

City of Millbrae Housing Element 2015–2023

**Public Review Draft
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I. Introduction and Background

1. Purpose of the Housing Element

All California cities and counties are required to have a Housing Element included in their General Plan that establishes housing objectives, policies and programs in response to community housing conditions and needs. This Housing Element has been prepared to respond to current and near-term future housing needs in Millbrae. It contains updated information and strategic directions (policies and specific actions) that the City is committed to undertaking to address its housing needs.

Even with the recent recovery in the economy, housing affordability in San Mateo County and in the Bay Area continues to be a challenge for many residents. Millbrae's housing conditions are reflective of many area-wide and even national trends. Over the past thirty years housing costs have skyrocketed out of proportion to many people's ability to pay. Many factors, including government policies, construction costs and high land costs account for the high cost of housing. This has a number of implications for local communities and the region as it becomes more difficult for businesses to fill vacant jobs, and commute times for families increase because they travel longer distances to more affordable housing.

The Housing Element of the City of Millbrae General Plan identifies and addresses housing needs in the city. State law requires that the Housing Element be updated regularly to respond to changing conditions and new laws. Also, the Housing Element must ensure there is space for Millbrae's fair share of new residents. This number was agreed upon by all the jurisdictions in San Mateo County along with the Association of Bay Area Governments (ABAG). This Housing Element is an update of the City of Millbrae's previous Housing Element, which was adopted by the City Council in 2013 and certified by the State of California Department of Housing and Community Development (HCD).

2. State Law Requirements and Regional Housing Needs Allocation

State Law Requirements

State law requires each city and county to adopt a general plan that contains at least seven elements including a Housing Element. Regulations governing Housing Elements are found in the California Government Code Sections 65580-65589. Although the Housing Element must follow State law, it is a local document. The focus of the Millbrae Housing Element is on the housing needs, desires and vision of Millbrae residents. Within these parameters, the intent of the element is also to comply with State law requirements that are listed below.

Unlike the other seven mandatory general plan elements, the Housing Element is required to be updated regularly and is subject to detailed statutory requirements and mandatory review by the State of California Department of Housing and Community Development (HCD).

According to State law, the Housing Element must:

- Provide goals, policies, quantified objectives and scheduled programs to preserve, improve and develop housing.
- Identify and analyze existing and projected housing needs for all economic segments of the community.
- Identify adequate sites that will be zoned and available (prior to Housing Element adoption) within the 8 year housing cycle to meet the city's fair share of regional housing needs at all income levels.
- Be internally consistent with other parts of the General Plan.
- Be submitted to HCD in order to determine the Housing Element is in compliance with State law.

State Law establishes detailed content requirements for Housing Elements and requires a regional *fair share* approach to distributing housing needs. State Housing Element law recognizes that in order for the private sector to address housing needs and demand, local governments must adopt land use plans and implement regulations that provide opportunities for, and do not unduly constrain, housing development.

Additionally, the Housing Element should provide clear policy and direction for making decisions pertaining to zoning, subdivision approval, housing allocations, and capital and infrastructure improvements. The housing action program must also identify adequate residential sites available for a variety of housing types for all income levels; assist in developing adequate housing to meet the needs of low and moderate income households; address governmental constraints to housing maintenance, improvement, and development;

conserve and improve the condition of the existing affordable housing stock; and promote housing opportunities for all persons.

Regional Housing Needs Allocation

Within each Housing Element, the State mandates that local governments plan for their share of the region's housing need for all income categories. In the case of the San Francisco Bay Area, the Association of Bay Area Governments (ABAG) and HCD determine the number of housing units that should be produced in the region. This determination of need is primarily based on estimated population and job growth, available land, proximity to transportation and other factors. ABAG then allocates that need for each jurisdiction.

State law regarding Housing Elements was changed in 2004 to allow cities within a county to join together to form a sub-region to administer the State mandated RHNA process at the local level. This law allows the sub-region to receive the sub-regional collective housing allocation from ABAG and then decide on and implement its own methodology to apportion the allocation among the member cities and county. In turn, the sub-regional RHNA process is used to establish the housing need numbers for each jurisdiction's Housing Element update.

For the current Housing Element update, the County of San Mateo, in partnership with the cities in the county, formed a sub-region responsible for completing its own RHNA process.

The San Mateo County sub-region considered several methods for allocating the RHNA to its member jurisdictions. The San Mateo County sub-region adopted a draft methodology and submitted it to ABAG in July 2012. This was reviewed by the RHNA Policy Advisory Committee (PAC) in from July through September of that year. The final methodology was approved by the RHNA PAC in September and later submitted to ABAG.

Based on the allocation methodology approved in 2012, the San Mateo sub-region then apportioned the housing need to the individual jurisdictions. The adopted sub-regional methodology, similar to ABAG's methodology for the current and previous RHNA processes, used weighted factors to develop a formula for each jurisdiction's fair share. Weighted factors included household growth, employment growth, household/employment growth near transit, and regional income allocations. These factors were derived using demographic information, projections, regulations, objectives and policies. The sub-regional allocations were then distributed using these weighted factors for the individual cities.

On January 22, 2013, the Millbrae City Council adopted Resolution No. 13-02 accepting the assigned housing share of 663 units for Millbrae for the 2015-2023 planning period. In

In addition to determining each jurisdiction’s overall housing allocation, the units are also required to be distributed according to income level (e.g., very low, low, and moderate).

The State limits for the very low-, low-, and moderate-income categories are derived from the income limits updated annually by the U.S. Department of Housing and Urban Development (HUD) and the California Department of Housing and Community Development (HCD). The income limits are based on the median income for the County and are adjusted for household size. Very low-income is defined as a household earning less than 50 percent of the median income. Low-income is defined as a household earning 50-80 percent of the median income. Moderate-income is a household earning 80-120 percent of the median income. For San Mateo County in 2014, the median income for a family of four was \$103,000. Because San Mateo County is considered a high cost area, HUD makes some adjustments when calculating the income limits, which results in the very low income and low income limits actually being higher than 50 percent and 80 percent of the median income, respectively.

These legal income limit definitions are often different from the common usage of the terms. For example, a fully employed secretary might be very low income and a firefighter supporting a family might be low income. Specifically, the 2014 income ranges for a family of four for San Mateo County are as follows:

- Extremely Low Income – Under \$33,950
- Very Low Income – \$33,951-\$56,550
- Low Income - \$56,551-\$90,500
- Moderate Income – \$90,501-\$123,600
- Above Moderate – Above \$126,601

Below is a summary of the RHNA for Millbrae. Approximately 44 percent of all housing is required to be affordable to lower-income households.

Millbrae RHNA

	Extremely Low Income	Very Low Income	Low Income	Moderate Income	Above Moderate Income	Total
Numbers	96	97	101	112	257	663
Percentages	14.5%	14.5%	15%	17%	39%	100%

Regional Housing Needs Allocation (2015 - 2023)

	Extremely Low Income Up to \$31,650	Very Low Income \$31,651- \$52,750	Low Income \$52,751- \$84,400	Moderate Income \$84,401- \$123,600	Above Moderate Income \$123,601+	Total
Atherton	17	18	26	29	3	93
Belmont	58	58	63	67	222	468
Brisbane	12	13	13	15	30	83
Burlingame	138	138	144	155	288	863
Colma	10	10	8	9	22	59
Daly City	200	200	188	221	541	1,350
East Palo Alto	32	32	54	83	266	467
Foster City	74	74	87	76	119	430
Half Moon Bay	26	26	31	36	121	240
Hillsborough	16	16	17	21	21	91
Menlo Park	116	117	129	143	150	655
Millbrae	96	97	101	112	257	663
Pacifica	60	61	68	70	154	413
Portola Valley	10	11	15	15	13	64
Redwood City	353	353	429	502	1,152	2,789
San Bruno	179	179	161	205	431	1,155
San Carlos	97	98	107	111	183	596
San Mateo	429	430	469	530	1,242	3,100
South San Francisco	282	283	281	313	705	1,864
Woodside	11	12	13	15	11	62
Unincorporated	76	77	103	102	555	913
San Mateo County Total	2,292	2,303	2,507	2,830	6,486	16,418

Source: Association of Bay Area Governments, Final 2014-2022 Regional Housing Need Allocation by County. Yearly Income is based on a family of four.

3. Process for Preparing the Housing Element

Updating the Housing Element is a process that involves many stakeholders. Millbrae has worked closely with community groups, housing providers, developers, and others to ensure that the Housing Element meets the needs of the community.

As described above, the Housing Element update process started in 2012 with the sub-regional RHNA process.

The cooperation continued in San Mateo County with 21 Elements, an inter-jurisdictional housing cooperative effort. 21 Elements saved time and money, and also allowed for better Housing Elements, because jurisdictions learned best practices from each other.

A local government must “make a diligent effort” to involve all economic segments of its population in developing its Housing Element. Efforts to involve the general public in this update of Millbrae’s Housing Element included a community meeting on October 21, 2014. Community members affirmed that senior housing needs are a growing issue in the community and expressed general support for the continued implementation of strategies identified in the housing element.

One issue that came up at the meeting and in a subsequent letter to the City is displacement. There is concern that rising rents will result in current residents having to move. In response, the City plans to study this matter in cooperation with nearby jurisdictions facing the same concern. The intent is that sufficient data can be obtained which can become the basis for future policies to address the issue. The City also added a program to cooperate with the Golden Gate Regional Center based on initial feedback.

The city has also reviewed the letter sent by the California Building Industry Association and San Mateo County Association of Realtors. We believe we are following all of the best practices that they raise. In particular, the update and ongoing implementation of the Millbrae Station Area Specific Plan will help facilitate development in an area with tremendous transportation resources. Answers to relevant specific questions are found in this Housing Element.

The public was able to participate in a December 1, 2014 meeting of the Planning Commission. This meeting was publicized on the City’s website, a local newspaper, and physical bulletin boards at City Hall and the Millbrae Library. The City Council ~~will~~ reviewed the first draft of the Housing Element on January 13, 2015. The following groups ~~will~~ ~~be~~ personally notified of the City Council meeting: Housing Leadership Council, HIP

Housing, Mid-Peninsula Housing, HEART, Bridge Housing, Mental Health Care Association of San Mateo County, Legal Aid Society of San Mateo County, and InnVision Shelter Network. The document has been available for comment since January, but no additional comments have been received.

Millbrae has also benefited from 21 Elements' efforts to solicit input from hard to reach populations. Through 21 Elements, non-profits representing seniors, homeless and low income households, all were able to offer input on Housing Element priorities. 21 Elements also brought in experts on mixed-use and other market rate developers to share their insight. Additional steps will include review by HCD, with changes as necessary, additional public review by Planning Commission, public review and adoption by City Council, and certification by HCD.

4. Overview of Accomplishments under Previous Housing Element

Millbrae had many significant accomplishments in the previous planning period which lasted 2007-2014, but development was generally slow because of the nationwide economic recession and housing market downturn.

Amendments to the Zoning Code

The City has made many of the zoning code changes as described in the previous Housing Element. In January 2015 the City did the following:

Homeless (Emergency), Transitional, and Supportive Housing

The City Council initiated a zoning amendment to comply with SB 2. Specifically, it changes relabels homeless (emergency) shelters from a conditional use to a permitted use in the "C" (Commercial) Zone while maintaining them as a permitted use in the "I" (Industrial) Zone. There are over 40 acres of commercially and industrially zoned property within 1/2 of mile of the Millbrae BART/Caltrain Station. Both zones are appropriate for emergency shelters. The commercially zoned properties are a mix of small retail, office, and automotive uses. The industrially zoned properties are mostly warehouses and non-public businesses, like airline oriented catering, and are almost entirely contained within the Millbrae Station Area Specific Plan boundaries. Over time, the amount of available industrial land will continue to decrease as it is redeveloped and rezoned in compliance with the Specific Plan. Allowing emergency, transitional, and supportive housing as a permitted use in the Commercial zone will offset the loss of industrial land.

Reasonable Accommodation for People with Disabilities

The City Council initiated a zoning amendment to provide individuals with disabilities reasonable accommodation in rules, policies, practices and procedures that may be necessary to ensure equal access to housing. The ordinance provides a process for individuals with disabilities to make requests for reasonable accommodation in regard to relief from the various land use, zoning, or building laws, rules, policies, practices and/or procedures of the City. The requests can be approved by staff.

The City will continue to designate the Building Official to coordinate ADA compliance activities and address questions, concerns, complaints, and requests regarding accessibility for people with disabilities.

Definition of Family

The City Council initiated a zoning amendment to create a definition of “family” that is compliant with federal and state law. Specifically, it states the following:

“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.

All three zoning amendments are anticipated to take effect by March 2015.

Density Bonus

City staff has been preparing an ordinance to implement the Density Bonus law, which will be ~~finished in the coming months. presented to Planning Commission in April and Council in May 2015.~~ Millbrae's current policy to allow the density bonus is codified in Housing Element Policy H 3.7.

Update of the Millbrae Station Area Specific Plan

The City is undertaking a process to update the Millbrae Station Area Specific Plan (MSASP) and supporting EIR. The MSASP, initially developed and adopted in 1998, will guide future public improvements and private development in the Plan Area over the next 25 years. The MSASP will re-establish a vision and framework for new and intensified, transit-oriented,

mixed-use development to bring economic growth in terms of employment, housing, and commerce, to Millbrae and improve the quality of life of its residents. It is envisioned that the Plan Area will be developed with a mix of multi-family residential, office, hotel, restaurant, and retail uses, with complementary public and private open spaces and amenities.

Approval of the updated MSASP will require amendment of the City's General Plan to ensure consistency between the two plans. Buildout of the MSASP would result in approximately 1,653,000 square feet of office, 275,000 square feet of retail space, 1,750 residential units, and 360 hotel rooms. Consistent with Sections 15168 of the CEQA Guidelines a program-level EIR will be prepared to analyze the potential impacts of adopting and implementing the new Plan. Upon completion in 2015, the new MSASP will seek to accomplish the following objectives for the Plan Area:

- Update and define the vision
- Create goals and policies intended to facilitate achievement of the vision
- Designate land for uses that implement the vision
- Update development standards for the form and physical design of new development
- Provide recommendations for circulation and physical improvements required to support future build out
- Provide an implementation strategy and conceptual financing plan for achieving the goals

It is anticipated that the new MSASP will be reviewed by Council in the fall of 2015.

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Grand Boulevard Zone

In 2010, as part of a major overhaul to the City's Zoning Ordinance, a new zoning district "Grand Boulevard Planned Development" was added. The purpose of this zone is to facilitate intensified redevelopment of the El Camino Real corridor through pedestrian-oriented, transit-oriented, mixed-use projects. It enables the use of regulations that are more flexible than those prescribed in other zoning districts. When applied to individual sites, this district grants variability in the size and placement of structures and other site improvements while protecting public health, safety, welfare, comfort, and convenience. It establishes the procedures for securing the Grand Boulevard Planned Development zoning classification and for reviewing development plans for any project proposal for "GBPD" zoning. Although, to date, no parcels have been rezoned to this classification, the zone is a readily available tool for use by developers to achieve higher development densities and a greater variety of land use mixes compared to conventional zoning. As part of submitting a

development project application, property owners would request GBPD zoning to be applied to their parcel. The project application would be reviewed in the context of the GBPD zoning and, upon project approval, the zoning would be automatically conferred upon the property.

The initially low developer interest in the GBPD Zone is likely due to the depressed economy since 2010, as well as a general lack of awareness. The City has added a program to raise awareness and promote this zone.

New Units

Many units were built in accordance with the Millbrae Station Area Specific Plan (MSASP), which was adopted in 1998 and set a vision for redevelopment of the 116 acres in and around the BART/CalTrain Station. The MSASP automatically confers special Millbrae Station Area Planned Development (MSAPD) zoning upon land for which qualifying redevelopment projects are approved. The intent is to achieve high-density housing, retail, restaurant, office, hotel, and entertainment in a mixed-use, transit-oriented setting. The City and (formerly the Redevelopment Agency) have facilitated new development within the MSASP area to create a high quality image at the primary gateway into the city, to implement the pedestrian and transit orientation of the Plan, and to attract new revenue sources for the City. Since Millbrae is a small city and almost completely built out, the MSASP area possesses the greatest potential for the future growth and development of the city.

There have been a number of major developments in the last Housing Element period:

- Pinedera – This 54 unit apartment complex, built to condominium standards, with a central courtyard and about 11,000 square feet of ground floor commercial space, opened in 2014 after beginning construction in 2012. The units, all but two of which are market rate, are a mix of two and three bedrooms.
- 88 South Broadway – Construction for this project started in 2003 and the project opened in 2007. It consists of 105 multi-family (condominium) units within three separate buildings arranged around a central courtyard over a podium that conceals two



levels of parking. There is also approximately 6,500 square feet of ground floor commercial space (below the podium level). This project includes 11 below market rate units.



- Park Broadway – Construction for this project started in 2006 and it opened in 2009. It consists of 110 multi-family (condominium) units, including 13 “live-work” units, arranged around a central courtyard over a podium that conceals two levels of parking. The “live-work” units may be occupied as residential only, commercial only, or both. This

project included 8 below market rate units.

- Belamor – Construction for this project started in 2007 and the project opened in 2010. It consists of 142 condominium arranged around a central courtyard over a podium that conceals two levels of parking. There is also approximately 19, 500 square feet of commercial space (below the podium level).



Total Units Built 2007–2014 (Previous Housing Element Period)

Description	Very Low Income	Low Income	Moderate Income	Above Moderate Income	Total
Pinedera	1	1	0	52	54
88 S. Broadway	0	1	10	94	105
Park Broadway	0	0	8	102	110
Belamor	0	0	0	142	142
Duplexes (total units)	0	0	0	6	6
Single Family Houses	0	0	0	11	11
Total	1	2	18	407	428

Conserved/Preserved/Rehabilitated Units by Income Level

Despite challenges associated with the housing downturn, Millbrae was able to complete the renovation of the Delores Lia Apartment Complex. The project consists of 6 studio units, 16 one-bedroom units and 5 two-bedroom units with ancillary community space and both surface and garage parking. The city originally loaned Bridge Housing \$5 million to purchase and renovate the property. The city later added \$700,000 of additional funding in a deal that saw the property transfer to a new developer, Pacific West Properties.

Millbrae achieved more than its target number of Section 8 vouchers. It identified 50 as a goal and, as of 2014, had 73 households using the vouchers.

The City had set a goal of 40 Conserved/Preserved or Rehabilitated units. No additional units besides the 27 Delores Lia units were Rehabilitated and Conserved.

Additional Information

See the Appendix for additional information about accomplishments, including an analysis of all policies and programs identified in the previous Housing Element.

5. Key Population and Housing Job Trends

A housing crisis in the Bay Area has been an evolving phenomenon over the past 30 years as high demand (and need) has continually exceeded supply and affordability. Most of this demand, approximately 75 percent of it, comes from natural population growth (births minus deaths). Specifically, this demand is from all the children who graduate high school or college and need places to live. A little under a quarter of the demand has come from people who move to the Bay Area for jobs. And, finally, a small percentage of the demand comes from household size decreasing — with more people living on their own (like seniors who are living longer or single parents), even if our population stayed the same, we would still need new houses. At the same time, ongoing troubles with the economy and the mortgage market has presented a new category of challenges.

Additionally, there has been a substantial movement in the Bay Area, intensified by concerns about climate change, to find ways to grow sustainably. That is, to encourage regional development patterns that are more compact, transit-oriented, pedestrian-oriented, attractively designed, and highly livable. A central focus of this movement — the very foundation for achieving a more sustainable and livable Bay Area — is rethinking the way in which housing is planned, designed, rehabilitated, preserved and managed in conjunction with transportation systems, jobs and services.

Region Wide Trends

Rise of the Millennials. The Millennial generation (ages 20-34) has a preference for dense, mixed-use, walk-able and bike-able communities. Many have speculated that Millennials may be a “generation of renters,” but as the economy improves and as Millennials age, this conclusion may change.

Growing senior population. Over the next decade and a half, the number of seniors in San Mateo County will increase by 76 percent. Millbrae currently is home to approximately 2,340 seniors, and has a median age (45) ten years older than California’s median. Advanced planning will be necessary to ensure the opportunity for seniors to age safely in the communities where they reside.

Worsening workforce-housing shortage. San Mateo County is projected to see notable job growth over the next decade, and about 40 percent of these jobs will pay lower income wages. San Mateo County already has a severe workforce housing shortage in general caused by years of rapid economic growth and slow housing growth. By 2025, the Department of Housing projects that the County’s housing supply will only meet 1/3-1/2 of the demand.

ABAG predicts that Millbrae in particular will see rapid job growth: a 33 percent increase between 2000 and 2025.

Increasing ethnic diversity. According to 2010 U.S. Census data, San Mateo County is a “majority-minority” county — that is, no one racial group makes up over 50 percent of the population. The two racial groups growing the most rapidly in San Mateo County are Asians and Latinos. According to the regional Plan Bay Area, adopted on July 18, 2013, Latinos will emerge as the largest ethnic group, increasing from 23 percent to 35 percent of the total population in the Bay Area by 2040.

Millbrae Trends

Aside from the Bay Area trends identified above, there are some local Millbrae specific trends. Below are key findings of the housing needs analysis that summarize important trends and considerations for the Housing Element. Many pages of additional analysis and sources can be found in the Appendix.

As of January 2014, Millbrae had a total population of 22,605. According to census data, Millbrae’s population grew by four percent from 2000 to 2010. However, the Association of Bay Area Governments (ABAG) predicts that Millbrae’s growth will pick up over the next two decades, bringing the population to 25,700 by 2030.

Almost two-thirds of the housing units in Millbrae are single-family detached homes, and a similar proportion are owner-occupied. Millbrae has a total of 8,562 homes, a six percent increase since 2000. In addition, Millbrae has very low vacancy rates.

41 percent of Millbrae’s households are lower-income. Millbrae’s median household income was \$92,700 (in 2011), which is comparable to the countywide median of \$92,000. A relatively large percent of Millbrae’s households are lower income. Specifically, 11 percent are extremely low income.

Rents have increased significantly in the past several years. Rents in Millbrae have been rising since 2010, and have currently exceeded pre-housing crisis rates.

For-sale housing prices are high, rising, and unaffordable to many households. As of October 2013, the median sales price for a single-family home in Millbrae was \$1.2 million and the median sale price for a multi-family home was \$635,000. According to Zillow, home prices in Millbrae have increased by more than a quarter over the past year. For-sale homes in Millbrae are unaffordable for households earning a moderate income or less.

Many households are overpaying for housing. Most households earning less than \$75,000 annually are overpaying for housing in Millbrae. In particular, almost all renters and more than half the homeowners earning less than \$35,000 are overpaying.

6. Assisted Rental Housing at Risk of Conversion

Government Code Section 65583 requires each city and county to conduct an analysis and identify programs for preserving assisted housing developments. The analysis is required to identify any low income units that are at risk of losing subsidies over the next 10 years (2015-2025). The termination of federal mortgage and/or rent subsidies to housing developments built by the private sector is a potential threat to affordable housing throughout the country.

In 1997, the City of Millbrae acted as issuer for 30-year, tax-exempt bonds for Magnolia of Millbrae. The bonds were tax-exempt because Magnolia agreed to reserve 32 units for very low income residents for at least 15 years (if the bonds were prepaid) and up to 30 years (if the bonds were not prepaid). The minimum 15-year period of affordability began in approximately April 1999. The owner refinanced his bonds to take advantage of current, low interest rates. The city approached the owner to discuss options to extend the affordability, but the owner was not interested. The units will revert to market rate soon.

There are no other at risk units in Millbrae.

7. Consistency with the Millbrae General Plan

The Millbrae General Plan serves as the constitution for development in the City of Millbrae. It is a long-range planning document that describes goals, policies and programs to guide land use decision-making. Once the General Plan is adopted, all development-related decisions in the City must be consistent with the Plan. If a development proposal is not consistent with the Plan, it must be revised or the Plan itself must be amended. State law requires a community's General Plan to be internally consistent. This means that the Housing Element, although subject to special requirements and a different schedule of updates, must function as an integral part of the overall General Plan, with consistency between it and the other General Plan elements.

The Housing Element addresses all State requirements. It contains information on housing constraints and actions to deal with those constraints. The most recent update of the Housing Element occurred in 2013 and utilized 2010 Census data on population, housing, employment, and income. This new update of the Housing Element utilizes 2012 American Community Survey Data (US Census), supplemented with later data as available.

The Housing Element includes information on the number of units required to meet Millbrae's housing need and its share of the regional need. Sites with development potential in accordance with the City's housing needs are evaluated. The entire General Plan, including this revised Housing Element, reaffirms the following goals of the City by:

- (1) Acting as a guide for municipal decisions that affect the quality and quantity of housing.
- (2) Maintaining housing growth within limits of available services.
- (3) Maintaining Millbrae's present quality of life by balancing the availability of housing with other environmental considerations.

The adoption of the updated Millbrae Housing Element will be processed as an amendment to the Millbrae General Plan. Because the General Plan must be internally consistent, it is important that the policies in the other elements, including Land Use, Circulation, Open Space, Conservation, Safety, and Noise are compatible with the goals, policies, and programs developed in the Housing Element. As part of the Housing Element update, the City has reviewed the other elements of the General Plan to assess the need for housing-related policy changes. No changes were found to be necessary.

II. Housing Policies, Programs and Goals

1. Overview

The Housing Element's intent with respect to housing needs in Millbrae is expressed in two ways. The first is in the form of a vision, goals and objectives sought by the community. A goal is the ideal we strive for — or the desired state of things. Objectives are defined steps toward a goal, which measure progress and should be expressed in quantified terms or targets. State law requires that the City's housing objectives establish targets for the number of housing units that can be constructed, rehabilitated or conserved between 2015 and 2023.

The second and more specific aspects of the Housing Element are policy statements and implementation programs. These describe the way citizens, local government, and other involved agencies or organizations can achieve objectives, and move closer to the City's goals. Policies establish a recognized community position on a particular subject. Programs are more detailed actions that the City, or other specific entities, intends to implement to ensure the attainment of the Housing Element's goal and objectives. The discussion below provides summary information on key trends and issues facing the City of Millbrae as they relate to the Housing Element.

2. Housing Goals and Strategies

The City's housing goal is to promote the social and economic diversity of the City by encouraging safe and affordable housing for all social and economic segments of the community. Sub-goals are to:

- Goal H1 Reinforce the City's Commitment to Meeting Housing Needs
- Goal H2 Protect and Enhance Existing Housing, Community Character and Resources
- Goal H3 Provide New Housing and Address Affordable Housing and Other Special Needs

3. Housing Policies and Implementation Programs

Goal H1 – Reinforce the City's Commitment to Meeting Housing Needs

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 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 Millbrae. As appropriate, cooperate in countywide collaborative projects, such as 21 Elements.

H1.4 **Development Opportunities.** Identify opportunities to promote appropriate development without Redevelopment Agencies.

H1.5 **Equal Housing Opportunity.** Promote 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.

Implementing Programs

HIP-1 **Future Housing Element Updates.** The City will update its Housing Element consistent with State Law requirements.

Timeline: Next update by 2023.

Responsible Agency: Community Development Department.

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.

Timeline: Ongoing.

Responsible Agency: Community Development Department.

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.

Timeline: Annually.

Responsible Agency: Community Development Department.

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: (a) providing information pamphlets on the programs at City Hall and 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 TV public service announcements.

Timeline: Completed by 2016, then ongoing.

Responsible Agency: Community Development Department.

HIP-5 **Non-Discrimination.** Increase public awareness through handouts of anti-discrimination 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.

Timeline: Ensure handouts are available by 2018, then ongoing.

Responsible Agency: Community Development Department.

Goal H2 – Protect and Enhance Existing Housing, Community Character and Resources

Policies

H2.1 **Regulation of Conversions.** The City will conserve rental housing stock by minimizing condominium conversions in order to avoid depleting the already inadequate number of rental units.

H2.2 **Maintenance and Rehabilitation of Existing Housing.** Promote maintenance and rehabilitation of structures in poor 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.

H2.3 **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.

H2.4 **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.

H2.5 **Rental Assistance Programs.** Continue to publicize and participate in federal rental assistance programs such as Section 8 and the Housing Voucher programs.

H2.6 **Protection of the Rental Housing Stock.** Promote the retention of rental units and encourage rental subsidy programs that can be applied to existing housing.

H2.7 **Community Preservation.** Assure the retention of the single-family character of older residential areas. Protect residents and maintain 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.

H2.8 **Home Sharing.** Encourage and facilitate house sharing in appropriate locations where it would provide housing for low and moderate income residents and not significantly impact the neighborhood (parking, access, etc.).

H2.9 **Housing Design.** Protect the character of existing residential neighborhoods and provide stable, safe and attractive neighborhoods by ensuring excellence in project design consistent with existing community character (architecture, site planning, amenities, etc.).

H2.10 **Application of Existing Regulations and Guidelines.** Provide and apply regulations and guidelines to promote the maintenance and protection of existing residential areas.

Implementing Programs

HIP-6 **Continue to Improve Code Enforcement.** 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: (1) resale inspections of single family homes; and (2) public outreach and education. In addition, continue the mandatory fire code inspection program.

Timeline: Ongoing.

Responsible Agency: Community Development Department and Fire Marshall.

HIP-7 **Encourage Rehabilitation Loans.** 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.

Timeline: Ongoing.

Responsible Agency: San Mateo County Housing Authority, San Mateo County Department of Housing, and the Community Development Department.

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.

Timeline: Ongoing.

Objective: Improvement of four very low/extremely low, four low and twelve moderate income units to current health and safety standards (average five units per year) by 2022.

Responsible Agency: Community Development Department.

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.

Timeline: Annually.

Objective: Weatherization of ten very low/extremely low and ten low income units by 2023.

Responsible Agency: PG&E, North Peninsula Neighborhood Service Center, San Mateo County Department of Housing, and Community Development Department.

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.

Timeline: Ongoing.

Responsible Agency: Community Development Department.

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.

Timeline: Develop by 2018 and then Ongoing.

Responsible Agencies: Community Development Department and San Mateo County Housing Authority.

HIP-12 **Condominium Conversion Regulation.** Continue the existing controls on conversions of rental units to condominium.

Timeline : Ongoing.

Responsible Agency: Community Development Department.

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.

Timeline: Ongoing

Responsible Agencies: Community Development Department and Public Works Department.

HIP-14 **Home-sharing.** Continue to support HIP 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.

Timeline: Ongoing

Objective: Ten very low income, five low income and one moderate income households (16 households per year).

Responsible Agency: Human Investment Project.

Goal H3 – Provide New Housing and Address Affordable Housing and Other Special Needs

Policies

H3.1 **Housing for New Employees and their Families.** Given the increase in commercial and retail development expected through build-out of the city, encourage an adequate supply and variety of rental and ownership housing that meets the needs of new 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 the following and other means: (1) increased densities; (2) reduced unit sizes; and (3) allowances for required ground-floor retail.

H3.4 **Second Units.** Develop a second unit ordinance to allow auxiliary housing units where appropriate.

H3.5 **Affordable Housing.** Improve the balance of housing type, tenure and affordability by encouraging development of housing at appropriate sites/locations to serve various income levels, and utilize available programs to achieve affordable housing.

H3.6 **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.). To the extent they are feasible and workable at a given location, the City will offer a density bonus and other incentives, such as reduced fees, cost-saving site design techniques, reduced parking requirements, smaller unit sizes, fast-track project review, and other methods of reducing the total cost of internal roads and utilities serving the development.

H3.7 Density Bonuses for Affordable Housing Projects Consistent with State Density Bonus Law. The City will offer density bonuses of at least 25 percent and at least one other incentive, consistent with the State Density Bonus Law (Government Code Section 65915), for projects which include at least: (a) 20 percent of the units for lower-income households; or (b) 10 percent of the units for very low income households; or (c) 50 percent of the units for senior citizens. When in the interest of the city, offer larger density bonuses. Until the city adopts a density bonus law, continue to follow state law by offering the incentives outlined in state law.

H3.8 Resale Controls on Owner-Occupied BMR Units. Require resale controls on owner-occupied BMR units to ensure that affordable units provided through public assistance or public action are retained for 45 years as affordable housing stock, with the 45 year period resetting at each resale.

H3.9 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.

H3.10 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.

H3.11 Innovative Housing Approaches. Encourage innovative housing approaches in financing and design of units 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.

H3.12 New Housing Eligible for Subsidy. Encourage new projects to pursue subsidies to reduce the cost of the units, such as Section 8, home-sharing, first time homebuyer, or similar programs which provide very low, low and moderate income housing.

H3.13 Housing Opportunity Areas. Given the diminishing availability of developable land, the City will identify housing opportunity areas and sites where a special effort will be made to provide affordable housing consistent with other General Plan policies. Housing Opportunity Areas should have the following characteristics:

- a) The site has the potential to deliver sales or rental units at low or below market rate prices or rents.
- b) The site has the potential to meet special housing needs for local workers, single parents, seniors, small families or large families.
- c) The City has opportunities, through ownership or special development agreement, to facilitate provision of housing units to meet its housing objectives.
- d) The City will use the following criteria in selecting Housing Opportunity sites or areas:
 - 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).
 - 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.
 - 5. Cost effective mitigation of physical site constraints (including geologic hazards, flooding, drainage, soils constraints, wetland limitations, etc.).
 - 6. Cost effective provision of adequate services and utilities to the site.
 - 7. Ability to meet applicable noise requirements.
 - 8. Adequate site size to provide adequate parking; parking requirements should be flexible based on the needs of the project's prospective residents.
 - 9. Finding that development of a specific project on the site will not result in significant adverse cumulative effects, unless the City adopts a statement of overriding considerations.

H3.14 **Adaptable Units for the Physically Disabled.** The City will ensure that new housing includes units that can be adapted for use by disabled residents.

H3.15 **Density Bonuses for Handicapped Access Features.** The City may allow up to a one-for-one density bonus, up to 25 percent of the number of units otherwise allowed, in projects where handicapped accessible features and fixtures are incorporated in dwelling units.

H3.16 **Special Needs.** Encourage affordable housing designed for elderly persons and encourage a mix of housing units throughout the city including those for families with children, single parents, young families, lower income seniors and the disabled.

H3.17 Neighborhood Mix of Residential Care Facilities and Emergency Shelters.

The City of Millbrae recognizes the need for and desirability of residential care facilities. The City shall encourage a dispersion of facilities, and avoid an over-concentration of residential care facilities and shelters for the homeless in any one geographic area. The City of Millbrae believes that an over-concentration of such facilities may negatively impact the neighborhood in which they are located and interfere with the "normalization process" for clients residing in such facilities. Over-concentration cannot be numerically defined because of legal constraints, but placement must be considered by staff, decision-making bodies and applicants in light of the above.

H3.18 Neighborhood Relations Involving Emergency Shelters and Residential Care Facilities.

The City of Millbrae shall encourage positive relations between neighborhoods and providers of emergency shelters and residential care facilities. Providers or sponsors of emergency shelters, transitional housing programs and community care facilities shall be encouraged to establish outreach programs within their neighborhoods. It is recommended that a staff person from the provider agency be designated as a contact person with the community to review questions or comments from the neighborhood. Outreach programs may also designate a member of the local neighborhood to their Board of Directors. Neighbors of emergency shelters, transitional housing programs and community care facilities shall be encouraged to provide a neighborly and hospitable environment for such facilities and their residents.

H3.19 Housing for the Homeless. The City of Millbrae recognizes the need for and desirability of emergency shelter housing for the homeless and will allow emergency shelters based on the following considerations: a) development standards for emergency shelters for the homeless located in Millbrae shall be consistent with State law; and b) emergency shelters will be a permitted use in the industrial zone, and will not be subject to a conditional use or other discretionary use permit. Treat transitional and supportive housing as a residential use, only subject to those restrictions that apply to other residential dwellings of the same type in the same zone.

H3.20 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.

H3.21. 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.

Implementing Programs

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. In the Station Area, there are three sites that are particularly well-suited for housing and have a strong potential of developing housing soon, Sites 1, 5, 6, 11 and 12. 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.

Timeline: Ongoing.

Responsible Agency: Community Development Department.

Objective: Achieve entitlement of at least 600 new dwelling units by 2023 with 15 percent of those affordable.

HIP-16 **Complete Update to Specific Plan.** The City is currently updating the Specific Plan, with completion expected in 2015.

Timeline: 2015

Responsible Agency: Community Development Department.

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.

Timeframe: 2015.

Responsible Agency: Community Development Department, Planning Commission, and City Council.

Objective: 10 units per year (20 ext. low income, 20 very low income, 16 low income, 16 moderate income, and 8 above moderate income.)¹

HIP-18 **Potential New Housing Opportunity Sites.** Encourage housing development, including a below-market allocation that maximizes production of very low income units.

Timeline: Ongoing.

Responsible Agency: Community Development Department.

¹ Homeowners can use the second units as they see fit. While most would likely be used for housing, some might use them a home office. The affordability levels listed are an estimate of what rents are likely to be. Based on patterns in the region, many of these units would be made available to family members at free or at reduced rent, which is why many of the units are listed as affordable to extremely low income.

HIP-19 **Home Ownership Mortgage Subsidy Programs.** San Mateo County offers below market rate 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. By coordinating with San Mateo County, Millbrae may be able to facilitate the development of low and moderate income housing. There are currently two major programs: Opening Doors, run by HEART and the Mortgage Credit Certificate Program, run by CalHFA. The MCC Tax Credit is a federal credit which can reduce potential federal income tax liability, creating additional net spendable income which borrowers may use toward their monthly mortgage payment.

Timeline: Ongoing.

Responsible Agency: Community Development, San Mateo County Department of Housing and Community Development, HEART.

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.

Timeline: Ongoing.

Responsible Agency: Community Development Department and City Council.

HIP-21 **BMR Eligibility Guidelines.** Consider targeting affordable housing to current City employees, school district employees, and other people working in the City of Millbrae. Ensure that preferences are consistent with fair housing law.

Timeline: Ongoing.

Responsible Agency: Community Development Department.

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.

Timeline: Ongoing, with annual participation, if feasible.

Responsible Agency: Community Development Department and City Council.

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.

Timeline: Ongoing.

Objective: Full compliance of all new buildings.

Responsible Agency: Community Development Department.

HIP-24 **Maintain an 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 Americans with Disabilities Act (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.

Timeline: 2015 and ongoing, with updates based on changes in legal requirements.

Responsible Agency: Community Development Department.

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 (PDA).

Timeline: 2015, then ongoing.

Responsible Agency: Community Development, Planning Commission, and City Council.

HIP-26 **Encourage Innovative Housing Approaches.** Encourage cooperative and joint ventures between owners, developers, and non-profit groups in the development of below market rate housing. Assist in identifying financing sources for housing projects.

Timeline: Ongoing.

Responsible Agency: Community Development Department.

HIP-27 **Housing Developer Outreach.** Distribute informational materials on housing programs to local non-profit and private developers. Provide information on: a) newly adopted development standards for mixed-use and planned development districts; b) incentives for the development of deed-restricted and market rate affordable housing; and c) appropriate areas for high density housing.

Timeline: Annual.

Responsible Agency: Community Development Department.

HIP-28 **Encourage Special Needs Housing.** 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.

Timeline: Ongoing.

Responsible Agency: Community Development Department, Planning Commission, and City Council.

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 below market rate (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.

Timeline: 2016.

Responsible Agency: Community Development Department, Planning Commission, and City Council.

HIP-30 **Lot Consolidation within the Millbrae Station Area.** Consistent with the goals and policies of the Millbrae Station Area Specific Plan, the City will encourage lot consolidation among property owners of lots within Sites 1, 4, 11 and 12 of the Millbrae Station Area Specific Plan. 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.

Timeline: Ongoing.

Responsible Agency: Community Development Department, Planning Commission, and City Council.

HIP-31 **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.

Timeline: Ongoing.

Responsible Agency: Community Development Department, Planning Commission and City Council.

HIP-32 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:

- a) 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.
- b) Seek partnerships with non-profit organizations to develop and maintain the units.
- c) Provide financing from funds raised through the City's in-lieu affordable housing fees.
- d) Seek additional funding through state and federal programs, community foundations, and local housing trust funds.
- e) 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.

Timeline: ~~Ongoing Annual~~

Responsible Agency: Community Development Department.

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.

Timeline: 2015

Responsible Agency: Community Development Department

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.

Timeline: Ongoing

Responsible Agency: Community Development Department

HIP 35 Reasonable Accommodations for People with Disabilities. Implement the newly adopted Reasonable Accommodation policy. Ensure that planners and the general public know about the policy.

Timeline: Education in 2015 and then ongoing

Responsible Agency: Community Development Department

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.

Timeline: 2015

Responsible Agency: Community Development Department

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.

Timeline: 2015 for evaluation and 2016 for implementation if appropriate

Responsible Agency: Community Development Department

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.

Timeline: Ongoing, as new zoning changes are proposed

Responsible Agency: Community Development Department

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.

Time frame for implementation: Development of Outreach Program by 2016

Responsible Agency: Community Development Department

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.

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Time frame for implementation: 2018

Responsible Agency: Planning Department

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4. Quantified Objectives

State law requires the Housing Element to include quantified objectives for the maximum number of units that can be constructed, rehabilitated, or conserved. Policies and programs establish the strategies to achieve these objectives. The City’s quantified objectives are described under each program, and represent the City’s best effort in implementing each of the programs. Assumptions are based on past program performance and funding availability, construction trends, land availability, and future programs that will enhance program effectiveness and achieve full implementation of the City’s housing goals.

The new construction objectives shown in the table are based on ABAG Projections, the City’s RHNA for the 2015-2023 planning period for very low, low, and moderate income housing, historic trends, and expectations for new second units. Rehabilitation and conservation objectives are based on specific program targets, including such programs as use of Section 8 rental housing vouchers.

The table below summarizes the City’s quantified objectives for housing during the 2015-2023 planning period.

Program	Timeline	Objective
HIP-1 Future Housing Element Updates.	2023	
HIP-2 Coordination with Non-Profits.	Ongoing	
HIP-3 Annual Housing Element Reporting.	Annual	
HIP-4 Community Outreach.	2016, then ongoing	
HIP-5 Non-Discrimination.	2018, then ongoing	
HIP-6 Continue to Improve Code Enforcement.	Ongoing	
HIP-7 Encourage Rehabilitation Loans.	Ongoing	
HIP-8 Contact Property Owners of Substandard Units.	Ongoing	
HIP-9 Energy Conservation Assistance.	Annually	Weatherization of ten very low/extremely low and ten low income units by 2023.
HIP-10 Increased Energy Conservation.	Ongoing	
HIP-11 Rental Housing Assistance.	2018 then Ongoing.	
HIP-12 Condominium Conversion Regulation.	Ongoing.	
HIP-13 Neighborhood Conservation	Ongoing	
HIP-14 Home-sharing.	Ongoing	Ten very low income,

Polices and Programs

Millbrae Housing Element

		five low income and one moderate income households (16 households per year).
HIP-15 Continue to Implement the Millbrae Station Area Specific Plan.	Ongoing.	600 units by 2023
HIP-16 Complete Update to Specific Plan.	2015	
HIP-17 Adopt Requirements for Second Units.	2015	10 units per year.
HIP-18 Potential New Housing Opportunity Sites.	Ongoing.	
HIP-19 Home Ownership Mortgage Subsidy Programs.	Ongoing.	
HIP-20 BMR Resale and Rental Controls.	Ongoing.	
HIP-21 BMR Eligibility Guidelines.	Ongoing.	
HIP-22 Homelessness assistance.	Ongoing, with annual participation, if feasible	
HIP-23 Adaptable Units for the Disabled.	Ongoing	Full compliance of all new buildings.
HIP-24 Maintain an ADA Coordinator and Provide Information on Reasonable Accommodation.	Ongoing	
HIP-25 Raise awareness of recently adopted Grand Boulevard Planned Development Zone.	2015, then ongoing.	
HIP-26 Encourage Innovative Housing Approaches.	Annual.	
HIP-27 Housing Developer Outreach.	Annual	
HIP-28 Encourage Special Needs Housing.	Ongoing.	
HIP-29 Inclusionary/Impact Fee Housing Requirements.		
HIP-30 Lot Consolidation within the Millbrae Station Area.	Ongoing	
HIP-31 Parking Requirements in Downtown Area.	Ongoing	
HIP-32 Affordable Housing Development on City-Owned/ Other Agency Owned Land	Ongoing Annual	
HIP 33 Commercial Linkage Fee Study	2015	
HIP 34 Definition of Family.	Ongoing	
HIP 35 Reasonable Accommodations for People with Disabilities.	Education in 2015 and then ongoing	
HIP 36. Density Bonus.	2015	
HIP 37. Anti-displacement measures.	2015 for evaluation and 2016 for implementation if appropriate	
HIP 38. Airport development restrictions.	Ongoing	
HIP 39. Outreach to people with developmental disabilities.	2016	
<u>HIP 40. Employee housing.</u>	<u>2018</u>	

Millbrae Quantified Objectives Summary

Income Category	New Construction	Rehabilitation	Conservation and Preservation
Extremely Low Income	20	5	0
Very Low Income	36	5	10
Low Income	47	0	5
Moderate Income	61	0	1
Above Moderate Income	518	0	0
Total	682	10 (energy rehab loans)	16 (Home sharing)

These quantified objectives show Millbrae fully meeting its need for above moderate housing. Because of limited funding opportunities, Millbrae does not expect to meet the full RHNA need for lower income housing. (The RHNA number is met by identifying sites that are available for housing or have the potential to redevelop. The quantified objectives section identifies what is likely to happen.) One very low and low income unit correspond to the Pinedera development. Second units are estimated at 10 units per year or 80 over the eight year cycle (20 ext. low income, 20 very low income, 16 low income, 16 moderate income, and 8 above moderate income). The remainder of the units are based on a 15 percent affordability target for the MSASP (15 very low, 30 low and 45 moderate). The specific plan numbers are added as a placeholder until the specific plan process identifies the actual targets.

III. Available Land Inventory

One of the primary features of the Housing Element is the identification of lands suitable for residential development. This identification should include review of vacant sites and sites that potentially could be reused for a different or more intense residential use. Also to be reviewed are the relationships of the sites to zoning, public facilities and services. State law requires that local governments zone sufficient vacant land for residential use at standards and densities appropriate to meet housing needs of all economic segments, as identified in the general plan.

Specifically, this analysis covers the following:

- Homes that have already been built in this planning period
- Underutilized land that is likely to be redeveloped for residential purposes
- Vacant land that is available for new housing
- Affordable units that were substantially rehabilitated

1. Homes Already Built

Millbrae has an impressive track record of facilitating development in the Millbrae Station Area, downtown, and the El Camino Corridor, but construction slowed because of the economic recession. With the improving economy, it is improving.

- Pinedera – Construction for this project began in 2012 and was completed in 2014. It consists of 54 multi-family (condominium) units, arranged around a central courtyard over a podium that conceals two levels of parking. There is also approximately 11,000 square feet of at-grade commercial space.

Other construction is as follows:

Homes Recently Completed or Approved

Name	Date Completed	Units Affordable to Lower Income	Units Affordable to Above Moderate	Notes
Pinedera	2014	1 very low income, 1 low income	52	
1005 Hemlock	2014	0	4	4-unit apartment building
single-family homes	2014	0	3	
duplexes	2014	0	1	single-family expanded to duplex
Total		2	60	

2. Underutilized Land

Overview

The City has been exceptionally proactive in the redevelopment of Millbrae. In 1993, in anticipation of the BART/Caltrain station, the City began a lengthy, exhaustive, and highly public planning process for the redevelopment of the 116-acre area surrounding the proposed station. The Millbrae Station Area Specific Plan was developed and adopted in 1998, and is currently being updated. It is a comprehensive plan for the redevelopment of specific sites, comprising a total of 82 parcels, for the entire plan area. The guiding land use goal of the plan has been to transform the area from an underutilized, low-intensity, commercial and service area to a pedestrian-oriented, mixed-use district that capitalizes on its proximity to multi-modal mass transit.

Station Area

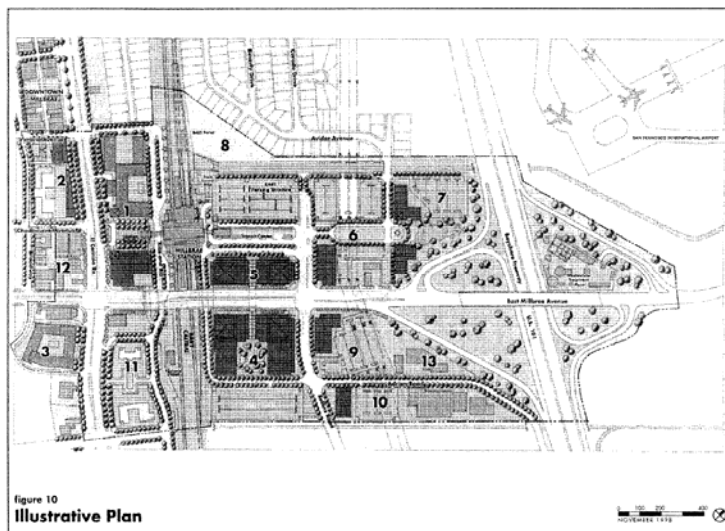
When plans were announced for a new BART station in Millbrae that would offer a cross-platform transfer with Caltrain, Millbrae began planning for the redevelopment of the area. The Millbrae Station Area Specific Plan was adopted in 1998, and the Millbrae Zoning Code was amended in 1999 to include a Millbrae Station Area Planned Development (MSAPD) District that codified the development regulations set forth in the Specific Plan. The BART station opened in 2003.

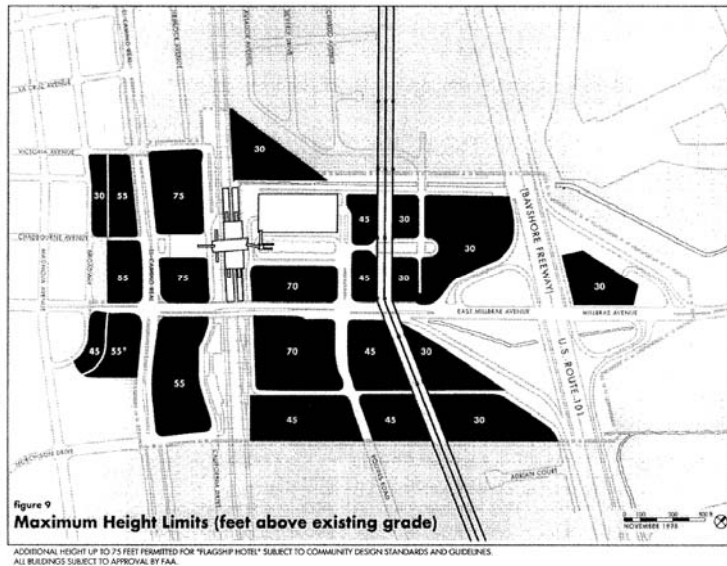
The station planning area is comprised of approximately 116 acres of land at the southern

edge of the city and is generally bounded by the Burlingame city limits to the south; U.S. 101 to the east; Broadway to the west; and, Victoria Avenue and the Highline Canal to the north. Higher intensity office uses are concentrated in the immediate vicinity of the station, while residential and mixed-use are encouraged in the area to the west of the station, primarily due to the proximity to the downtown and adjoining residential areas and the lower noise levels.

The Millbrae Station Area Specific Plan forms an integrated approach to the redevelopment of the area and provides for adequate housing opportunities to meet a significant portion of Millbrae's regional housing needs. Mixed-use development is emphasized, with densities of up to 60 units per acre; additional density is possible provided there is sufficient traffic capacity.

The maps below show the various sites in the station area as well as the maximum permitted heights. The stated height limits are subject to change, pending the update of the MSASP.





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Millbrae Station Area Specific Plan – November 24, 1998

Downtown

Outside of the Millbrae Station Area, there is additional mixed-use development potential in the downtown area. This three-block area along Broadway and the west side of El Camino Real is characterized by a mix of one, two, and three-story buildings, some with upper floor apartments. Approximately 77 apartments currently exist in the area, and the downtown is considered to be a viable area for additional similar housing. Historically, market rate rental units are typically affordable to low and moderate income households, but in recent years this has become less true. The Downtown encompasses approximately eight acres. The 55 lots in the Downtown average about 5,000 square feet. City estimates are that 40 percent of the Downtown area sites, or 22 lots, could be reasonably developed with up to four units on second and/or third stories, for a total development capacity of 168 units.

Areas Likely to Redevelop

The City has identified a few keys sites as most likely to develop, based on their location, ownership, surrounding land use patterns, and current uses. The City does not know which sites will develop when and there are no specific proposals regarding any of these sites, except where noted.

Station Area

In the Station Area, there are three sites that have a strong potential of developing housing during the planning period. All three are zoned MSAPD which allows 60 units per acre of mixed-use multi-family housing. Nearby development at 88 S. Broadway (“88 South Broadway”) and 151 El Camino Real (“Belamor”) will likely spur development in these three sites.

Site 1

This is a 5.5 acre site that currently has one story commercial uses (restaurants, retail, etc.). It is bordered by El Camino Real, Victoria Avenue, Millbrae Avenue, and the train tracks. There is a capacity of up to 300 units.

Site 11

This is a 4.4 acre site bordered by El Camino Real, E. Millbrae Avenue, Murchinson Road, and the train tracks. Current uses range between one and three stories of office, lodging, and restaurant uses. There is a capacity of up to 170 units and a 54-unit project (“Pinedera”) has recently been built, leaving a remaining capacity of 116.

Site 12

This is a 1.3 acre site that is bordered by Broadway, Chadbourne Avenue, El Camino Real, and E. Millbrae Avenue. It has a small, outdated commercial building as well as a gas station. It also contains the former site of the Millbrae Theater; that structure still stands and has been renovated into an office building. While the gas station is not expected to redevelop, the other parcels have significant potential. There is a capacity of up to 60 units.

Downtown

There are a number of downtown sites that have strong potential for redevelopment with housing, such as the 200-490 blocks of Broadway. The City is monitoring this area closely and will work with any developers wishing to introduce more housing. There is a capacity of at least 50 units.

Other sites along El Camino Real, such as 1350-1370, 1395, and 1701-1799 are also underutilized, but are less likely to redevelop in the planning period based on the factors identified above.

One additional site that is likely to redevelop is 1401 Millbrae, a 0.4 acre former gas station site surrounded by residential properties. Interested developers have approached the City about the potential for building medium-density, multi-family residential on this site after the remediation of contaminated soil is complete. The property is currently zoned commercial, which allows housing with a conditional use permit. (Alternatively, the site could be rezoned

to multi-family.) Currently it is surrounded by multifamily residential and is not an appropriate or viable area for commercial. Additionally, because the owners have expressed an interest in residential, this is the most likely use. There is a potential for 20 units on this site.

Encouraging Housing and Addressing Constraints

Millbrae has been encouraging residential redevelopment since adopting the Millbrae Station Area Specific Plan in 1998. Based on the results, it is clear that Millbrae has been successful. Even in the depressed housing market, Millbrae continued to field inquiries and proposals from developers. With the economy turnaround, the interest is even stronger.

The land in the Station Area has consistently been redeveloped as residential mixed, and this is expected to continue. Currently, the market is favorable to multi-family residential rental. Most developers that approach the City are interested in residential and there is not a current market demand for large amounts of commercial development. In fact, every proposal in the station area for the past ten years has included residential development.

Many of these proposals have been on small lots, under one acre. Because of the desirability of the location, small lots have not proved to be a significant constraint. The Pinedera development is on a 0.8 acre lot and the 1401 Millbrae location is 0.4 acres.

One of the great assets that Millbrae has in redeveloping land is the flexibility of the Planned Development (PD) zone. The PD zone allows the City to tailor requirements based on individual property needs. Building setbacks and heights, parking requirements, landscaping, and amenities are all customizable based upon individual site characteristics and project requirements.

Efforts to implement the Station Area plan continue; specific steps include the following:

- Development fees for all development have been kept low in order to encourage new construction.
- In 2010, a new zoning district, Grand Boulevard Planned Development, was adopted to encourage and facilitate mixed-use development throughout the El Camino Real Corridor. This complements the two other planned development zoning districts in the city (“MSAPD” and “PD”).
- Program HIP-18 further stipulates that there will be flexibility in applying parking standards for smaller units and HIP 33 allows developers to pay in lieu fee instead of providing parking.

Potential New Units (2015–2023)

Potential (Theoretical) Development	Land zoned more than 30 dua
Site 1	300
Site 11	116
Site 12	60
200–490 Broadway	50
1401 Millbrae	20
Total	546

3. Vacant land that is available for housing

There are currently a number of important vacant sites available for housing in the Millbrae Station area and downtown and a few additional lots elsewhere in the city. These are listed in the table below with corresponding APN numbers appearing in the appendix. Because these sites do not currently have buildings on them, we do not need to estimate the likelihood development in the planning period. Based on recent developments, it is likely that the sites will develop at or beyond the maximum densities allowed. For example, the Pinedera development is on .83 acres and has 56 units (67.5 units per acre after density bonus). The Belamor was developed at 83.5 units per acre and the Park Broadway was developed at 72 units per acre. We assume the undeveloped sites will develop at their permitted densities.

701 Magnolia Avenue

This is a privately owned parcel approximately 0.88 acres in size. It is a corner parcel next to existing single-family and multi-family development with commercial development across the street. The site is currently a paved and striped parking lot, which receives very little use. It is a good candidate site for multi-family development.

801 Magnolia Avenue

This is a privately owned parcel approximately 3.08 acres in size. It has three street frontages and is next to existing multi-family development with commercial development and Millbrae City Hall across the street. It is currently a paved and striped parking lot which receives heavy use as supplemental parking for the adjacent commercial development as well as City Hall. It is a good candidate site for multi-family development in a mixed-use setting.

300 Magnolia Avenue

This is a City-owned parking lot approximately 0.83 acres in size. It has three street frontages and is next to existing Downtown commercial development with single-family across the street. It is currently a paved and striped parking lot which receives heavy use as supplemental parking for the Downtown. It is a good candidate site for multi-family housing. In light of the parking this parcel currently provides, any proposal for development on this site must be coupled with the implementation of adequate parking facilities to serve the downtown area.

Caltrain Parking Lot

The Caltrain Parking Lot is a City owned parcel at 100 E. Millbrae Ave. which is within the Station Area. It is approximately 0.7 acres in size and is used as supplemental parking for the BART/Caltrain Station. Its small size and street frontages on three sides are potential constraints to it as a stand-alone redevelopment site; however, if assembled with adjacent properties its development potential increases significantly given its close proximity to the station.

BART Station Parking Lots

The BART Station parking lots are BART property and total about 10 acres (sites 5 and 6 in the Station Area Plan). BART has selected a developer for the site who is in active discussions with the City about what will be built. If the entire property were redeveloped as housing, it could contain over 500 units, but based on initial discussions it will likely be a mix of hotel, office and residential. Specifically, the most recent proposal called for 263 housing units, and this is what we assume in this Housing Element.

Vacant Land

Millbrae Station Area Plan	Acres	Zoning	Zoning Density	Housing Capacity zoned at 30 units or more per acre	Housing Capacity Zoned at under 30 units per acre	Constraints
801 Magnolia Ave.	3.08	PD	45	137	0	None
701 Magnolia	.88	PD	45	40	0	None
300 Magnolia City-owned parking lot	.84	Downtown Improvement Area	60	50	0	None
2 Single Family Lots	<1 acre	Residential	1 per lot	0	2	None
CalTrain Parking Lot	0.73	Commercial	60	43	0	Small size and proximity to station
BART Parking Lot 1 - Site 5	4.7	MSAPD	60	263		None
BART Parking Lot 2 - Site 6	5.3	MSAPD	60			None
Total				533	2	

See analysis above regarding likelihood of housing developing in the MSADP, PD and Downtown Improvement Area above.

4. Conclusion

Because of the groundwork laid by the Millbrae Station Area Specific Plan, the City is able to dramatically exceed its RHNA allocation.

RHNA Summary Table

	30 units or more per acre				Under 30 units per acre	Total
	Ext Low Income	Very Low Income	Low Income	Mod Income	Above Mod Income	
Homes Built This Planning Period	0	1	1	0	60	62
Underutilized Land	136	136	137	137	0	546
Vacant Land	133	133	133	134	2	535
Total	269	270	271	271	62	1,143
RHNA	96	97	101	112	257	663
Excess Land Capacity	173	173	170	159	-195 (need met by carryover)	480

(Land zoned at 30 units or more per acre is split equally between extremely low, very low, low and moderate-income categories.)

The conclusions of this analysis are that the City has adequate sites to meet ABAG’s 2015-2023 Residential Housing Needs Allocation, including sufficient sites zoned at higher densities and with adequate services and utilities to allow higher density, more affordable housing to be developed.