

for housing in the Downtown Redevelopment area between 2001 and 2006. Production of 500 units in the downtown redevelopment area will in turn trigger a requirement for affordable housing - 30 units for very low-income households and 45 units for a combination of low- and moderate income households.

The housing produced between 1999 and July 31, 2001 coupled with the housing sites currently available and implementation of one-quarter of the Downtown Plan indicates an existing new construction and potential construction capability of 2,643 units, which is 99 units in excess of the ABAG identified need.

Capacity above this level is available through the application of the City's, and state's density bonus laws. If developers desire to take advantage of the density bonus, at least an additional 417 units can be built and 208 very low income, or 416 lower income, or 1,042 units for seniors can result. The number and timing, of units that would result from these programs during the 1999-2006 planning period depends on market conditions which activate the creation of these housing units. At the writing of the housing element in mid 2001, the demand for housing is strong and market conditions are favorable because the market for commercial buildings has declined sharply and land owners are motivated to invest in non-office developments, such as housing. In addition, City staff anticipates that the City's density bonus ordinance, which implements the requirements of the State, will be used as construction of housing accelerates with the adoption of the Downtown Plan and with increased developer interest in multi-family housing during 2001-2006.

Between 1/1/99 and 7/31/01, 54 very low-income and 19 moderate-income units were added to the affordable housing stock in Redwood City. These units were added through new construction. Of those 73 units, 73 are new units and an additional 2 units are classified as group quarters. The remaining need for affordable housing includes 480 very low-income units, 256 low-income units, and 641 moderate-income units. The affordable housing requirement in the redevelopment area, requiring 15 percent of the units within redevelopment boundaries to be affordable, will go far in assuring that will be built affordable units to meet the designated need, assuming adequate private sector capability to build. The City's major planning initiative during 2001-2006, the Downtown Plan, is located completely within the boundary of a redevelopment area.

To expand the supply of small housing units intended to be occupied by one or two people, the City amended the zoning ordinance to provide for secondary housing units for rent in single-family residential areas while respecting the character of residential neighbors. This change created 1,900 sites for second living units. City staff estimates that 20 second units will be built each year as prospective homeowners look for ways to generate cash to pay for mortgages, and as homeowners chose to move into a smaller unit on land they own so they can enhance their income by renting the larger house on the same property. These units will be affordable to low and moderate income households due to their limited size and limited rent potential.

Redwood City approves in-law units over the counter or within 24 hours of plan submittal. Architectural Permits and permit fees are no longer required for these units. The City's Counter Team is trained to inform property owners about this code change and to encourage in-law unit development. Also, the City prepared handouts to increase awareness of this program to increase the density of housing.

In addition, other funding resources and incentives will contribute to accomplishing units in the proper affordability range. Funds from the redevelopment district 20 percent set aside will also support these efforts. In response to the City's larger very-low income need, and the greater difficulty in achieving these units, the City should gear the use of these funds to accomplishing the ABAG very-low income need prior to making them available to meet other needs. Figure 8-1 describing how these needs will be met is included in Chapter 8, Goals, Policies and Programs.

Programs: A.1 through A.5, B.1 through B.6, C.1, C.2, C.5, C.6, C.8, and F.6 address this need. Other programs also provide support addressing these needs.

AFFORDABLE HOUSING

Need: A strong, diversified Redwood City economy and job training.

A diversified economy provides jobs for all skill levels and job training and educational achievement helps to close the gap between wages and housing affordability. The City helps people who have micro-businesses. For example, in fiscal year 2001/2002, the City provided \$120,000 of CDBG funds for training and incubator space to small micro-business enterprises at the Downtown Education and Technology Center of Canada College.

Need: Development of affordable housing in Redwood City and the mitigation of constraints to the development of affordable housing.

It should be noted that 73 units of affordable housing (very low and moderate income units) were added to the Redwood City housing stock between 1999 and 2001. These projects were developed through a variety of City and non-profit ventures. City and redevelopment funding and the use of favorable provisions of the City zoning ordinance were combined to produce these successful projects. The accomplishment of these units clearly demonstrates the viability of affordable housing in Redwood City.

New opportunities to encourage affordable housing in Redwood City include: rezonings to allow housing in areas which were previously exclusively commercial, particularly those commercial areas that lie within a redevelopment boundary, use of redevelopment funds and other funds to acquire sites for affordable housing (El Camino/Vera St. and City Center Plaza projects), use of redevelopment powers to assemble parcels thereby creating large parcels appropriate for high density housing (Franklin Projects), implementation of the City/state density bonus law, a periodic public education newsletter to gain public acceptance of affordable housing, negotiation of affordable units in development agreements, and provision for in-law units.

Impact fees, such as C/CAG's impact fee, which apply to affordable housing at the same level as market rate housing effectively make affordable housing more difficult to achieve by raising the development costs. Local agencies literally are raising the cost of producing affordable housing and then trying to fund the higher cost of producing the affordable housing. In addition, the transaction costs of this process are very high. Program E.3 is intended to influence the structure of impact fees and other charges by waiving or lessening fees for affordable housing.

Programs A.1, A.2, A.3, A.5, B.1, B.2, B.3, B.4 B.5, B.6, C.1, C.5, C.6, C.8, and E.3 address these needs. Other programs also provide support addressing these needs.

SPECIAL NEEDS HOUSING

LARGE HOUSEHOLDS AND OVERCROWDING

Need: Eight percent of the rental housing stock for large families affordable to very low- and low-income households. These units would have three or more bedrooms.

Need: An additional 11 percent of the rental housing stock in two and three bedroom units to address overcrowding in households of four or fewer persons. These units should be affordable to very low- and low-income households.

Need: Construction of additional bedrooms on owner-occupied housing units to ease overcrowding.

Since 1980, households increased in size in Redwood City, due to increases in births as well as to related and unrelated families and individuals doubling-up. Eleven percent of all households consisted of five or more persons in 1990 and therefore are defined as large households. These households require units with three, four, and five bedrooms. Overcrowding impacts 17 percent of all rental households and 6

percent of all owner households in Redwood City in 1990. Most of the overcrowded units are located in the Downtown and the Central/Palm areas. As housing is built in redevelopment areas, the Agency will continue its practice of negotiating some larger, three and four bedroom rental and for-sale units. In addition, as the City develops specific plans and negotiates development agreements which include housing, the City shall continue its practice of negotiating to provide some larger three and four bedroom rental units. There is a need to give priority to the creation of three and four bedroom rental units to solve problems of overcrowding and large families in small units.

Obstacles specific to providing units primarily relate to issues of affordability. While no definitive information is yet available relating large families and income, it is anticipated that significant portions of families requiring large units also fall into low and very low affordability ranges. In addition, larger units occupy greater portions of the developable floor area on any project, therefore reducing the overall unit numerical yield. Since land and construction costs must be covered by the sale or rental of the units, the decrease in unit yield increases the costs allotted to each unit and results in increased sale prices or rents on a per unit basis. Programs to offset this impact should be developed.

Small units, as well as larger units, are an important part of the housing stock because smaller affordable units will allow smaller families and individuals to live independently, thereby easing overcrowding by decreasing the need for families and individuals to double-up in units.

Programs: A.5, B.2, B.3, and C.1 address the needs of large families and B.4 and C.6 address the needs of small families. Other programs also provide support addressing these needs.

SINGLE-HEADED HOUSEHOLDS

Need: Affordable housing meeting the income needs of single-headed households.

Need: Childcare and job and living skill training to meet the needs of single-headed households.

As described previously, 24 percent of all families with children are headed by a single head of household in Redwood City in 2000. Seventy-three percent of those are headed by women and twenty-seven percent are headed by men. Approximately 34 percent of the total number of female headed households are receiving California Work Opportunities and Responsibility to Kids (CalWORKs – a successor program to Aid for Dependent Children (AFDC)). Less than 0.1 percent of the single-male headed households are receiving CalWORKs.

Single-headed households with children imply several special needs. Housing units must include adequate living and bedroom areas and outdoor play areas. Housing should be located near schools and playgrounds. Childcare to meet the needs of children not yet school age, before and after school care for school age children, and care for children when they are sick and are not able to go to school are all needed by single heads of household. As indicated by the participation rates of these households in the CalWORKs program, this housing must be developed within affordability guidelines. Job skill and living skill assistance and training are also needed.

Programs: B.2, B.3, B.4, C.2, C.8, C.9, address these needs. Other programs also provide support addressing these needs.

ELDERLEY Households

Need: Studio, efficiency units and one-bedroom units to meet the needs of the elderly population.

Need: Retention of “Units at Risk” as assisted housing.

Although the 2000 Census data on income of elderly households is not yet available for Redwood City, many elderly residents live on fixed incomes. Twenty percent of the households in Redwood City

included individuals 65 years and over in 2000. In eight percent of the households, the householder (the household member who owns or rents the living quarters) is a person 65 years and older.

The San Mateo County Housing Authority indicates that most requests for vouchers for Section 8 rental housing for studios and one-bedrooms are from elderly persons. The Housing Authority expects that the next opportunity to apply for Section 8 vouchers will be in 2002.

The provision of affordable studio, efficiency units and one-bedroom units specially geared toward seniors and individuals employed by local businesses would appear to address the need in the community. In 2002 the City intends to provide for a new housing type, the efficiency unit, which is smaller than a studio apartment, but also lower priced. It is anticipated that efficiency units will be included developments with a variety of unit sizes.

The City adopted a second unit ordinance, which permits development of one-bedroom units and studios in single family residential areas. This program can allow for the larger main residence to be freed up for larger families. In addition, the provision of market rate senior housing may allow individuals currently living alone in larger homes to move to senior facilities that better suit their needs freeing up larger homes for families. It is understood that there are seniors living alone who have no interest in leaving their homes.

The program to preserve existing assisted units, which are at risk of converting to market rate units and which are a valuable source of housing units for seniors has been strengthened in this housing element.

Programs A.2, A.3, B.4, C.6, F.6 address this need. Other programs also provide support addressing these needs.

THE HOMELESS AND THOSE IN TRANSITION

Need: Temporary housing assistance at little or no cost to the recipient.

Need: Programs for job training and job development supplemented by training in life skills such as financing and budgeting.

Need: Maintain zoning that enables facilities for the homeless and those in transition to be built and expanded.

Need: Continue to support programs for the homeless.

As housing costs continue to increase, more people are expected to become homeless in the future.

There are several agencies that estimate the homeless population. The homeless population in San Mateo County in 2000 was 4,663, according to a survey conducted by San Mateo County. The homeless population in Redwood City is 497, assuming the homeless population in Redwood City is the same percentage as the general population of the City is to the County – 10.66 percent. This amounts to seven tenths of a percent of the total city population.

Another measure of homelessness and “at risk for becoming homeless” is people living in “other” non-institutionalized group quarters. The 2000 Census reported that 446 people lived in non-institutionalized group quarters in Redwood City. “Group quarters” are defined as a place where people live or stay other than the usual house, apartment, or mobile home. Two general types of group quarters are recognized: institutional (for example, nursing homes, mental hospitals or wards, hospitals or wards for chronically ill patients, hospices, and prison wards) and non-institutional (for example, college or university dormitories, military barracks, group homes, shelters, missions, and flophouses. Redwood City does not have any college or university dormitories or military barracks. The 446 people are listed in the subcategory, Other Non-institutionalized Group Quarters, which includes the homeless.

In San Mateo County the trend has been toward maximizing delivery of services at existing homeless facilities to serve residents on a regional basis and away from designating sites for homeless activities. By sharing resources regionally, the cost of operation is more effective and delivery of services is coordinated by the County's Homeless Coordinator enabling the services at certain locations to be tailored to the needs of individual special needs groups.

Also, Redwood City shall continue to work with public and non-profit community agencies to address this need, particularly the need of families. The City allows through its zoning single-room occupancy facilities providing housing opportunities for single, homeless individuals. The City will continue to address transitioning homeless persons into jobs and permanent living situations.

Programs: C.2, C.3, and C.4 address these needs. Other programs also provide support addressing these needs.

THE DISABLED

Need: Rental housing designed to meet the needs of the physically disabled in both the affordable and market rate ranges.

Need: Housing to meet the needs of the mentally disabled.

As described in Chapter 2, Community Profile, seven percent of Redwood City residents reported work disabilities in 1990 and 3.5 percent reported a public transportation disability. It is unknown at this time what portion of Redwood City's housing supply is "accessible" to the physically disabled. Since 2000 State law requires that new housing be barrier free. Under State law any development over three units must be accessible to physically disabled persons. Federally subsidized housing projects must also contain units with features that provide for the needs of the disabled. At present one in five units must be accessible to physically disabled persons.

Current treatment and support services can enable most persons with mental disabilities to manage their disabilities and their lives. However, treatment and support services are ineffective when the person who is mentally disabled is homeless or living in an inappropriate situation. The mentally disabled have three major, basic, housing needs. First, the housing must be affordable to very-low income individuals, since most of the mental disabilities fall into that category. Second, support service must be available to help provide for meaningful daytime activities for the mentally disabled. Third, there should be opportunities for mentally disabled to socialize and form friendships with their neighbors or other people they encounter frequently.

The San Mateo County Health Services Agency, Mental Health Services Division recognizes that some mental disabilities people in San Mateo County are either without housing or have a serious need for more appropriate housing. Many are included in the special needs group, homeless and people in need of transitional housing.

Programs: All affordable housing programs, plus C.2, C.3, C.4, C.11, C12 and G.1. Other programs provide additional support.

CONSERVATION AND IMPROVEMENT OF THE EXISTING HOUSING STOCK

Need: Repair and rehabilitation of the existing housing stock in need of repair.

Need: Conservation of existing affordable units in need of repair.

Need: Preservation of affordable units eligible for market rate conversion. Fifty-eight units at Redwood Commons when the City receives a notice of intention to convert the housing to non-low-income housing.

Need: Preservation of housing units of historic significance and of non-historical significance.

Need: Conservation of the existing rental housing stock by limiting condominium conversions.

For a number of years the City has had an aggressive rehabilitation program for both renter and owner households. Although a large number of units have been rehabilitated, the need continues to exist. The City plans to continue and expand, as funding allows, this highly effective program. The City has also actively pursued the conservation and rehabilitation of aging units; these efforts should continue in order to meet the ongoing need (refer to Chapter 3).

There are four federally assisted developments in the city and nine developments assisted by the Redevelopment Agency since 1989. Two of the four federally assisted developments are owned by nonprofits and are prohibited from prepaying their mortgages within the period 1999-2009. The remaining Redwood Commons is owned by a for-profit developer and the tenants are assisted by Section 8 contracts and the owner continues to renew them annually. The contracts can be renewed annually on the developments in which case no risk exists. The "units at risk" program, described in Chapter 8, has been strengthened to prepare the City to act quickly to find and support a nonprofit owner in the event the City is notified of intent to convert to market rate status.

The housing units assisted by the City's Redevelopment Agency are not at risk because they contain long-term affordability and resale restrictions, which will not expire during the planning period 1999-2009.

Preservation or replacement of existing affordable housing helps to assure that the stock of existing affordable housing in the community will continue to meet the needs of the community. The costs of replacing these units compared to preserving them will indicate the most cost effective path. It is difficult to estimate the costs of preserving assisted units until the participants are known because there is a significant variation in the types of cooperative efforts available to preserve assisted units.

The city's aging housing stock includes a number of historically and architecturally significant buildings that represent the cultural history of the city as well as an important housing resource. The following resources are available to assist in preserving these houses. The Mills Act Contract Program is available to provide limited tax relief to owners of locally designated properties. For low and moderate income owners of housing, the City has an agreement with HUD to allow a greater proportion (than normally allowed) of a rehabilitation loan to be spent on the exterior of a building to help preserve its historic character. Proposed changes to houses on the City's historic inventory are reviewed by staff to assess the significance of the impact and recommendations are made for preservation of the historic integrity of the house. In addition, as a result of major rezonings from commercial to mixed-use district, the city helped to preserve many existing (previously non-conforming) rental apartments and condominiums located in the Downtown District and along El Camino Real and Woodside Road.

Rental housing provides the majority of affordable housing in Redwood City. The conversion of rental to ownership housing reduces the mobility of renter households and may increase the cost of rental housing if the conversions reduce the supply of the rental housing stock. However, it should be recognized that a change in tenure from renter to owner for lower-income households is beneficial to that household and the community at large, as long as lower income rental units are not converted to moderate- or above-income ownership units. The City should continue measures to restrict the conversion of housing from rental to ownership status unless the market demand for rental housing drops below a reasonable threshold.

Programs: F.1, F.2, F.3, F.4 F.5 F.6 address these needs. Other programs also provide support addressing these needs.

PROMOTION OF EQUAL HOUSING OPPORTUNITY

Need: Programs to promote equal housing opportunity for all Redwood City residents.

The promotion of equal housing opportunity or accessibility is an important area of focus in a community's housing element. The ability of any community to establish and maintain high standards for fair housing practices is dependent upon strong policy direction.

In Redwood City, there is evidence to suggest some discriminatory housing practices. The number of complaints resulting in intensive fact finding and investigation ranged from 11 to 25 per year over the past five years. Few cases have been filed in court against landlords or property owners regarding alleged acts of housing discrimination. In view of the foregoing, Redwood City should firmly commit itself to carry out the purposes and intent of state and federal fair housing laws and continue to educate tenants and landlords regarding their rights and compliance with fair housing laws. *Programs: G.1, G.2, and G.3 address this need. Other programs also provide support addressing this need.*

PROMOTION OF ENERGY CONSERVATION IN HOUSING DEVELOPMENT

Need: Energy conservation by promoting energy efficient residential building design and orientation.

Need: Energy conservation in existing housing as a part of the City's rehabilitation efforts.

The City requires compliance with Title 24 energy requirements as part of its building review process. The City should require energy efficient design features in all housing developments. The City should continue these efforts and provide incentives or requirements for energy efficient site orientation and use of solar heating systems.

Also, the City provides for insulation and other energy-saving weatherization measures as part of the housing rehabilitation program. Redwood City has a Minor Home Repair and Weatherization Program which provides a maximum assistance level of \$2,000 per household for minor repairs and which focuses on energy related improvements. The assistance is a grant, which is provided to low income and disabled homeowners. In addition, the City provides the following loans to reduce energy costs:

- Energy Loans up to \$20,000 at 3 percent interest with payments under \$150 per month. These loans are available to low income households;
- Emergency Repair Loan Program of \$4,000 at 0 percent interest, deferred for five years or amortized over five years depending on the owner's ability to pay. Emergency repairs include roof repairs, water heater repair or replacement, heater repair or replacement, plumbing and electrical repairs, and structural items and accessibility issues;
- Roof Program with loans up to \$10,000 at 3 percent interest and payable over 10 years.

Programs: H.1 and H.2 address these needs. Other programs also provide support addressing these needs.