ The City adopted the Downtown and El Camino Real Specific Plan (DECRSP) as part of the 2040 General Plan in December 2022. The DECRSP rezoned parcels within its specific plan area to allow for increased densities. The City is using the existing zoning and densities for purposes of this analysis and showing the previous zoning for background, as allowed by HCD during a meeting with staff on July 29, 2022. See Section 7.3.4.2 of this Sites Inventory chapter for more information.

² For pending and entitled developments (Sites 6, 8, 12, and 15-20), "Density Realism" is based on the proposed development. For other sites, "Density Realism" is an assumption based on realized density of recent and proposed developments.

³ Neither of the specific plans have an expiration date. However, the MSASP does envision three phases of development with the final phase concluding in 2035.

⁴ The Improvement to Land Value Ratio represents a comparison of a parcel's improvement value to the land value. Typically, a low ratio would indicate a low improvement value in comparison to the value of the land, which can point to a need for development of improvement.

Source: City of Millbrae.

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- **Describe necessary approvals or steps for entitlements for new development (e.g., design review, site plan review, etc.).**

Chapter 3, Housing Constraints, of this Housing Element provides detailed information on the process for approval for entitlements for new development, including within the specific plan areas. Every application for a permit for the construction, alteration, or exterior modification (except for minor alterations and modifications) of a building is subject to a design review permit in the City. The design review application materials are evaluated by planning staff, and then the Planning Commission, who must make the findings which are codified in the Zoning Ordinance, for approval. Within the MSASP, an applicant may enter into a development agreement with the City to provide community benefits in exchange for increased building allowances, such as Floor Area Ratio (FAR) and residential density.

- **Describe any development agreements, and conditions or requirements such as phasing or timing requirements that impact development in the Planning Period.**

Within the MSASP, applicants prepare and submit a submittal package for design review that includes, but is not limited to a conceptual development plan, a phasing plan, a precise development plan, and a transportation demand management plan – all of which are reviewed by the Planning Commission and is subject to findings that are codified in the Zoning Ordinance. If the applicant seeks additional FAR and/or density allowances beyond those provided under density bonus law, a development agreement is also required, wherein the community benefits are outlined.

7.3.5 Infrastructure Availability - Site Access to Water, Sewer, and Dry Utilities

7.3.5.1 Water and Sewer

An analysis of water and sewer capacity was conducted by a licensed utility engineer with Harris and Associates by reviewing the Urban Water Management Plans for the San Francisco Public Utilities Commission (SFPUC) and the Regional Water System (RWS).

The City receives wholesale water from SFPUC and distributes it to approximately 23,000 residents. Following the distribution process, Millbrae collects and treats all wastewater generated. The City operates a municipal water system, with the boundaries of the service area coterminous with the City limits. **Water distribution and wastewater treatment are accessible to all 26 sites in the Housing Element Sites Inventory.**

Millbrae is essentially built out (i.e., little to no vacant land), with the expectation of a handful of development and redevelopment projects that have been planned in Millbrae Station (as a part

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of the MSASP). As a result, the City's population is projected to increase at a relatively steady pace from 22,832 in 2020 to 27,605 in 2045.

As stated in the 2020 Urban Water Master Plan, the City of Millbrae has an Individual Supply Guarantee with SFPUC for 3.15 Million Gallons of Water per day (MGD) for a total annual quantity of 1,150 Million Gallons. During normal water supply periods the City does not anticipate water supply shortages until the year 2045 (See Figure 7-2, Normal Year Supply and Demand Comparison).

SFPUC has adequate water supplies to meet demands during the Housing Element 6th Cycle Planning Period. However, as shown in Figure 7-3, Consecutive Dry Year Supply and Demand Comparison, during single and multiple dry years throughout the City's 25-year General Plan Planning Period the City's supply will be cut back drastically.

Figure 7-2. Normal Year Supply and Demand Comparison

	2025	2030	2035	2040	2045
Supply total (MG)	1,150	1,150	1,150	1,150	1,150
Demand total (MG)	835	913	896	1,029	1,170
Difference (MG)	315	237	254	121	(20)

Source: City of Millbrae 2020 UWMP, Table 7-5

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Figure 7-3. Consecutive Dry Year Supply and Demand Comparison

		2025	2030	2035	2040	2045
First year	Supply totals	533	580	569	653	635
	Demand totals	835	913	896	1,029	1,170
	Difference	(302)	(333)	(327)	(376)	(535)
Second year	Supply totals	456	500	489	558	635
	Demand totals	835	913	896	1,029	1,170
	Difference	(379)	(413)	(407)	(471)	(535)
Third year	Supply totals	456	500	489	558	635
	Demand totals	835	913	896	1,029	1,170
	Difference	(379)	(413)	(407)	(471)	(535)
Fourth year	Supply totals	456	500	489	493	540
	Demand totals	835	913	896	1,029	1,170
	Difference	(379)	(413)	(407)	(536)	(630)
Fifth year	Supply totals	456	500	445	493	540
	Demand totals	835	913	896	1,029	1,170
	Difference	(379)	(413)	(451)	(536)	(630)

Source: City of Millbrae 2020 UWMP, Table 7-7

The City and SFPUC, through the Bay Area Water Supply and Conservation Agency's (BAWSCA) Long-Term Water Supply Strategy will continue aggressive water conservation efforts, increased use of recycled water to offset potable water demand, development of groundwater sources within the SFPUC service area, and participation in new water supply projects to ensure supplies continue to meet current and projected demands.

The existing gravity collection system is comprised of approximately 55 miles of gravity sewers, ranging in diameters between 6 and 36 inches. The majority of the system (83%) is composed of vitrified clay pipe.

The Water Pollution Control Plant (WPCP) is located on the northeast corner of US Highway 101 and Millbrae Avenue. The wet weather hydraulic and treatment capacity of the WPCP is 9.0 MGD, and it has approximately 1.3 million gallons of flow equalization that allow the WPCP to accept up to 14.0 MGD during storms.

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The City completed a Capacity Assurance Report (CAR) for its wastewater collection system in June 2012. The results of the CAR indicated that the City's collection system has adequate hydraulic capacity for Average Dry Weather Flow and Peak Dry Weather Flow conditions. The hydraulic evaluation in the CAR indicated that under design storm Peak Wet Weather Flow conditions, several portions of the City's collection system provided insufficient capacity to convey flow without SSOs. In addition to gravity mains at various locations throughout the City, the Madrone Pump Station, and its associated force main, and the WPCP were found to be hydraulically insufficient for the design storm, potentially requiring capacity improvements and the installation of wet weather storage. Improvement projects were identified and detailed in the CAR and the Wet Weather Alternatives Analysis Final Report of November 2014.

Given the age of the CAR (> 10 years) and the projects identified in the report, the City should have adequate hydraulic capacity at present and into the future if the City implements the identified projects over the expected analysis period of the report (approximately out to the year 2035).

Government Code, Section 65589.7 (a) requires that any "housing element adopted by the legislative body and any amendments made to that element [be] immediately delivered to all public agencies or private entities that provide water or sewer services for municipal and industrial uses, including residential, within the territory of the legislative body." Pursuant to this requirement, the City will immediately deliver the Housing Element to the agencies providing water and sewer services. The City will include a cover memo describing the Housing Element, including Millbrae's housing needs and regional housing need.

7.3.5.2 Dry Utilities

Within the City, electrical and natural gas service is provided by Pacific Gas & Electric. Refuse and recyclable collection is provided by the City under contract with South San Francisco Scavenger Company. Additional dry utilities include telecommunications providers and cable providers. No information is available regarding meeting customer demands for these utilities.

However, all 26 sites in the Housing Element Sites Inventory have access to all dry utilities.

7.3.6 Maps of Sites

The City compiled, organized, and mapped the entire Site Inventory data into a series of maps, shown as Figures 7-4 through 7-7, Site Inventory Maps.

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7.4 Sites to Accommodate Moderate-Income Housing

AB 725 (2020) requires housing elements due after January 1, 2022 (metropolitan and suburban jurisdictions) to allocate 25% of their RHNA numbers for moderate- and above moderate-income housing to sites with zoning that allows at least four units of housing, with moderate-income sites being capped at a density of 100 units per acre. The Site Inventory was prepared in adherence to these requirements.

The City has two approved projects containing moderate-income units that are currently zoned Transit Oriented Development (TOD), which allows for up to 80 dwelling units per acre. Because these sites are for approved projects and the current zoning has a cap of 80 dwelling units/acre, these sites are in compliance with AB 725 requirements. Additionally, all “opportunity” sites, or sites without currently pending or approved projects, have a maximum density of 80 units/acre. Please see below for more information.

The City’s moderate-income units are allocated to a total of nine sites, all of which allow (with the adoption of the DECRSP) at least four units of housing per parcel and a density of up to 80 units per acre depending on the site (with the exception of the two sites with approved developments including moderate units that are currently zoned for a maximum of 80 units/acre but will be rezoned for a maximum of 130 units/acre per the approved developments).

Site and zoning breakdown for the moderate-income units is as follows:

- **Two sites with approved projects:**
 - Site 17 - 150 Serra Avenue (APNs 024-154-460, 024-337-010, -080, and -090): Located in the MSASP, the site is currently zoned for Transit Oriented Development (TOD), which allows for up to 80 dwelling units per acre.
 - Site 20 - 300 Millbrae (Bldg. 5B) (APNs 024-180-350): Located in the MSASP, the site is currently zoned for Transit Oriented Development (TOD), which allows for up to 80 dwelling units per acre.
- **Seven opportunity sites with no planned projects, but appropriate for development:**
 - Site 1 – 1395 El Camino Real (APN 021-278-010): Located in the DECRSP, the site was previously zoned for Commercial (C) development, which does not explicitly allow for residential development so there is no minimum or maximum density for residential units. However, developers can obtain approval for residential development by utilizing a CUP. Furthermore, the site was rezoned to Residential Mixed Use (RMU) zoning with the adoption of the DECRSP, which took place on December 1, 2022. Residential Mixed Use (RMU) zoning allows for the development of up to 80 dwelling units per acre.

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- Site 3 – 1201 El Camino Real (APN 021-291-020): Located in the DECRSP, the site was previously zoned for Commercial (C) development which does not explicitly allow for residential development so there is no minimum or maximum density for residential units. However, this property was rezoned for Residential Mixed Use (RMU) development with the adoption of the DECRSP on December 1, 2022. Residential Mixed Use (RMU) zoning allows for the development of up to 80 dwelling units per acre.
- Site 4 – 1121 & 1125 El Camino Real (021-292-030 & -070): Located in the DECRSP, the site was previously zoned for Commercial (C) development which does not explicitly allow for residential development so there is no minimum or maximum density for residential units. However, this property was rezoned for Residential Mixed Use (RMU) development with the adoption of the DECRSP on December 1, 2022. Residential Mixed Use (RMU) zoning allows for the development of up to 80 dwelling units per acre.
- Site 7 – 979 Broadway (APN 021-362-310): Located in the DECRSP, the site was previously zoned for Planned Development (PD) development, which does not have specific density allowances for residential developments but any use consistent with the Millbrae General Plan would be permitted, provided the use exists and it is approved by Planning Commission. However, the site was rezoned to Residential Mixed Use (RMU) zoning with the adoption of the DECRSP on December 1, 2022. Residential Mixed Use (RMU) zoning allows for the development of up to 80 dwelling units per acre.
- Site 9 – West of Magnolia Ave. and Library Ave. (APN 021-420-220): Located in the DECRSP, the site was previously zoned for Planned (PD) development which does not have specific density allowances for residential developments but any use consistent with the Millbrae General Plan would be permitted, provided the use exists and it is approved by City Council. However, the site was rezoned to Residential Mixed Use (RMU) zoning with the adoption of the DECRSP on December 1, 2022. Residential Mixed Use (RMU) zoning allows for the development of up to 80 dwelling units per acre.
- Site 21 – 39 El Camino Real (APN 024-334-150): Located in the MSASP, the site is currently zoned for Residential Mixed Use (RMU) development, which allows for up to 60 dwelling units per acre in the MSASP area. The RMU zoning allows up to 80 dwelling units per acre if community benefits are provided.
- Site 22 – 15 El Camino Real; 9 El Camino Real (APNs 024-334-020 & -030): Located in the MSASP, the site is currently zoned for Residential Mixed Use (RMU)

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development, which allows for up to 60 dwelling units per acre in the MSASP area. The RMU zoning allows up to 80 dwelling units per acre if community benefits are provided.

Table 7-9, Moderate Income Sites, further illustrates the breakdown of the moderate-income sites for both approved projects and opportunity sites.

Table 7-9. Moderate Income Sites

Site No.	APN	Address	Previous ¹		Existing ¹		Units					SP Area	Status
			Zoning	Max Density	Zoning	Max Density	VLI	LI	Mod.	Above Mod.	Total		
1	021-278-010	1395 El Camino Real	Commercial (C)	N/A	Residential Mixed Use (RMU)	80	-	-	48	-	48	DECRSP	Opportunity
3	021-291-020	1201 El Camino Real	Commercial (C)	N/A	Residential Mixed Use (RMU)	80	-	-	43	-	43	DECRSP	Opportunity
4	021-292-030, 021-292-070	1121 El Camino Real; 1125 El Camino Real	Commercial (C)	N/A	Residential Mixed Use (RMU)	80	-	-	88	-	88	DECRSP	Opportunity
7	021-362-310	979 Broadway	Planned Development (PD)	N/A	Residential Mixed Use (RMU)	80	11	-	78	-	89	DECRSP	Opportunity
9	021-420-220	West of Magnolia Ave. and Library Ave.	Planned Development (PD)	N/A	Residential Mixed Use (RMU)	80	50	38	60	100	248	DECRSP	Opportunity
17	024-154-460, 024-337-010, 024-337-080, 024-337-090	150 Serra Ave.	Transit Oriented Development (TOD)	80	Same as Previous	80	-	49	24	415	488	MSASP	Approved
20	024-180-350	300 Millbrae, Bldg. 5B	Transit Oriented Development (TOD)	80	Same as Previous	80	-	-	20	300	320	MSASP	Approved
21	024-334-150	39 El Camino Real	Residential Mixed Use (RMU)	60	Same as Previous	60	-	-	34	-	34	MSASP	Opportunity
22	024-334-020, 024-334-030	15 El Camino Real; 9 El Camino Real	Residential Mixed Use (RMU)	60	Same as Previous	60	-	-	36	-	36	MSASP	Opportunity
TOTAL							61	87	431	815	1,394		

¹ The City adopted the Downtown and El Camino Real Specific Plan (DECRSP) as part of the 2040 General Plan in December 2022. The DECRSP rezoned parcels within its specific plan area to allow for increased densities. The City is using the existing zoning and densities for purposes of this analysis and showing the previous zoning for background, as allowed by HCD during a meeting with staff on July 29, 2022. See Section 7.3.4.2 of this Sites Inventory chapter for more information.

Source: City of Millbrae

The City will credit the following moderate-income units toward the RHNA:

- **Entitled and Pending Projects: 44 units** (see Table 7-3, Entitled and Pending Development Applications, for more details).
- **Potential ADUs over 8-year Planning Period: 33 units** (per Table 7-7, Potential ADU Production by Income Level (30-30-30-10 Split), the average of 14 ADUs permitted annually is multiplied by 8 for the number of years in the 6th Cycle Planning Period and

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divided using a 30-30-30-10 split for very low-, low-, moderate-, and above moderate-income, respectively. This calculation yields a total of 112 ADUs for the 6th Cycle Planning Period, with 33 being affordable for moderate-income households.

7.5 Sites to Accommodate Low and Very Low- Income RHNA

7.5.1 Sites Used in Previous Planning Periods' Housing Elements

7.5.1.1 Legal Requirements

Per Assembly Bill 1397 and as stated in the Site Inventory Guidebook (Part B, page 11), sites that were used in the previous Planning Periods' Housing Elements are required to satisfy certain conditions to be designated for lower-income units in the current Planning Period's Site Inventory. Any non-vacant sites included in the 5th Cycle Housing Element and any vacant sites included in both the 4th and 5th Cycle Housing Elements must meet the following criteria in order to be eligible to be counted toward the City's lower-income housing capacity, the following must apply:

- The sites must be designated in the Site Inventory (Appendix C); and
- Page 12 of the HCD Housing Element Site Inventory Guidebook also requires that if sites have been used in previous housing elements, the Housing Element must include *“a program in the housing element requiring rezoning within 3 years of the beginning of the Planning Period to allow residential use by right at specified densities (see Step 2) for housing developments in which at least 20% of the units are affordable to lower-income households. This program can be an overlay on these specific sites. Please be aware that the intent of this requirement is to further incentivize the development of housing on sites that have been available over one or more Planning Periods. The application of the requirement should not be used to further constrain the development of housing. As such, housing developments that do not contain the requisite 20% would still be allowed to be developed according to the underlying (base) zoning but would not be eligible for “by right” processing. However, the jurisdiction would have to make findings on the approval of that project pursuant to No Net Loss Law (Government Code section 65863) and proceed to identify an alternative site or sites pursuant to that law. Sites where zoning already permits residential “use by right” as set forth in Government Code section 65583.2 (i) at the beginning of the Planning Period would be considered to meet this requirement.”*

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HCD defines “use by right” as meaning:

- The jurisdiction shall not require a conditional use permit.
- The jurisdiction shall not require a planned unit development permit.
- The jurisdiction shall not require other discretionary, local-government review or approval that would constitute a “project” as defined in Section 21100 of the Public Resources Code (California Environmental Quality Act).
- The jurisdiction may provide that “use by right” does not exempt the use from design review. However, that design review shall not constitute a “project” for purposes of Division 13 (commencing with Section 21000) of the Public Resources Code. Use by right for all rental multifamily residential housing shall be provided in accordance with subdivision (f) of Section 65589.5.

7.5.1.2 Non-Vacant, Lower-Income Sites Used in a Previous Planning Period

Sites 16, 21, and 22 in the 6th Cycle Site Inventory were also identified in the 5th Cycle Housing Element Site Inventory. *All three sites are non-vacant and have been designated for moderate and above moderate-income units.* Because none of the sites designated for lower-income units were in the 5th Cycle Site Inventory, they are not subject to the requirements applicable to sites used in previous periods’ Housing Elements.

In addition to the Site Inventory table in Appendix C, Table 7-10, Site Summary and Suitability of Lower-Income Sites, shows the non-vacant sites that were previously included in the 5th Cycle Housing Element (See Sites 16, 21, and 22).

7.5.2 Zoning Appropriate to Accommodate Low- and Very Low-Income RHNA

The HCD Site Inventory Guidebook restricts the designation of sites for lower-income units to properties allowing at least 30 units per acre (for a “jurisdiction in a metropolitan county,” the designation that applies to the City).

All lower-income sites are identified in Table 7-10, Site Summary and Suitability of Lower-Income Sites. The Site Inventory identifies 996 total potential lower-income housing units on 14 sites that are suitable for lower-income housing development, based on the criteria established by State law and HCD with special considerations described below:

- All the lower-income units are currently attributed to sites zoned for Commercial (C), Planned Development (PD), and Transit Oriented Development (TOD).

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- Sites zoned for Commercial (C) do not specifically allow for residential development without a Conditional Use Permit (CUP). Similarly, Planned Development (PD) zoning does not have specific density allowances for residential developments but allows for any use consistent with the Millbrae General Plan to be permitted.
- However, all lower-income sites except two were rezoned to Corridor Mixed Use (CMU) or Residential Mixed Use (RMU) through either the DECRSP or as part of a pending or approved development project. Sites 2 and 18 both have pending or approved residential development projects and are not slated for rezoning - Site 2 will remain Commercial (C) and Site 18 will remain Planned Development (PD).
- Transit Oriented Development (TOD) sites allow for up to 80 units per acre without a minimum density.

More specifically, the following provides detail on the previous and existing zoning for all lower-income sites:

- **Seven (7) of the 14 lower-income sites were zoned for Commercial use.** (Sites 2, 5, 6, 8, 13, 14 and 24). **Six of these seven** (Sites 5, 6, 8, 13, 14 and 24) **were rezoned as Corridor Mixed Use (CMU) through the DECRSP, allowing for a density of up to 130 units per acre. In addition, three of the seven lower income sites have pending or approved projects including lower income units and the developer obtained a CUP due to the Commercial zoning designation.**

Site 8 has an *approved* development project where the developer obtained a CUP which demonstrates that the City's CUP process does not present a constraint to housing development, even affordable housing development). The remaining two sites zoned for Commercial have approved development projects – one is undergoing a zone change and one is an SB 35 project. More detail is provided below:

- **Site 2** is currently in review for a proposed project that includes 99 multifamily units (49 low-income, 50 above moderate). This project qualifies for SB 35 streamlining in which a CUP cannot be required.
- **Site 6** is currently an approved pipeline project that includes 376 units (19 very low, 357 above moderate). This project is currently undergoing a zone change to Corridor Mixed Use (CMU) with a maximum density of 130 units per acre and a minimum density of 70 units per acre.
- **Site 8** is currently an approved pipeline project that includes 278 units (26 very low, 252 above moderate). This project was approved through a CUP and is currently

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undergoing a zone change to Corridor Mixed Use (CMU) with a maximum density of 130 units per acre and a minimum of 70 units per acre.

- **Four (4) of the 14 lower-income sites were zoned for Planned Development (PD)** (Sites 7, 9, 10 and 11) which allows developers to adopt any use consistent with the Millbrae General Plan. However, these sites were rezoned through the DECRSP in the following manner:
 - **Sites 7 and 9** were rezoned to Residential Mixed Use (RMU) with a maximum density of 80 units per acre and a minimum of 60 units per acre.
 - **Sites 10 and 11** were rezoned Corridor Mixed Use (CMU) with a maximum density of 130 units per acre and a minimum density of 70 units per acre .
- **The three (3) remaining lower-income sites (of the 14) are zoned Transit Oriented Development (TOD)** (Sites 17, 18 and 19) and all have approved or proposed residential projects that include lower income units consisting of the following:
 - **Site 17** is currently an *approved* pipeline project that includes up to 488 units (49 low-income, 24 moderate income and 415 above moderate). **Site 18** is currently *in review* for a proposed project that includes 30 units (3 low-income, 27 above moderate).

Site 19 is currently an approved pipeline project that includes 79 units (24 very low-income, 55 low-income). The City adopted the DECRSP on December 1, 2022. **Program HIP-17 will ensure that all lower-income sites in the DECRSP are zoned to allow at least 30 units per acre, as required by State law. Bringing these sites into compliance will ensure that all 6th Cycle Site Inventory sites comply with this requirement.**

Details on lower-income sites are available in the Site Inventory table in Appendix C, as well as Table 7-10 below.

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Table 7-10. Site Summary (All Sites) and Suitability of Lower-Income Sites

Site No.	Stat.	Address	APN	Area (ac)	Previous		Existing		Density Realism ²	# of Units					Existing Use	Bldg. Age	5th Cycle Non-Vacant Site? ³	I:LV Ratio	Reasons for Selection	Method of Affordability
					Zon.	Max Den. ¹	Zon.	Max Den.		VLI	LI	Mod.	Above Mod.	Total						
SITES WITH LOWER AND MODERATE INCOME UNITS																				
1	Opp.	1395 El Camino Real	021-278-010	0.60	C	N/A	RMU	80	100%	-	-	48	-	48	Shopping Center	N/A	No	0.12	Rezoned to RMU (proposed max. density of 80 du/ac); I:LV ratio of 0.12; in Priority Development Area (PDA) ⁴ ; Access to high-quality public transit, jobs, and services	N/A
2	IR	1301 Broadway	021-276-330	0.67	C	N/A	Same as Previous	N/A	N/A	-	49	-	50	99	Dental Office	N/A	No	0.02	Pipeline project undergoing review	Density Bonus
3	Opp.	1201 El Camino Real	021-291-020	0.54	C	N/A	RMU	80	100%	-	-	43	-	43	Tire Shop	N/A	No	0.18	Rezoned to RMU (proposed max. density of 80 du/ac); I:LV ratio of 0.18; 50% parking lot; in PDA; Access to high-quality public transit, schools, jobs, and services	N/A
4	Opp.	1121 El Camino Real; 1125 El Camino Real	021-292-030, 021-292-070	1.12	C	N/A	RMU	80	100%	-	-	88	-	88	Tire Shop, Shopping Center	N/A	No	0.86	Rezoned to RMU (proposed max. density of 80 du/ac); I:LV ratio of 0.86; 40% parking lot; in PDA; Access to high-quality public transit, schools, jobs, and services	N/A
5	Opp.	1150 El Camino Real	021-324-310	0.55	C	N/A	CMU	130	85%	61	-	-	-	61	Parking Lot	N/A	No	0.24	Rezoned to CMU (proposed max. density of 130 du/ac); I:LV ratio of 0.24; 100% parking lot; in PDA; Access to high-quality public transit, schools, jobs, and services	N/A
6	App.	1100 El Camino Real	021-324-320	5.50	C	N/A	CMU	130	53%	19	-	-	357	376	Motel	N/A	No	2.32	Approved for development	Inclusionary Housing; Density bonus
7	Opp.	979 Broadway	021-362-310	1.11	PD	N/A	RMU	80	100%	11	-	78	-	89	Shopping Center	N/A	No	0.82	Rezoned to RMU (proposed max. density of 80 du/ac); I:LV ratio of 0.82; on Loopnet for lease; in PDA; Access to high-quality public transit, schools, jobs, and services	N/A
8	App.	959 El Camino Real	021-364-080	1.81	C	N/A	CMU	130	118%	26	-	-	252	278	Former Retail, Vacant	N/A	No	1.95	Approved for development	Density Bonus
9	Opp.	West of Magnolia Ave. and Library Ave.	021-420-220	3.11	PD	N/A	RMU	80	100%	50	38	60	100	248	Parking Lot	N/A	No	0.06	Rezoned to RMU (proposed max. density of 80 du/ac); I:LV ratio of 0.06; 100% parking lot; Property owner interest in redevelopment; in PDA; Access to high-quality public transit, schools, jobs, and services	N/A

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Table 7-10. (Continued)

Site No.	Stat.	Address	APN	Area (ac)	Previous		Existing		Density Realism ²	# of Units					Existing Use	Bldg. Age	5th Cycle Non-Vacant Site? ³	I:LV Ratio	Reasons for Selection	Method of Affordability
					Zon.	Max Den. ¹	Zon.	Max Den.		VLI	LI	Mod.	Above Mod.	Total						
SITES WITH LOWER AND MODERATE INCOME UNITS																				
10	Opp.	537 Broadway	021-420-110	5.63	PD	N/A	CMU	130	85%	110	65	-	449	624	Shopping Center	N/A	No	2.45	Rezoned to CMU (proposed max. density of 130 du/ac); Property owner interest in redevelopment; in PDA; Access to high-quality public transit, schools, jobs, and services	N/A
11	Opp.	N/A	021-420-130	2.20	PD	N/A	CMU	130	85%	80	40	-	124	244	Parking Lot	N/A	No	0.05	Rezoned to CMU (proposed max. density of 130 du/ac); I:LV ratio of 0.05; 100% parking lot; Property owner interest in redevelopment; in PDA; Access to high-quality public transit, schools, jobs, and services	N/A
13	Opp.	450 El Camino Real; 460 El Camino Real	024-123-190, 024-123-200	0.88	C	N/A	CMU	130	85%	85	12	-	-	97	Storage Facility	N/A	No	0.04	Rezoned to CMU (proposed max. density of 130 du/ac); I:LV ratio of 0.04; 50% parking lot; in PDA; Access to high-quality public transit, schools, jobs, and services	N/A
14	Opp.	400 El Camino Real; 420 El Camino Real	024-123-130, 024-123-140	0.84	C	N/A	CMU	130	85%	92	-	-	-	92	Parking Lot, Fast Food	N/A	No	0.44	Rezoned to CMU (proposed maximum density of 130 du/ac); I:LV ratio of 0.44; 75% parking lot; in PDA; Access to high-quality public transit, schools, jobs, and services	N/A
17	App.	150 Serra Ave.	024-154-460, 024-337-010, 024-337-080, 024-337-090	3.60	TOD	80	Same as Previous	80	169%	-	49	24	415	488	Commercial Buildings	N/A	No	0.25	Approved for development	Development Agreement; Inclusionary Housing
18	IR	130-140 El Camino Real	024-335-150	0.23	TOD	80	Same as Previous	80	164%	-	3	-	27	30	Medical Office	N/A	No	0.21	Pipeline project undergoing review	Density Bonus
19	App.	300 Millbrae, Bldg. 6A	024-181-080	0.54	TOD	80	Same as Previous	80	183%	24	55	-	-	79	Parking Lot	N/A	No	0.00	Approved for development	Deed Restriction
20	App.	300 Millbrae, Bldg. 5B	024-180-350	2.68	TOD	80	Same as Previous	80	149%	-	-	20	300	320	Parking Lot	N/A	No	0.67	Approved for development	Deed Restriction

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Table 7-10. (Continued)

Site No.	Stat.	Address	APN	Area (ac)	Previous		Existing		Density Realism ²	# of Units					Existing Use	Bldg. Age	5th Cycle Non-Vacant Site? ³	I:LV Ratio	Reasons for Selection	Method of Affordability
					Zon.	Max Den. ¹	Zon.	Max Den.		VLI	LI	Mod.	Above Mod.	Total						
SITES WITH LOWER AND MODERATE INCOME UNITS																				
21	Opp.	39 El Camino Real	024-334-150	0.57	RMU	60	Same as Previous	60	100%	-	-	34	-	34	Inactive Retail	N/A	Yes - Mod. Income Only	0.50	Currently zoned RMU (Existing max. density of 60 du/ac); I:LV ratio of 0.50; 50% parking lot; Theater for sale and at least 2 vacancies in center; Access to high-quality public transit	N/A
22	Opp.	15 El Camino Real; 9 El Camino Real	024-334-020, 024-334-030	0.61	RMU	60	Same as Previous	60	100%	-	-	36	-	36	Shopping Center	N/A	Yes - Mod. Income Only	0.39	Currently zoned RMU (existing max. density of 60 du/ac); I:LV ratio of 0.39; 35% parking lot; on Loopnet for lease; Access to high-quality public transit	N/A
24	Opp.	95 Murchison Dr.	024-344-090	3.10	C	N/A	CMU	130	85%	80	45	-	219	344	Grocery Store	N/A	No	0.79	Rezoned to CMU (proposed max. density of 130 du/ac); I:LV ratio of 0.79; 50% parking lot; in PDA; Access to high-quality public transit, schools, jobs, and services	N/A
TOTAL UNITS - SITES WITH LOWER AND MODERATE INCOME UNITS										638	356	431	2,293	3,718						

Source: City of Millbrae

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Table 7-10. (Continued)

Site No.	Stat.	Address	APN	Area (ac)	Previous		Existing		Density Realism ²	# of Units					Existing Use	Bldg. Age	5th Cycle Non-Vacant Site? ³	I:LV Ratio	Reasons for Selection	Method of Affordability	
					Zon.	Max Den. ¹	Zon.	Max Den.		VLI	LI	Mod.	Above Mod.	Total							
SITES WITH ABOVE MODERATE INCOME UNITS ONLY																					
12	App.	480 El Camino Real	021-314-100	0.13	C	N/A	CMU	130	53%	-	-	-	-	9	9	Parking Lot	N/A	No	0.00	Approved for development	N/A
15	IR	300 El Camino Real	024-154-240	0.12	C	N/A	CMU	130	93%	-	-	-	-	14	14	Restaurant	N/A	No	4.93	Pipeline project undergoing review	N/A
16	IR	230 Broadway	024-152-180	0.05	DIA	N/A	DMU	50	200%	-	-	-	-	5	5	Two-Story (First Story Retail, Second Story Residential)	N/A	Yes - Mod. Income Only	0.33	Pipeline project undergoing review	N/A
23	App.	450 Chadborne	024-275-120	0.63	R-1	8.71	Same as Previous	8.712	18%	-	-	-	-	1	1	Church With One Residential Unit	N/A	No	5.42	Approved for development - Approved unit will be in addition to the existing unit and will not replace it	N/A
25	App.	842 Clearfield	021-442-090	0.11	R-1	8.71	Same as Previous	8.712	100%	-	-	-	-	1	1	Vacant Lot	N/A	No	0.00	Approved for development	N/A
26	App.	990 Larkspur	021-210-280	0.09	R-1	8.71	Same as Previous	8.712	128%	-	-	-	-	1	1	Vacant Lot	N/A	No	0.00	Approved for development	N/A
TOTAL UNITS - ABOVE MODERATE INCOME UNITS									0	0	0	31	31								
ADUS (Projection)									34	34	33	11	112								
TOTAL UNITS (ALL SITES, ADUs AND INCOME LEVELS)									672	390	464	2,335	3,861								
RHNA									575	331	361	932	2,199								
Difference/Buffer									97	59	103	1,403	1,662								
% Buffer									17%	18%	29%										

Legend:

Sites with proposed and approved projects in the pipeline

Status: IR = In Review, App. = Approved, Opp. = Opportunity

Zoning: R-1 = Single Family Residential, DIA = Downtown Improvement Area, C = Commercial, RMU = Residential Mixed Use, TOD = Transit Oriented Development, PD = Planned Development, DMU = Downtown Mixed Use, Same = Same as Existing

Footnotes:

¹ Commercial (C) zoning does not allow for residential development. However, developers can have a residential project approved by using a Conditional Use Permit (CUP). In addition, Planned Development (PD) designations do not have specific density allowances for residential developments. However, the City allows for any use consistent with the Millbrae General Plan to be permitted, provided such use exists and it is approved by City Council. Finally Downtown Improvement Area (DIA) does not allow for residential development. However, developers can have a residential units approved by using a CUP.

² For pending and entitled developments, "Density Realism" is based on the proposed development. For other sites, "Density Realism" is an assumption based on realized density of recent and proposed developments.

³ Per state law, this determination is only pertinent if a site from a previous Housing Element is designated for lower income unit in the current Housing Element. The sites found in the 5th Cycle Sites Inventory were only designated for moderate income units.

⁴ Priority Development Areas (PDAs) are areas designated by the Association of Bay Area Governments (ABAG) and the Metropolitan Transportation Commission (MTC) as sites that feature access to high-quality public transit job centers, shopping districts, schools, and other services.

Source: City of Millbrae

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7.5.3 Size of Sites

The HCD Site Inventory Guidebook restricts the designation of sites for lower-income units to sites that are between 0.5 and 10 acres in size. **All lower income opportunity sites (i.e., lower income sites without a pending or approved development project) meet this requirement.** Thirteen of the 14 sites with lower-income units designated satisfy the following requirements:

- Have a minimum parcel size of 0.5 acres and a maximum parcel size of 9.99 acres.
- **The remaining site (Site 18) is a 0.23-acre site is under review.**

All lower-income sites comply with the size requirements provided by HCD. Details on lower-income sites are available in the Site Inventory table, in Appendix C.

7.6 Housing Capacity Analysis/Past Housing Production

For the purposes of assessing future development likelihood, the City reviewed recent development. This review illuminates housing development interest and viability, particularly in the City's downtown area.

7.6.1 5th Cycle Housing Production, Density and Realistic Capacity

7.6.1.1 5th Cycle Housing Production

During the 5th Cycle Housing Element Planning Period, the City issued building permits for 444 residential units, summarized in Table 7-11, 2015–2021 Housing Units with Issued Permits by Affordability. Of the permitted units, 135 (or 30% of the total) are rent- and income-restricted, with approximately 8.3% of all permitted units at the very low-income level, approximately 14.8% at the low-income level, and approximately 7.2% at the moderate-income level.

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Table 7-11. 2015–2021 Housing Units with Issued Permits by Affordability

Income Levels	2015	2016	2017	2018	2019	2020	2021	Total Units ¹
Very Low	0	0	0	0	5	2	30	37
Low	0	0	0	0	5	1	60	66
Moderate	0	0	0	0	4	22	6	32
Above Moderate	0	0	0	0	4	303	2	309
Total Units²	0	0	0	0	18	328	98	444

¹ The total units permitted during the 5th Cycle Planning Period shown in this table do not correspond with the completed developments in Table 7-5, as Table 7-5 represents a different time period for completed developments, rather than permits issued. Please see Table 7-3 for information on approved projects and projects under review.

² As shown in Table 7-6, a total of 42 ADUs were permitted during the 5th Cycle Planning Period. The remaining 402 units consist of 400 units (79 lower, 21 moderate, and 300 above moderate income) for the Gateway Village project, and two single family homes.

Source: City of Millbrae, 2019-2021 APRs

7.6.1.2 Density – Pending, Approved, and Completed Projects

There have been four high-density residential or mixed-use developments built in the City since 2007, mainly in the MSASP. In addition, the City anticipates the development of 13 new residential projects, of which 10 are multifamily residential. Table 7-12, Proposed and Recently Built Development Projects, includes all of the proposed and development projects in the last 15 years. In addition, Table 7-12 includes the average percentages representing the actual density as compared to the allowed density:

- Residential Mixed Use (RMU) - 63 units per acre, or 105% of the average, current permitted density of 60 units per acre in the MSASP area and 80 units per acre in the DCRSP area.
- Corridor Mixed Use (CMU) – 110 units per acre, or 85% of the current permitted density of 130 units per acre.

In addition, the City averaged an approval of the following average units under the following zoning designations (note that all pipeline projects except R-1 will be rezoned):

- Commercial (C) - 97 units/acre (does not permit residential/occurs through CUP).
- Downtown Mixed Use (DMU) – 100 units/acre.
- Single Family Residential (R-1) - 7 units/acre.

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- Transit Oriented Development (TOD) - 131 units/acre.

It is important to note that while Commercial (C) zoning does not include density allowances for residential units, the City has approved projects through the CUP process, providing evidence that the City's CUP process does not represent a constraint to housing development. However, in order to continue to encourage and facilitate housing development, the City is rezoning sites with these zoning types to Corridor Mixed Use (CMU) and Residential Mixed Use (RMU) zoning, which allow for residential development, through the adoption of the DECRSP. Program HIP-16 in Chapter 8, Housing Plan, provides the tool for this rezoning to happen.

The trend of high-density residential developments is likely to continue in the City. As shown in Table 7-12, a comparison of developments under construction, approved, or under review shows that they are similar in size and density to their recently constructed counterparts (only 3 of the 13 proposed sites are single-family developments). Furthermore, the 13 sites currently in the pipeline include six developments with affordable housing, illustrating the financial feasibility of affordable and market-rate housing in the City and the desirability of Millbrae to developers. In addition, Table 7-12 shows that most proposed developments are estimated to be completed by 2026; Within the 6th Planning Cycle. In addition, Table 7-12 includes the affordability methods (e.g. density bonus, deed restriction, etc.) for each of the affordable proposed projects. Overall, Tables 7-12 and 7-13 demonstrate that affordable housing at high densities is not only happening in the City but in the region as well.

Table 7-4 (earlier in this Chapter) presents information on each of the 13 sites, including a unit breakdown for each, along with an estimate of the maximum rent for affordable units. This rent estimate was performed pursuant to Health and Safety Code Section 50053, which prescribes the methodology used by HCD to calculate affordable rent limits. This methodology involves calculating the product of 30% times the income level percentage (i.e., 50% for very low-, 60% for low-, and 110% for moderate-income households) of the area median income, adjusted for family size appropriate for the unit.

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Table 7-12. Proposed and Recently Built Development Projects

Site No.	Pipeline / Built	SP	Project Name / Address	Description	Area (ac)	Previous		Existing			Real. FAR	Real. FAR as % of Perm. FAR	Yr. Built / Appr	Est. Comp. Yr.	I:LV Ratio	# Units Comp	# of Units Appr / Pending	Total	Income Category				Afford. Method	Real. Den. (du/ac)	Real. Den. as % of Perm. Den		
						Zoning	Max Den	Zoning	Max Den	Max FAR									VL	Low	Mod	Above Mod	Total				
COMMERCIAL (C)																											
2	Pipeline	N/A	1301 Broadway	Proposal for new residential development to contain 120 dwelling units in Commercial zone	0.7	Commercial (C)	N/A	Same as Previous	N/A	3.0	3.9	128%	In Review	2026	0.02		99	99	0	49	0	50	99	Density Bonus	147	N/A	
	Built	DECRSP	30 Hermosa	9 residential condo units	0.19	Commercial (C)	N/A	N/A	N/A	3.5	1.8	53%	2016	Built	N/A	9		9	99	0	0	0	9	9	N/A	47	N/A
COMMERCIAL (C) SUBTOTALS					0.9		0		0	3.3	2.8	88%				9	99	108						97	N/A		
CORRIDOR MIXED USE (CMU)																											
6	Pipeline	DECRSP	Anton Residential*: 1100 El Camino Real	Proposal to demolish all existing structures and construct a new five-story, 384 unit, multi-family apartment community in R-3 zone	4.35	Commercial (C)	N/A	Corridor Mixed Use (CMU)	130	3.5	2.7	76%	2022	2026	2.32		376	376	19	0	0	357	376	Inclusionary Housing; Density bonus	87	67%	
8	Pipeline	DECRSP	959 El Camino Real	Mixed use development with ground floor commercial and amenity space and 278 dwelling units in upper stories in Commercial zone.	1.80	Commercial (C)	N/A	Corridor Mixed Use (CMU)	130	3.5	4.4	125%	2022	2025	1.95		278	278	26	0	0	252	278	Density Bonus	155	119%	
12	Pipeline	DECRSP	480 El Camino Real	9-unit mixed use development with ground floor commercial	0.12	Commercial (C)	N/A	Corridor Mixed Use (CMU)	130	3.5	2.3	65%	2020	2025	0.00		9	9	0	0	0	9	9	N/A	75	58%	
15	Pipeline	DECRSP	300 El Camino Real	Tai Wu Restaurant, 30% Parking Lot, Older Building - Well Kept, Active Business	0.12	Commercial (C)	N/A	Corridor Mixed Use (CMU)	130	3.5	2.8	81%	In Review	TBD	4.93		14	14	0	0	0	14	14	N/A	122	94%	
CORRIDOR MIXED USE (CMU) SUBTOTALS					6.4		0		130	3.5	3.0	87%				-	677	677						110	85%		
DOWNTOWN MIXED USE (DMU)																											
16	Pipeline	DECRSP	230 Broadway	Addition of 6 residential units to existing commercial building in Downtown Improvement Area	0.05	Downtown Improvement Area (DIA)	N/A	Downtown Mixed Use (DMU)	50	3.5	2.6	74%	In Review	TBD	0.33		5	5	0	0	0	5	5	N/A	100	200%	
DOWNTOWN MIXED USE (DMU) SUBTOTALS					0.1		0		50	3.5	2.6	74%				-	5	5						100	200%		

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Table 7-12. (Continued)

Site No.	Pipeline / Built	SP	Project Name / Address	Description	Area (ac)	Previous		Existing			Real. FAR as % of Perm. FAR	Yr. Built / Appr	Est. Comp. Yr.	I:LV Ratio	# Units Comp	# of Units Appr / Pending	Total	Income Category				Afford. Method	Real. Den. (du/ac)	Real. Den. as % of Perm. Den		
						Zoning	Max Den	Zoning	Max Den	Max FAR								VL	Low	Mod	Above Mod	Total				
RESIDENTIAL MIXED USE (RMU)																										
	Built	MSASP	88 South Broadway	105 unit condominium	2.30	Residential Mixed Use (RMU)	60	N/A	60	2.5	2.0	80%	2007	Built	N/A	105		105	0	0	0	105	105	N/A	46	76%
	Built	MSASP	120 S El Camino Real	54 residential units and 10 commercial units	0.86	Residential Mixed Use (RMU)	60	N/A	60	2.0	2.6	131%	2012	Built	N/A	54		54	0	0	0	54	54	N/A	63	105%
	Built	MSASP	151 El Camino Real	142 residential units on mixed use building	1.75	Residential Mixed Use (RMU)	60	N/A	60	2.5	1.9	77%	2010	Built	N/A	142		142	0	0	0	142	142	N/A	81	135%
RESIDENTIAL MIXED USE (RMU) SUBTOTALS						4.9	60	60	2.3	2.2	94%					301	-	301						63	105%	
SINGLE FAMILY RESIDENTIAL (R-1)																										
23	Pipeline	N/A	450 Chadborne	New unit	0.63	Single Family Residential (R-1)	8.7	Same as Previous	8.7	0.9	0.8	91%	2019	TBD	5.42		1	1	0	0	0	1	1	N/A	2	18%
25	Pipeline	N/A	842 Clearfield	New single family residence	0.11	Single Family Residential (R-1)	8.7	Same as Previous	8.7	0.6	0.8	149%	2021	2024	0.00		1	1	0	0	0	1	1	N/A	9	100%
26	Pipeline	N/A	990 Larkspur	New single family residence	0.09	Single Family Residential (R-1)	8.7	Same as Previous	8.7	0.6	3.1	567%	2022	2026	0.00		1	1	0	0	0	1	1	N/A	11	128%
SINGLE FAMILY RESIDENTIAL (R-1) SUBTOTAL						0.8	8.71	8.71	0.7	1.6	239%					-	3	3						7	82%	
TRANSIT ORIENTED DEVELOPMENT (TOD)																										
18	Pipeline	MSASP	130-140 El Camino Real	30 units mixed use building	0.23	Transit Oriented Development (TOD)	80	Same as Previous	80	2.5	3.8	150%	In Review	2025	0.21		30	30	0	3	0	27	30	Density Bonus	131	164%
TRANSIT ORIENTED DEVELOPMENT (TOD) SUBTOTALS						0.2	80	80	2.5	3.8	150%					-	30	30						131	164%	

Source: City of Millbrae Site Inventory

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Both the MSASP and the DECRSP will likely see similarly high densities in the future, as they play a vital role in the development of Millbrae's new economic center featuring transit-oriented developments and are positioned in and around the Intermodal Station. The adoption and implementation of the MSASP and DECRSP encourage the achievement of higher density mixed-use redevelopment. Table 7-12 provides a list of high-density residential projects in the City that are completed, under construction, or approved.

7.6.2 Housing Potential Assumptions – General

Sites with a proposed development are included if the developer:

- Has either applied and/or received entitlement approval or has expressed interest in developing a site; and
- Is expected to receive a permit or certificate of occupancy after the beginning of the City's RHNA Projection Period (i.e., June 30, 2022).

In these cases, projected site densities are based on owner-proposed development densities. Recent development trends in the City were analyzed in order to determine a realistic density for opportunity sites. Table 7-12 summarizes the analysis of recent high-density developments in the City.

For opportunity sites (those without a currently proposed development), projected densities were estimated using a combination of several factors that are dependent on a site's unique characteristics, including:

- The site's ownership and projected development scenario;
- Whether the site is constrained by environmental conditions; and
- The size of the site.

In addition to these factors, the City applied a Realistic Capacity Factor to all sites without a currently proposed development. The methodology utilized for the factors listed above is as follows:

- An Acreage Factor focused on lower-income sites.
 - Thirteen of the 14 sites with lower-income units are between 0.5 and 10 acres in size. The one exception is Site 18, a 0.23-acre site. However, the City is reviewing an application for the development of 30 units at an allowable density of 130 units per acre.

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- A Floor Area Ratio Factor for all sites.
 - As shown in Table 7-12, the average realized floor area as a percentage of the allowable floor area ranges between 74% and 239% for C, CMU, DMU, RMU, R-1, and TOD-zoned developments. Using a rate when it ranges so widely can lead to inaccuracies, especially when there is a large difference between the minimum or maximum values. **Therefore, to remain conservative, the applied Floor Area Ratio Factor is 100% for all sites.**
- A Realistic Capacity Factor for all sites.
 - Although proposed projects show an ongoing trend of high-density developments and the approval of the DECRSP rezoned to allow for significantly higher densities, the City calculated the Realistic Capacity Factors by analyzing the proposed and recently built developments shown in Table 7-12. The City's analysis yielded the following Realistic Capacity Factors that were applied to the 6th Cycle Site Inventory opportunity sites:
 - **100% for all Residential Mixed Use (RMU): Developments built or proposed in Residential Mixed Use (RMU) zones since 2007 averaged 63 units per acre, or 105% of the average.** RMU zoning currently allows for a density of 60 units per acre in the MSASP area and 80 units per acre in the DECRSP area. Table 7-12 illustrates this calculation. To remain conservative, the City applied a 100% realistic capacity factor, rather than 105%.
 - **85% for all Corridor Mixed Use (CMU):** While the City has not had any past developments completed in the Corridor Mixed Use (CMU) zones, the City rezoned numerous properties as Corridor Mixed Use (CMU) through the DECRSP. **As shown on Table 7-12, it is important to note that the City has received seven proposals for mixed-use projects with previous Commercial (C), Downtown Improvement Area (DIA), or Transit Oriented Development (TOD) zoning designations that are planned to be rezoned to CMU. These projects averaged a density of 111 units per acre, or 85% of the permitted density (Corridor Mixed Use (CMU) allows for 130 units per acre).** As evidenced by the proposed mixed-use projects, the adoption of the DECRSP is encouraging the development of higher-density, mixed-use zoning types. The proposal of these projects is evidence that rezoning and redevelopment through the DECRSP will result in redevelopment of sites into high-density residential. Therefore, the City utilized the average densities to generate realistic assumptions used to estimate the unit capacity for the opportunity sites.

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In addition to applying the factors listed above, the City considered the likelihood of nonresidential development. It is notable that for 15 years, no new developments located in the City's Residential Mixed-Use district have consisted of only commercial uses. Therefore, the likelihood of any 100% non-residential developments is low. Furthermore, on-site and off-site improvements for projects are determined on a project-by-project basis. Some improvements required for recently approved projects include installation of new sidewalks, curb and gutter, pavement restoration, water and sewer improvements, installation of intersection directional curb ramps, and installation of new bike lanes. However, these are typical safety improvements already accounted for in typical pro-formas because they are required by code. Examples of standard requirements include ADA access and water and sewer improvements to accommodate the new residents.

7.6.2.1 Environmental Constraints

As previously mentioned, projected densities were estimated using a combination of several factors that are dependent on a site's unique characteristics, including environmental constraints. As discussed in Appendix B, Millbrae is primarily exposed to environmental hazards that are common for all cities in the Bay Area, such as earthquakes, flood, landslides, and fire hazards. As shown in the below sections, **these environmental hazards do not represent a constraint to development in any of the proposed sites.**

7.6.2.1.1 Earthquake Exposure

The City of Millbrae is in the seismically active San Francisco Bay region, where earthquakes have historically represented a significant threat. There are four active faults in proximity to Millbrae. The greatest seismic risk is the San Andreas Fault, which is oriented northwest to southeast and lies within one mile of the western edge of the city limits. Further to the west of the San Andreas Fault, the San Gregorio Fault enters San Mateo County from the Pacific Ocean at Half Moon Bay, approximately nine miles southwest of Millbrae.

Approximately 16 miles east of Millbrae, the Hayward Fault transects the eastern portion of the Bay Area just east of Oakland and Hayward. East and south of the Hayward Fault is the Calaveras Fault that runs from approximately the city of Danville to the south toward the city of Hollister as close as 26 miles east of Millbrae.

The California Department of Conservation published its California Earthquake Hazards Zone Application (CEHZ Application). This interactive map allows residents to find if their properties are exposed to seismic hazards. Although Millbrae is not directly located on top of a fault line (as shown in the CEHZ Application), it does have areas subject to liquefaction, in which the soil temporarily turns to quicksand and cannot support structure. Seven of the 26 sites are fully

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exposed to a liquefaction zone; This includes Sites 1, 12, 13, 14, 19, 20, and 24. It is important to note, though, that the seven sites have existing commercial developments and Site 12 is a pipeline project with an approved, 9-unit residential development. Furthermore, it is not unusual for developments to be built on a liquefaction zones. This is made possible by state and local seismic codes. According to the City's Safety Element, **Millbrae requires geotechnical and geologic reviews of development proposals to assess potential seismic hazards and ensure that they are adequately mitigated.**

Furthermore, the City's Building and Safety Division requires all new buildings to meet the seismic requirements set forth by the California Building Code, which is updated every three years to reflect the latest advances in seismic safety. The Building and Safety Division also conducts regular inspections to ensure that buildings are constructed to these standards. Seismic damage to structures built in compliance with the Uniform Building Code would not likely cause collapse of the structures but would instead result nonstructural damage, such as breakage of windows, doors, piping, etc. **While the presence of liquefaction zones in the City presents certain risks, the City has taken a proactive approach to manage the risks and developers have not been discouraged from developing within the City's boundaries. As such, this is not a constraint to development.**

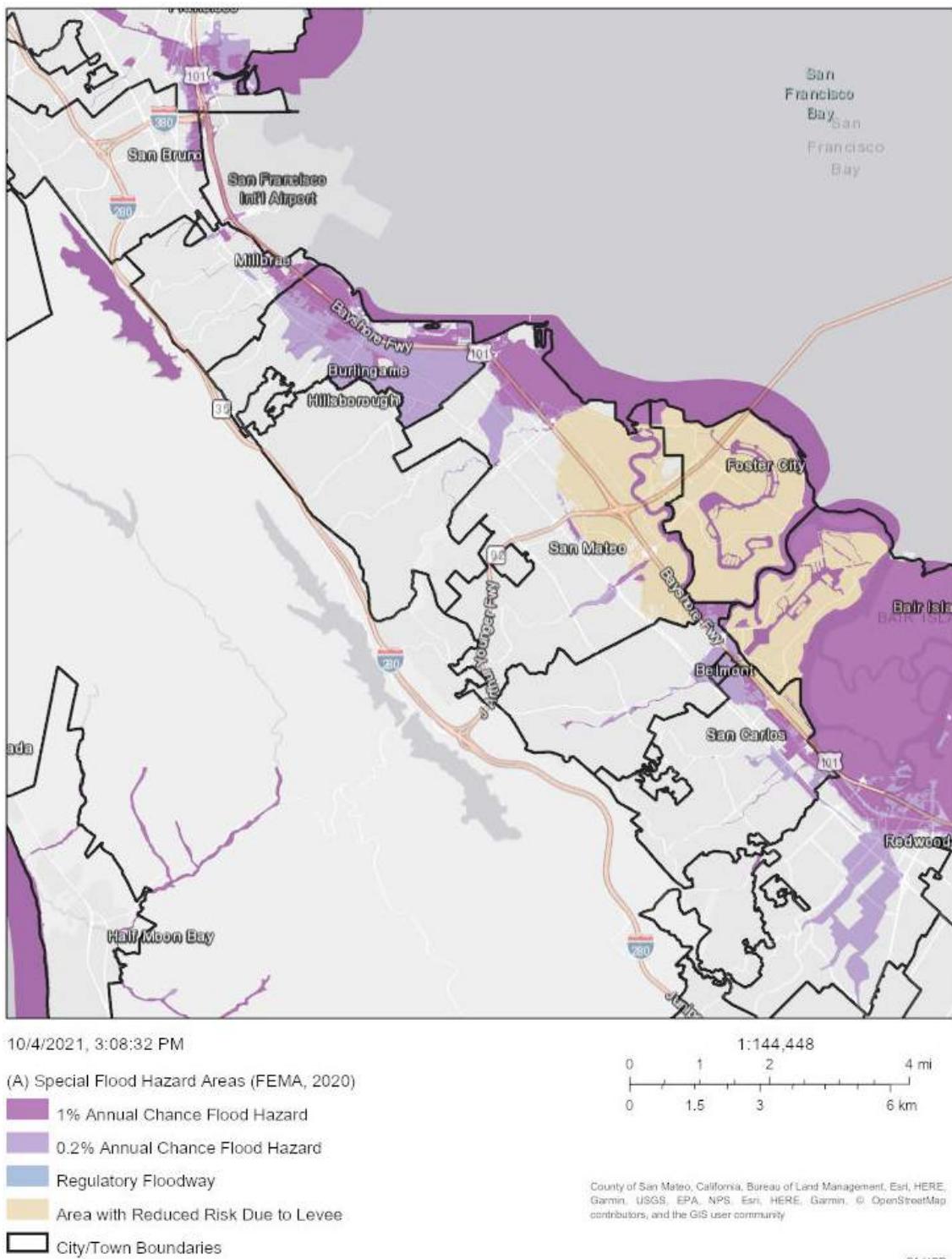
7.6.2.1.2 Flood Hazard Exposure

Additionally, some areas of the City along the San Francisco Bay are included in the Special Flood Hazard Areas (Figure 7-4). **More specifically, five of the 26 sites in the Sites Inventory are located within the FEMA Special Flood Areas (Site Nos. 1, 9, 10, 19, and 20). Of these five sites, three (Site Nos. 1, 19, and 20) have a majority of the site within the Flood Area. However, it is important to note that Sites 19 and 20 are currently pipeline projects, demonstrating the feasibility of developing within the Flood Area with mitigation measures.** The City's Climate Action Plan (2020) also sets forth mitigation efforts to address flooding through, "integrated regional planning, design, permitting, project implementation, and long-term operations and maintenance to create a resilient 'one shoreline' San Mateo County by 2100."

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Figure 7-4. Special Flood Hazard Areas, 2000



Source: California Department of Housing and Community Development AEEH Data Viewer
County of San Mateo, California Bureau of Land Management, ESRI, HERE, GaiaGPS, USGS, EPA, NPS, © Platworks 2021, © Platworks 2021 ESRI U.S. Topo

7.6.2.1.3 Landslide Exposure

The geologic and topographic character of an area determines its potential for landslides. Steep slopes, the extent of erosion, and the rock composition of a hillside can aid in predicting the probability of slope failure. Although **Millbrae is not in a State designated earthquake induced landslide hazard zone**, the ABAG Resilience Program has identified past landslides in the steeper slopes throughout the western portion of the City. Recent landslide events in Millbrae occurred in the steeper slopes of the western portion of the city as a result of heavy rainfall. Sites 25 and 26 are located in the western portion of the City and are exposed to landslides. However, it is important to note that **both sites are currently pipeline projects, demonstrating the feasibility of developing within the landslide are with mitigation measures.**

The City's Safety Element has established multiple programs to mitigate these geologic and seismic hazards including, but not limited to, programs for:

- Seismic Safety;
- Residential Seismic Upgrades;
- Seismic Modifications to Residential Facilities;
- Geotechnical and Structural Analysis for Steep Slopes; and
- Soil Stabilization

7.6.2.1.4 Fire Threat Exposure

The California Department of Forestry and Fire Protection (CAL FIRE) designates high fire hazard zones in California based on several factors, including the potential for wildfire, the slope of the terrain, and the proximity to fuel sources like trees and vegetation. These high fire hazard zones are subject to additional building codes and regulations to ensure that structures are designed and constructed to withstand wildfires.

All of proposed sites in this Sites Inventory are located outside of the high hazard zones designated by CAL FIRE (Figure 7-5). The City of Millbrae has taken a proactive approach to ensure that housing development is located in areas that are less prone to wildfire risk, which is particularly important in the wake of the devastating wildfires that have occurred in California in recent years.

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Figure 7-5. CalFire Threat Levels



 Harris & Associates

N
0 0.5 1 Miles

CalFire Threat Levels

City of Millbrae Affirmatively Furthering Fair Housing

Source: CalFire, City of Millbrae

7.6.2.2 Other Possible Constraints

The City has identified several constraints that could affect the development of housing projects in the area. One potential constraint is the Airport Land Use Compatibility Plan, which is designed to ensure that new development does not create safety hazards for the San Francisco International Airport. However, the development standards for the new zoning in the Downtown and El Camino Real Specific Plan have already been reviewed by the Airport Land Use Committee, and the building heights in the new Specific Plan zoning do not conflict with the Airport Land Use Compatibility Plan. As a result, there were no revisions to the maximum heights, and **as long as projects comply with the height limits in the Specific Plan, the Airport Land Use Compatibility Plan would not be a constraint**. This information is based on the Millbrae Downtown and El Camino Real Specific Plan Draft Environmental Impact Report (DEIR) prepared by Rincon Consultants in August 2021.

Another potential constraint is the size of the lots available for redevelopment. While the City has adequate land for redevelopment, some properties may not be large enough to maximize the increased heights and densities in the Specific Plan area. In these instances, an assemblage of parcels may be needed. However, **the City has approved multi-family residential developments on lot sizes as small as 8,174 square feet (30 Via Hermosa, nine units – built in 2021) and 5,807 square feet (480 El Camino Real, nine units – building permits under review)**.

Furthermore, a constraint has been identified for a housing unit on a church property at 450 Chadborne. In this case, PG&E is requiring electrical upgrades to the church, which is an additional cost that was not anticipated.

Constraints of this kind can affect the development of housing projects in the area. **However, through careful planning and collaboration with regulatory agencies, the city has been able to address potential constraints such as the Airport Land Use Compatibility Plan. The City has also demonstrated a willingness to approve multi-family residential developments on smaller lot sizes, although an assemblage of parcels may be necessary in some cases. The city is also aware of unexpected costs such as electrical upgrades that may arise during the development process.**

7.6.2.3 Development Trends for Lower-income Units – Region

In order to understand the feasibility of affordable housing development in Millbrae, the City collected information on the development of 100% affordable developments in the region. Specifically, **the City analyzed privately owned (not publicly owned), non-vacant, commercial sites that were redeveloped into 100% affordable housing in San Mateo and**

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Santa Clara Counties over the 5th Cycle Housing Element planning period (2015-2022). These are completed, 100% affordable housing projects (no market rate units).

The City performed this analysis by reviewing California Tax Credit Allocation Committee's (CTCAC) data on projects approved for funding. As shown in Table 7-13, Non-Vacant Commercial Sites Redeveloped Into Affordable Housing (2015-2022) – San Mateo and Santa Clara County, this analysis yielded the following conclusions:

- Since 2015, CTCAC has assisted **17 developers build 100% affordable developments on privately-owned sites that replaced non-vacant, commercial sites** in San Mateo and Santa Clara Counties.
- All projects were 100% affordable housing units. **Of the 17 developments, 15 are exclusively affordable to lower income households only (very low- and low-income households).** Only two accommodated units for moderate-income units.
- The developments were **built on sites with previous retail, commercial, industrial, and office uses:**
 - **Ten (10)** of the 17 developments were *built on a parcel with a former retail building, including businesses that typically yield high earnings (e.g., auto dealers, Enterprise Rent-A-Car, and Taco Bell).*
 - **One (1)** of the 17 developments was *built on a parcel with a former industrial building.*
 - **Five (5)** of the 17 developments were *built on parcels with a former office building.*
 - **One (1)** of the 17 developments was *built on a parcel with a former commercial building* (more specific data not available).
- **All 17 developments were built on sites with a commercial, mixed use, industrial, or planned community zoning designation.**
- **The average density ranges between 95 -115**, depending on the method of calculation of the average. A simple average, which adds all the densities and divides by the number of sites, results in a density of 115 units per acre. An average density calculated by adding the total units for all sites and dividing by the sum of the acreage for all sites yields an average density of 95 units per acre.
 - **In order to remain conservative, the City considered the 95 units per acre density** during the development of the Sites Inventory.

Overall, the findings of this analysis provide evidence of the following:

- Residential developments built on commercial properties are feasible in the region;

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- Residential developments that are 100% affordable to a majority of lower-income households are feasible in the region; and
- High densities for 100% affordable housing built on commercial parcels are feasible in the region.

Table 7-13. Non-Vacant Commercial Sites Redeveloped Into Affordable Housing (2015-2023) – San Mateo and Santa Clara County

City	Address	Year Built	Units						Area (ac)	Real. Density	Previous Use	Zoning
			Mgr.	VLI	LI	Mod.	Above Mod.	Total				
Daly City	6800 Main St	2017	1	38	13	0	0	52	0.39	133	5,812 sq.ft. Retail Building (Auto Dealer)	Light Commercial
Redwood City	353-363 Main St	2022	1	63	0	61	0	125	1.87	67	16,238 sq.ft. Office Building	General Commercial
Redwood City	2821 El Camino Real	2020	1	47	19	0	0	67	0.62	108	4,000 sq.ft. Retail Building (Enterprise Rent-A-Car)	Mixed Use
Mountain View	819 N Rengstorff Ave	2015	1	48	0	0	0	49	0.76	64	15,739 sq.ft. Retail Building	General Commercial
Mountain View	779 E Evelyn Ave	2019	1	0	115	0	0	116	2.01	58	14,700 sq.ft. Office Building	Limited Industrial
Mountain View	950 W El Camino Real	2022	1	0	70	0	0	71	0.61	116	2,031 sq.ft. Retail Building (Taco Bell)	Planned Community District
Mountain View	W El Camino Real	2020	1	49	17	0	0	67	0.49	137	1,700 sq.ft. Retail Building	Commercial/Residential Arterial District
Palo Alto	2500 El Camino Real	2017	1	0	69	0	0	70	1.81	39	12,780 and 10,000 sq.ft. Office Buildings	Service Commercial
Palo Alto	3703 El Camino Real	2022	1	14	44	0	0	59	0.44	134	3,447 sq.ft. Retail Building	Neighborhood Commercial
San Jose	278 N. 2nd St	2020	1	42	41	0	0	84	0.25	336	3,105 sq.ft. Office Building	General Commercial
San Jose	777 Park Ave	2020	2	63	117	0	0	182	1.77	103	3,256 sq.ft. Retail Building and 5,768 and 3,349 sq.ft. Industrial Buildings	Planned Development
San Jose	1020 N. 4th St	2023	1	47	46	0	0	94	0.96	98	14,400 sq.ft. Retail Building (Supermarket)	Commercial Pedestrian
San Jose	1030 Leigh Ave	2021	1	20	43	0	0	64	0.97	66	2,220 sq.ft. Retail Building (Auto Repair)	Planned Development
San Jose	1695 Alum Rock Ave	2022	1	5	50	15	0	71	0.86	83	15,000 sq.ft. Office Building	Neighborhood Commercial
San Jose	2350 Alum Rock Ave	2022	2	0	85	0	0	87	0.76	114	8,495 sq.ft. Retail Building	Main Street Ground-Floor Commercial District
Santa Clara	2904 Corvin Dr	2021	1	80	64	0	0	145	1.08	134	16,800 sq.ft. Commercial Building	Light Industrial
Santa Clara	2233 Calle Del Mundo	2022	2	0	194	0	0	196	1.14	172	16,760 sq.ft. Industrial Building	Light Industrial
Average (sum method)								95				
Average (simple average)								115				

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Source: California Tax Credit Allocation Committee (CTCAC), CoStar

7.6.3 Housing Potential Methodology – Sites with Mixed Use Zoning

Of the 26 sites in the 6th Cycle Site Inventory, 18 have a proposed mixed-use zoning with a total of 2,730 units approved, pending, or planned for the future. Of the 18 mixed use sites, five have proposed projects, of which three are approved and two are in review. The remaining thirteen sites are opportunity sites identified by the City as appropriate for development in the 6th Cycle Planning Period. The mixed-use zoning designations include the following:

- Corridor Mixed-Use (CMU)
- Residential Mixed-Use (RMU)

It is important to note that there are over 1,000 units that are approved or under review in the City currently as the City's specific planning efforts have attracted a significant amount of development. The current projects in the pipeline that include a large number of residential units despite the fact that many pipeline projects are zoned for commercial uses that do not permit residential and successfully utilizing the CUP process. Additionally, the comparison of actual and permitted density (Table 7-13) shows that the City currently has, and demonstrates significant potential for, a large amount of residential development in specific planning areas.

The total number and percentage of capacity sites in the inventory that have these mixed-use zoning designations and the number of units assigned to these sites are shown in Table 7-14, Mixed Use Sites and Net Potential Units. More specifically, there are 18 sites currently zoned for a mix of uses, which represent approximately 73% of potential units at all income levels. Of those sites with a mixed-use zoning, 10 (or 22% of the total units) are also designated for lower income units. Furthermore, the 10 mixed-use, lower-income sites represent approximately 82% of potential units for all lower-income sites (despite of zoning).

Table 7-14. Mixed Use Sites and Net Potential Units

	Sites	% of Total Sites	Net Potential Units	% of Total Units
Total Sites (All Zones)	26		3,749	
Mixed Use Zoned Sites (Proposed)	18	69%	2,730	73%
Lower Income Sites	14	54%	994	27%
Mixed Use Lower-Income Sites	10	38%	814	22%
% of Mixed Use Zoned Sites		56%		30%
% of Lower Income Sites		71%		82%

Source: City of Millbrae

7.7 Vacant Sites (including Suitability for Lower-Income Housing)

The Site Inventory identifies vacant developable residential sites with approved projects that will be developed within the current RHNA cycle. Two sites are currently vacant and zoned for residential use or mixed-use (8% of total sites) and allow for the development of two future housing units (less than 1% of total net potential units). Both vacant sites are less than 0.5 acres in size but have approved projects and neither are slated for lower-income housing.

The City is largely developed, and the acreage representing improved residential or mixed-use property is substantial and limits site availability.

All sites identified with lower-income units and specific information about the suitability of each site are presented in Table 7-10, Site Summary and Suitability of Lower-Income Sites.

7.8 Non-Vacant Sites (including Suitability for Lower-Income Housing)

The Site Inventory identifies that 24 of the 26 sites are not vacant, as defined by California Government Code. Non-vacant sites have various existing uses including parking lots, low-density residential, retail, and office. To assess the likelihood of non-vacant sites redeveloping into residential uses during the 6th Cycle Housing Element planning period, the City has provided an inventory of sites that have been developed or are approved/pending (Table 7-12) and an analysis of recent and current market and real estate trends is provided.

California Government Code, Section 65583.2(g)(1), states that, for non-vacant sites, the City shall specify the additional development potential for each site within the Planning Period and shall provide an explanation of the methodology used to determine the development potential. The methodology shall consider factors including the following:

7.8.1 The Extent to Which Existing Uses May Constitute an Impediment to Additional Residential Development.

- As shown in Table 7-12, a large portion of the proposed developments in the City are conversions from commercial to mixed-use. More specifically, 677 of the proposed 1,701 units that are approved or pending (40%) units are within a project that will be converted to a mixed-use or residential development on non-vacant sites with commercial

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development. The City's experience with redevelopment of commercial uses into residential uses demonstrates that commercial uses are not an impediment.

- Furthermore, Table 7-13 demonstrates that **existing, non-vacant commercial property is not an impediment to the development in the Bay Area region, as evidenced by the large number of 100% affordable projects (consisting of mostly lower-income units) that have been successfully developed on privately-owned, non-vacant properties with commercial development**. Additionally, the City has had, and currently has in the pipeline, a number of residential projects on non-vacant sites/properties that contain commercial development.
- To specifically quantify and evaluate the potential impediment of existing uses, **the City calculated the ratio of current assessed improvement value to current assessed land value for all sites**. Generally, lower ratios suggest an underutilized site (i.e., small building on larger lot) or a lack of investment or improvement to the building (renovations and improvement trigger reassessment that increase the improvement value of the property). These factors diminish the value of property, increasing the likelihood that a developer will look to acquire. The results of this improvement to land value ratio analysis are as follows:
 - **21 sites with an improvement to land value ratio between 0 and 0.86 have been included.** Of these sites, 2 (sites 9 and 11) have a property owner who have contact the City expressing interest to redevelop.
 - The remaining five sites (Sites 6, 8, 10, 15, and 23) have a ratio between 1.95 and 5.42. However, they are still considered feasible for the following reasons:
 - **Sites 6, 8, and 23:** All four sites have proposed developments that have been approved by the City.
 - **Site 10:** The owner has contacted the City (via their broker) to inquire about housing development on their site. This site has owner interest.
 - **Site 15:** This project is currently under review by the City.

Section 7.8.5, Suitability of Sites, includes detailed descriptions of each site and their individual feasibility for development.

7.8.2 The City's Past Experience Converting Non-Vacant Sites to Higher Density Residential Development.

Table 7-12, Proposed and Recently Built Development Projects, lists key details of 17 recent and proposed developments. The City has a proven record of non-residential and low-density

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residential properties being redeveloped into high(er)-density residential development. Furthermore, the DECRSP created new zoning districts – Corridor Mixed-Use, Residential Focused Mixed-Use, and Downtown Mixed-Use. Heights and densities along El Camino Real increased with the new zoning. Specifically, heights doubled from 40 ft. in the previous commercial zoning district to as high as 125 ft. These increased allowances will continue to encourage the development of high(er)-density residential development on non-vacant sites.

Of the 17 built and proposed projects, 9 were built or proposed (before the adoption of DECRSP) with a density greater than 60 units per acre, totaling 1,600 units. The following provides additional context for some of these developments that replaced prior uses:

- **Pipeline Developments:**

- **1301 Broadway** – This pipeline project is currently under review for the construction of a 99-unit development replacing a one-story dental office building.
- **1100 El Camino Real** – This pipeline project was approved for the construction of a 376-unit building that will replace the El Rancho Inn Motel.
- **959 El Camino Real** – This pipeline project was approved for the construction of a 278-unit development replacing a former Office Depot.
- **480 El Camino Real** – This pipeline project was approved for the construction of a 9-unit development on a former private surface parking lot.
- **300 El Camino Real** – This pipeline project is currently under review for the construction of a 14-unit development that will replace the Tai Wu Restaurant.
- **230 Broadway** – This pipeline project is currently under review for the construction of a 6-unit development that will replace a two-story, commercial building with retail in the first story and one residential unit on the second story.
- **150 Serra Avenue** – This pipeline project was approved for the construction of up to 488-unit development that will replace multiple commercial buildings.
- **130-140 El Camino Real** – This pipeline project is currently under review for the development of a 30-unit development that will replace a medical office building.
- **300 Millbrae, Building 5B** – This pipeline project was under construction for the development of 320 units on a former parking lot.

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- **Completed Developments**

- **88 South Broadway** – This is a 105-unit condominium built on a former bowling alley in 2007.
- **151 El Camino Real** – This is a 142-unit, Mixed-use development built on a former office building, two apartment buildings, and a parking lot in 2010.
- **120 El Camino Real** – This is a 54-unit development built on a former restaurant in 2012.
- **30 Hermosa** – This is a 9-unit development built on a former parking lot in 2021.
- **300 Millbrae, Building 6A** – This is a 79-unit development built on a former parking lot in 2022.

These developments demonstrate a capacity for the City to take land with existing uses and redevelop with high(er)-density residential development.

7.8.3 The Current Market Demand for Existing Uses

The current data on market demand for existing use is detailed in this section. It is important to note that the demand for residential units is very high due to a large number of jobs in the City, direct highway and transit access to the San Francisco Bay Area, highly ranked school districts, and an excellent public safety record. With the increased popularity of ecommerce and changes to the demand for office space and hotels due to the COVID-19 pandemic (and the popularity of virtual meetings and remote working), the financial viability of commercial uses in the City are showing further signs of increasing redevelopment opportunities that were already occurring prior to the pandemic.

7.8.4 Development Trends and Market Conditions

The City performed an analysis of development trends and market conditions for the existing use types of non-vacant sites in the Site Inventory. These use types primarily include retail and office.

7.8.4.1 Retail

Retail industries are a large part of the Bay Area economies and have gone through similar stages of evolution over the last several years. Changes in consumer preferences with the advent of e-commerce has changed the retail business model to reduce demand for larger and more traditional brick-and-mortar space. The effect of e-commerce on the evolution of retail

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presents opportunities to repurpose existing retail uses for new mixed-use and residential developments. This trend has already occurred in the Bay Area as evidenced by Richmond's Hilltop Mall and San Francisco's 5M Development, both examples of underused retail to residential mixed-use conversions. Other recent projects include the Orbisonia Heights project in Bay Point (Pittsburg) and the MacArthur and Central Station projects in Oakland (both include affordable units).

The COVID-19 pandemic has accelerated the evolution of the retail and Research and Development (R&D) commercial real estate market away from the large traditional brick-and-mortar footprints as evidenced by the following data:

- The City of Millbrae has a higher retail vacancy rate than the Bay Area Peninsula as a whole. More specifically, according to CoStar (a leading commercial real estate analytics database) Retail Analysis Market Report for the City of Millbrae, the retail vacancy was 7.62% as of July 2022, which is substantially higher than the 5.5% vacancy rate for the Peninsula area pursuant to the in the Kidder Mathews Retail Market Trends Report for Q1 2022.
- This change in the retail market combined with the availability of vacant and underutilized retail properties create opportunities for redevelopment of existing retail for residential uses in Millbrae. These trends can be seen on the ground as well throughout Millbrae. For example, *The Daily Journal* reported recently on the approved project on Site 8 at 959 El Camino Real (near the City's downtown corridor) to redevelop a shuttered Office Depot and adjacent surface-level parking lot into a 216,000 square foot, 278-unit apartment building.

7.8.4.2 Office/Research and Development

R&D industries are particularly important in the tech-infused Bay Area economy. While R&D vacancy rates and rents seem to be moving in a more positive direction in submarkets surrounding Millbrae post-pandemic, the Millbrae area seems to present plenty of opportunity to convert R&D into residential uses.

- According to Colliers (a leading diversified professional services and investment management company) Q1 2022 Market Report for the San Francisco Peninsula Area, R&D vacancy in the San Bruno/Millbrae/Burlingame Submarket was 12.7%, which exceeds the 4.0% R&D vacancy rate for the San Mateo County market for the same period.
- The Colliers Q3 2020 Retail Market Report showed an overall R&D vacancy rate of 8.3% during one of the heights of the pandemic, which indicates that the San

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Bruno/Millbrae/Burlingame Submarket R&D market has experienced continuous rise in vacancy rates over the last 1-2 years. However, the R&D vacancy rate for the San Mateo County Market has stayed at 4.0% since Q3 2020 indicating a stronger R&D market in the overall region vs. the City.

- It is important to note that according to the market reports referenced above, R&D vacancy rates began to increase significantly starting in Q1 of 2019, prior to the pandemic. More specifically, Colliers shows San Mateo County Market R&D vacancies increasing from 1.8% to 3.1% between Q1 2018 to Q1 2019.

7.8.5 An analysis of any existing leases or other contracts that would perpetuate the existing use or prevent redevelopment of the site for additional residential development.

The following sections address the legal requirements outlined in California Government Code, Section 65583.2(g)(1) in more detail. It is not possible for the City to include an analysis of existing leases or other contracts, as this information is not publicly available. Furthermore, Section 7.8.6, Suitability of Sites, provides details for all sites, including the sites' existing use and reason for selection as a site suitable for redevelopment to residential use.

It is important to note that leases and contracts related to privately owned properties are not public information, and the City does not have any power to require or compel property owners to provide this information. The City researched existing office space listings to understand current vacancies from publicly available information and was unable to find lease information.

In addition to actual proposals and developments, the City has received indications of interest from owners and developers to redevelop commercial and low-density residential properties with a high(er)-density residential use.

Development trends, market conditions, and regulatory and other incentives and standards (such as density bonuses) continue to support such redevelopment.

7.8.6 Suitability of Sites

The following site profiles are split into pipeline developments and opportunity sites. They provide details that support the inclusion of each site into this 6th Cycle Site Inventory. Each profile includes information such as zoning, density allowances, land-to-improvement value ratios, current uses, owner interest, vacancies, etc.

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Pipeline Sites

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Site 2: 1301 Broadway Offices (1301 Broadway)



APN:	021-276-330	Site Description and Factors Supporting Development:
Site Acreage:	0.68 ac	This site is an existing, one-story dental office building. A proposed project is under review (as of August 23, 2022) for the approval of 99 units, including 49 units affordable to low-income households.
Previous Zoning:	Commercial (C)	
Existing Zoning:	Same as Previous	
Net Units Under Review:	99	
Affordable Units:	49 Low	
Proposed Project Density:	147 du/ac	
Land to Improvement Value Ratio:	0.02	

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Site 6: El Rancho Inn (1100 El Camino Real)



APN:	021-324-320	Site Description and Factors Supporting Development:
Site Acreage:	5.5 ac	The proposed project received approval from the City in 2022 to demolish the existing El Rancho Inn Motel and construct a new five-story, 384-unit, multifamily apartment community (19 units will be affordable to very low-income households). This site is located in the DECRSP area.
Previous Zoning:	R-3	
Existing Zoning:	Corridor Mixed Use (CMU)	
Net Units Approved:	376	
Affordable Units:	19 Very Low	
Approved Density:	86 du/ac	
Land to Improvement Value Ratio:	2.32	

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Site 8: Former Office Depot (959 El Camino Real)



APN:	021-364-080	Site Description and Factors Supporting Development:
Site Acreage:	1.81 ac	The City approved the development of a 278-unit, mixed-use project with ground floor commercial and amenity space. Of the total units, 26 will be affordable to very low-income households. The proposed development was approved by the City in 2022 and will replace a former Office Depot in the DECRSP area . The building is currently vacant.
Previous Zoning:	Commercial (C)	
Existing Zoning:	Corridor Mixed Use (CMU)	
Net Units	278	
Affordable Units:	26 Very Low	
Approved Density:	154 du/ac	
Land to Improvement Value Ratio:	1.95	

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Site 12: Hermosa Parking Lot (480 El Camino Real)



APN:	021-314-100	Site Description and Factors Supporting Development:
Site Acreage:	0.12 ac	Located at 480 El Camino Real, this parking lot received approval from the City in 2020 for the construction of a nine-unit mixed use development with ground floor commercial. Site 12 is located in the DECRSP area .
Previous Zoning:	Commercial (C)	
Existing Zoning:	Corridor Mixed Use (CMU)	
Net Unit Potential:	9	
Affordable Units:	0	
Approved Density:	75 du/ac	
Land to Improvement Value Ratio:	0	

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Site 15: Tai Wu Restaurant (300 El Camino Real)



APN:	024-154-240	Site Description and Factors Supporting Development:
Site Acreage:	0.12 ac	Located at 300 El Camino Real, this development is currently under review (as of August 23, 2022) for the development of 14 market rate apartments. Site 15 is located in the DECRSP area .
Previous Zoning:	Commercial (C)	
Existing Zoning:	Corridor Mixed Use (CMU)	
Net Unit Potential:	14	
Affordable Units:	0	
Proposed Project Density:	122 du/ac	
Land to Improvement Value Ratio:	4.93	

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Site 16: Two-Story Commercial/Residential (230 Broadway)



		Site Description and Factors Supporting Development:
APN:	024-152-180	
Site Acreage:	0.05 ac	
Previous Zoning:	Downtown Improvement Area (DIA)	This development is under review (as of August 23, 2022) for the development of six market rate units. The existing two-story building consists of retail on the first floor and one, one-bedroom unit in the second story. There is no available information on the rent or income level of the existing unit. However, comparable units in the area rent for approximately \$2,400 per month. Assuming this unit rents for a similar amount, the City assumed the unit is a moderate-income unit and ensured the Sites Inventory has a buffer large enough to accommodate the one-unit difference. This site is located in the DECRSP area.
Existing Zoning:	Downtown Mixed Use (DMU)	
Net Unit Potential:	6	
Affordable Units:	0	
Existing Density:	100 du/ac	
Land to Improvement Value Ratio:	0.33	

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Site 17: Commercial Site (150 Serra Ave.)



APN:	024-337-010, 080, 090 024-154-460	Site Description and Factors Supporting Development:
Site Acreage:	3.4 ac	This development received approval from the City in 2019. The proposed project consists of 488 dwelling units, of which 49 are low-income units, 24 are moderate-income units, and the rest are market-rate units.
Previous Zoning:	Transit Oriented Development (TOD)	This site is located in the MSASP area.
Existing Zoning:	Same as Previous	
Net Units:	488	
Affordable Units:	49 Very Low; 24 Moderate	
Approved Density:	136 du/ac	
Land to Improvement Value Ratio:	0.25	

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Site 18: Medical Offices (130-140 El Camino Real)



APN:	024-335-150	Site Description and Factors Supporting Development:
Site Acreage:	0.23 ac	This site consists of a one-story medical office building with a surface parking lot and is undergoing review (as of August 23, 2022) for the development of a 30-unit mixed-use building. Three of the total units are affordable to low-income households. This site is located in the MSASP area.
Previous Zoning:	Transit Oriented Development (TOD)	
Existing Zoning:	Same as Previous	
Net Unit Potential:	30	
Affordable Units:	3 Low	
Proposed Project Density:	132 du/ac	
Land to Improvement Value Ratio:	0.21	

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Site 19: Gateway Village Bldg. 6A – Veteran Preference Affordable Housing (300 Millbrae)



APN:	024-181-080	Site Description and Factors Supporting Development:
Site Acreage:	0.78 ac	This development received approval from the City in 2021 and is nearing construction completion for 79 units of affordable housing for Veterans comprised of 24 units affordable to very low-income households and 55 units affordable to low-income households. This site is located in the MSASP area.
Previous Zoning:	Transit Oriented Development (TOD)	
Existing Zoning:	Same as Previous	
Net Units:	79	
Affordable Units:	24 Very Low; 55 Low	
Approved Density:	146 du/ac	
d to Improvement Value Ratio:	0.00	

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Site 20: Gateway Village Bldg. 5B (300 Millbrae)



APN:	024-180-350	Site Description and Factors Supporting Development:	
Site Acreage:	2.68 ac	This development received approval from the City in 2020 for 320 dwelling units. Of the 320 units, 20 of these units are affordable to moderate income households. Site 20 is located in the MSASP area.	
Previous Zoning:	Transit Oriented Development (TOD)		
Existing Zoning:	Same as Previous		
Net Unit Potential:	320		
Affordable Units:	20 Moderate		
Approved Density:	119 du/ac		
Land to Improvement Value Ratio:	0.67		

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Site 23: Church (450 Chadbourne)



APN:	024-275-120	Site Description and Factors Supporting Development:
Site Acreage:	0.64 ac	This development received approval from the City in 2019 for one dwelling unit. The development will add an additional unit to an existing unit already on the site.
Previous Zoning:	Single Family Residential (R-1)	
Existing Zoning:	Same as Previous	
Net Unit Potential:	1	
Affordable Units:	0	
Approved Density:	1.6 du/ac	
Land to Improvement Value Ratio:	5.42	

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Site 25: Vacant Lot (842 Clearfield)			
			
APN:	021-442-090	Site Description and Factors Supporting Development:	
Site Acreage:	0.11 ac	This site is currently vacant and a proposed project received approval from the City in 2021 for one dwelling unit.	
Previous Zoning:	Single Family Residential (R-1)		
Existing Zoning:	Same as Previous		
Net Unit Potential:	1		
Affordable Units:	0		
Approved Density:	8.7 du/ac		
Land to Improvement Value Ratio:	0.00		

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Site 26: Vacant Lot (990 Larkspur)



APN:	021-210-280	Site Description and Factors Supporting Development:
Site Acreage:	0.09 ac	This site is currently vacant, and a proposed project received approval from the City in 2022 for one dwelling unit.
Previous Zoning:	Single Family Residential (R-1)	
Existing Zoning:	Same as Previous	
Net Unit Potential:	1	
Affordable Units:	0	
Approved Density:	11.1 du/ac	
Land to Improvement Value Ratio:	0.00	

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Proposed Opportunity Sites

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Opportunity Site 1: Sherwin Williams (1395 El Camino Real)



APN:	021-278-010	Site Description and Factors Supporting Development:
Site Acreage:	0.65 ac	Located at 1395 El Camino Real, retail center built in 1959 sits on over a half an acre of land (0.65 acres, a proposed unit total of 48 units, and allows the existing density of 80 dwelling units per acre. Coupled with a land to improvement value ratio of 0.12, the site is prime for development. This site is in the DECRSP area which allows 80-130 units per acre throughout the area. The DECRSP was adopted on December 1, 2022. As part of the DECRSP area, the site is also considered to be part of a priority development area (PDA), a designation assigned by the Association of Bay Area Governments (ABAG) and Metropolitan Transportation Commission (MTC). As a PDA, this site also features high-quality public transit access and close proximity to job centers, shopping districts, schools, and other services. This building was built in 1959.
Previous Zoning:	Commercial (C)	
Existing Zoning:	Residential Mixed Use (RMU)	
Net Unit Potential:	48	
Affordable Units:	48 Moderate	
Existing Density:	80 du/ac	
Land to Improvement value ratio:	0.12	

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Opportunity Site 3: Firestone Tire Shop (1201 El Camino Real)



APN:	021-291-020	Site Description and Factors Supporting Development:
Site Acreage:	0.53 ac	Located within the DECRSP at 1201 El Camino Real, this Firestone tire shop sits on over half an acre of land (0.53 acres) with a total unit potential of 43 units and the existing density of 80 units per acre through the adoption of the DECRSP, which was adopted on December 1, 2022. The land to improvement value ratio of 0.18 and site composition of 50% parking lot provides a high probability of development given the lower value of improvements compared to the value of the land. And as part of the DECRSP area, the site has also been designated a PDA meaning the site features access to high-quality public transit job centers, shopping districts, schools, and other services. The building age was not available on the San Mateo County Tax Roll.
Previous Zoning:	Commercial (C)	
Existing Zoning:	Residential Mixed Use (RMU)	
Net Unit Potential:	43	
Affordable Units:	43 Moderate	
Existing Density:	80 du/ac	
Land to Improvement value ratio:	0.18	

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Opportunity Site 4: America's Tire Shop and Strip Mall (1121 & 1125 El Camino Real)

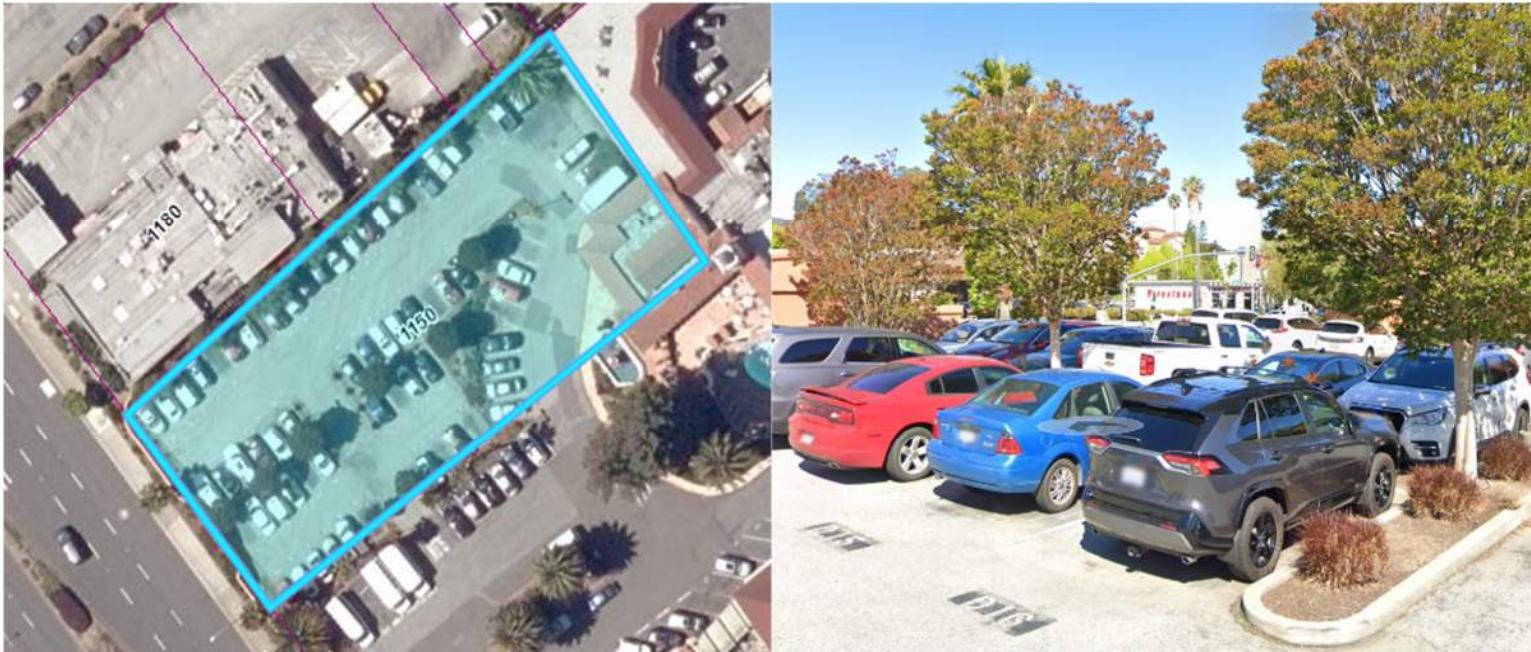


APN:	021-292-030, 070	Site Description and Factors Supporting Development:
Site Acreage:	1.12 ac	Located within the DECRSP at 1121-1125 El Camino Real, this America's Tire is comprised of two parcels totaling over an acreage of land (1.12). The site also has a net unit potential of 88 units and the existing density of 80 units per acre through the adoption of the DECRSP, which was adopted on December 1, 2022. With the site comprised of almost 40% parking lot and a land to improvement value ratio of 0.86, the site is highly developable with improvement value remaining low. It should also be noted that as part of the DECRSP area, the site is also a PDA. This designation by the ABAG and MTC signifies that the site has access to high-quality public transit, job centers, shopping districts, schools, and other services. The building age was not available on the San Mateo County Tax Roll.
Previous Zoning:	Commercial (C)	
Existing Zoning:	Residential Mixed Use (RMU)	
Net Unit Potential:	88	
Affordable Units:	88 Moderate	
Existing Density:	80 du/ac	
Land to Improvement value ratio:	0.86	

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Opportunity Site 5: Parking Lot on El Camino Real (1150 El Camino Real)



APN:	021-324-310	Site Description and Factors Supporting Development:
Site Acreage:	0.55 ac	Located within the DECRSP at 1150 El Camino Real, this site is comprised 100% of parking lot and has a net unit potential of 62 units for very low-income households. Its current use as a parking lot coupled with its low land to improvement value ratio of 0.24 makes it an extremely easy to develop site given the low value of the improvements required to develop. Sitting on just over a half an acre of land (0.55) the site also features a high existing density of 130 dwelling units per acre. As part of the DECRSP, the site is also located in a PDA, meaning that it resides within close proximity to high quality public transit, job centers, shopping districts, schools, and other services. The DECRSP was adopted on December 1, 2022 and included a rezoning of the density for the plan area to allow for up to 80-130 units per acre. As such, this site remains an extremely viable opportunity for development.
Previous Zoning:	Commercial (C)	
Existing Zoning:	Corridor Mixed Use (CMU)	
Net Unit Potential:	61	
Affordable Units:	61 Very Low	
Existing Density:	130 du/ac	
Land to Improvement value ratio:	0.24	

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Opportunity Site 7: 24HR Fitness Strip Mall (979 Broadway)



APN:	021-362-310	Site Description and Factors Supporting Development:
Site Acreage:	1.11 ac	Located in the DECRSP at 979 Broadway, this retail center built in 1968 sits on a little over an acre of land (1.11 acres) with the existing density of 80 dwelling units per acre and a net unit potential of 89 units. With a lower land to improvement value ratio of 0.82 the site's developability remains high. Additionally, the site resides within the DECRSP area which was rezoned to allow up to 80-130 dwelling units per acre with the adoption of the DECRSP on December 1, 2022. Furthermore, a portion of the second story of the site is currently listed for lease on LoopNet, a leading commercial real estate website.
Previous Zoning:	Planned Development (PD)	
Existing Zoning:	Residential Mixed Use (RMU)	
Net Unit Potential:	89	
Affordable Units:	11 Very Low; 78 Moderate	
Existing Density:	80 du/ac	
Land to Improvement value ratio:	0.82	Finally, an additional element of development opportunity lies within the fact that the site is part of a PDA meaning it provides access to high quality public transit, job centers, shopping districts, schools, and other sought-after services. The building was built in 1968.

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Opportunity Site 9: Magnolia Ave Parking Lot



APN:	021-420-220	Site Description and Factors Supporting Development:
Site Acreage:	3.11 ac	Located in the DECRSP west of Magnolia Ave and Library Ave, this site sits on a little over three acres of land (3.11 acres) and has a net unit potential of 248 units. Not only does the acreage lend to the developability, but the land to improvement value ratio is extremely low, registering at 0.06. The site is 100% parking lot, and the property owner has expressed serious interest in development, inquiring with the City regarding zoning and potential redevelopment. Featuring the existing density of 80 dwelling units per acre, this site lies within the DECRSP area which was rezoned to allow for higher densities of 80-130 units per acre with the plan's adoption on December 1, 2022. The site is also located within a PDA indicating a close proximity to high quality transit, job centers, shopping districts, schools, and other services.
Previous Zoning:	Planned Development (PD)	
Existing Zoning:	Residential Mixed Use (RMU)	
Net Unit Potential:	248	
Affordable Units:	50 Very Low, 38 Low, 60 Moderate	
Existing Density:	80 du/ac	
Land to Improvement value ratio:	0.06	

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Opportunity Site 10: Broadway Shopping Center (537 Broadway)



APN:	021-420-110	Site Description and Factors Supporting Development: Located in the DECRSP at 537 Broadway, this shopping center built in 1964 sits on a little over five acres of land (5.63 acres), has a high existing density of 130 dwelling units per acre, and a net unit potential of 643. The property owner has expressed interest in redevelopment via their broker contacting the City to inquire about zoning and redevelopment of the site. The site has a land to improvement value ratio of 2.45 but resides within the DECRSP area making it part of PDA. The DECRSP was adopted on December 1, 2022. Designated as a PDA by the ABAG and MTC, the site has access to high-quality public transit, job centers, shopping districts, schools, and other services. The building was built in 1964.
Site Acreage:	5.63 ac	
Previous Zoning:	Planned Development (PD)	
Existing Zoning:	Corridor Mixed Use (CMU)	
Net Unit Potential:	643	
Affordable Units:	110 Very Low; 65 Low	
Existing Density:	130 du/ac	
Land to Improvement value ratio:	2.45	

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Opportunity Site 11: Parking Lot on El Camino Real



APN:	021-420-130	Site Description and Factors Supporting Development:
Site Acreage:	2.20 ac	Located in the DECRSP area off El Camino Real, this site features over two acres of land (2.20 acres) and has a net unit potential of 252 units. Along with being 100% parking lot and registering a land to improvement value ratio of .05 signaling increased developability, the property owner has also expressed serious interest in development with their broker inquiring with the City regarding zoning and potential redevelopment. The site has the existing density of 130 dwelling units per acre and in being part of the DECRSP area, which was adopted on December 1, 2022, has a designation of a PDA. This designation indicates the sites close proximity to high-quality public transit, job centers, shopping districts, schools, and other services.
Previous Zoning:	Planned Development (PD)	
Existing Zoning:	Corridor Mixed Use (CMU)	
Net Unit Potential:	252	
Affordable Units:	80 Very Low; 40 Low	
Existing Density:	130 du/ac	
Land to Improvement value ratio:	0.05	

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Opportunity Site 13: Universal Supply Store (450-460 El Camino Real)



APN:	024-123-190, 200	Site Description and Factors Supporting Development:
Site Acreage:	0.88 ac	Located in the DECRSP at 450-460 El Camino Real, this storage facility is comprised of two parcels with a combined total of just under an acreage of land (0.88 acres). The combined site makeup is 50% parking lot - That, combined with a land value ratio of .04, makes the site highly developable. The site has a high existing density of 130 dwelling units per acre, a net unit potential of 97 units and sits within the DECRSP area. Adopted on December 1, 2022, the DECRSP area was designated a PDA, signaling this site's access to high-quality public transit, job centers, shopping districts, schools, and other services. The building age was not available on the San Mateo County Tax Roll.
Previous Zoning:	Commercial (C)	
Existing Zoning:	Corridor Mixed Use (CMU)	
Net Unit Potential:	97	
Affordable Units:	85 Very Low; 12 Low	
Existing Density:	130 du/ac	
Land to Improvement value ratio:	0.04	

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Opportunity Site 14: MQ Healthy Fast Food (400-420 El Camino Real)



APN:	024-123-130, 140	Site Description and Factors Supporting Development:
Site Acreage:	0.84 ac	Located in the DECRSP at 400-420 El Camino Real, this highly developable site is comprised of two parcels that total a little under an acre of land (0.84 acres). With a low land to improvement value ratio of 0.44 and a land composition of 75% parking lot, the sites improvement value remains very low, making it a viable opportunity for development. This fast-food restaurant lies within the DECRSP area and features a high existing density of 130 dwelling units per acre with a net unit potential of 96 units. With the adoption of the DECRSP on December 1, 2022, the areas were rezoned to allow for densities of up to 80-130 units for all sites residing within the area. With DECRSP designated as a PDA, this site features access to high-quality public transit, job centers, shopping districts, schools, and other services. The building age was not available on the San Mateo County Tax Roll.
Previous Zoning:	Commercial (C)	
Existing Zoning:	Corridor Mixed Use (CMU)	
Net Unit Potential:	92	
Affordable Units:	92 Very Low	
Existing Density:	130 du/ac	
Land to Improvement value ratio:	0.44	

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Opportunity Site 21: Multi-tenant Theatre (39 El Camino Real)



APN:	024-334-150	Site Description and Factors Supporting Development:
Site Acreage:	0.57 ac	Located in the MSASP at 39 El Camino Real, this site provides a little over half an acre of land (0.57 acres) and has a net unit potential of 34 units. The land composition of 50% parking lot coupled with the low land to improvement value ratio of 0.50 make this a highly developable site with little improvement value required for development. The site lies within the MSASP area with close access to the Millbrae station, a key intermodal connection between Caltrain's commuter rail system and BART's transit system near SFO. This site is flanked by a for sale, vacant theater on one side and an active bank on the other. Furthermore, the site has at least two vacancies and not a great deal of activity. However, the site has great access to public transit, making it prime for residential redevelopment. The building age was not available on the San Mateo County Tax Roll.
Previous Zoning:	Residential Mixed Use (RMU)	
Existing Zoning:	Same as Previous	
Net Unit Potential:	34	
Affordable Units:	34 Moderate	
Existing Density:	60 du/ac	
Land to Improvement value ratio:	0.50	

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Opportunity Site 22: Multi-tenant (9 & 15 El Camino Real)



APN:	024-334-020, 030	Site Description and Factors Supporting Development:
Site Acreage:	0.61 ac	Located in the MSASP at 9-15 El Camino Real, this shopping center is comprised of two parcels whose combined acreage totals over half an acre (0.61 acres) and has a net unit potential of 36 units. The current density for the site is 60 dwelling units per acre. The site has a land makeup of 35% parking lot and a land to improvement value ratio of 0.39, making it a viable development opportunity given the lower improvement value of development.
Previous Zoning:	MSASPD-Residential Mixed Use (RMU)	Furthermore, the site is currently listed on LoopNet, pointing to vacancies in the property.
Existing Zoning:	Same as Previous	Finally, the site sits within the boundaries of the MSASP area giving it close access to the Millbrae station, a key intermodal connection between Caltrain's commuter rail system and BART's transit system near SFO. The site also features close proximity to recreational services like churches and parks. The building age was not available on the San Mateo County Tax Roll.
Net Unit Potential:	36	
Affordable Units:	36 Moderate	
Existing Density:	60 du/ac	
Land to Improvement value ratio:	0.39	

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Opportunity Site 24: Lucky Grocery Store (95 Murchison Dr.)



APN:	024-344-090	Site Description and Factors Supporting Development:	
Site Acreage:	3.10 ac	Located in the DECRSP at 95 Murchison Dr., this grocery store built in 1966 sits on over three acres of land (3.10 acres), has the existing density of 130 dwelling units per acre, and a net unit potential of 354 units. The site has a land to improvement value ratio of 0.79 and is comprised of 50% parking making this a viable development opportunity given the low improvement value of the development. This site lies within the boundaries of the DECRSP area which was adopted on December 1, 2022. With DECRSP designated as a PDA by the ABAG and MTC, the site has access to high-quality public transit, job centers, shopping districts, schools, and other services that add to its development feasibility. With DECRSP designated as a PDA by ABAG and MTC, the site has access to high-quality public transit, job centers, shopping districts, schools, and other services that add to its development feasibility. The building was built in 1966.	
Previous Zoning:	Commercial (C)		
Existing Zoning:	Corridor Mixed Use (CMU)		
Net Unit Potential:	354		
Affordable Units:	80 Very Low; 45 Low		
Existing Density:	130 du/ac		
Land to Improvement value ratio:	0.79		

7.9 Senate Bill 330/Replacement Housing Requirements

Adopted in 2019, Senate Bill (SB) 330 implements new requirements applicable to the Site Inventory to conserve existing affordable housing units and units that are occupied by households with lower incomes. Pursuant to SB 330, sites with existing residential units cannot be counted toward the City's lower-income capacity unless the City has adopted a mechanism to preserve or require replacement of existing units that are, or within the last five years were, affordable to households with low or very low-incomes or occupied by households with low or very low-incomes (referred to by SB 330 as "Protected Units").

California Government Code, Section 65583.2(g)(3), requires that existing residential units on non-vacant sites be replaced with units affordable to the same or lower-income level when demolished. More specifically, replacement housing must be provided for the following types of non-vacant sites:

- Sites that currently have residential uses; and
- Sites that had residential uses within the past five years, which have been vacated or demolished that:
 - Are or were subject to a recorded covenant, ordinance, or law that restricts rents to levels affordable to persons and families of low or very low-income;
 - Are or were subject to any other form of rent or price control through a public entity's valid exercise of its police power; or
 - Are or were occupied by low or very low-income households

Of the 24 non-vacant sites in the Sites Inventory, two sites with existing Corridor Mixed Use (CMU) zoning have a total of nine existing units:

- **Site 6, located at 1100 El Camion Real**, is a two-story building that includes retail on the first story and one residential building on the second story. The site currently has a proposed project that is under review. This project consists of six residential, which is a significant increase to the existing unit. This capacity provides an opportunity for the financial return needed to cover the cost of replacement housing.
- **Site 16, located at 230 Broadway**, is approved for the replacement of eight existing occupied residential units and a Best Western El Rancho Inn with 357 units, including 19 very low-income units. This development will significantly increase the number of existing units.

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To ensure that any demolished units are replaced, the City is including a program for replacement units (See Program HIP-13, Replacement Housing). Pursuant to this program, the City will review all available information for a property (obtained from the property owner), reach out directly to the existing tenants to determine their household income, and determine if the proposed units are sufficient for replacement. If the City determines that the new residential units do not replace the unit at the appropriate affordability level, the City will require the developer to replace the existing units at the same or at a lower affordability level.

7.10 Senate Bill 1333 Requirements – “No Net Loss”

Recent modifications to Housing Element law adopted through SB 1333, known as the “No Net Loss” provision, require that the City maintain adequate capacity to accommodate the remaining unmet portion of its RHNA target for each of the income categories throughout the 8-year Housing Element Planning Period. The City must also monitor housing production as the Planning Period progresses and ensure that the City does not reduce the housing capacity below what is needed to meet its RHNA target by income level through either of the following methods:

- Adoption of reductions in allowable residential densities for sites identified in the Site Inventory through community plan update/amendment or rezone.
- Approval of development or building permits for sites identified in the inventory that authorize the construction or development of fewer units (by income level) than identified as possible in the inventory.

In order to address the “No Net Loss” provisions, the City completed the following steps in preparing the Site Inventory:

- Evaluated the need to reduce the estimates of site housing capacity based on topography, environmental features, site acreage, and expectations for mixed-use development. Where deemed appropriate, the City applied such reductions.
- Further reduced estimated site housing capacity to ensure estimates are conservative, ranging between 85% and 100% of the net potential housing units, based on site-specific zoning and units’ designated income levels. Average realized density of proposed and recently built developments ranges between 7 and 131 for different zones.
- Identified sufficient sites with housing capacity to provide a reasonable capacity buffer (17% of gross RHNA numbers for very low-income units, 18% for low-income units,

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Chapter 7. Adequate Site Inventory Analysis and Methodology

lower-income levels and 29% for the moderate-income level) above the City's RHNA targets to ensure that the City maintains adequate capacity to meet its targets.

The Housing Plan includes Program HIP-47 to continue efforts to document and monitor residential building activity tied to Housing Element program targets.

7.10.1 Assembly Bill 1486 City-Owned Land

The Site Inventory does not contain any City-owned properties. The City evaluated City-owned properties and determined that none of them has capacity for new residential development.

7.11 Summary

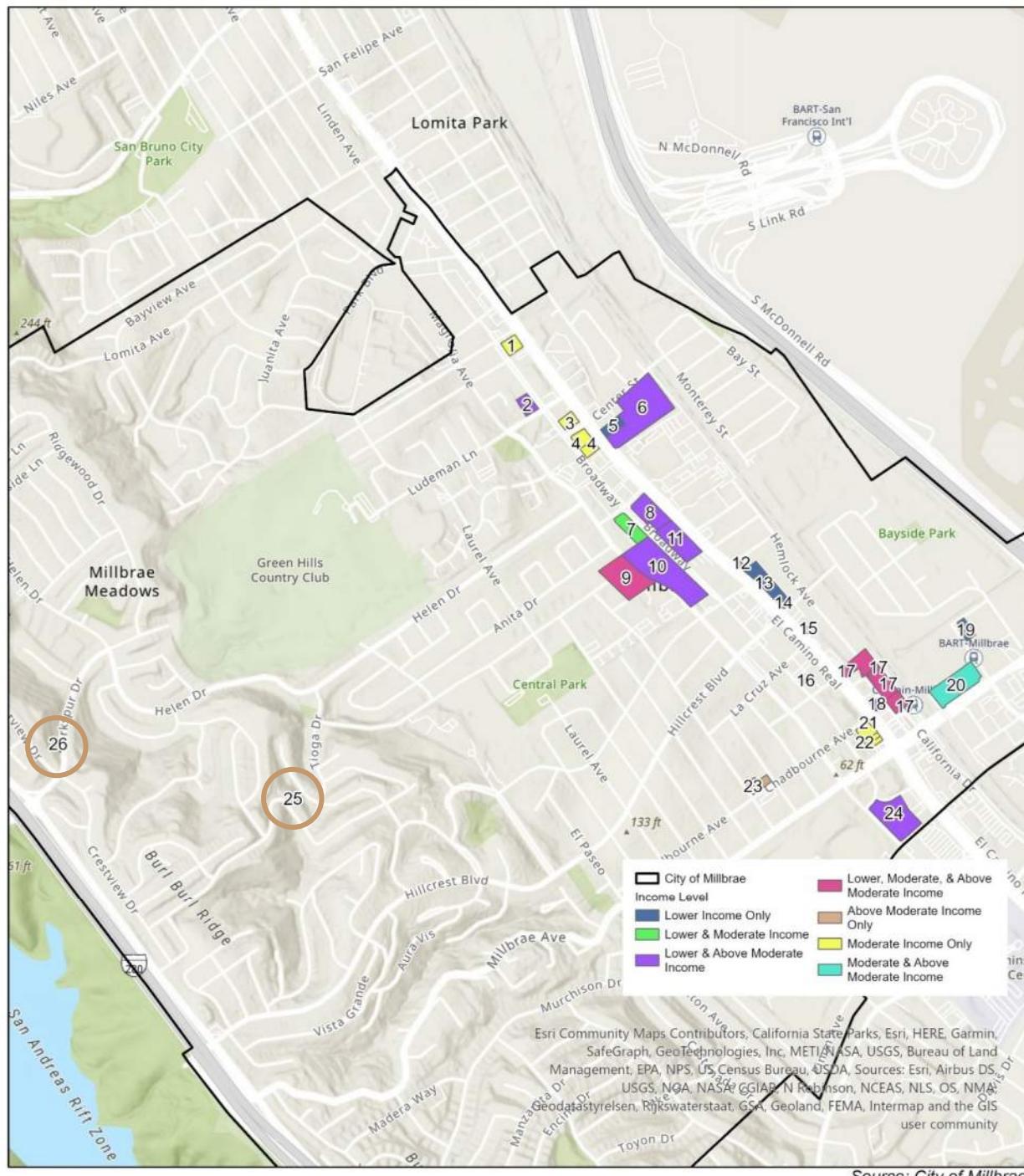
As stated above, through its Site Inventory, the City has identified 26 sites adequate for development of housing and that have the following characteristics:

- Housing capacity that is reasonably developable within the Planning Period for at least 3,861 net housing units (of which 112 are ADUs) with the adoption of the DECRSP.
- There are zero sites previously included in the 5th Cycle Housing Element that are non-vacant designated for lower-income units in the 6th Cycle Housing Element.
- Each identified site is adjacent to developed land and/or is the subject of a proposed housing development project.
- Based on the review of the documentation outlined in this Chapter, each site has sufficient utility supply available and is accessible to support housing development.
- Sites identified for lower-income capacity, in accordance with State law, have a parcel size of at least 0.5 acres and less than 10 acres, with the exception of Site 18, which is a pipeline project under review for the development of five lower-income units.
- All sites identified for lower-income capacity have a zoning designation that permits development density of 30 or more dwelling units per acre, the City's default lower-income density pursuant to California Government Code, Section 65583.2.

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Figure 7-4. Site Inventory Income Levels



Harris & Associates



0 0.15 0.3 Miles

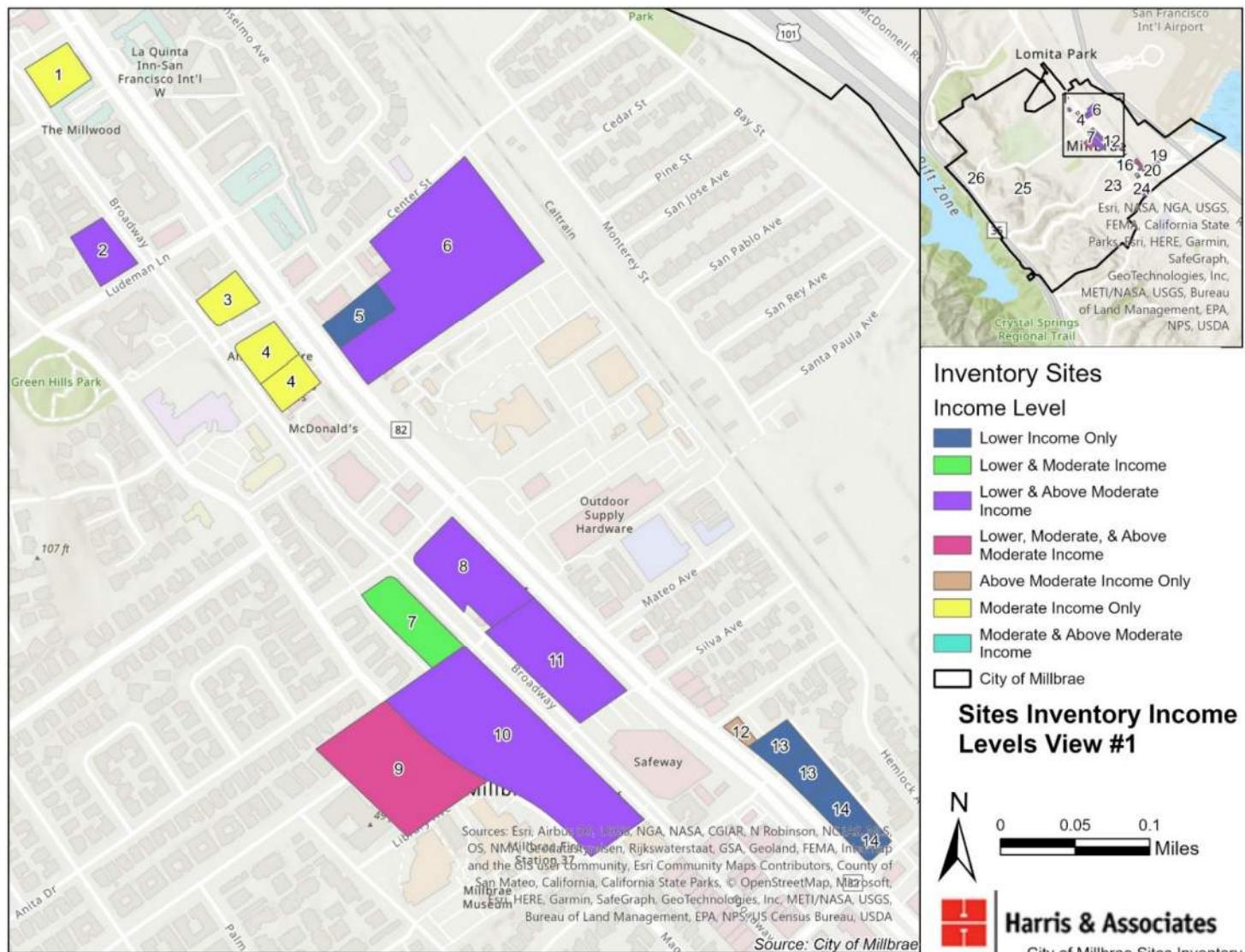
Sites Inventory Income Levels

City of Millbrae Sites Inventory

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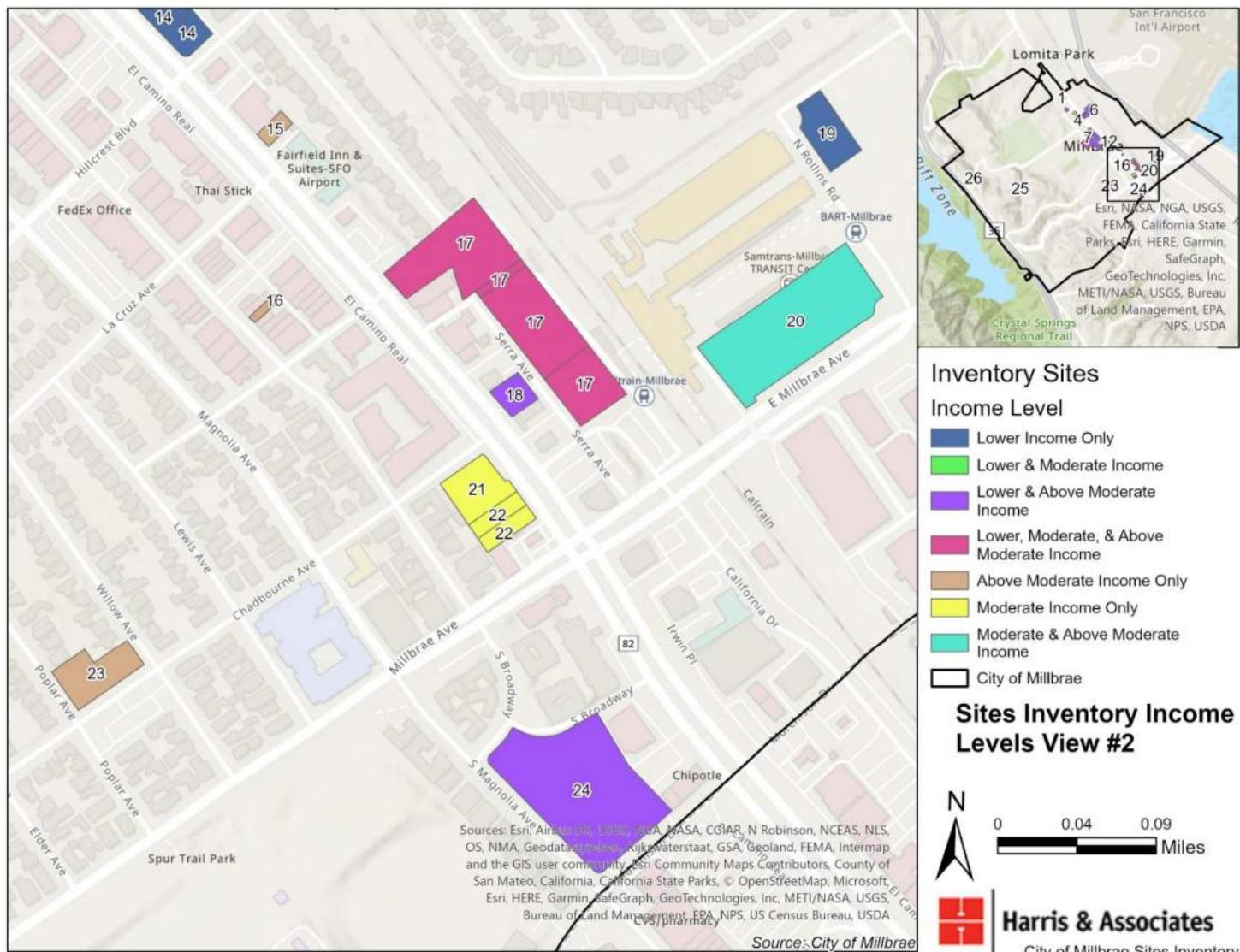
Figure 7-5. Site Inventory Income Levels View #1



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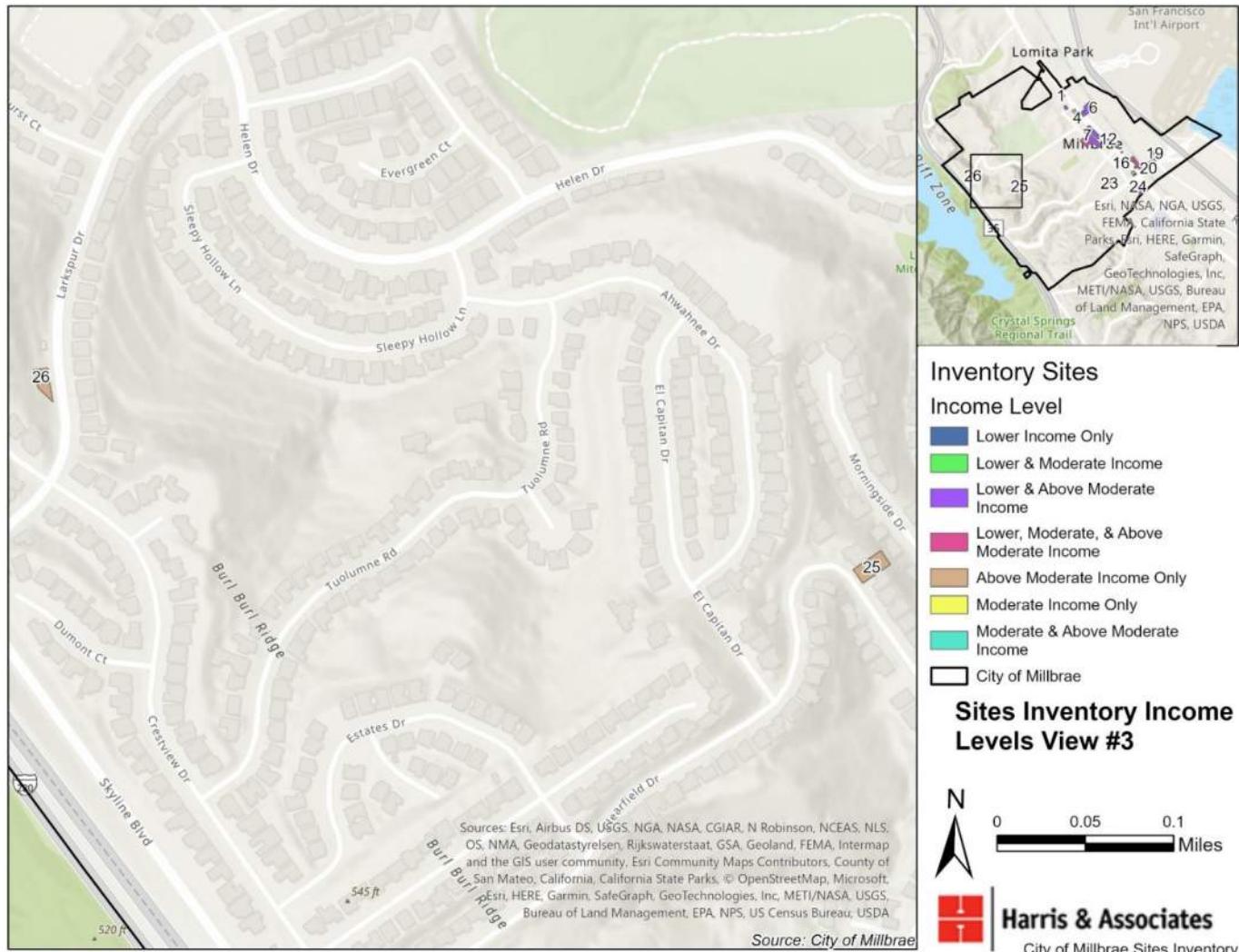
Figure 7-6. Site Inventory Income Levels View #2



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Figure 7-7. Site Inventory Income Levels View #3



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Chapter 7. Adequate Site Inventory Analysis and Methodology

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8 HOUSING PLAN

California Government Code, Section 65583(c), requires a program that sets forth a schedule of actions during the planning period that the local government is undertaking or intends to undertake to implement the programs and achieve the goals and policies of the Housing Element. The goals, policies, and programs have been established to address the housing issues in the City of Millbrae (City or Millbrae) and to meet state housing law requirements, including the identification of the agencies and officials responsible for the implementation of the various actions. The City's overall objective is to ensure that decent, safe housing is available to current and future Millbrae residents of all income levels. The goals of this Housing Element are formulated based on information provided in the Community Profile, Housing Constraints, and Affirmatively Furthering Fair Housing sections of this document, as well as input from the City Council, Planning Commission, city staff, and members of the public. The components of this section can be described as follows:

- **Goals** are the results that the City desires to achieve over the housing planning period. They are general expressions of values or preferred outcomes, and therefore, are abstract in nature and may not be fully attained. The goals are the basis for City policies and actions during this period.
- **Policies** are specific statements that will guide decision-making. Policies serve as the directives to developers, builders, service providers, decision makers and others who will initiate or review new development projects or seek to provide housing-related services in the City. Some policies stand alone as directives, but others require that additional actions be taken. These additional actions are listed as "programs."
- **Programs** are the core of the City's housing strategy. Programs translate goals and policies into actions. These include on-going programs, procedural changes, zoning ordinance changes, and other actions that implement the housing policies and help achieve housing goals. Each program identifies the funding source, responsible party, and timeframe for implementation.

This section contains the City's Housing Plan for the 2023-2031 Housing Element planning period.

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8.1 Goals, Policies, and Programs

Goal H1: Reinforce the City's Commitment to Meeting Housing Needs

To provide adequate housing sites and encourage the availability of housing types for all economic segments of the community consistent with the infrastructure and service capacities of the City.

Policies

- **H1.1: City Leadership.** Provide an active leadership role in helping to attain the objectives of the City's Housing Element by following through on the actions prescribed in the Housing Element in a timely manner and monitoring progress annually to review housing goals and target achievements.
- **H1.2: Public Participation.** Encourage and support public participation in the formulation and review of the City's housing policy, including encouraging neighborhood level planning, and working with community groups and the building and real estate industry to advocate programs which will increase affordable housing supply and opportunities.
- **H1.3: Cooperation with local Fair Housing Organizations, Service Providers, Housing Advocacy, Property Owners, Developers (Market Rate and Affordable), Other Public Agencies and Non-Profits.** Continue participation in countywide housing assistance programs and coordinate with other public agencies and non-profit housing sponsors in the use of available programs to provide lower- cost housing in and other programs Millbrae. As appropriate, cooperate in countywide collaborative projects, such as 21 Elements.
- **H1.4: Development Opportunities.** Identify opportunities to promote appropriate development using local economic development and affordable housing tools and resources, coupled with the City's resources to provide infrastructure and services such as water and sewer capacity.
- **H1.5: Fair Housing and Equal Housing Opportunity.** Promote fair housing and equal housing opportunities for all Millbrae residents and ensure provision of housing opportunities for all people. The City will take appropriate actions when necessary to ensure that the sale, rental, or financing of housing is not denied to any individual on the basis of race, sex, national origin, religion, age, or other arbitrary factors.

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Implementation Program	Policies Implemented	Quantified Objectives	Potential Funding	Who is Responsible
<p>HIP-1. Triennial Advocacy Meeting with Affordable Housing Property Owners/Managers, Fair Housing Providers, Service Providers, Housing Advocates, and Non-Profits</p> <p>The City will update the contact list as shown in Appendix B (AFFH) of this Housing Element every three years and schedule a meeting once every three years with affordable housing property owners/managers, service providers, housing advocates, and non-profits (Triennial Advocacy Meeting) to provide information on existing programs and resources and obtain input on needs and potential opportunities to create additional affordable housing. On the years the Triennial Advocacy Meeting does not take place, the City will outreach to all the organizations in the contact list and request any new feedback they may have.</p> <p>The goal of this program is to obtain input on housing needs so that the City can partner with organizations to secure and leverage funding for services and special housing needs as well as ensure that tenants and landlords are connected to fair housing resources. The City will actively partner with these groups to obtain input on housing needs (including special needs populations, such as persons with disabilities, extremely low-income families, large families, etc.) and opportunities for providing appropriate affordable housing in the community.</p> <p><u>Schedule of Action:</u> Update list within six (6) months of Housing Element certification by HCD and meet triennially, beginning in FY 2024–25. On the years, the Triennial Advocacy Meeting does not take place, reach out to organizations on the list and request feedback.</p>	H1.2, H1.3, H1.5	N/A	None required	Community Development Department
<p>HIP-2. Annual Housing Element Reporting</p> <p>The City shall review and report annually on the implementation of Housing Element programs and the City's effectiveness in meeting the program objectives for the prior calendar year. The City shall present the annual report to the City Council at a public hearing before submitting the annual report to the California Department of Housing and Community Development (HCD). The goal of this program is to provide transparent information on the City's housing progress and to meet State legal requirements.</p> <p><u>Schedule of Action:</u> Annually by April 1.</p>	H-1.4	N/A	None required	Community Development Department
<p>HIP-3. Annual Meeting with San Mateo County Housing Authority and the San Mateo County Consortium to Identify Affordable Housing Opportunities</p> <p>The City shall contact the San Mateo County Housing Authority and the San Mateo County Consortium to set up an annual meeting (Annual SMCHA & SMCC Meeting) to</p>	H1.3	N/A		Community Development Department

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Implementation Program	Policies Implemented	Quantified Objectives	Potential Funding	Who is Responsible
<p>discuss affordable housing resources and opportunities, such as a regional housing trust. The discussion will include available funds and benefits available for regional organizations. The City will use this meeting to gather feedback from SMHA and SMCC on (1) regional and local housing issues that need immediate attention, (2) opportunities for regional collaboration to address such issues (such as regional housing trust), (3) funding availability and opportunities to submit joint grant applications, and (4) seek support from both organizations for local housing programs. After the meeting, the City will create action items on programs/actions Millbrae can partake in and staff shall take these programs to City Council for public comment and approval. The City shall propose one program per year that advances the implementation of Housing Element programs.</p> <p><u>Schedule of Action:</u> First meeting by the end of FY 2023–24 and annually thereafter. Program shall be proposed to City Council within six months of the meeting.</p>				
<p>HIP-4. Monitor Legislative Changes The City shall monitor legislative changes to ensure that City policies and regulations comply with state and federal laws.</p> <p><u>Schedule of Action:</u> Annually by December 31.</p>	H1.1	N/A	N/A	Community Development Department
<p>HIP-5. Support Local School Districts for Better Educational Outcomes The City shall reach out and offer to schedule a meeting with San Mateo Union School District and the Millbrae Elementary School District to discuss educational needs and ways to support school districts, within the City's planning capacity, to provide better educational outcomes for students. This meeting will allow the City to assist the school districts in addressing college readiness for minority students who struggle with lower educational outcomes in comparison to their white counterparts.</p> <p><u>Schedule of Action:</u> Schedule meeting by the end of FY 2024-25 and hold a meeting every two years by December 31.</p>	H1.3	N/A	N/A	Community Development Department

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Goal H-2: Protect and Enhance Existing Housing, Community Character, and Resources

To facilitate affordable housing opportunities.

Policies

- **H2.1: Maintenance and Rehabilitation of Existing Housing.** Promote maintenance and rehabilitation of structures in substandard condition and upgrade units lacking adequate kitchen and plumbing facilities. Encourage property maintenance measures designed to maintain the existing housing stock in its overall good condition and encourage rehabilitation to the extent possible and when necessary for low- and moderate-income homeowners and rental property owners with lower income tenants.
- **H2.2: Energy Conservation in Existing Housing.** Encourage energy conservation measures in rehabilitation projects. Encourage owners of existing residences to adopt energy conservation measures and promote energy conservation programs that provide assistance for energy conservation improvements.
- **H2.3: Energy Conservation in New Housing.** Promote the use of energy conservation in residential construction by incorporating energy conservation in all new residential development. New homes shall meet State standards for energy conservation.
- **H2.4: Rental Assistance Programs.** Continue to publicize and participate in federal rental assistance programs such as Section 8 and the Housing Voucher programs.
- **H2.5: Protection of the Rental Housing Stock.** Promote the balance of rental units with homeownership opportunities and encourage rental subsidy programs and down payment assistance programs that can be applied to existing housing.
- **H2.6: Community Preservation.** Facilitate the maintenance of the housing stock by enforcing the housing and other codes for all types of residential units. As neighborhoods age, the City should provide all possible assistance for housing rehabilitation and maintenance measures through aggressive code enforcement and community preservation.
- **H2.7: Home Sharing.** Encourage and facilitate house sharing in appropriate locations where it would provide housing for low- and moderate-income residents.
- **H2.8: Application of Existing Regulations and Guidelines.** Provide and apply regulations and guidelines to promote the maintenance and protection of existing residential areas.

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- **H2.9: Reduce Exposure to Environmental Pollution.** Take steps to address the environmental pollutants Millbrae residents are exposed to that may lead to health issues.

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Implementation Program	Policies Implemented	Quantified Objectives	Potential Funding	Who is Responsible
<p>HIP-6. Encourage the Rehabilitation of Substandard Housing Units Continue the City's existing code enforcement program and consider expansion of the program to assure compliance with basic health and safety building standards. Code enforcement staff will contact owners of housing structures that appear to be in substandard condition and offer inspection services. Code enforcement staff will require life and safety upgrades. Code enforcement staff will also provide resources (e.g., Housing Assistance Human Investment Project, California Tenant Information, and La Raza Centro Legal) to tenants that live in substandard housing rentals.</p> <p><u>Schedule of Action:</u> At a minimum, perform semiannual field surveys to identify substandard housing. The field surveys shall take place by June 30 and December 31 every other year.</p>	H2.1, H2.6, H2.8	N/A	None required	<ul style="list-style-type: none"> Community Development Department Fire Marshall
<p>HIP-7. Residential Energy Conservation Program Continue to publicize energy conservation programs including Power On Peninsula, Heat Pump Water Heater Rebates, HomeIntel, and Energy Upgrade California, San Mateo County Energy Watch - Turn-key Energy Efficiency Retrofit Program, Property Assessed Clean Energy Financing for Residents, and weatherization services on the City's website. Such programs are available to provide subsidies, inspections, and improvements.</p> <p><u>Schedule of Action:</u> Review and update the City's website every year by the end of quarter 1. Social media, newspaper, and email systems will provide at least two updates per year by June 30.</p>	H2.3	N/A	None required	<ul style="list-style-type: none"> PG&E North Peninsula Neighborhood Service Center San Mateo County Department of Housing Community Development Department
<p>HIP-8. Energy Conservation Grant Funding City staff will sign up for email alerts from State and Federal agencies and review grant funding opportunities related to energy conservation programs. City staff will track available grant funding to further promote and create more initiatives that promote energy-efficient behaviors and programs, water-saving programs, and greenhouse gas (GHG) reducing programs. The City shall apply for or assist local/regional organizations with at least one (1) eligible grant per year (as available).</p> <p><u>Schedule of Action:</u> Annually by December 31.</p>	H2.2, H2.3	N/A	General Fund	Community Development Department
<p>HIP-9. Reduce Exposure to Environmental Pollution The City is in the process and continues to take several steps to implement climate planning initiatives to mitigate climate impacts, reduce pollutants and greenhouse gas</p>	H2.2, H2.3, H2.9	N/A	General Fund	<ul style="list-style-type: none"> Environmental Services Division Public Services

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Implementation Program	Policies Implemented	Quantified Objectives	Potential Funding	Who is Responsible
<p>emissions (GHG), and prepare for a climate resilient future by completing the following through the implementation of the actions contained in the 2020 CAP:</p> <ul style="list-style-type: none"> Continue to provide greener renewable electricity to citizens and businesses through Peninsula Clean Energy. Continue to audit City facilities for energy efficient opportunities and implement energy efficient retrofits. The City participates in the San Mateo County Energy Watch and leverage benchmarking to identify opportunities for energy efficient upgrades and track energy performance. Continue to promote participation in residential energy efficiency programs, including BayREN's Home+ program, San Mateo County Energy Watch and PG&E's efficient appliance rebates. Implement the energy conservation program to cooling homes through the provision of free or subsidized shade trees for buildings with eastern, western, or southern exposures. Leverage incentives and resources provided by PCE, BayREN, and PG&E to encourage residents and offices to upgrade electric panels in order to accommodate all electric technologies including solar PV, battery storage, air source heat pumps, heat pump water heaters, electric dryers, electric stoves, and electric vehicles. Update the Building Code to mandate that residential and commercial new construction and major remodels be built to an all-electric standard, including electric heating, cooling, and water heating. <p>In addition to taking these actions by implementing the 2020 CAP, the City shall update its online Climate Action Plan Emissions Reduction Measures Dashboard at least every six months and as actions are complete. This will help the City assess the progress, and plan on upcoming actions.</p> <p><u>Schedule of Action:</u> Update dashboard as actions are taken, with a minimum update every six months.</p>				
<p>HIP-10. Coordinate with the SFO Community Roundtable and C/CAG to Monitor Noise and Air Quality Outcomes</p> <p>The City is a member of the SFO Community Roundtable, along with C/CAG and other jurisdictions in close proximity to SFO. During the SFO Community Roundtable meetings, the City shall raise noise and air quality issues affecting Millbrae residents and discuss</p>	H2.9	N/A	General Fund	Community Development Department

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Implementation Program	Policies Implemented	Quantified Objectives	Potential Funding	Who is Responsible
<p>existing measures to discuss their efficacy in mitigating environmental pollution, including air quality and their effectiveness in helping the City meet its 2020 CAP goals.</p> <p><u>Schedule of Action:</u> City staff will attend six (6) meetings per year to bring attention to resident impacts from SFO and advocate for stronger measures to mitigate noise and air quality impacts</p>				
<p>HIP-11. Encourage Section 8 Rental Housing Assistance During its Triennial Advocacy Meeting, the City shall invite the San Mateo County Housing Authority to advertise and encourage participation in the Housing Authority's Section 8 Rent Subsidy Program. This program shall increase knowledge on the Section 8 assistance program so that advocates can provide feedback and better understand the program, ask questions, and provide input.</p> <p><u>Schedule of Action:</u> Every three years during the Triennial Advocacy Meeting.</p>	H2.4, H2.5	N/A	Section 8	<ul style="list-style-type: none"> • San Mateo County Department of Housing • Community Development Department
<p>HIP-12. Advertise Human Investment Project (HIP) Home-Sharing Program to Residents Continue to support HIP Housing (a non-profit housing organization in San Mateo County focused on poverty and homelessness) by providing information on the City's website. HIP's Home Sharing Program is a program that matches homeowners with extra rooms with prospective tenants to assist with household tasks for reduced rent that is affordable. While the City does not run the program and cannot provide direct services to residents, the City shall assist HIP with targeting information at least once per year to higher-income and single-family neighborhoods where lower-income sites are not identified.</p> <p>To assist HIP with general advertisements, staff shall utilize the City's website, social media, and monthly newsletter. The City shall utilize each medium at least once per year, resulting in three (3) general advertisements per year.</p> <p>To assist HIP with targeted advertisements, staff shall send information to the targeted neighborhoods using the City's utility bill mailing. In addition, the City shall reach out to homeowners associations in the targeted neighborhoods. The City shall utilize each medium at least once per year, resulting in two (2) targeted advertisements per year.</p> <p><u>Schedule of Action:</u> Update City's website with current links and information, post in social media, and advertise on the City's monthly newsletter at least once per year by</p>	H2.7, H4.1	N/A	None required	<ul style="list-style-type: none"> • Community Development Department • HIP

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Implementation Program	Policies Implemented	Quantified Objectives	Potential Funding	Who is Responsible
December 31. Complete two targeted advertisements per year through the City's utility bill and through homeowners associations by December 31.				
HIP-13. Replacement Housing for Existing Lower Income Units on Sites for Residential Development The Sites Inventory includes two non-vacant and underutilized sites with a total of 9 existing residential units totaling: <ul style="list-style-type: none">• Site 6 located at 1100 El Camino Real, is an approved project for 384 residential units and has an existing eight units. Building permits have not been issued for the project. The City will contact the developer when building permits are submitted to indicate that income levels of existing tenants must be determined prior to the project continuing. If lower income households reside on the site currently, the City will require an agreement provided by the City, or approved by the City, to ensure the replacement of the lower income units.• Site 16 located at 230 Broadway, is a project under review for six residential units and has an existing unit. If the project is approved, the City will contact the developer to indicate that income levels of existing tenants must be determined prior to the building permit issuance. If lower income households reside on the site currently, the City will require an agreement provided by the City, or approved by the City, to ensure the replacement of the lower income units prior to building permit issuance. <p>The proposed redevelopment of these sites significantly increases the capacity of residential units, providing an opportunity for the financial return needed to cover the cost of replacement housing.</p> <p>To ensure that any lower income units demolished in the process of redevelopment are replaced, the City will review all available information for the property, reach out to existing tenants to determine their income levels, calculate the number of units with lower-income households, and determine if the proposed units are sufficient for replacement. The City will coordinate with developers to ensure the appropriate numbers of affordable units are built to replace existing units with lower-income households, pursuant to California Government Code, Section 65915.</p> <p><u>Schedule of Action:</u> As projects are proposed (timing dependent on development community).</p>	H2.1, H2.5	9	Developer Funded	Community Development Department

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Goal H-3: Provide New Housing and Address Affordable Housing and Other Special Needs

To provide a range of housing opportunities for Millbrae residents with special needs, including seniors, persons with disabilities, single female-headed households with children, large families, the unhoused, and residents with extremely low incomes.

Policies

- **H3.1: Housing for Employees and their Families.** Given the increase in commercial and retail development expected through the build-out of the city, support access to affordable housing for employees and their families.
- **H3.2: Planned Development Process.** Encourage the use of the planned development process to achieve a diversity of housing types and tenure and to provide greater choice for residents and workers in Millbrae.
- **H3.3: Mixed-Use Development.** Encourage mixed residential/commercial uses on those parcels where a mix is feasible and appropriate, consistent with the General Plan, through increased densities and reduced unit sizes (dependent on market demand and developer interest).
- **H3.4: Affordable Housing.** Improve the balance of housing type, tenure, and affordability by encouraging the development of housing at appropriate sites/locations to serve various income levels and utilize available local, regional, State, and federal resources to achieve affordable housing.
- **H3.5: Incentives for Affordable Housing.** Continue to approve housing at higher densities when affordable units are provided, consistent with environmental constraints, and density bonus law. The City will offer, to the extent feasible, other incentives such as cost-saving site design techniques, reduced parking requirements, additional height, fast-track project review, funding, and other methods of reducing the total cost of internal roads and utilities serving the development.
- **H3.6: Density Bonuses for Affordable Housing Projects Consistent with State Density Bonus Law.** The City will offer density bonuses consistent with the State Density Bonus Law (Government Code Section 65915) for projects. The City will update its 2015 Density Bonus Ordinance to reflect current State laws and continue to update the Ordinance as legislative changes occur.
- **H3.7: Resale Controls on Owner-Occupied Below Market Rate (BMR) Units.** Require resale controls on owner-occupied BMR units to ensure that affordable units provided

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through public assistance or public action are retained for at least 45 years as affordable housing stock, with the minimum 45-year period resetting at each resale.

- **H3.8: Rent and Income Restrictions on Rental BMR Units.** Require rent and income restrictions on rental BMR units to ensure that affordable units provided through public assistance or public action are retained for at least 55 years as affordable housing stock.
- **H3.9: BMR Eligibility Priorities.** In order to meet a portion of the City's local housing need, consistent with Association of Bay Area Governments (ABAG) Housing Need Determinations, and as a traffic mitigation measure, the City will, to the extent consistent with applicable law, consider offering a portion of the BMR units in a project for City employees, school district employees, and other people working in the City of Millbrae.
- **H3.10: Innovative Housing Approaches.** Encourage innovative housing development and affordability approaches to increase the availability of low- and moderate-income housing, including encouraging cooperative and joint ventures between owners, developers, and non-profit groups in the provision of BMR housing.
- **H3.11: New Housing Eligible for Subsidy.** Provide technical support or referrals to resources to developers of new housing projects that include affordable units to pursue subsidies to reduce the cost of the units, such as Section 8, home-sharing, or similar programs which provide very low-, low-, and moderate-income housing.
- **H3.12: Housing Opportunity Areas.** The City has identified housing opportunity areas where a special effort will be made to provide affordable housing consistent with other General Plan policies. Housing Opportunity Areas are identified as the Downtown and the Millbrae Station Area. Housing Opportunity Areas have the following characteristics:
 - a. The area has the potential to deliver sales or rental units at low or below market rate prices or rents.
 - b. The area has the potential to meet special housing needs for local workers, single parents, seniors, and small or large families.
 - c. The area has been subject to a planning study and found appropriate to facilitate the provision of housing units to meet the City's housing objectives.
 - d. The following criteria for the selection of Housing Opportunity Areas is applicable:
 1. Adequate vehicular and pedestrian access.
 2. Convenient access to transit (or the project must be able to provide transit to meet the needs of the project's prospective residents).

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3. Convenient access to neighborhood services and facilities as needed by the prospective residents.
4. Convenient access to neighborhood recreation facilities or designed to provide adequate recreation facilities on site if effective mitigation of physical site constraints (including geologic hazards, flooding, drainage, soils constraints, wetland limitations, etc.).
5. Cost effective provision of adequate services and utilities to the site.
6. Ability to meet applicable noise requirements.
7. Adequate site size to provide adequate parking; parking requirements should be flexible based on the needs of the project's prospective residents.

The City will utilize the land use entitlement process through discretionary permits, rezoning, or development agreement.

- **H3.13: Adaptable Units for the Physically Disabled.** The City will work with developers to ensure that new housing includes units that can be adapted for use by disabled residents.
- **H3.14: Special Needs.** Encourage affordable housing designed for special needs households including large families with children, female headed households, seniors, and disabled households, through outreach, education, and through the development review process
- **H3.15: Housing for the Unhoused Population.** The City of Millbrae recognizes the need for transitional (emergency shelter) and permanently supportive housing for the unhoused consistent with State law requirements.
- **H3.16: Reasonable Accommodations for the Disabled.** To ensure equal access to housing, provide reasonable accommodation for people with disabilities in the City's rules, policies, practices, and procedures related to zoning, permit processing, and building codes.
- **H3.17: Airport Development Restrictions.** Ensure that new development is consistent with all airport/land use compatibility criteria under the Comprehensive Land Use Plan for San Francisco International Airport.
- **H3.18: Support Regional Efforts.** Support a regional approach to solving the housing problems that cannot be solved by individual jurisdictions.

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- **H3.19: Employment Opportunities for Persons with Disabilities.** Support the efforts of local service providers to increase employment opportunities for persons with a disability.
- **H3.20: Mitigate Displacement Risk.** Support affordable housing, provide access to resources, and collaborate with local organizations to mitigate the risk of displacement for Millbrae residents.
- **H3.21: Incentivize Accessory Dwelling Units.** Encourage and Incentivize the development of Accessory Dwelling Units for the development of affordable units in the City.
- **H3.22: Streamline and Support Housing Development.** Offer support to housing developers to streamline and encourage the development of affordable and market-rate, high-density housing in Millbrae.

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Implementation Program	Policies Implemented	Quantified Objectives	Potential Funding	Who is Responsible
<p>HIP-14. Conduct a Residential Development Feasibility Study In order to ensure that development impact fees are not a constraint to housing development in Millbrae, the City shall prepare a financial feasibility analysis for residential development that studies the financial effects of development impact fees and inclusionary housing in-lieu fees and all other development cost variables on residential development feasibility. The City shall utilize its findings to make fee reductions, if necessary.</p> <p><u>Schedule of Action:</u> The City will retain a consultant within four years of Housing Element certification to prepare an independent, third-party analysis.</p>	H3.4, H3.5	N/A	• General Fund	Community Development Department
<p>HIP-15. Continue to Implement the Millbrae Station Area Specific Plan The City will continue to implement the specific plan for the Millbrae BART/Caltrain Station Area, which identifies potential housing sites.</p> <p><u>Schedule of Action:</u> Ongoing, as developers propose projects and sites are developed.</p>	H3.2, H3.3, H3.4, H3.5, H3.10, H3.11, H3.12, H3.14, H3.15, H3.22	917	<ul style="list-style-type: none"> • CDBG, • CSG • ESG • HOME • HOPWA • Other State & Federal funds 	Community Development Department
<p>HIP-16. Downtown and El Camino Real Specific Plan Adoption and Implementation The City will adopt the Downtown and El Camino Real Specific Plan (DECRSP) to provide a roadmap for future growth to encourage residential development near transit, jobs, and services to further the City's climate goals. The DECRSP emphasizes transit-oriented, mixed-use development and provides a mix of housing, restaurants, general commercial, hotels, offices, and entertainment uses. The DECRSP specifically rezones the majority of the sites in the site inventory to allow for additional density to accommodate the City's RHNA to increase the supply of housing to mitigate housing cost increases.</p> <p><u>Schedule of Action:</u> Adopt DECRSP by the end of 2022.</p>	H3.2, H3.3, H3.5, H3.5, H3.10, H3.11, H3.12, H3.14, H3.15, H3.22	682	• General Fund	Community Development Department
<p>HIP-17. Rezone for Lower Income Sites Government Code Section 65583.2(c)(3)(B) specifies that a minimum density of 30 units per acre is necessary to meet the City's low- and very low-income housing needs. The 6th Cycle Sites Inventory identifies 994 total potential lower-income housing units on 14 sites that are suitable for lower-income housing development. <u>Of those 14, ten will be rezoned through the adoption of the DECRSP</u> to allow for the minimum density required by law. The ten DECRSP sites will be rezoned as follows:</p>	H3.4, H3.5, H3.14, H3.22	Included in number under HIP-13	• General Fund	Community Development Department

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<ul style="list-style-type: none"> Sites 5, 6, 13, 14, and 24 are currently zoned for Commercial (C) and will be rezoned for Corridor Mixed Use (CMU) with a maximum density of 130 units per acre. Site 8 is currently zoned for Commercial (C) and will be rezoned for Residential Mixed Use (RMU) with a maximum density of 80 units per acre. Sites 7 and 9 are currently zoned for Planned Development (PD) and will be rezoned to Residential Mixed Use (RMU) with a maximum density of 80 units per acre. Sites 10 and 11 are currently zoned for Planned Development (PD) and will be rezoned to Corridor Mixed Use (CMU) with a maximum density of 130 units per acre. <p>The remaining four sites (Sites 2, 17, 18, and 19) have proposed and approved residential projects in the pipeline and will not undergo a rezoning.</p> <p><u>Schedule of Action:</u> Adopt DECRSP by the end of 2022 and rezone Sites 5, 6, 7, 8, 9, 10, 11, 13, 14, and 24 by spring 2023.</p>				
<p>HIP-18. Encourage and Incentivize Accessory Dwelling Units (ADUs)</p> <p>Assembly Bill (AB) 671 (2019) amended Government Code Section 65583, to require local agencies' Housing Elements to include a plan that incentivizes and promotes the creation of ADUs that can offer affordable rents for households with very low-, low-, or moderate-income households. In accordance with AB 671, the City establish a program that provides homeowners with streamlined plan review.</p> <p><u>Schedule of Action:</u> Establish program by the end of 2023-2024.</p> <p>In addition, the City will encourage the development of ADUs by developing and distributing educational materials that inform property owners of the standards for ADU development, permitting procedures, and the importance of ADUs. City staff shall distribute these promotional materials and flyers by making them available at the Permit Center and publishing them on the City's website.</p> <p><u>Schedule of Action:</u> Prepare materials by June 2024 (end of FY 2023-2024). Distribute them on an ongoing basis and update them annually.</p>	H3.21, H4.1 (Housing Mobility), H4.2 (Housing Mobility)	112	General Fund	Community Development Department

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<p>Furthermore, the City shall coordinate with San Mateo County (County) to receive and use a portion of the County's Permanent Local Housing Allocation (PLHA) funding to help fund the development of pre-approved plans and/or financing. Additionally, the City shall research available grant funds to further incentivize ADUs for Millbrae residents.</p> <p><u>Schedule of Action:</u> Determine application deadline, confirm eligibility, and apply for County PLHA funds by June 30, 2023.</p> <p>Moreover, Millbrae will also monitor the production and affordability of ADUs, as well as the progress made in comparison to the estimates in the Sites Inventory. If the assumptions in the Housing Element Sites Inventory are not met, the City shall identify any issues with the program and propose appropriate solutions.</p> <p><u>Schedule of Action:</u> Gather affordability data from property owners as ADUs are built and report on the production annually on April 1 (as part of the Housing Element Annual Progress Report).</p> <p>Finally, in accordance with AB 671, the City shall research the feasibility of reducing or waiving building permit fees for property owners who take advantage of the new program, and research grant funds to help fund ADUs. The City shall strive to apply for one grant every other year, as the opportunity arises.</p> <p><u>Schedule of Action:</u> End of 6th Cycle Planning Period</p>				
<p>HIP-19. BMR Resale and Rental Controls</p> <p>The City shall continue to successfully work with sellers and buyers of affordable units to ensure the preservation of the affordability covenants and restrictions when any transfer occurs. When a unit becomes available for resale, the City will reach out to the seller and discuss options to continue the unit's affordability.</p> <p>In addition, the City shall reach out to owners of affordable units and inform them of the state preservation notice law (GOV Section 65863.10, 65863.11, and 65863.13) to ensure compliance.</p>	H3.7, H3.8	N/A	N/A	<ul style="list-style-type: none">Community Development DepartmentBAAHA

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<p>Schedule of Action: Inform owners of state preservation notice law by end of FY 2023-2024. Reach out to BMR owners on options to preserve affordability as units are posted for resale.</p>				
<p>HIP-20. BMR Eligibility Guidelines The City shall continue to utilize the lottery system for affordable units, which gives preference points to individuals living or working in Millbrae. This lottery system will target affordable housing to current City employees, school district employees, and other people working in the City of Millbrae.</p> <p><u>Schedule of Action:</u> As units become available.</p> <p>In addition to giving preference to Millbrae residents/workers, the City will modify the system to prioritize special needs populations, such as seniors, persons with a disability, extremely low-income housing, etc.</p> <p><u>Schedule of Action:</u> Update system by the end of FY 2024-25.</p>	H3.9, H3.14, H3.16	N/A	N/A	<ul style="list-style-type: none"> • Community Development Department • BAAHA
<p>HIP-21. Services for Unhoused Persons Continue to provide funding to the San Mateo County Human Services Agency (HSA) to provide Homeless Outreach Services at the Millbrae BART Station and surrounding areas. The City will allocate funding for two full time equivalent social workers on an annual basis (at least \$200k) to assist the HSA in providing services for the Millbrae community. The HSA retained LifeMoves for one year to provide two full-time equivalent social worker/case managers, who spend time at the BART Station area and accept referrals of individuals in need of services. Services include outreach, engagement, and case management services for individuals experiencing homelessness, mental health issues, and drug dependency issues.</p> <p><u>Schedule of Action:</u> Annually by June 30.</p>	H3.14 - H3.15	N/A	N/A	<ul style="list-style-type: none"> • City Council • Administration
<p>HIP-22. Triennial Housing Developer Meeting/Developer Outreach The City shall hold triennial meetings with affordable and market rate housing developers (Triennial Housing Development Meeting). During this meeting, the City shall discuss how to maximize housing development by using waivers and concessions, available sites identified in the 6th Cycle Sites Inventory (City staff will update the list and map during its Annual Progress Report preparation every year by April 1) and gather feedback on the existing constraints to housing development.</p>	H3.3, H3.12, H4.1	N/A	None required	Community Development Department

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<p>On the years the Triennial Housing Development Meeting does not take place, the City will outreach to all the developers on the contact list and request any new feedback they may have.</p> <p><u>Schedule of Action:</u> Host meeting every three years with an annual outreach to request feedback by December 31 every year. Update sites inventory and corresponding map on an annual basis during the preparation of the Annual Progress Report by April 1.</p> <p>In addition, the City shall advertise on its website that staff can attend pre-application meetings upon request to facilitate contact with City staff and provide support.</p> <p><u>Schedule of Action:</u> Update City's website regarding pre-application meeting option, meetings held as requested by applicants.</p>				
<p>HIP-23. Prioritize Review and Expedite Development of Affordable and Special Needs Projects</p> <p>The City shall adopt a formal policy for expedited review and permitting of affordable housing developments and housing for special needs populations, (i.e., seniors, people experiencing homelessness, people living with disabilities, single female-headed households, large families, and extremely low-, very low-, low-, and moderate-income households) including Single-Room Occupancy units.</p> <p><u>Schedule of Action:</u> By the end of FY 2023–24, the City shall adopt policy and annually promote housing sites inventory to affordable housing developers.</p>	H3.4, H3.5, H3.14, H3.22, H4.1, H4.2	N/A	None required	Community Development Department
<p>HIP-24. Lot Consolidation within the Millbrae Station Area</p> <p>Consistent with the goals and policies of the Millbrae Station Area Specific Plan, the City shall help facilitate the consolidation of Sites 1, 4, 11, and 12 of the Millbrae Station Area Specific Plan.</p> <p>When a property owner of any of these sites proposes a new residential development, the City shall reach out directly to the property owners via mail and suggest lot consolidation and offer assistance to coordinate with neighboring owners. The City (with the applicant's consent) shall then contact the owners of adjacent lots on behalf of the applicant and schedule a meeting to discuss options for lot consolidation. During this meeting, the City will provide information regarding development potential, development standards, affordable housing incentives and density bonuses, and the</p>	H3.2	N/A	None required	<ul style="list-style-type: none"> • City Council • Planning Commission • Community Development Department

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<p>development review and approval process. In addition, the City shall provide the Density Bonus incentives referenced in program HIP-49.</p> <p><u>Schedule of Action:</u> As residential developments are proposed on Sites 1, 41, 11, and 12 of the Millbrae Station Area Specific Plan.</p>				
<p>HIP-25. Parking Requirement Options in Downtown Area The City create an in-lieu parking fee program to address parking constraints in the Downtown Area. In-lieu parking fees will be used to build a parking garage or will be spent on other measures to manage the parking need.</p> <p><u>Schedule of Action:</u> By FY 2025-26</p>	H3.5, H3.22	N/A	None required	<ul style="list-style-type: none"> • City Council • Planning Commission • Community Development Department
<p>HIP-26. Coordination with Disability Rights Service Providers and Updates to Reasonable Accommodations for People with Disabilities The City shall continue to enforce its Reasonable Accommodations policy in and shall continue to work on educating developers, service providers, residents, and City planners to implement the policy more successfully. To do this, the City shall include reasonable accommodations information on its website.</p> <p><u>Schedule of Action:</u> Update City website by the end of FY 2023-24.</p> <p>In addition, the City shall provide information and gather input on the appropriateness and efficacy of the current reasonable accommodations policy during its Triennial Advocacy Meeting. On the years the Triennial Advocacy Meeting does not take place, the City will outreach to all the organizations in the contact list and request any new feedback they may have.</p> <p><u>Schedule of Action:</u> Meeting will take place every three years with annual outreach for additional feedback by December 31 every year.</p>	H3.13, H3.16	N/A	None required	Community Development Department
<p>HIP-27. Update Density Bonus Ordinance The City shall update its local ordinance, consistent with State law. The City's ordinance may offer a greater density bonus than allowed by the default state standards to encourage more housing development. Furthermore, the City shall continue applying the State density bonus standards until a local law is passed. Finally, the City shall continue to update the Density Bonus Ordinance as needed in order to remain compliant with state law.</p>	H3.5, H3.6	N/A	None required	Community Development Department

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<p>Schedule of Action: Apply state density bonus standards on an ongoing basis, as needed. Adopt an updated local ordinance by the end of FY 2024-25 and update as new state laws are adopted.</p>				
<p>HIP-28. Anti-Displacement Measures Findings in the AFFH indicate a displacement risk in the northeast census tracts in the City, which have a concentration of low- and moderate-income households, voucher holders, and minority households. The City's primary displacement prevention strategy is facilitating the development of affordable housing in the community so that housing is more affordable to residents, minimizing the risk of displacement. This Housing Plan contains fourteen (14) programs to encourage and facilitate the development of affordable housing. Affordable housing development will reduce the risk of resident displacement due to an inability to afford their home.</p> <p>The City will implement anti-displacement measures as stated in the municipal code and shall outreach to residents of this area directly via email, newsletters, postings in public community centers, and direct mail. Through this outreach, the City shall connect residents to resources to minimize the displacement of household with lower incomes and special needs, wherever possible, to ensure that any unavoidable relocation is conducted in a manner that is consistent with state law and provides as many resources as possible and available to those relocated. The City will provide information on its website to help connect households in need to anti-displacement organizations in the Bay Area, including:</p> <ul style="list-style-type: none"> • Housing and Economic Rights Advocates • Tenants Together Hotline • Asian Americans Advancing Justice • Center for Independence • Community Legal Services of East Palo Alto • Housing Equality Law Project • Legal Aid for San Mateo County • Project Sentinel • Housing Choices • Public Interest Law Project • Root Policy Research <p><u>Schedule of Action:</u> Include source of income protection and anti-displacement information on the City's website by the end of 2023.</p>	H3.20	N/A	None required	Community Development Department

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<p>HIP-29. Airport Development Restrictions The City shall confirm with C/CAG's Airport Land Use Commission (ALUC) to ensure that all zoning changes comply with the Comprehensive Airport Land Use Compatibility Plan for the Environs of San Francisco International Airport pursuant to legal requirements prior to finalizing any zone changes within the City.</p> <p><u>Schedule of Action:</u> City staff will schedule a meeting with ALUC staff as zoning changes are proposed.</p>	H3.17	N/A	None required	Community Development Department
<p>HIP-30. Employee Housing The City shall continue to utilize the existing point system for residents working in the City. This system provides individuals working in Millbrae with a point on their affordable housing applications, providing them with a slight advantage in the affordable housing unit lottery system.</p> <p><u>Schedule of Action:</u> As individuals join the affordable housing waitlist and as units become available.</p>	H3.1	N/A	None required	Planning Department
<p>HIP-31. Pursue State and Federal Funding for Affordable Housing The City shall sign up for list serve emails from State (HCD, OPR, etc.), federal (HUD), and regional sources (ABAG) to identify grant application opportunities for affordable housing.</p> <p><u>Schedule of Action:</u> By December 31, 2023.</p> <p>When eligible grant opportunities are identified, the City will reach out to affordable developer stakeholders, non-profits, and service providers in the Housing Element stakeholder contact list to identify projects and/or opportunities to include on grant applications and work to secure the funding. The contact list shall be updated as more stakeholders are found.</p> <p>Such grants may include, but are not limited to:</p> <ul style="list-style-type: none"> • One Bay Area Grants awarded by the Association of Bay Area Governments • Section 811 funding for supportive housing for extremely low-income residents provided by the Department of Housing and Urban Development (HUD) • Regional Early Action Plan Grant (HCD) • The State Infill Infrastructure Grant (HCD) 	H3.4, H3.5, H3.11, H3.22	N/A	None required	Community Development Department

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<ul style="list-style-type: none"> • The State Multifamily Housing Program (HCD) • The State Permanent Local Housing Allocation Program(HCD) • Community Development Block Grant (CDBG), City revolving bond funds, and other sources of funding to assist with the purchase of land for affordable housing <p>When affordable housing projects that qualify for funding are proposed, the City will apply for, or support a minimum of, one grant application <u>per year</u>. The goal of this program is to increase the amount of funding available for affordable housing projects.</p> <p><u>Schedule of Action:</u> As eligible grants become available. Apply for or support a minimum of one grant application per year, if available.</p> <p><i>Disclaimer – Completing the tasks and activities referenced in this program will be dependent upon available local, state, and federal funding sources.</i></p>				
<p>HIP-32. Local Funding for Affordable Housing</p> <p>The City shall continue to allocate commercial linkage and housing in -lieu fees for extremely low-, very low-, low-, and moderate-income housing. Funding can be used for new construction, acquisition, and rehabilitation of affordable housing, as well as other housing programs such as mortgage assistance.</p> <p><u>Schedule of Action:</u> As funding is available and developers request are received.</p> <p>To increase transparency for developers, the City shall also provide information to attendees on available funds during the Triennial Housing Development Meeting, per Program HIP-22 of this Housing Element. The information provided shall include available funds and a projection for the following 3 years. In addition, the City shall follow up with attendees and provide documentation of the available funding for affordable housing development.</p> <p><u>Schedule of Action:</u> Every three years by December 31 with annual outreach on the years the meeting does not take place.</p>	H3.4, H3.5, H3.11, H3.14, H3.22	N/A	<ul style="list-style-type: none"> • Commercial Linkage Fees • Inclusionary Housing In-Lieu Fees 	Community Development Department

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<p>This program addresses the need for certainty for affordable housing developers. By knowing what is and may be available for them in the future, the feasibility of affordable housing is improved, resulting in more development.</p>				
<p>HIP-33. Allocate CDBG Funding for Housing The City shall continue to participate in the San Mateo County HOME Consortium and shall apply to receive Community Development Block Grant (CDBG) for an annual allocation for housing programs, consistent with the San Mateo County HOME Consortium Consolidated Plan and Annual Action Plan requirements.</p> <p><u>Schedule of Action:</u> Annually.</p>	H3.4, H3.14	N/A	CDBG	Community Development Department
<p>HIP-34. Facilitate Access to Affordable Housing for Residents The City shall invite housing property managers and housing advocates to the Triennial Advocacy Meeting proposed in Program HIP-1. During this meeting, the City shall discuss the creation/improvement of the/a referral system to available affordable housing units with affordable housing property managers and housing advocates. On the years the Triennial Advocacy Meeting does not take place, the City will outreach to all the organizations in the contact list and request any new feedback they may have.</p> <p><u>Schedule of Action:</u> Meet every three years and request feedback every year by December 3.1</p> <p>In addition, the City shall continue to maintain the City's webpage and develop a list-serve email system that informs advocates and residents of each property's waitlist status, application requirements for each property, etc.</p> <p><u>Schedule of Action:</u> Create list-serve by the end of FY 2023–24 and update website at least once every two years.</p>	H3.4, H3.14	N/A	None required	Community Development Department
<p>HIP-35. Assist with Development of Lower-Income Housing The City will offer the following incentives for the development of affordable housing, including but not limited to the following:</p> <ul style="list-style-type: none"> The City shall adopt a process to streamline and expedite the approval process for affordable housing projects with at least 50% of units at affordable prices/rents, consistent with state law. 	H3.4, H3.5, H3.14, H3.22, H4.1, H4.2	N/A	None required	Community Development Department

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<p><u>Schedule of Action:</u> Within one year of Housing Element certification.</p> <ul style="list-style-type: none"> The City shall continue to waive in-lieu fees on 100% affordable units. In addition, the city shall work with qualified applicants to prepare an analysis that determines the feasibility of reducing permitting fees for housing projects that are 100% affordable to reduce factors that can render an affordable housing development financially infeasible, thereby constraining the development of affordable housing. The City shall commit to reducing fees if the analysis determines the reduction of fees is feasible. <p><u>Schedule of Action:</u> Within three years of Housing Element certification.</p> <ul style="list-style-type: none"> The City shall provide technical assistance to developers on funding applications, as projects are proposed. <p><u>Schedule of Action:</u> Ongoing as projects are proposed and assistance is needed (specific timing dependent on development community).</p>				
<p>HIP-36. Funding, Incentives, and Concessions for Extremely Low-Income Developments The City will undertake the following actions during the planning period:</p> <ul style="list-style-type: none"> Developer Meetings: Hold the Triennial Housing Development Meeting established in Program HIP-22 (by December) to discuss available funding sources (City, State and federal), sites identified in the Housing Element sites inventory that are available, developer needs and opportunities for affordable housing projects. Outreach will include experienced developers with recent affordable housing project experience that includes units affordable to extremely low-income households and households with special needs. On the years the Triennial Housing Development Meeting does not take place, the City will outreach to all the developers in the contact list and request any new feedback they may have. <u>Schedule of Action:</u> Every three years with annual outreach to request additional feedback by December 31 each year. Assistance to Developers – Funding and Concessions: Prioritize funding for housing developments affordable to extremely low-income households and identify feasible financial incentives and regulatory concessions to encourage the development of different housing types (including multifamily and single-room occupancy projects). The City shall follow up with attendees and provide documentation on the available assistance for affordable housing development. <u>Schedule of Action:</u> Every three years by December 31 (during the Triennial Housing Development Meeting) and as requested. Follow up within 30 days of the meeting. 	H3.14	N/A	<ul style="list-style-type: none"> Commercial Linkage Fees Inclusionary Housing In-Lieu Fees General Fund 	Community Development Department

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<ul style="list-style-type: none"> <i>Other Technical Assistance to Developers:</i> Provide technical assistance to developers regarding the City's lower-income sites, funding opportunities, as well as mixed-use zoning and density bonus incentives (make the availability for technical assistance known to developers at the Triennial Housing Development Meeting referenced above). The City shall follow up with attendees and provide documentation on the availability of technical assistance and steps that shall be taken to receive such assistance. <u>Schedule of Action:</u> Every three years by December 31 (during the Triennial Housing Development Meeting) and as requested. Follow up within 30 days of the meeting. <i>Funding Alerts:</i> City staff will sign up to receive regular alerts and communications about State and federal funding opportunities (from HCD, HUD and other entities) for affordable housing development, including extremely low-income housing units. <u>Schedule of Action:</u> by December 31, 2023. <i>Grant Applications:</i> City staff will apply for or support a minimum of one grant application per year for affordable housing (including extremely low-income housing units), as they are available. To date, grant opportunities for cities have been limited to SB 2 and LEAP. The remainder of available grants require developers to apply for specific projects (meeting stringent criteria) rather than local jurisdictions. City staff will meet with the County Housing & Community Improvement Department each year to identify additional funding opportunities for affordable housing activities. <u>Schedule of Action:</u> One application per year, as they are available. <p>The goal of this program is to offer all available concessions, technical assistance and funding assistance to housing projects that include lower-income housing units to improve the financial feasibility of those projects, allowing the projects to be implemented rather than abandoned due to financial infeasibility.</p> <p><i>Disclaimer – completing the tasks and activities referenced in this program will be dependent upon available local, State, and federal funding sources.</i></p>				
HIP-37. Advertise Available Resources The City shall publish affordable housing funding opportunities available to developers on the City's website, disseminate them via targeted email notifications, and post them	H3.11	N/A	None required	Community Development Department

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<p>on all City social media accounts. Advertisements should also include information on the availability of sites with the best potential for development.</p> <p><u>Schedule of Action:</u> Annual update by December 31.</p> <p>HIP-38. Legal Assistance for Renters and Support for Fair Housing Services Provider The City will continue to contract with Project Sentinel (a nonprofit fair housing provider the City currently contracts with) for fair housing services for City residents.</p> <p><u>Schedule of Action:</u> Annually.</p> <p>The City will also provide fair housing information including fair housing education, counseling, investigation, conciliation, advocacy, and enforcement services provided by Project Sentinel, Legal Aid Society of San Mateo County, Community Legal Services of East Palo Alto, Peninsula Conflict Resolution Center, and Samaritan House in the following manner:</p> <ul style="list-style-type: none">• City's website – external links.• City's social media accounts – announcements that information is available on City's website.• Targeted emails to community organizations that work with special needs populations and residents – announcements that information is available on City's website. <p><u>Schedule of Action:</u> Ongoing with an annual review of information and annual outreach/updates by December 31.</p> <p>Additionally, the City shall also post Appendix B, Affirmatively Furthering Fair Housing Analysis, of this Housing Element as well as information and resources for reporting suspected violations and obtaining remedies on the City's website.</p> <p><u>Schedule of Action:</u> Within 6 months of Housing Element certification by HCD and update annually by December 31.</p> <p>Finally, the City shall meet with Project Sentinel to discuss funding need for fair housing services and determine the needs of the organization to help maintain appropriate assistance for residents.</p> <p><u>Schedule of Action:</u> End of FY 2023–24.</p>				
	H3.20	N/A	None required	Community Development Department

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<p>HIP-39. Meet with Service Providers and Advertise Employment Resources for Persons with Disabilities</p> <p>The City shall reach out directly to local disability service providers and meet every three years during the Triennial Advocacy Meeting under Program HIP-1. During the meeting, the City will gather data on employment resources for persons with disabilities and compile a list of available resources to include on its website. Additionally, the City will discuss other needs for persons with disabilities and gather feedback. Furthermore, following the meeting, the City shall reach out to attendees and request that resource information is directly shared with the residents that the organizations are providing services to. On the years the Triennial Advocacy Meeting does not take place, the City will outreach to all the organizations in the contact list and request any new feedback they may have.</p> <p><u>Schedule of Action:</u> Outreach to service providers and compile a list of resources by December 31, 2023. Meet with service providers and update resource every three years with an annual follow-up on the years there is no meeting by December 31. Reach out to attendees within 30 days of the meeting and ask that they directly reach out to residents within 30 days of the City's contact.</p>	H3.19	N/A	None required	Community Development Department
<p>HIP-40. Collaboration with San Mateo County Vocational Rehabilitation Services</p> <p>The City shall reach out to the San Mateo County Vocational Rehabilitation Services (SMCVRS) to discuss program needs and opportunities for collaboration, such as a referral program, funding allocation, or advertising on the City's website. The City shall seek to increase services and improve employment access to persons with disabilities.</p> <p><u>Schedule of Action:</u> Outreach to and meet with SMCVRS by the end of FY 2023-24. In addition, the City shall invite SMCVRS to its Triennial Advocacy Meeting under Program HIP-1 to discuss the needs of persons with a disability and opportunities to provide support. The City shall also reach out to the SMCVRS and request any new feedback they may have on the years the meeting does not take place.</p>	H3.18, H3.19	N/A	None required	Community Development Department
<p>HIP-41. Implement the City's Economic Development Plan</p> <p>The City shall continue to implement the Millbrae Economic Development Plan to provide adequate job opportunities to the community. Specifically, the City shall further focus its efforts of implementation on Objective 2, Job Diversification. This objective aims to provide opportunities for local residents to work closer to home and to diversify the job base to encourage more local service and boutique activity.</p>	H3.19	N/A	None required	Community Development Department

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Implementation Program	Policies Implemented	Quantified Objectives	Potential Funding	Who is Responsible
<p>centers. Specifically, the City shall evaluate the 2013 Economic Development Plan's strategies to identify potential improvements for the creation of employment opportunities for persons with disabilities.</p> <p><u>Schedule of Action:</u> Review Economic Development Plan and identify improvements within two years of Housing Element certification.</p>				
<p>HIP-42. Implement Reduced Parking for Affordable Housing The City shall continue to implement state law with regard to parking minimums for affordable multifamily housing projects within ½ mile of high frequency transit. This will facilitate and encourage the development of affordable housing by reducing requirements for affordable housing developers.</p> <p><u>Schedule of Action:</u> As projects are proposed.</p>	H3.4, H3.5	N/A	None required	Community Development Department
<p>HIP-43. Update the City's Zoning Ordinance and Specific Plans Related to Emergency Shelters, Low-Barrier Navigation Centers, Transitional and Supportive Housing, and Group Care Facilities to Comply with Current Laws The City will review and update the Zoning Ordinance and Specific Plans, as well as related policies pertaining to emergency shelters, Low-Barrier Navigation Centers (LBNCS), transitional and supportive housing, and group care facilities to conform to State requirements, as established by AB 139, AB 2162, and Senate Bill (SB)48. Generally, this update would allow these land uses in all of the City's residential zones and with fewer conditions. Specifically, the Zoning Ordinance would be amended to:</p> <ul style="list-style-type: none"> • Emergency Shelters (allowed by right in Commercial and Industrial Zones): <ul style="list-style-type: none"> ◦ Modify parking requirements to be limited to staff working at the facility, rather than 0.35 spaces per bed (rounded to the nearest space) plus one space per employee. This will also help recognize transitional and supportive housing projects as residential use of the property subject to the same restrictions as other residential property within the same zone; ◦ Modify the ordinance to remove the limit on the number of beds and allow for more than 10 beds in emergency shelters; ◦ Modify the ordinance to remove the requirement that limits emergency shelters from being closer than 300 feet to another emergency shelter. ◦ Modify the ordinance to allow emergency shelters by-right in R-3 zones. 	H3.17, H3.15, H3.25	N/A	None required	Community Development Department

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Implementation Program	Policies Implemented	Quantified Objectives	Potential Funding	Who is Responsible
<ul style="list-style-type: none"> • Emergency Shelters, Transitional & Supportive Housing, and Low-Barrier Navigation Centers: <ul style="list-style-type: none"> ○ Modify the Zoning Ordinance to remove requirements limiting Emergency Shelters and Transitional & Supportive Housing to Commercial and Industrial Zones only and allow for them to be permitted by-right in zones where multifamily and mixed-use developments are permitted. ○ Modify the Zoning Ordinance to explicitly permit Low Barrier Navigation Centers by right in mixed-use zones and other nonresidential zones permitting multifamily residential development. The current ordinance is silent on this land use, so the City will be adding the allowance to comply with AB 2162 and AB 101. • Group Care Facilities/Residential Care Facilities: <ul style="list-style-type: none"> ○ Modify the Zoning Ordinance to allow residential care facilities serving six or fewer people by-right in all residential zones, treat them the same way as any other residential use, and subject them to the same development standards. Currently, residential care facilities are allowed by-right in R-1, R-2, and R-3. However, they are not allowed by-right in the Downtown and El Camino Real Specific Plan areas. The Zoning Ordinance will be updated to allow them by-right in both specific plan areas. ○ See program HIP-45 addressing state-regulated residential care facilities. <p><u>Schedule of Action:</u> End of FY 2023–24.</p>				
<p>HIP-44. Update the City's Zoning Ordinance</p> <p>The City is in the process of updating its General Plan, which will incorporate changes in state law (particularly affordable housing, SROs, manufactured homes, mobile homes, employee housing, emergency shelters, transitional/supportive housing, and ADUs) into the Zoning Ordinance.</p> <p><u>Schedule of Action:</u> End of FY 2024–25.</p>	H3.5, H3.22	N/A	None required	Community Development Department
<p>HIP-45. Update the Zoning Ordinance, MSASP, and DECRSP to Comply with Residential Care Facilities Requirements</p> <p>The City will review and update the City's Zoning Ordinance (including within the MSASP and DECRSP) to allow state-regulated residential care facilities by right in accordance with California Health and Safety Code, Section 1500. Specifically, City shall amend the Zoning Ordinance to explicitly permit state-regulated residential care facilities by-right in zones R-1LL, R-1, R-2, and R-3, to comply with state law. Currently, residential care facilities are allowed by-right in R-1, R-2, and R-3. However, they are not</p>	H3.4, H3.13, H3.14, H3.16	N/A	None required	Community Development Department

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Implementation Program	Policies Implemented	Quantified Objectives	Potential Funding	Who is Responsible
<p>allowed by-right in the Downtown and El Camino Real Specific Plan areas. The Zoning Ordinance will be updated to allow them by-right in both specific plan areas.</p> <p><u>Schedule of Action:</u> End of FY 2025–26.</p>				
<p>HIP-46. Provide Information and Examples of Incentives/Concessions for Developers To expedite the process of finding resources and incentives, the City shall gather information, including feedback from the Triennial Housing Development Meeting proposed in Program HIP-22 of this Housing Element, on the existing incentives/concessions available to developers.</p> <p><u>Schedule of Action:</u> Within three years of Housing Element certification.</p> <p>The City shall then develop and post information and examples of the existing incentives/concessions available to housing developers on the City's website and update the information on an annual basis.</p> <p><u>Schedule of Action:</u> Post annually by December 31.</p> <p>The goal of this program is to expedite the time it takes to obtain development approvals and provide incentives that result in cost savings on housing projects, thereby improving, and increasing the financial feasibility of affordable housing projects.</p>	H3.22	N/A	None required	Community Development Department

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Implementation Program	Policies Implemented	Quantified Objectives	Potential Funding	Who is Responsible
HIP-47. Maintain/Update the Site Inventory The City shall provide adequate residential and mixed-use designated sites to accommodate the City's 6 th Cycle RHNA of 2,199 units (575 very low-, 331 low-, 361 moderate-, and 932 above-moderate-income units) through the following actions: <ul style="list-style-type: none">• <i>Verify Inventory:</i> The City will maintain a residential site inventory of the City's RHNA and update this inventory as projects are reviewed/approved/constructed, to ensure sufficient residential capacity is maintained to accommodate the identified need. <u>Schedule of Action:</u> Annually through the HCD Annual Progress Report effort.• <i>Accommodate Shortfall:</i> Should a development approval result in a reduction of the <u>total</u> capacity below the residential capacity needed to accommodate the remaining RHNA need for lower-income households (beyond the existing buffer), the City will identify sufficient sites to accommodate the shortfall. <u>Schedule of Action:</u> As needed with annual check by April 1 (coinciding with the APR due date).	H3.22	N/A	General Fund	Community Development Department

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Goal H-4: Equal Access to Housing / Housing Mobility

To ensure that all economic segments of the Millbrae community have equal and fair housing opportunities at the local and regional level. In addition to the programs proposed for goals H-1 through H-3, the City will implement a suite of actions to improve housing mobility and affordability

Policies

- **H4.1: Maximize Housing Choice.** Ensure that all Housing Element programs are implemented with the goal of maximizing housing choice for all residents.
- **H4.2: Facilitate Housing Development for Housing Mobility.** Facilitate the development of a variety of housing types to foster housing mobility.
- **H4.3: Employ Strategies for Neighborhood and Infrastructure Improvements.** Seek out the improvement of less affluent communities in the City to create opportunities within all neighborhoods.

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Implementation Program	Policies Implemented	Quantified Objectives	Potential Funding	Who is Responsible
<p>HIP-48. Pilot City Mortgage Assistance Program The City will develop a Pilot City Mortgage Assistance Program for City Council consideration. Staff will recommend the establishment of a task force to study the feasibility of the program and projected fund availability. In addition, the task force shall develop the eligibility criteria, application process, terms of mortgage assistance, and other program details.</p> <p>The City Mortgage Assistance Program will provide affordable homeownership opportunities for residents who may face challenges in affording a home in affluent areas. If/when established, the City Mortgage Assistance program shall be funded using the City's Enterprise Fund or other eligible sources.</p> <p><u>Schedule of Action:</u> Propose the creation of a task force by the end of FY 2024-2025. If approved, the City Mortgage Assistance Program shall be established by the end of FY 2025-2026.</p>	H4.1, H4.2	N/A	<ul style="list-style-type: none"> Enterprise Fund or other eligible sources 	City Administration
<p>HIP-49. Additional Density Bonus Incentives The City will prepare incentives to enable additional allowances for density bonuses in exchange for more affordable units at deeper affordability levels.</p> <p>Pending Council approval, the package of incentives will increase the number of affordable units built across the City and, therefore, create more housing opportunities to support mobility.</p> <p><u>Schedule of Action:</u> Prepare a package of incentives and present to City Council by the end of FY 2025-2026 and implement (if approved) by the end of FY 2026-2027.</p>	H4.1, H4.2	N/A	None required	Community Development Department
<p>HIP-50. Allow Additional Affordable Housing in P-D Zones The City will continue to allow affordable units in parcels with Planned Development (PD). This incentive shall be available to developments that comply with General Plan density.</p> <p><u>Schedule of Action:</u> As projects get proposed and the City connects with developers.</p>	H4.1, H4.2	N/A	None required	Community Development Department

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Implementation Program	Policies Implemented	Quantified Objectives	Potential Funding	Who is Responsible
<p>HIP-51. Housing Mobility Coordinator The City shall work with 21 Elements and HEART of San Mateo County, along with other member cities, to identify and hire a shared staff person who will assist with Housing Element program implementation and housing mobility services.</p> <p>The housing mobility coordinator shall provide housing mobility counseling, such as information on opportunity areas, housing search skills and tools, workshops, one-on-one research assistance, referrals, landlord-tenant mediation, and retention counseling.</p> <p><u>Schedule of Action:</u> Establish a housing mobility coordinator by FY 2023-2024.</p>	H4.1	N/A	General Fund	Community Development Department
<p>HIP-52. Provide New Housing Choices in Lower-Density Neighborhoods Through Incentives for SB9 Units in R1-Zone Neighborhoods The City shall adopt a local ordinance implementing SB9, which shall establish an administrative process without any discretionary action. SB9 will open up the possibility for property owners to construct up to 4 units through a multi-step process and create more housing choices and affordability in some of the most affluent areas of the City.</p> <p>Once adopted, the ordinance shall be advertised to Millbrae homeowners in R-1 zones. For general advertisement, staff shall utilize the City's website, social media, and monthly newsletter. The City shall utilize each medium bi-annually, resulting in three (3) general advertisements every two years.</p> <p>For targeted advertisements, staff shall send information to the targeted neighborhoods using the City's utility bill mailing. The City shall utilize this medium at bi-annually, resulting in one (1) targeted advertisement every two years.</p> <p><u>Schedule of Action:</u> Adopt local ordinance by the end of FY 2023-2024. Update City's website with current links and information, post in social media, and advertise on the City's monthly newsletter bi-annually by December 31. Complete one targeted advertisement bi-annually through the City's utility bill by December 31.</p>	H4.1, H4.2	N/A	General Fund	Community Development Department
<p>HIP-53. By-Right Approval on Reuse Sites City staff shall propose to establish a procedure that would provide by-right approval on projects on reuse sites (those identified in previous housing elements. By-right approval is dependent upon City Council approval.</p>	H4.1, H4.2	N/A	None required	Community Development Department

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Implementation Program	Policies Implemented	Quantified Objectives	Potential Funding	Who is Responsible
<p><u>Schedule of Action:</u> Propose procedure to City Council by the end of FY 2026-2027.</p>				
<p>HIP-54. Tools for Financing Infrastructure and Development The City shall study and report to City Council on the feasibility of establishing an Enhanced Infrastructure Financing District (EIFD), Community Revitalization Investment Authority (CRIA), Community Benefits District, or similar tax increment financing program. These tools shall enable the City to invest in redevelopment and increase opportunity in all areas of the City. If established, the City would have the ability to directly fund and support the development of housing and supporting infrastructure.</p> <p>Following the study and report, City staff shall propose an appropriate financing program for City Council approval.</p> <p><u>Schedule of Action:</u> Prior to the end of the 6th Housing Element Cycle.</p>	H4.1, H4.2, H4.3	N/A	General Fund	City Administration

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8.2 Quantified Objectives

California Government Code, Section 65583(b)(2), requires jurisdictions to identify the maximum number of housing units by income category (including extremely low income) that can be constructed, rehabilitated, and preserved over a five-year time period. The City has two sets of numerical housing goals:

- Millbrae's portion of the Association of Bay Area Governments Regional Housing Needs Assessment goals
- Quantified objectives for affordable housing production

State law recognizes that housing needs may (and do) exceed available resources and, therefore, does not require that the City's quantified objectives be identical to the identified housing needs (or RHNA). More specifically, the California Government Code, Section 65583(b)(2), states the following:

It is recognized that the total housing needs “*...may exceed available resources and the community's ability to satisfy this need within the content of the general plan requirements.*” Under these circumstances, the quantified objectives need not be identical to the total housing needs. The quantified objectives shall establish the maximum number of housing units by income category, including extremely low income that can be constructed, rehabilitated, and conserved.

The acknowledgment of the funding limitations is extremely important—cities and counties are required to prepare Housing Elements every eight years to identify needs and actions to provide for housing at all income levels and for all populations despite a severe shortage in local, State, and Federal funding that makes many of the actions needed and planned financially infeasible. It is important to recognize that State law requires cities to plan for housing, but almost all housing is developed by the private sector.

Although cities must establish quantified objectives for the actual creation of affordable housing opportunities and provision of other housing assistance (based on realistic assumptions), these objectives need not be identical to the total housing needs (i.e., RHNA). The quantified objectives, or number of affordable units that will realistically be created, as shown in Table 8-1, Quantified Objectives, provide a projection for the entire eight-year 6th Cycle Housing Element period. These numbers reflect the planned and approved units as of August 31, 2022.

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Table 8-1. Summary of Quantified Objectives for City Housing Programs, 2023-2031

Program/Activity/Action	Extremely Low	Very-Low	Low	Moderate	Above Moderate	TOTAL
RHNA Allocation	575		331	361	932	2,199
New Construction		103	190	77	1,443	1,813
Code Enforcement (Substandard & Blighted Housing)					224	224
Homeowner Assistance				4	4	8
TOTAL	103		190	81	1,671	1,821