

Redwood City General Plan

HOUSING BACKGROUND REPORT

SECTION 1: COMMUNITY NEEDS ASSESSMENT

As the first incorporated city in San Mateo County in 1868, Redwood City has an extensive history tracing back to the Ohlone Native Americans and Spanish colonists who used the area for cattle grazing and farming. The City continued to grow in the 19th century as the county seat and a center for shipping, lumber, and other wharfside industries. Today, Redwood City is a growing and diversifying job center and residential community.

This Housing Needs Assessment presents information on Redwood City's resident population, housing stock characteristics, and employment trends. This information lays the foundation for the objectives, policies, and programs that aim to address these housing needs.

Redwood City is part of a continuous urban area on the San Francisco Peninsula, stretching from San Francisco to the north and San Jose to the south. The City has many assets including the geography of the area, frontage on the San Francisco Bay, pleasant year-round climate, a deep-water port, a strategic location midway between San Francisco and San Jose, and proximity to bridges that span the San Francisco Bay – the San Mateo Bridge to the north and the Dumbarton Bridge to the south – connecting the mid-Peninsula to the East Bay. In addition, as the County Seat, Redwood City is home to the County Government Center with offices, a courthouse, and many social services. These features and a diverse local economy make Redwood City an attractive place to live and work.

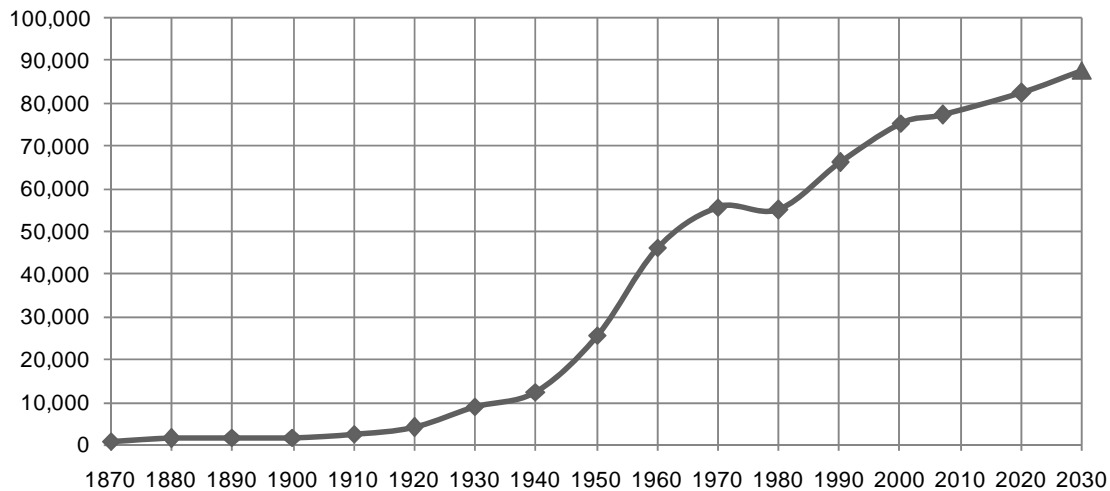
The data used in this needs assessment has been collected from a variety of sources, including the U.S. Census Bureau (1990 and 2000 Census), California Department of Finance, and Association of Bay Area Governments (ABAG). For demographic data, estimates from the California Department of Finance are used to show changes in conditions since the 2000 Census. The Redwood City 2005-2010 Consolidated Plan provides extensive demographic and special needs information, drawn from the Comprehensive Housing Affordability Strategy (CHAS) Data Tables for Redwood City. These data tables are based on special tabulations from sample Census 2000 data for the U.S. Department of Housing and Urban Development (HUD). Thus, the number of households in each category often deviates slightly from 100 percent due to extrapolations to the total households. As such, interpretations of CHAS data should focus on proportions, rather than on precise numbers.

Population Trends

A community's population characteristics affect the amount and type of housing needed. Factors such as population growth, age, income, and employment trends influence the type of housing needed and households' ability to afford housing. This section evaluates the various population characteristics that affect Redwood City's housing needs.

Incorporated in 1868, Redwood City experienced slight growth during the 19th century and early 20th century. Its first major growth occurred following World War II in the late 1940s and 1950s. Redwood City grew steadily through the next decades, with a minor decrease in population in the 1970s (**Figure 1**).

Figure 1: Population Trends



Source: California Department of Finance Historical Census Populations of Places, Towns, and Cities in California, 1850-2000.

As indicated in **Table 1**, recent population growth in Redwood City increased rapidly in the 1990s, but has remained steady at two percent since 2000, despite the City’s built-out nature. Redwood City’s growth rate was faster than the County as a whole in the 1990s, but it is lower than the County’s increase of five percent since 2000.

Table 1: Population Growth: Redwood City and Surrounding Cities

Jurisdiction	1980	1990	2000	2007	%Change 1980-1990	%Change 1990-2000	% Change 2000-2007
Redwood City	54,951	66,072	75,447	77,269		17%	2%
Belmont	24,505	24,127	25,138	26,078		8%	4%
Daly City	78,427	92,311	103,621	106,160		15%	2%
East Palo Alto	18,191	23,451	29,450	32,897		40%	12%
Foster City	23,287	28,176	28,803	30,308		8%	5%
Hayward	94,342	111,498	140,030	147,845		33%	6%
Menlo Park	26,438	28,001	30,786	31,490		12%	2%
Mountain View	58,655	67,460	70,708	73,262		9%	4%
San Carlos	24,710	26,167	27,697	28,857		10%	4%
San Mateo	77,640	85,486	92,482	95,776		12%	4%
South San Francisco	49,393	54,312	60,552	62,614		15%	3%
Sunnyvale	106,618	117,229	131,760	135,721		16%	3%
San Mateo County	587,329	649,623	707,161	739,469		14%	5%

Source: US. Census, 1990 and 2000; CA Department of Finance, 2007.

The Association of Bay Area Governments (ABAG) projects steady growth in Redwood City through 2030, with a projected increase in population of approximately 16 percent between 2000 and 2030. This projected growth is less than most nearby San Mateo County communities, including the cities of San Mateo, San Carlos, and East Palo Alto, which are projected to grow in population by 24 percent, 22 percent and 49 percent, respectively. The growth projection for Redwood City is more comparable to that

of Menlo Park, which has an anticipated increase in population of 15 percent. Overall, Redwood City's population will increase by a smaller amount than the County, which will grow by 19 percent by 2030.

According to the 2000 Census, the unincorporated areas within Redwood City's sphere of influence (including North Fair Oaks and Emerald Lake Hills) have a population of 19,339 persons. While unincorporated properties within Redwood City's sphere of influence are eligible for annexation, the City has no current plans to annex these areas. Redwood City's current general plan includes land use designations for its sphere of influence, consistent with State law, while the County of San Mateo provides zoning regulations for these areas. Specific demographic information in this Housing Element is related exclusively to the Redwood City population.

Age

Patterns indicate that different age groups have varying housing needs. As such, housing choice often correlates to the age of residents. For example, young adult households may choose to occupy apartments, condominiums, and small single-family homes because of affordability, location, and no or few children. Middle-age adults may prefer larger homes in which to raise families, while seniors may prefer smaller units that have lower costs and are more proximate to services. **Table 2** shows the age characteristics of Redwood City residents since 1990. The Census data indicates that the Redwood City population is aging slightly, with middle age and senior adults making a larger proportion of the total population in 2000 than in 1990, mostly due to a 39 percent increase in the number of middle age adults. At the same time, between 1990 and 2000, the percentage of school age children in the City increased dramatically (28 percent). The median age in Redwood City was 34.8 years old, according to the 2000 Census.

Table 2: Age Characteristics

Age Group (years)	1990		2000		Percent Change
	Number	Percent of Total	Number	Percent of Total	
Preschool (0-4 years)	5,249	8%	5,679	8%	8%
School Age (5-17 years)	9,204	14%	11,812	16%	28%
College Age (18-24 years)	6,547	10%	6,302	8%	-4%
Young Adult (25-44 years)	26,199	40%	28,185	37%	8%
Middle Age (45-64 years)	11,355	17%	15,733	21%	39%
Senior Adults (65+ years)	7,518	11%	7,691	10%	2%
Total	66,072	100%	75,402	100%	14%

Source: U.S. Census, 1990 and 2000.

According to a policy brief conducted by the County of San Mateo, by the year 2030, the number of seniors over age 65 in the County will increase by over 70 percent. The changing needs of the baby boomer population include new housing needs and preferences, housing affordability, walkable communities, and access to public transportation, in addition to housing design features that meet the needs of older adults.

Race and Ethnicity

The nature and extent of a community's housing needs is, to a large extent, determined by the racial/ethnic composition of its population. The size and type of housing preferred and the neighborhood desired often vary by a person or household's racial or ethnic background. Between 1990 and 2000, notable changes in the racial and ethnic characteristics of Redwood City took place (**Table 3**). Most notable among the changes was the decrease in the White population. While remaining the most predominant population group in the City, the proportion of Whites in the community decreased from 66

percent in 1990 to 54 percent in 2000. This corresponds with a similar 10 percent decrease throughout San Mateo County. Redwood City's Hispanic population increased during this time by 48 percent and the Asian population by 81 percent. The number of persons who, and those identified as "Other" increased dramatically, likely due to an additional category available in the 2000 Census, two or more races. By and large, the changes in Redwood City's racial and ethnic composition have paralleled trends in San Mateo County at large.

Table 3: Race and Ethnicity

Racial/Ethnic Group	1990 Population				2000 Population				1990 to 2000 Population Change	
	Redwood City		San Mateo County		Redwood City		San Mateo County		Redwood City	San Mateo County
	Number	% of Total	Number	% of Total	Number	% of Total	Number	% of Total	Percent Change	
White	43,504	66%	392,131	60%	40,656	54%	352,355	50%	-7%	-10%
Hispanic	15,935	24%	114,627	18%	23,557	31%	154,708	22%	48%	35%
Asian/Pacific Islander	4,004	6%	105,559	16%	7,239	10%	149,425	21%	81%	42%
African American	2,240	3%	34,000	5%	1,791	2%	23,778	3%	-20%	-30%
Other	389	0%	3,306	0%	2,159	3%	26,895	4%	455%	714%
Total	66,072	100%	649,623	100%	75,402	100%	707,161	100%	14%	9%

Source: U.S. Census 1990, 2000

Ethnic diversity is also often correlated with other demographic characteristics such as age, family and household size, and income. **Figure 2** shows the distribution of income by race in Redwood City. Overall Redwood City households' median income is less than San Mateo County. Asians and African Americans had incomes higher than the County median, while Whites and Hispanic households earned less.

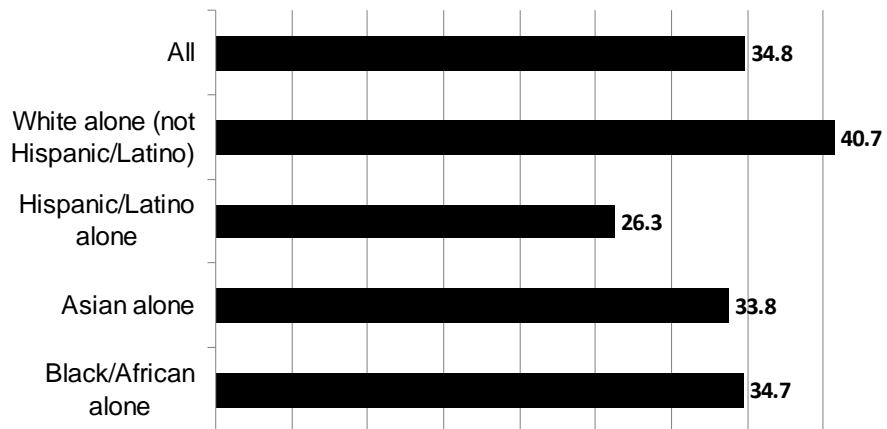
Figure 2: Median Income by Race/Ethnicity



Source: US Census, 2000; based on 1999 median income.

Age distribution also varies significantly by race and ethnicity (Figure 3), as the average age of Hispanic residents in the City tended to be younger than that of the citywide median. The median age of Asian and African American residents was fairly close to the median age for all households, while the median age for Whites was much higher than the overall median age. The data indicates that the population in general is slightly aging, and it appears that the White population is aging in place. However, as the proportion of non-White persons in the City increases, most of whom are younger, the median age in the City may remain relatively constant or even decrease. At the same time, the aging baby-boomer population will likely balance the declining median age.

Figure 3: Median Age by Race/Ethnicity



Source: US Census, 2000.

Household Characteristics

The characteristics of a community’s households impact the type of housing needed in that community. Household type, income levels, the presence of special needs populations, and other household characteristics are all factors that affect the housing needs of a community. This section discusses the household characteristics affecting the housing needs of Redwood City residents.

Household Type and Size

A household is defined by the Census as all persons who occupy a housing unit, which may include families, single persons, and unrelated persons sharing a housing unit. Persons residing in group quarters such as dormitories or retirement homes are not considered households. The characteristics of a community’s households serve as important indicators of the type and size of housing needed in the City. For instance, single-person households often occupy smaller apartment units or condominiums, such as studio and one-bedroom units. Married couples often prefer larger single-family homes, particularly if they have children. This underscores the need to provide a diversity of housing opportunities to provide households of different ages and types the opportunity to live in Redwood City.

In 2000, there were 28,060 households in the City. Based on **Table 4**, Redwood City appears to be a stable, family-oriented community, with 64 percent of all households classified as families, though the number of households classified as families is less than the County (67 percent), the State (69 percent), and the nation (68 percent). This proportion has remained practically the same since 1990.

Household size is another important indicator of housing need. The presence of families with children, students, and elderly persons, among other groups, can have different effects on the average household size in a community. For example, household size is larger, on average, in communities where there are many families with children, compared to those where the elderly population is large. In either case, household size can help identify the type of housing necessary in a community. In Redwood City, the average family size was 3.2 persons per family in 2000, and the average household size was 2.62. These figures are similar to those of San Mateo County at large, which, as of 2000, had an average family size of 3.29 and an average household size of 2.29. Redwood City's increase in average household size correlates with an increase in families with children in the City, and may also correlate with an increase in extended families living together or two households sharing housing.

Table 4: Household Type

Household Type	1990		2000		Percent Change in Households
	Number	Percent	Number	Percent	
Total Households	25,493	100.0%	28,060	100.0%	10.1%
Families	16,094	63.1%	17,902	63.8%	11.2%
with children	7,856	30.8%	8,785	31.3%	11.8%
with no children	8,238	32.3%	9,117	32.5%	10.7%
Non-Families	9,399	36.9%	10,158	36.2%	8.1%
Singles	7,008	27.5%	7,618	27.1%	8.7%
Others	2,391	9.4%	2,540	9.1%	6.2%
Average Household Size	2.52		2.62		3.8%
Average Family Size	3.08		3.2		3.9%
Renter-Occupied	49%		47%		-4.4%
Owner-Occupied	51%		53%		4.3%

Source: US Census, 1990 and 2000.

Income and Employment

Income Profile

The ability of a household to acquire adequate housing is almost solely dependent on the income of the household. Household income is oftentimes the crucial factor in evaluating the size and type of housing that can be procured by any given household. Household income can vary greatly across many demographic factors including race, gender, and household type. While higher income households have more discretionary income to spend on housing, low- and moderate-income households have a more limited choice in the housing they can afford.

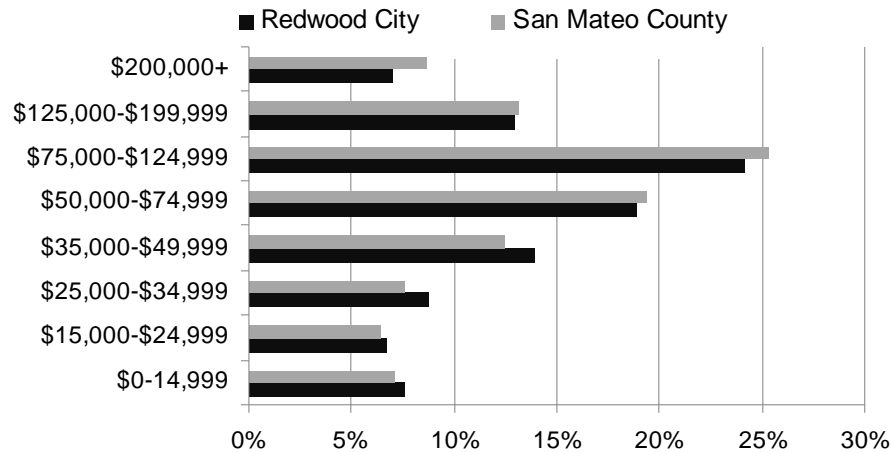
According to the 2000 Census, the 1999 median household income for Redwood City was \$66,748, which was lower than the County median of \$70,819. **Figure 4** shows that, overall, the income distribution in Redwood City was greater than San Mateo County in the lower income categories and lesser than the County in income categories above \$50,000. In comparison to neighboring jurisdictions, the Redwood City median income was lower than nearby Belmont (\$80,905), Foster City (\$95,279), Menlo Park (\$84,609), and San Carlos (\$88,460), but higher than East Palo Alto (\$45,006) and San Mateo (\$64,757).

For housing planning and funding purposes, the State Department of Housing and Community Development (HCD) uses five income categories to evaluate housing need based on the Area Median Income (AMI) for the metropolitan area:

- Extremely Low-Income Households earn between 0 and 30% of AMI
- Very Low-Income Households earn between 31 and 50% of AMI
- Low-Income Households earn between 51 and 80% of AMI
- Moderate-Income Households earn between 81 and 120% of AMI
- Above Moderate-Income Households earn over 120% of AMI

Combined, the extremely low-, very low-, and low-income groups are referred as lower income.

Figure 4: Household Income



Source: US Census, 2000.

According to the 2005-2010 Consolidated Plan, moderate- and above moderate-income households comprised the largest share of all households, and the low-income households comprised the second largest category (**Table 5**). Ten percent of the City's total households were classified as extremely low-income (0-30 percent of AMI), nearly 11 percent were classified as very low-income (31-50 percent of AMI), and approximately 19 percent were classified as low-income (51-80 percent of AMI). The income distribution in Redwood City closely parallels that of San Mateo County.

Table 5: Households by Income Type

Household Type	Extremely Low-Income (0-30%)	Very Low-Income (31-50%)	Low-Income (51-80%)	Moderate/Above Moderate-Income (81%+)
Redwood City	10.0%	10.6%	18.5%	60.9%
San Mateo County	9.5%	9.5%	17.4%	63.7%

Source: HUD CHAS Data Tables, 2004 (Based on 2000 Census).

Tenure is closely correlated with income, as most households with lower incomes usually cannot afford to buy a home. Consistent with this fact, renters in Redwood City earned lower incomes overall, with nearly a third earning extremely low- and very low-incomes. There was a significant difference in income between renter- and owner-households, as the proportion of owners earning extremely low- and very low-incomes was only 12 percent. Elderly renters are shown to be in the most precarious financial situation, with over half earning extremely low- and very low-incomes (**Table 6**).

Table 6: Tenure by Income Category by Household Type

Household Type	Extremely Low Income (0-30%)	Very Low Income (31-50%)	Low Income (51-80%)	Moderate/Above Moderate (81% +)
Renter-Occupied Households				
Elderly (62+ years)	37%	20%	22%	21%
Small Families (2-4 persons)	13%	14%	24%	49%
Large Families (5+ persons)	10%	28%	32%	29%
Others	11%	10%	23%	56%
Total Renters	15%	15%	24%	46%
Owner-Occupied Households				
Elderly (62+ years)	14%	17%	26%	43%
Small Families (2-4 persons)	3%	2%	8%	87%
Large Families (5+ persons)	3%	8%	14%	74%
Others	6%	4%	11%	79%
Total Owners	6%	6%	13%	74%
Total Households	10%	11%	18%	61%

Source: HUD CHAS Data Tables, 2004 (Based on 2000 Census).

The 2005-2010 Consolidated Plan also highlights income disparities between racial/ethnic groups. White and Asian households were less likely to have lower incomes (earning less than 80 percent AMI) than the population at large - 34 percent and 28 percent, respectively, versus 39 percent of the population at large (Table 7). In comparison, the proportion of Hispanic/Latino and African American households that were low-income is higher than other groups, with 60 percent of the Hispanic/Latino population and 48 percent of the African American population in Redwood City earning less than 80 percent of the County AMI. Since a larger share of Hispanics/Latinos and African Americans earn lower incomes, these groups would be expected to pay a larger share of income toward housing and have a higher proportion of renters, as opposed to homeowners. Moreover, for those able to afford a home, housing cost burden is likely to be more prevalent.

Table 7: Income by Race/Ethnicity

Race/Ethnicity	Extremely Low-Income (0-30%)	Very Low-Income (31-50%)	Low-Income (51-80%)	Moderate/Above Moderate-Income (81%+)
Asian	7%	8%	13%	73%
Hispanic/Latino	15%	20%	25%	39%
White	9%	8%	17%	66%
African American	16%	13%	19%	52%
Total	10%	11%	18%	61%

Source: HUD CHAS Data Tables, 2004 (Based on 2000 Census).

Employment Characteristics

Changes in labor and employment characteristics have a direct impact upon current and future housing needs within Redwood City. Different industries and occupations within a particular industry often translate into different wage levels. These differences in wages directly impact a household's ability to afford certain types of housing, the ability to rent or own housing, and the ability to adequately maintain housing.

According to the Census, 40,100 Redwood City residents were employed in 2000, which is an increase of 9 percent since 1990, despite the no change in the typical working-age population (18-64). As shown in **Table 8**, most of the residents were employed in two categories: Managerial/Professional and Sales and Office. Between 1990 and 2000 there was an increase in the proportion of residents in Managerial/Professional and Sales and Office, and a slight increase in the proportion of residents in Construction and Maintenance. People working in Service occupations decreased by half to just 15 percent between 1990 and 2000.

Table 8: Employment by Occupation

Occupation	1990		2000		Percent Change
	Employees	Percent of Total	Employees	Percent of Total	
Managerial/Professional	10,824	30%	16,972	42%	36%
Service occupations	11,984	33%	6,022	15%	-50%
Sales and office occupations	5,204	14%	9,623	24%	46%
Farming, fishing, forestry	730	2%	113	0%	-85%
Construction, maintenance	2,886	8%	3,711	9%	22%
Production/Transportation	4,868	13%	3,659	9%	-25%
Total Jobs	36,496	100%	40,100	100%	9%

Source: US Census, 1990 and 2000.

As of 2000, Redwood City residents proportionally held nearly the same amount of managerial/professional jobs as the County at large (42 percent compared to 43 percent) and service occupations (15 percent compared to 14 percent in the County). Generally, managerial/professional positions garner larger incomes than other occupational categories. **Table 9** compares the median earnings of different occupations in Redwood City and San Mateo County residents.

Table 9: Median Earnings by Occupation

Occupation	Redwood City	San Mateo County
Managerial/Professional	\$82,952	\$81,275
Service occupations	\$24,497	\$27,113
Sales and office occupations	\$43,693	\$44,585
Farming, fishing, forestry	---	\$17,249
Construction, maintenance	\$40,814	\$50,174
Production/Transportation	\$39,296	\$37,482

Source: 2006 American Community Survey

Redwood City desires to create and maintain a jobs/housing balance that reflects the labor force needs of City residents and supports employment opportunities and revenue for the City. The Economic Census, conducted by the U.S. Census Bureau, profiles American business every 5 years, from the national to the local level. The most recent data available (2002) indicates that Redwood City employs over 42,008 employees (**Table 10**). This represents an increase from 1997 levels, when 36,496 employees worked in the City.

Table 10: Redwood City Economic Census

Industry	Number of Establishments	Number of Employees
Manufacturing	94	2,917
Wholesale trade	79	1,161
Retail trade	244	4,787
Information	89	11,828
Real estate & rental & leasing	99	1,261
Professional, scientific, & technical services	386	7,860
Administrative & support & waste management & remediation service	143	3,388
Educational services	19	100
Health care & social assistance	264	4,581
Arts, entertainment, & recreation	20	618
Accommodation & food services	187	2,369
Other services (except public administration)	139	1,138
Total	1,763	42,008

Source: US Census, 2002 Economic Census

Table 11 identifies major employers located in the City, including seven organizations that employ over 1,000 individuals. Major employers in the City include computer software companies like Oracle Corporation and Electronic Arts and medical centers like Kaiser Permanente and Sequoia Hospital. As the county seat, Redwood City also employs over 2,000 people in government-related jobs.

Table 11: Top 10 Employers in Redwood City

Business	Type of Business	Number of Employees	Location
Oracle Corporation	Computer software	4,957	500 Oracle Parkway
San Mateo County	Government	3,103	Various locations
Electronic Arts	Multimedia	1,983	209 Redwood Shores Parkway
Kaiser Permanente	Medical center	1,900	1150 Veterans Blvd.
Sequoia Hospital	Medical center	1,066	170 Alameda de las Pulgas
Redwood City School District	Education	900	750 Bradford Street
City of Redwood City	Government	586	1017 Middlefield Road
Informatica Corporation	Computer software	500	100 Cardinal Way
PDI/Dreamworks	Multimedia	460	1800 Seaport Blvd
Abbott Laboratory	Biomedical	370	400 Saginaw Drive

Source: Redwood City Business Licenses, October 2008; respective employers.

Special Needs Groups

Special needs groups, as defined by state law, include the elderly, persons with disabilities, large households, female-headed families, farm workers, and the homeless. These groups often have difficulty obtaining decent, affordable housing due to their special circumstances. A central goal of the Housing Element is to assist persons with special needs in meeting their housing needs.

Elderly

The special housing needs of the elderly stem from several factors: their relatively low fixed incomes, high health care costs, and physical limitations. Being on a low, fixed income makes it difficult for many elderly to afford adequate housing or maintain their homes. This is further compounded by rising health care costs due to health problems that arise with older age. As persons age and face reduced physical mobility, accessibility improvements are often necessary to maintain safe and independent living.

According to the 2000 Census, there were 7,691 elderly persons (over age 65) in Redwood City. This represents a very slight increase from 1990 (1 percent). At the same time, however, the elderly population decreased as a percentage of the population as a whole. Over a third of the elderly population (37 percent) had some form of disability in 2000.

According to the 2005-2010 Consolidated Plan, 33 percent of existing elderly households were renters and 67 percent were owners. As of 2000, almost 45 percent of the City's elderly households were lower-income, presenting issues of housing maintenance for homeowners and affordability for renters. Approximately 67 percent of elderly renters and 28 percent of elderly owners experience a housing cost burden. Housing cost burden occurs when a household spends more than 30 percent of their income on housing-related costs, including rent or mortgage payments and utilities payments.

Persons with Disabilities

Both mentally and physically disabled residents face housing access and safety challenges. Disabled people, in most cases, are of limited incomes, and often receive Social Security income only. As such, the majority of their monthly income is often devoted to housing costs. Persons with disabilities may have the further burden of obtaining an education or training for themselves to increase their incomes and their ability to live independently. In addition, disabled persons may face difficulty finding accessible housing (housing that is made accessible to people with disabilities through the positioning of appliances and fixtures, the heights of installations and cabinets, layout of unit to facilitate wheelchair movement, etc.) because of the limited number of such units available.

Many Redwood City residents have disabilities that prevent them from working, restrict their mobility, or make it difficult to care for themselves. In 2000, roughly 16 percent of the population reported a disability. Of the working age population, however, a majority of those with disabilities were employed (65 percent). Over a third of the senior population (37 percent) is disabled (**Table 12**).

Table 12: Disability by Age

Age Group	Total Persons	Persons with a Disability	% of Total Age Group
5-15 Years	10,261	537	5%
16-64 Years	50,895	7,660	15%
Over 65 Years	7,178	2,667	37.2%
Total	68,334	10,864	16%

Source: US Census, 2000.

In order to meet the needs of the disabled population, the City permits residential care and group home facilities in all residential zones (consistent with State law) and most commercial and industrial zoning districts. As of 2007, there were 59 State-licensed facilities located in the City, with a capacity of 779 beds (**Table 13**).

Table 13: State-Licensed Community Care Facilities

Type of Facility	Description	Facilities	
		No.	Capacity
Adult Residential Care	Facilities that provide 24-hour non-medical care for disabled adults ages 18 through 59, who are unable to provide for their daily needs	16	161
Group Home	Facilities of any capacity and provide 24-hour non-medical care and supervision to children in a structured environment. Group Homes provide social, psychological, and behavioral programs for troubled youths.	6	49
Residential Care - Elderly	Provides care, supervision, and assistance with activities of daily living for persons older than 60 years of age	43	618
Social Rehabilitation Facility	Facilities that provide 24-hour-a-day non-medical care and supervision in a group setting to adults recovering from mental illnesses, who temporarily need assistance, guidance, or counseling.	3	45

Source: State of California Community Care Licensing Division, 2007.

Note: Categories are not mutually exclusive

Families

State law identifies two specific family groups as having special housing needs – large families and families with female heads of households. The reasons for their special need status vary and may include lower income status, the presence of children, and the need for financial assistance, as well as the availability of suitably sized housing. **Table 14** summarizes the characteristics of large families and female-headed households.

Table 14: Special Needs Households

Characteristics	Large Households	Female-Headed Households	Female-Headed Households with Children
Total Households	3,123	2,673	1,554
% of all households	11%	10%	6%
Renters	56%	67%	76%
Owners	44%	33%	24%

Source: US Census, 2000.

Large Households

Large households, defined as households with five or more members, have special needs due to the limited availability of adequately sized affordable housing units. Larger units can be very expensive; as such large households are often forced to reside in smaller, less expensive units or double-up with other families or extended family to save on housing cost, both of which result in unit overcrowding.

According to the 2000 Census, 3,123 large households (11 percent of all households) resided in Redwood City, of which more than half were renters (1,753 households). The 2000 Census also states that approximately 14 percent of rental units (1,808 units) in Redwood City contain three or more bedrooms. Since some of these large units may be rented by smaller households, and because some families may be very large, the potential for overcrowding does exist.

Female-Headed Households

Single-parent households, especially female-headed households, are generally characterized by lower incomes and a greater need for affordable housing. In addition, these households can have needs such as accessible day care and health care for the family, as well as other supportive services. The relatively low incomes earned by female-headed households, combined with the increased need for supportive services, severely limit the housing options available to them.

In 2000, 2,673 female-headed households lived in Redwood City, representing 10 percent of all households. Female-headed households with children made up six percent of all households; 37 percent of female-headed households earned incomes below the poverty level.¹

Single-parent households represent a need for daycare as well as for affordable housing of various sizes. The location of housing for single-parent households – near schools and playgrounds – is also important.

Homelessness and Persons in Need of Emergency Shelter

Homeless people, victims of abuse, and other individuals represent housing needs that may not be met by the traditional housing stock. Persons facing homelessness require temporary housing and assistance at little or no cost. The homeless population of Redwood City is diverse in terms of ethnicity, race, age, and background. Estimates from the 2007 San Mateo County Homeless Census and Survey counted 487 homeless individuals in Redwood City (212 of which were unsheltered) and 2,064 homeless individuals (1,094 of which were unsheltered) in the entire County on the night of January 30, 2007.

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, and missions). Since Redwood City does not have any college or university dormitories or military barracks, the 446 people listed in the subcategory, “other non-institutionalized group quarters,” may represent a population that is at risk for becoming homeless.

In San Mateo County, the approach to housing the homeless and maximizing delivery of services involves regional coordination and cooperation. The delivery of services is organized by the County’s Homeless Coordinator, which enables the services at certain locations to be tailored to the needs of individual special needs groups. By sharing resources regionally, the cost of operation and the delivery of services became more effective. The focus shifted to the delivery of services at existing homeless facilities, from designating sites for homeless activities. The County’s Shelter Plus Care Program provides funding to support long term rental assistance and supportive services to Redwood City residents. The City’s emergency and supportive housing developments include Redwood Family House, Spring Street Shelter, Daybreak Youth Shelter, Maple Street Shelter, and Hope IV and Hope V Transitional Housing developments.

The City of Redwood City continues to work with public and non-profit community agencies to address the needs of the homeless, particularly the needs of families. The City also provides direct funding to non-profit organizations serving homeless families, homeless individuals, including persons who are senior citizens, homeless youth, and homeless persons who have mental disabilities. In addition, the City helps

¹ The U.S. Census official poverty measure has two components—poverty thresholds (income levels) and the family income that is compared with these thresholds. The poverty thresholds take into account family size and the presence and number of children. Unrelated individuals and two-person families are differentiated by the age of the reference person (under 65 or 65 and over). The U.S. Census poverty thresholds are not adjusted for regional, state, or local variation in the cost of living.

homeless people transition into jobs and permanent living situations. **Table 15** lists service providers to which homeless persons are referred.

Table 15: Homeless Service Providers

Facility	Location	Services	Capacity
Redwood Family House	110 Locust Street Redwood City, CA 94063 (650)685-5880	Transitional, families (up to 4 months)	9 transition housing units
Maple Street Shelter	1580-A Maple Street Redwood City, CA 94063 (650)685-5880	Emergency shelter (up to 60 days) and transitional housing for individuals (up to 4 months)	32 shelter beds and 44 transitional units
Spring Street Shelter	2686 Spring Street Redwood City, CA 94063 (650)368-3345	Emergency shelter and transitional housing for persons with mental disabilities	15 shelter beds and 7 transitional units
Daybreak Youth Shelter	639 Douglas Avenue Redwood City, CA 94063 (650)364-4633	Transitional, youth (up to 1 year)	10 transitional beds
Hope House IV	926 Fourth Avenue Redwood City, CA 94063	Transitional, persons released from penal institutions	6 transitional beds
Hope House V	96 Buckingham Avenue Redwood City, CA 94063	Transitional, persons released from penal institutions	6 transitional beds
Clara Mateo Alliance	795 Willow Park, Building 323-D Menlo Park, CA 94025 (650)614-9887	Emergency shelter, rehabilitation to individuals, couples and veterans (up to 90 days, with a program fee after 30 days) and transitional housing	38 shelter beds, 6 transitional family units, and 28 transitional beds
North County Winter Shelter	295 North Access Road So. San Francisco, CA (650)595-7967	Residents referred to this shelter when City shelters are full	Temporary seasonal shelter

Source: City of Redwood City, 2008.

Farm Workers

Farm workers are identified as persons whose primary income is earned through seasonal agricultural labor. Farm worker housing needs stem from the relatively low income pay and the unstable nature of seasonal work.

According to the 2000 Census, only 113 Redwood City residents held “Farming, Forestry, and Fishing” occupations, a significant decrease from the 730 in 1990. The City of Redwood City is mostly urbanized and no farming operations exist in the City. Floriculture was the only significant agricultural activity in Redwood City in recent decades; however all of the greenhouse nurseries have been eliminated and replaced with housing. Given the low number of persons employed in agricultural-related industries, the City can address the needs of the farm worker population through its overall affordable housing programs. Those persons identified as having agricultural jobs are most likely employed as fishermen, or in similar enterprises, and thus, are not anticipated to have the seasonal housing needs associated with crop-related farm worker jobs.

Housing Profile

A community’s housing stock is defined as the collection of all housing units located within the jurisdiction. The characteristics of the housing stock, including growth, tenure, vacancy rates, age, condition, and cost are important in determining the housing need for the community. This section details the housing stock

characteristics of Redwood City, in an attempt to identify how well the current housing stock meets the needs of the current and future residents of the City.

Housing Stock

Redwood City is predominantly built-out, and in recent years has experienced only modest growth in its housing stock. The California Department of Finance reported 29,276 housing units in Redwood City in 2007, one percent increase from the 28,921 housing units reported in the 2000 Census. In comparison, the city experienced nine percent growth between 1990 and 2000 (**Table 16**). The level of growth since 2000 in Redwood City is similar to, though slightly less than, that experienced in most of its nearby cities.

Table 16: Housing Unit Growth

Jurisdiction	1990	2000	2007	Percent Change 2000-2007	Percent Change 1990-2007
Redwood City	26,847	28,921	29,276	1%	9%
Belmont	10,320	10,577	10,822	2%	5%
East Palo Alto	7,351	7,091	7,775	10%	6%
Foster City	11,747	12,009	12,477	4%	6%
Menlo Park	12,247	12,714	12,790	1%	4%
San Carlos	11,338	11,691	11,960	2%	5%
San Mateo	36,928	38,249	39,168	2%	6%
San Mateo County	251,782	260,576	268,301	3%	7%

Source: US Census, 1990 and 2000; CA Department of Finance, 2007.

As indicated in **Table 17**, the majority of the City's housing stock is single-family detached (46 percent) and single-family attached housing (12 percent). There are over 11,000 units of multi-family housing in the City, the vast majority of which is housed in developments with more than five units. Mobilehomes comprise three percent of the Redwood City housing stock.

Table 17: Housing Characteristics and Trends

Housing Type	1990		2000		2007		2000-2007 Percent Change in Units
	Number of Units	Percent of Total	Number of Units	Percent of Total	Number of Units	Percent of Total	
Single-Family Detached	--	0%	13,493	47%	13,554	46%	0.5%
Single-Family Attached	--	0%	3,653	13%	3,656	12%	0.1%
Total Single-Family	15,580	58%	17,146	59%	17,210	59%	0.4%
Multi-Family 2-4 Units	--	0%	2,596	9%	2,623	9%	1.0%
Multi-Family 5+ Units	--	0%	8,346	29%	8,610	29%	3.1%
Total Multi-Family	10,685	40%	10,942	38%	11,233	38%	2.6%
Mobile Homes, Trailer & Other	582	2%	833	3%	833	3%	0.0%
Total	26,847	100%	28,921	100%	29,276	100%	1.2%

Source: US Census, 1990 and 2000; CA Department of Finance, 2007

Tenure

Tenure in the housing industry typically refers to the occupancy of a housing unit – whether the unit is owner-occupied or renter-occupied. Tenure preferences are primarily related to household income, composition, and age of the householder; housing cost burden is generally more prevalent among renters

than among owners. However, the extremely high costs of ownership housing in the Bay Area also create high levels of housing cost burden among owners. The tenure distribution (owner versus renter) of a community's housing stock influences several aspects of the local housing market. Residential mobility is influenced by tenure, with ownership housing evidencing a much lower turnover rate than rental housing.

According to the 2000 Census, 47 percent of Redwood City households were renters, while 53 percent owned their homes (**Table 18**).

Table 18: Housing Tenure

Tenure	1990		2000		Percent Change in Units
	Number	Percent of Total	Number	Percent of Total	
Total Occupied	25,493	100.0%	28,060	100.0%	10.07%
Renter Occupied	12,547	49.2%	13,199	47.0%	5.20%
Owner Occupied	12,946	50.8%	14,861	53.0%	14.79%
Rental Vacancy Rate	--		2.3%		--
Owner Vacancy Rate	--		0.4%		--
Overall Vacancy Rate	4.39%		2.98%		--

Note: Overall Vacancy Rates include other vacancies in addition to owner/rental, including seasonal, other, and rented or sold but not occupied.
Source: US Census, 1990 and 2000.

The number of renter-occupied units increased by about five percent between 1990 and 2000, while owner-occupied units increased by nearly 15 percent. At the same time, there was minimal growth in the multi-family housing stock in the City.

Vacancy

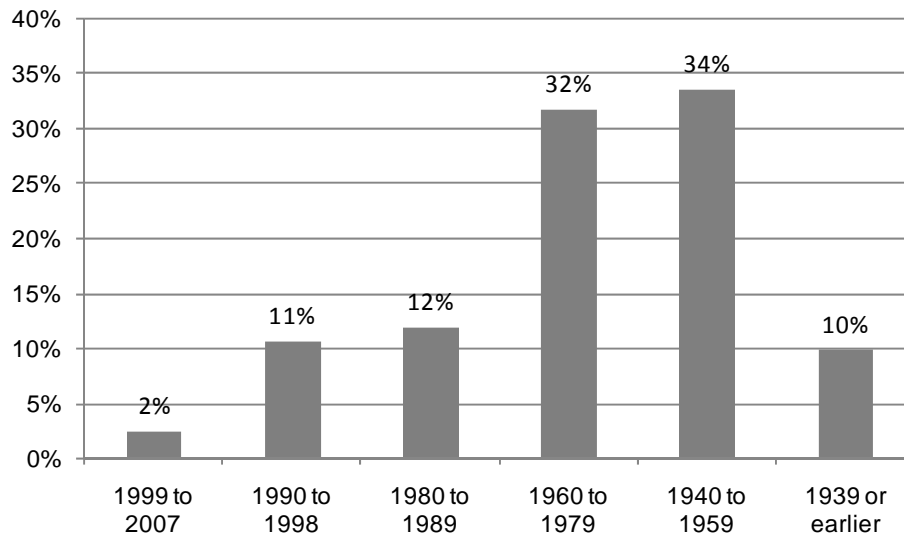
Housing vacancy rates – the number of vacant units compared to the total number of units – reveal the housing supply and demand for a city. Some amount of housing vacancy is normal, to allow for people moving from one place to another. A healthy vacancy rate - one which permits sufficient choice among a variety of housing units - is considered to be 2 to 3 percent for ownership units and 5 to 6 percent for rental units. With a housing stock comprising of 47 percent rental units and 53 percent owner-occupied units in Redwood City, the optimum vacancy rate is approximately 3.4 percent. In 2000, the vacancy rate for both owner-occupied units and rental units was roughly 3 percent, resulting in a low overall vacancy rate. A limited vacancy rate increases competition for housing and can result in higher housing costs, reducing housing opportunities for lower-income households.

Housing Issues

Housing Condition

The age and condition of Redwood City's housing stock is an indicator of potential rehabilitation needs. Commonly, housing over 30 years of age needs some form of major rehabilitation, such as a new roof, foundation work, plumbing, etc. Redwood City's housing stock is aging. The age of the City's housing stock, as defined by the year the units were built, is shown in **Figure 5**. As of 2007, approximately 44 percent of all housing units in the City were built prior to 1960, making many of these close to or over 50 years old. Another 32 percent of the housing stock was constructed between 1960 and 1979, making a total of 76 percent of the housing stock almost 30 years old or more. This housing stock reflects the fact that Redwood City built out quickly following World War II, and indicates that a significant number of homes may be in need of rehabilitation based on age alone. Only about twelve percent of the units in Redwood City were built between 1990 and 2000.

Figure 5: Age of Housing Stock



Source: US Census, 2000

Given the age of the housing stock and that maintenance can be especially difficult for elderly homeowners, the City offers an array of rehabilitation grants and loans for lower income households to fund rehabilitation and items essential to maintenance. These include the Home Improvement Program, the Multifamily Loan Program, the Minor Home Repair Program, the Emergency Loan Program, and the Housing Accessibility Modification Program.

The City's code enforcement responsibilities are divided between the Building Inspectors and Community Service Officers. The Building Inspectors address issues related to construction that needs permits, garage conversions, fences, zoning issues, and other related matters. The Community Service Officers are part of the Police Department and enforce non-building codes. Building Inspectors generally enforce codes *within* the building, however, duties frequently overlap. More specifically, Code Enforcement Officers enforce trees, weeds, building permits, animals, illegal conversions, zoning ordinance violations, and inoperative vehicles.

On May 29, 2002, the City commissioned Keyser Marston to conduct a survey of substandard dwelling units within the City to provide a database that identifies the location of homes that are deteriorated and in need of repair and those older homes that are likely to have lead paint. The study also identified all historic residential units constructed prior to 1920 and, of those identified, which units were determined as deteriorated or dilapidated.

Deteriorated buildings were defined as needing of one or more major repairs and/or extensive maintenance; repairs to damaged building components are critical to prevent further decay or structural deterioration; or rehabilitation is considered necessary for continued occupancy of building. This category includes buildings that require a new roof, exterior building repair, limited window and door repair/replacement and minor foundation repair.

Dilapidated buildings were defined as having major damage or severe deterioration; rehabilitation is likely infeasible since the total cost of repairs would exceed the value of the structure or require replacement of major building components; occupancy is considered unsafe. This category includes buildings with roofs that have collapsed or have significant fire damage. According to the survey, approximately 204 buildings, which include 275 units, were identified as substandard and/or dilapidated and in need of rehabilitation. Nine historic buildings were also identified as deteriorated or dilapidated.

Overcrowding

Overcrowding occurs when the relatively high cost of housing either forces a household to double-up with another household, or live in a smaller housing unit in order to be able to afford food and other basic needs. An overcrowded household is defined as one with more than one person per room, excluding bathrooms, kitchens, hallways, and porches. Severely overcrowded households are households with more than 1.5 persons per room. Overcrowding also tends to result in increased traffic, accelerated deterioration of homes and infrastructure, and crowded on-street parking conditions.

Table 19 displays the prevalence of overcrowding in Redwood City. As indicated by the 2000 Census, 14 percent of households in Redwood City were overcrowded (3,979 units). The incidence of overcrowding was slightly higher in Redwood City than in the County as a whole (12 percent). More than half of the overcrowded units were severely overcrowded in Redwood City (2,590 units). Rental units were far more likely to be overcrowded than owner-occupied units in Redwood City, with nearly a quarter of all rental units being overcrowded compared to only five percent of owner-occupied units. The prevalence of overcrowding indicates the housing needs of large households is a major concern in Redwood and will continue to be in the near future.

Table 19: Incidence of Overcrowding

Overcrowding	Number of Housing Units	Percent of Housing Units	Percent of Rental Units	Percent of Owner Occupied Units
Overcrowded (1 - 1.5 persons/room)	1,389	4.9%	7.5%	2.7%
Severely Overcrowded (>1.5 persons/room)	2,590	9.2%	16.8%	2.5%
Total Overcrowded (>1 persons/room)	3,979	14.2%	24.3%	5.2%

Source: US Census, 2000.

Housing Costs and Affordability

The cost of housing is directly related to the extent of housing problems in a community. If housing costs are relatively high in comparison to household income, there will usually be correspondingly higher prevalence of housing cost burden and overcrowding.

Ownership Housing

In February 2008, the median price of all homes sold in Redwood City was \$810,000 (**Table 20**). This was almost 2.8 percent more than the median sale price in February 2007 (\$788,000) in Redwood City, revealing an increase in home prices over that one-year period that matched the overall County increase (2.7 percent). While much of the Northern California region is now experiencing a decrease in home prices, these values continue to remain high above those seen earlier this decade.

Table 20: San Mateo County Home Prices

Area	Feb. 2008	Feb. 2007	% Change
Redwood City	\$810,000	\$788,000	2.79%
Belmont	\$905,500	\$882,500	2.61%
Menlo Park	\$883,500	\$800,000	10.44%
San Carlos	\$959,000	\$879,500	9.04%
San Mateo	\$787,500	\$752,000	4.72%
San Mateo County	\$775,000	\$755,000	2.65%

Source: Dataquick California Home Sale Price Medians by County and City, 2008.

The National Association of Home Builders compiles and publishes a quarterly housing affordability index. The index calculates the percentage of homes that were sold during a three-month period that would be affordable to a family earning the region's median income. The index assumes buyers will finance 90 percent of the purchase price with a 30-year fixed-rate mortgage, and takes into account prevailing interest rates, property taxes, and insurance costs. During the first part of 2008, the San Francisco-San Mateo-Redwood City metropolitan area ranked among the least affordable metro areas in the country.

Rental Housing

According to the 2000 Census, 47 percent of Redwood City households live in rental housing. During May 2008, rents in Redwood City ranged from \$850 to \$1,245 for a studio apartment, \$1,025 to \$2,130 for a one-bedroom apartment, \$1,300 to \$2,200 for a two-bedroom apartment, and up to \$3,535 for a three-bedroom apartment (**Table 21**).

Table 21: Apartment Rental Rates

Unit Size	Apartments	Median
Studio	\$850 - \$1245	\$995
1 bedroom	\$1,025 - \$2,130	\$1,283
2 bedroom	\$1,300 - \$2,200	\$1,600
3-4 bedroom	\$2,600 - \$3,535	\$3,400

Source: craigslist.org. Search performed on May 22 and 27, 2008.

The majority of apartment units advertised for rent were one- and two-bedroom units. A small number of single-family homes were also available for rent in May 2008, and were generally small in size (mostly two to three bedrooms). The lower end of apartment rents generally falls within the range of HUD-determined fair market rents for the County of San Mateo (**Table 22**). Single-family homes, in most cases, had higher rental rates than apartments, and often exceeded the fair market rent.

Table 22: San Mateo County Fair Market Rents (2008)

Efficiency	One-Bed	Two-Bed	Three-Bed	Four-Bed
\$1,662	\$1,781	\$2,137	\$2,470	\$2,755

Source: San Mateo County Department of Housing-Income Limits, 2008.

Cost Burden

State and federal standards specify that households spending more than 30 percent of gross annual income on housing experience a housing cost burden. Housing cost burdens occur when housing costs increase faster than household income. When a household spends more than 30 percent of its income on housing costs, it has less disposable income for other necessities, including health care, food, and clothing. In the event of unexpected circumstances such as the loss of employment or serious health problems, lower-income households with a burdensome housing cost are more likely to become homeless or be forced to double-up with other households. Homeowners with a housing cost burden have the option of selling their homes and become renters. Renters, on the other hand, are vulnerable and subject to constant changes in the housing market.

Table 23 shows the connection between income, household type, and cost burden. The proportion of households experiencing cost burden declined significantly as income increased. Overall cost burden was more prevalent among renter households in all income categories. In particular, extremely low- and very low-income large family renters (80 percent and 79 percent, respectively) and very low-income elderly

renter households (90 percent) had the highest proportion of cost burden compared with the proportion experiencing cost burden citywide (35 percent).

Table 23: Percentage of Households Experiencing Housing Cost Burden

Household Type	Extremely Low-Income (0-30%)	Very Low-Income (31-50%)	Low-Income (51-80%)	Moderate/Above Moderate-Income (81%+)	All Income Categories
Renter Occupied Households					
Elderly (62+ years)	77%	90%	58%	27%	65%
Large Families	75%	72%	18%	0%	34%
Total Renters	80%	79%	42%	11%	39%
Owner Occupied Households					
Elderly (62+ years)	62%	45%	21%	14%	28%
Large Families	60%	70%	77%	17%	32%
Total Owners	66%	54%	45%	24%	31%
Total Households	76%	71%	44%	20%	35%

Source: HUD CHAS Data Tables, 2004 (Based on 2000 Census).

Affordability

Housing affordability can be inferred by comparing the cost of renting or owning a home in Redwood City with the maximum affordable housing costs to households of different income levels. Taken together, this information can reveal who can afford what size and type of housing, as well as indicate the type of households that would likely experience overcrowding or cost burden. In assessing housing affordability, California Health and Safety Code Section 50052.5 provides a definition of affordable housing cost based on the Area Median Income (AMI) adjusted by family size and income level (**Table 24**).

Table 24: Affordable Housing Cost

Income Category	Calculation of Affordable Housing Cost for Owner	Calculation of Affordable Housing Cost for Renters
Extremely Low Income(0-30% MFI)	30% of 30% AMI	30% of 30% AMI
Very Low Income (0-50% MFI)	30% of 50% AMI	30% of 50% AMI
Low Income (51-80% MFI)	30% of 70% AMI	30% of 60% AMI
Moderate Income (81-120% MFI)	35% of 110% AMI	30% of 110% AMI

Source: California Health and Safety Code Section 50052.5.

Using these affordability thresholds, housing affordability can be estimated for the various income groups (**Table 25**).

Comparing housing costs and maximum affordable prices for lower income households shows that lower income households are being priced out of the Redwood City rental and ownership market. Given the median home prices presented in Table 20, single-family home ownership is beyond the reach of most lower-income households. For home ownership, some moderate-income households may be able to afford a lower-cost house. In the rental market, lower income households generally cannot afford the market rents in Redwood City unless they find a modestly priced studio or one-bedroom apartment. While moderate-income households may be able to afford some two-bedroom units in the City, such units are too small for large households. Moderate-income large families are unlikely to be able to afford even reasonably priced rental homes that would be suitable for their size.

Table 25: 2007 Affordability Matrix

Income Group	AMI adjusted by size		Affordable Payment		Housing Costs		Maximum Affordable Price	
			Renter	Owner	Utilities	Taxes & Insurance	Home	Rental
Extremely Low (0-30% MFI)	30% AMI							
One Person	\$19,950		\$499	\$499	\$50	\$80	\$64,822	\$449
Small Family	\$25,650		\$641	\$641	\$100	\$90	\$79,325	\$541
Large Family	\$30,780		\$770	\$770	\$150	\$100	\$91,323	\$620
Very Low (30-50% MFI)	50% AMI							
One Person	\$33,250		\$831	\$831	\$85	\$115	\$110,967	\$746
Small Family	\$42,750		\$1,069	\$1,069	\$125	\$130	\$143,049	\$944
Large Family	\$51,300		\$1,283	\$1,283	\$200	\$145	\$164,803	\$1,083
Low (50-80% MFI)	60%AMI	70%AMI						
One Person	\$39,900	\$46,550	\$998	\$1,164	\$100	\$165	\$157,991	\$898
Small Family	\$51,300	\$59,850	\$1,283	\$1,496	\$150	\$190	\$203,257	\$1,133
Large Family	\$61,560	\$71,820	\$1,539	\$1,796	\$250	\$220	\$233,009	\$1,289
Moderate Income (81-120% MFI)	110% AMI							
One Person	\$73,150		\$1,829	\$2,134	\$100	\$215	\$319,681	\$1,729
Small Family	\$94,050		\$2,351	\$2,743	\$150	\$260	\$410,140	\$2,201
Large Family	\$112,860		\$2,822	\$3,292	\$250	\$300	\$481,972	\$2,572

Notations:

1. Small Family = 3 persons; Large Families = 5 persons
2. Property taxes and insurance based on averages for the region
3. Calculation of affordable home sales prices based on a down payment of 10%, annual interest rate of 6.5%, 30-year mortgage, and monthly payment 30% of gross household income
4. Based on San Mateo County MFI \$95,000 and 2007 HCD State Income Limits
5. Monthly affordable rent based on payments of no more than 30% of household income

Source: Hogle-Ireland, Inc. 2008

Affordable Housing in Redwood City

Housing Authority of the County of San Mateo

The Housing Authority of the County of San Mateo administers the Section 8 Housing Choice Voucher Program for Redwood City residents. The program provides rental subsidies to low-income families which spend more than 30 percent of their gross income on housing costs. The program pays the difference between 30 percent of the recipients' monthly income and the federally approved payment standard. In 2008 in Redwood City, 625 households receive Housing Choice Vouchers under the HUD Section 8 program, and 363 of those households are headed by an elderly or disabled person.

Redwood City Assisted Housing Inventory

Various funding sources, including Redevelopment Housing Set-Aside, HUD funding sources, Community Development Block Grant (CDBG) funds, HOME funds, are utilized to create and preserve affordable housing in Redwood City. **Table 26** presents the inventory of affordable rental housing developments in Redwood City.

Table 26: Assisted Rental Housing in Redwood City

Assisted Developments	Tenant Type	Affordable Units	Total Units	Funding Program	Affordability Length	Ownership
Casa de Redwood 1280 Veterans Blvd. Redwood City, CA 94063	Seniors Apartment	134	134	Section 202 Section 236 Sec.221(d) (4) CDBG	Section 202: 2013	Nonprofit
City Center Plaza 950 Main Street Redwood City, CA 94063	Apartment	80	81	RDA Setaside City Funds Tax Credits	2028	Nonprofit
Franklin Street Apartments 1 Maple Street Redwood City, CA 94063	Apartment	31	204	RDA Setaside	2028	Profit motivated
Hallmark Apartments 531 Woodside Road Redwood City, CA 94062	Apartment	72	72	CDBG Tax Credits	2058	Nonprofit
Heron Court 350 Gunter Lane Redwood City, CA 94065	Apartment	104	104	Sec. 221(d)(3), CDBG land donation	CDBG: 2036	Nonprofit
Pescadero Apartments 950 Redwood Shores Parkway Redwood City, CA 94062	Apartment	20	170	City Development Incentive	5/20/2049	Profit motivated
Redwood City Commons 875 Walnut Street Redwood City, CA 94063	Apartment	58	58	Sec.221(d) (4)	5/31/2011	Profit motivated
Redwood Court 365 Spruce Street Redwood City, CA 94063	Apartment	27	27	RDA Land Write-down, CHFA financing Sec.221(d) (4)	CHFA: 2058	Nonprofit
Redwood Oaks 330-340 Redwood Avenue Redwood City, CA 94061	Apartment	36	36	HOME Section 8 Tax-Credit	HOME: 2032	Nonprofit
Rolison Road Apartments 3272 Rolison Road Redwood City, CA 94063	Apartment	7	7	CDBG	2040	Nonprofit
St. Clare Apartments 2683 Marlborough Ave. Redwood City, CA 94063	Apartment	24	24	CDBG Section 8	11/1/2011	Nonprofit
Villa Montgomery 1500 El Camino Real Redwood City, CA 94063	Apartment	58	58	CDBG, HOME, Redevelopment Agency Housing Funds, MHP & Tax Credits	4/11/2060	Nonprofit

Source: Redwood City, 2008

In addition to the affordable rental housing in the City listed above, there are multiple group homes and shared housing arrangements that offer other options for affordable housing (**Table 27**).

Table 27: Shared Housing and Group homes

Assisted Developments	Tenant Type	Affordable Units	Total Units	Funding Program	Affordability Length	Ownership
Hilton House 606 Hilton Street Redwood City, CA 94063	Shared Housing	1	6 Bedrooms	49 Year City Land Lease, State HCD RHCP	8/31/2040	Nonprofit
Kainos A & B House 3631 Jefferson Ave Redwood City, CA 94062	Group Home	10	10	City/County CDBG Land Lease	12/18/2035	Nonprofit
Kainos Chantal House 1220 Chantal Way Redwood City, CA 94061	Group Home Ind. Living	3	3	State/Golden Gate Regional Center	2099	Nonprofit
Kainos La Vista 3631 Jefferson Ave Redwood City, CA 94062	Group Home	17	17	City/County CDBG Deferred Loan	12/18/2035	Nonprofit
Kainos Triplex 1209 Chantal Way Redwood City, CA 94061	Group Home	20	20	City Land Lease	4/19/2037	Nonprofit
Pine Middlefield House 508 Pine Street Redwood City, CA 94063	Shared Housing	1	6 Bedrooms	City/County CDBG	8/31/2040	Nonprofit
Sanchez Way 1234-36 Sanchez Way Redwood City, CA 94061	Group Home	5	5	State/Golden Gate Regional Center	2099	Nonprofit

Source: Redwood City, 2008

A number of affordable ownership projects have also been constructed in the City in recent years (**Table 28**). Facilitating homeownership is one of the best ways to provide households with a means to stability and success.

Table 28: Affordable Ownership Developments

Assisted Developments	Tenant Type	Affordable Units	Total Units	Funding Program	Affordability Length
Hope Court 1-6 Hope Court Redwood City 94061	Ownership Townhomes	6	6	CDBG, HOME & Private Donations	2020
Lincoln Townhomes 122-136 Lincoln Avenue Redwood City 94063	Ownership Townhomes	8	8	CDBG, HOME, Redevelopment Agency Housing Funds, Private Donations	2048
Peninsula Habitat 278 Madrone Street Redwood City 94061	Single family Dwelling	1	1	CDBG & Redevelopment Housing Funds	2019
Rolison Townhomes 3400 Rolison Rd Redwood City 94063	Ownership Townhomes	36	36	CDBG, HOME, Redevelopment Housing Funds	30 Yrs from Sale 2031-2034
Wyndham Place Whipple Ave and Warren St Redwood City 94063	Ownership Townhomes	15	15	CDBG, HOME, Redevelopment Housing Funds	2018

Source: Redwood City, 2008

At-Risk Units

State law requires that the City identify, analyze, and propose programs to preserve existing multi-family rental units which are eligible to convert to non-low-income housing uses due to termination of subsidy contract, mortgage prepayment, or expiring use restrictions during the next ten years. Thus, the following at-risk analysis covers the period of July 1, 2009 through June 30, 2019.

Three developments, Casa de Redwood, St. Clare Apartments, and Redwood City Commons, have expiring affordability covenants during the next ten years. Casa de Redwood owners intend to refinance with tax credits once the affordability covenant expires in 2013, to gain another 55 year affordability restriction. St. Clare Apartments was acquired with CDBG funds, contingent on an affordability restriction until 2011. Because both Casa de Redwood and St. Clare Apartments are both owned and operated by nonprofits, with missions to maintain and increase affordable housing, the risk of conversion for these projects is considered low.

However, Redwood City Commons is a 58 unit affordable development for elderly residents, operated by a for-profit company. In May of 2008, the project owners signed a three-year Section 8 contract, which expires in 2011. Because the property is owned by a for-profit company, this property is considered to be at-risk of conversion to market-rate.

Preservation of at-risk units can be achieved in a variety of ways, with adequate funding availability. State law requires that housing elements analyze options to preserve at-risk units and the related costs that would be incurred. Potential options include:

- Transfer ownership to nonprofit developers and housing organizations
- Seek rental assistance for renters through other funding sources
- Restructure mortgage financing

Consistent with State law, the at-risk analysis must also include an estimate of the total cost of producing new rental housing to replace the units that could change from low-income use. The following analysis applies these options to Redwood City's one at-risk project, Redwood City Commons.

Transfer of Ownership

Transferring ownership of the affordable units to a nonprofit housing organization is a viable way to preserve affordable housing for the long term and increases the number of government resources available to the project. In Redwood City, the estimated market value for the 58 affordable units at Redwood City Commons that are at-risk of conversion is evaluated in **Table 29**. The current market value of the 58 affordable at-risk units is estimated to be over \$7.2 million.

Table 29: Market Value of At-Risk Units

Project Units	Affordable Units At-Risk of Conversion
Total (1-bdrm)	58
Annual Operating Costs	(\$217,500)
Gross Annual Income	\$875,100
Net Annual Income	\$657,600
Market Value	\$7,233,700

1. Median Rent: 1-bed = \$1,283,

2. Average Size: 1-bed = 750 sqft. 5% vacancy rate and annual operating expenses per square foot = \$5.00

4. Market value = Annual net project income * multiplication factor

5. Multiplication factor for a building in moderate condition = 11

Source: Hogle-Ireland, Inc. 2008

Rental Assistance

Depending on availability, other funding sources may be used to substitute Section 8 funding. The total amount needed to subsidize the rent for tenants to remain in at-risk projects is shown in Table 30. Given the size of the at-risk units, the total annual subsidy to maintain the units for very low-income households is estimated to be \$539,200 (Table 30).²

Table 30: Rent Subsidies Required to Preserve At-Risk Rental Units

Unit Size	Total Very Low-Income Units	Per Unit Subsidy	Total Annual Subsidy
1-bdrm	58	\$9,297	\$539,200

Source: Hogle-Ireland, Inc. 2008

Financial Restructuring

Another option to preserve the affordability of at-risk projects is to restructure the financing of the projects by paying off the remaining balance or writing down the interest rate on the remaining loan balance. The feasibility of this option depends on whether the complexes are too highly leveraged, and how long the current owner has held title to the property.

Construction of Replacement Units

When preservation is not feasible, the construction of new low-income housing can be a means to replace at-risk units. The cost of developing new housing depends on a variety of factors including density, size of units, construction quality and type, location, and land cost. Assuming a development cost of \$350,000 for a multi-family rental unit, the cost of replacing the 58 affordable at-risk units would be approximately \$20.3 million.

Program to Preserve Assisted Housing

Redwood City has been successful in recent years in preserving affordable units. In 2003, the City's Redevelopment Agency provided funding to preserve 27 affordable housing units at Redwood Court that were at risk of conversion to market rate. The City's assistance helped the nonprofit partner in a limited partnership to acquire and rehabilitate the units as affordable for a 55 year term. As such, this project is no longer at-risk of conversion to market-rate.

Despite this success at Redwood Court, over the last ten years, two other projects in Redwood City were lost to conversion to market-rate: Redwood Shores/Harborside Apartments and Redwood Plaza. The Redwood Shores/Harborside Apartments are comprised of 304 units, of which 61 were affordable units. The affordability covenant for this project expired on July 31, 2008. Redwood Plaza, an 87 unit development with 23 affordable units was lost to conversion in 2007. Both of these projects are owned by for-profit companies. Ownership was not transferred at the time of expiring contracts; these properties are still retained by the same owners. As such, Redwood City had little recourse when property owners were not interested in maintaining affordable units. The City ensured that tenants were provided notice of the properties' intent to convert to market-rate housing, consistent with State Law.

For the next ten years, the City will actively monitor the at-risk units, and pursue preservation actions as necessary. Redwood City Commons indicated that they have not yet made a decision to renew their Section 8 contract after 2011.

² The per unit rent subsidy is calculated based on the affordable annual cost (30 percent of 50 percent AMI) less the fair market rents and utilities associated with each unit size.

Estimates of Housing Need

Several factors influence the degree of demand, or "need," for housing in Redwood City. The four major needs categories considered in this report, consistent with State law include:

- Housing needs resulting from population growth, both in the City and the surrounding region;
- Housing needs resulting from the overcrowding of units;
- Housing needs that result when households pay more than they can afford for housing; and
- Housing needs of "special needs groups" such as elderly, large families, female-headed households, households with a disabled person, and homeless persons.

Table 31 provides a summary of Redwood City’s housing need based on existing conditions and demographics.

Table 31: Summary of Existing Housing Need

Households Experiencing Cost Burden		Special Needs Groups	
Renter	5,147	Elderly Households	4,862
Owner	4,668	Disabled Persons	10,864
Total	9,815	Large Households	3,123
Extremely Low-Income (0-30% MFI)	10%	Female Headed Households	2,673
Very Low-Income (31-50% MFI)	11%	Female Headed Households with Children	1,554
Low-Income (51-80% MFI)	18%	Farm workers	113
Overcrowded Households		Homeless	487
Renter	3,207		
Owner	772	Affordable Units At-Risk of Conversion	58
Total	3,979		

The CHAS Data Tables and 2005-2010 Consolidated Plan provide detailed information on housing needs (e.g. housing cost burden) by income level for different types of households in Redwood City. CHAS defines housing problems to include:

- Units with physical defects (lacking complete kitchen or bathroom)
- Overcrowded conditions (housing units with more than one person per room)
- Housing cost burden, including utilities, exceeding 30% of gross income
- Severe housing cost burden, including utilities, exceeding 50% of gross income

Specific households in Redwood City had disproportionate housing needs (**Table 32**). In general, renter-households had a higher level of housing problems (55 percent) compared to owner households (35 percent). Among the 1,593 elderly renter-households in the City, 79 percent were lower income households, with 67 percent of all elderly renter households experiencing one or more housing problems. Large renter families constituted only six percent of all households in 2000, but most (92 percent) experienced one or more housing problems.

Table 32: Housing Assistance Needs of Low- and Moderate-Income Households

Household by Type, Income, and Housing Problem	Renters			Owners			Total Households
	Elderly	Large Families	Total Renters	Elderly	Large Families	Total Owners	
Extremely Low Income (0-30% MFI)	584	178	1,945	473	37	866	2,811
% with any housing problems	79%	98%	85%	63%	100%	70%	81%
% Cost Burden >30%	77%	75%	80%	62%	60%	66%	76%
% Cost Burden >50%	61%	53%	70%	31%	22%	41%	61%
Very Low Income (31-50% MFI)	323	483	2,011	548	114	965	2,976
% with any housing problems	96%	100%	93%	45%	91%	58%	82%
% Cost Burden >30%	90%	72%	79%	45%	70%	54%	71%
% Cost Burden >50%	59%	7%	28%	24%	48%	37%	31%
Low Income (50-80% MFI)	354	549	3,212	858	195	1,967	5,179
% with any housing problems	58%	94%	66%	21%	85%	47%	58%
% Cost Burden >30%	58%	18%	42%	21%	77%	45%	44%
% Cost Burden >50%	13%	0%	5%	11%	44%	28%	14%
Total Households	1,593	1,699	13,163	3,269	1,350	14,866	28,029
% with any housing problems	67%	92%	55%	28%	52%	35%	44%
% Cost Burden >30	65%	34%	39%	28%	32%	31%	35%
% Cost Burden >50	38%	8%	16%	12%	14%	11%	14%

Note: Data presented in this table is based on special tabulations from sample Census data. The number of households in each category usually deviates slightly from the 100% count due to the need to extrapolate sample data out to total households. Interpretations of this data should focus on the proportion of households in need of assistance rather than on precise numbers.

Source: HUD Comprehensive Housing Affordability Strategy (CHAS) Data Tables, 2004, (Based on 2000 Census).

SECTION 2: HOUSING CONSTRAINTS

The provision of adequate and affordable housing for all residents is an important goal for the City of Redwood City. Many factors, however, can encourage or constrain the development, maintenance, and improvement of the housing stock. These factors include physical constraints, land availability, the economics of development, and governmental regulations, all of which may impact the cost and amount of housing produced. These constraints may result in housing that is not affordable to low- and moderate-income households, or may render residential construction economically very difficult for developers. Constraints to housing production significantly impact households with lower incomes and special needs.

State law requires that Housing Elements analyze potential and actual governmental and non-governmental constraints to the production, maintenance, and improvement of housing for persons of all income levels and disabilities. The constraints analysis must also demonstrate local efforts to remove or mitigate barriers to housing production and housing for persons with disabilities. Where constraints to housing production related to the City's regulations or land use controls are identified, appropriate programs to remove or mitigate these constraints will be included in the Housing Plan.

Market Constraints

Construction costs, land costs, and the availability of financing all contribute to the cost of housing production. To a large degree, the City has virtually no control over these constraints, as the market dictates the costs. Through programs such as home ownership assistance and the use of flexible design standards, the City can take steps to lessen the effects of these constraints.

Development Costs

The price of land is one of the largest components of housing development costs in Northern California. Land costs may vary depending on whether the site is vacant or has an existing use that must be removed. Similarly, site constraints such as environmental issues (groundwater and soil contamination from previous uses, steep slopes, seismic hazards, or flooding) can also be factored into the cost of land. A review of local Multiple Listing Service (MLS) listings indicates that residential land in Redwood City averages approximately \$65.94 per square foot on vacant properties within the City (**Table 33**). All existing vacant residential lots in the City are currently zoned to allow single-family residences. Properties that would allow more intense residential or mixed-use development likely have a much higher land value. In addition to assisting developers in identifying potential properties, the City can support affordable housing by writing down the cost of land on Redevelopment Agency-owned property in exchange for affordability controls.

Another major cost factor associated with residential building is the cost of building materials, which can comprise a significant portion of the sales price of a home and have risen dramatically in recent years. According to the US Department of Labor, the overall cost of residential construction materials rose 22 percent between 2004 and 2006, with steel costs increasing 63 percent and the cost of cement increasing 27 percent. Recently, however, the slowdown in the national real estate market has resulted in some moderation in the rate of increase in construction materials.

Table 33: Vacant Residential Land Prices

Address	Price	Area (Acres)	Area (SF)	Price per SF
Within City				
179 Inner Circle	\$1,060,000	0.32	13,939	\$76.04
1536 James Ave.	\$1,000,000	0.30	13,068	\$76.52
3494 Hoover St.	\$348,000	0.15	6,534	\$53.26
697 Warrington	\$250,000	0.10	4,356	\$57.39
Nevada St.	\$399,000	0.14	6,000	\$66.50
		Average Price Per SF		\$65.94
Within Sphere				
263 Ferndale Way	\$1,350,000	0.90	39,204	\$34.44
264 Sylvan Way	\$949,000	0.52	22,651	\$41.90
655 Glenloch Way	\$899,000	0.35	15,246	\$58.97
Laurel Way #21	\$749,000	0.19	8,276	\$90.50
		Average Price Per SF		\$56.45
In County Outside Sphere				
El Vanada Rd.	\$1,995,000	4.40	191,664	\$10.41
1508 Edgewood Rd.	\$1,400,000	0.34	14,810	\$94.53
130 Cervantes Rd.	\$849,000	0.96	41,818	\$20.30
45 Palomar Oaks Lane	\$599,950	0.50	21,780	\$27.55
		Average Price Per SF		\$38.20

Source: MLS Listings, November 2008 and Trulia.com, November 2008

One indicator of construction costs can be Building Valuation Data, used to determine building permit costs. This data is provided based on building type: fire-resistive (type I), non-combustible (type II), ordinary (type III), heavy-timber (type IV) and wood-frame (type V). National building valuation data is available from the International Code Council. The national averages for costs per square foot unit of apartments and single-family homes are as follows:

- Type I or II, Multi-Family: \$112 to \$126 per sq. ft.
- Type V Wood Frame, Multi-Family: \$86 to \$91 per sq. ft.
- Type V Wood Frame, One and Two Family Dwelling: \$94.06 to \$99.79 per sq. ft.

These costs include structural, electrical, plumbing, and mechanical work, in addition to interior finish and normal site preparation. The data is national and does not take into account regional differences, and does not include the price of the land upon which the building is built.

Redwood City has adopted Building Valuation Data to reflect the higher cost of construction in the Bay Area:

- Type I or II, Multi-Family: \$140 per sq. ft.
- Type V Masonry or Type III, Multi-Family: \$113 per sq. ft.
- Type V Wood Frame, One and Two Family: \$105 per sq. ft.

However, Redwood City has not updated their Building Valuation Data since 2004, indicating a lower than actual cost. In addition, estimates of actual construction costs in the Bay area are much higher than the

Building Valuation Data reflects. During the recent housing boom, construction cost estimates reached above \$300 per square foot for residential construction. A factor tied to development cost is development density. With an increase in the number of units built in a project, overall costs generally decrease as builders can benefit from the economies of scale.

Labor Cost

The California Labor Code applies prevailing wage rates to public works projects exceeding \$1,000 in value. Public works projects include construction, alteration, installation, demolition, or repair work performed under contract and paid for in whole or in part out of public funds. State law exempts affordable housing projects from the prevailing wage requirement if they are financially assisted exclusively with redevelopment housing set-aside funds. However, if other public funds are involved, which is often the case, prevailing wage rates may still apply. Furthermore, if federal funds are involved, Davis-Bacon Act wages often apply. Under the Davis-Bacon Act, workers must be paid no less than the locally prevailing wages, as well as overtime payments of time and a half. While the cost differential in prevailing and standard wages varies based on the skill level of the occupation, prevailing wages tend to add to the overall cost of development. In the case of affordable housing projects, prevailing wage requirements could effectively reduce the number of affordable units that can be achieved with public subsidies.

Availability of Mortgage Financing

The availability of financing affects a person's ability to purchase or improve a home; the cost of borrowing money for residential development is incorporated directly into the sales price or rent. Interest rates are determined by national policies and economic conditions, and there is virtually nothing a local government can do to affect these rates. Jurisdictions can, however, offer interest rate write-downs to extend home purchasing opportunities to a broader economic segment of the population. In addition, government-insured loan programs are an option available to some households to reduce mortgage requirements.

Under the federal Home Mortgage Disclosure Act (HMDA), lending institutions are required to disclose information on the disposition of loan applications and the income, gender, and race of loan applicants. The availability of financing for a home greatly affects a person's ability to purchase a home or invest in repairs and improvements. HMDA requires lending institutions to disclose information on the disposition of loan applications by income, gender, and race/ethnicity of applicants.

As shown in **Table 34**, a total of 36,114 households applied for conventional mortgage loans to purchase homes in the San Francisco-San Mateo-Redwood City Metropolitan Statistical Area (MSA) during 2006.

Table 34: Disposition of Conventional Loan Applications for Redwood City

Applicant Income	Total Apps.	% of Total	% Orig.	% Denied	% Other*
Lower- Income (<80% MFI)	1,399	4%	47.9%	22.1%	30.0%
Moderate-Income (80 to 120% MFI)	2,887	8%	59.9%	16.5%	23.6%
Above Moderate-Income (>120% MFI)	31,828	88%	61.1%	17.6%	21.3%
All	36,114	100%	60.5%	17.6%	21.9%

Source: Home Mortgage Disclosure Act (HMDA), 2006.

* "Other" includes applications approved but not accepted, withdrawn, and files closed for incompleteness.

**Totals do not match up based on the unavailability of income data for some applicants.

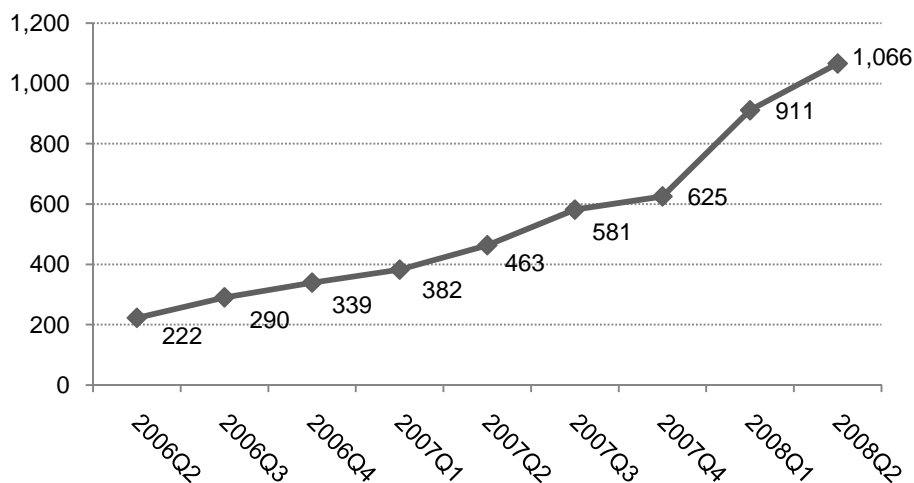
The data includes purchases of one- to four-unit homes, as well as manufactured homes. Over 88 percent of the loan applications were filed by households that reported their income as above moderate (earning greater than 120 percent of Area Median Income [AMI]). Moderate-income households (80 to

120 percent of AMI) and lower-income households (less than 80 percent AMI) accounted for eight percent and four percent of the applicants, respectively. Over 60 percent of all loans were approved and accepted by the applicants, and 17.6 percent were denied. Above moderate-income households had the highest rates of approval of any group. Approval rates can be expected to contract further, as a recent national survey conducted by the Federal Reserve found that 60 percent of banks responding reported they had tightened their lending standards for subprime mortgages. Additionally, 40 percent of responding banks said they had tightened lending standards for prime mortgages during 2007 for people with the best credit records, while none reported easing standards.³

Interest rates substantially impact home construction, purchase, and improvement costs. A fluctuation in rates of just one point can make a significant difference in the annual income needed to qualify for a loan. In the recent past, Redwood City and the country as a whole have experienced interest rates at historically low levels, enabling many households to purchase a home. These rates have risen over the past few years, and many households – particularly households with adjustable rate mortgages - realize that they are unable to pay new mortgage rates. Even with the Federal Reserve lowering rates in response to the credit crunch, refinancing is unavailable for many, with banks unwilling to provide many loans.

Beginning in 2006, increases in interest rates resulted in an increased number of foreclosures for households with sub-prime loans when a significant number of subprime loans with variable rates began to convert to fixed-rate loans at much higher interest rates. The number of mortgage default notices filed against homeowners reveals foreclosure rates in specific areas. The number of default notices filed against homeowners in San Mateo County has increased substantially since 2006, as indicated in **Figure 6**.

Figure 6: San Mateo County Notices of Default



Source: DQNews July 24, 2007; October 26, 2007; January 22, 2008; April 22, 2008; July 22, 2008 News Releases.

The increase in foreclosure activity has occurred throughout the Bay Area, and indeed, throughout the country. Between 2006 and 2008, the number of default notices filed throughout the Bay Area increased from less than 3,000 per quarter to more than 18,500 per quarter, an increase of 536 percent. While significant, the increase during the same period was significantly less in San Mateo County, at 380 percent. As we look into the future, the availability and cost of capital required for pre-development costs for new housing, such as land purchase option money and project design and entitlement processing, as well as uncertainty in the larger housing market, remain a deterrent to development of affordable housing.

³ November 7, 2007. The Wall Street Journal Online. "Banks Hit Borrowers with Stricter Rules." <http://www.realestatejournal.com/buysell/mortgages/20071107-reddy.html>

In the summer of 2008, the Federal government stepped in to shore up the two key mortgage holders in the country: Freddie Mac and Fannie Mae. Also, the Federal government found it necessary to take over management of a California-based bank, IndyMac, which has a substantial mortgage business. These actions reflect possible continued weakness in the mortgage market that may take some time to rectify. These conditions are expected to increase the difficulties lower-income households may face in their attempts to buy homes and secure reasonable mortgages.

Governmental Constraints

Actions by the City can have an impact on the price and availability of housing in the City. Land use controls, building codes, fees, and other local programs intended to improve the overall quality of housing may also serve as a constraint to housing development.

Consistent with State law (Section 65583), this section addresses six potential constraints to housing development:

- Land use controls
- Building codes and their enforcement
- Site improvements (on and off-site)
- Fees and exactions
- Processing and permit procedures
- Housing for people with disabilities

Land Use Controls

Land use controls set forth by the General Plan and Zoning Ordinance could have direct effects on the availability and affordability of housing in the City. Land use provisions currently in place in Redwood City are described below.

General Plan Land Use Element

The City of Redwood City General Plan Land Use Element sets forth the City’s policies for guiding local development and growth. These policies, together with zoning regulations, establish the amount and distribution of land uses within the City. The Land Use Element provides a range of residential development opportunities that are implemented through the City’s existing RH, R-1, R-2, R-3, R-4, and R-5 districts, as shown in **Table 35**.

Table 35: Residential Land Use Designations

Existing General Plan Land Use Category	Corresponding Zone Districts	Maximum Densities	Typical Residential Types
Low Density Residential (LDR)	RH and R-1	7 du/acre	Single-household detached residential development
Medium Density Residential (MDR)	R-2 and R-3	20 du/acre	Attached or detached units, two to three story residential structures, including condominiums, apartments, and duplexes
High Density Residential (HDR)	R-4 and R-5	40 du/acre	A variety of moderate to high rise multi-family housing types, normally located adjacent to employment centers

Source: City of Redwood City General Plan Land Use Element

Housing supply and costs are affected by the amount of land designated for residential use and the density at which development is permitted. Forty-five percent of the acreage in Redwood City is designated for residential use.

In 2004, Redwood City adopted a resolution to amend the General Plan to allow development projects to exceed maximum densities of 40 units per acre if the development is within a Precise Plan area and the project demonstrates three or more of the following features:

- Superior mixed-use design
- Incorporation of affordable housing
- Incorporation of public or community facilities
- Transportation demand management
- Innovative use of shared parking
- Efficient and innovative use of infrastructure and renewable resources.

Residential Development Standards

The City regulates the type, location, density, and scale of residential development primarily through the Zoning Ordinance. Zoning regulations are designed to protect and promote the health, safety, and welfare of local residents, as well as implement the policies of the General Plan. The Zoning Ordinance also serves to preserve the character and integrity of existing neighborhoods. The Ordinance sets forth the City's residential development standards, including density, height, lot coverage, and parking. The standards for all residential districts are summarized in **Table 36**.

Open Space

To improve the living environment of residential neighborhoods, communities typically require housing to have a certain amount of open space, such as yards, common space, and landscaping. In Redwood City, open space is reflected in setbacks and lot coverage requirements for single-family developments, and minimum required open space areas for multi-family developments. For single-family homes in any district, buildings may cover between 40 and 60 percent of the lot, leaving the remaining 60 to 40 percent for open space. Most of this open space is located within the required front and back yards.

In the R-2 through R-5 districts, 300 square feet of usable open space is required for every studio apartment and for every one-bedroom dwelling unit. Where there are additional bedrooms, an extra 100 square feet of usable open space is required for each additional bedroom within the unit.

Table 36: Residential Development Standards

Zoning District	Minimum Lot Size (area)	Minimum Lot Street Frontage	Minimum Setbacks			Maximum Lot Coverage	Maximum Height
			Front	Side	Rear		
RH	10,000 sf	35 ft	25 ft	7 ft & 8 ft or 15 ft min. total, both sides	25 ft	40%	30 ft or 2 ½ stories
	Area will differ for sloping sites						
R1	6,000 sf	35 ft	15 ft (20 ft for garages)	5-6 ft	20 ft	40%	30 ft or 2 ½ stories
R2	Single-family: 5,000 sf	35 ft	15 ft (20 ft for garages)	5-6 ft	20 ft	40%	30 ft or 2 ½ stories
	Duplex: 7,500 sf	50 ft					
	Triplex: 10,000 sf	50 ft					
R3	Single-family: 5,000 sf	35 ft	15 ft (20 ft for garages)	5-6 ft	20ft	60%	35 ft
	Duplex: 7,500 sf	50 ft					
	Triplex: 10,000 sf	50 ft					
	More than 3 units: 2,000 sf for each unit in excess of the first 3 units	50 ft					
R4	Single-family: 5,000 sf	35 ft	15 ft (20 ft for garages)	5-6 ft	20 ft	60%	45 ft
	Duplex: 7,500 sf	50 ft					
	Triplex: 10,000 sf	50 ft					
	More than 3 units: 1,500 sf for each unit in excess of the first 3 units	50 ft					
R5	Single-family: 5,000 sf	35 ft	15 ft (20 ft for garages)	5-6 ft	20 ft	60%	75 ft – no limit
	Duplex: 7,500 sf	50 ft					
	Triplex: 10,000 sf	50 ft					
	More than 3 units: 1,000 sf for each unit in excess of the first 3 units	50 ft					
Downtown Precise Plan	N/A	N/A	0 ft – 35 ft	0ft – 15 ft	0 ft - 15 ft	N/A	Ranges from 4 – 12 stories

Source: Redwood City Zoning Ordinance, 2006.

Note 1: Setbacks can vary for situations such as corner lots, certain shaped lots, such as narrow lots, the number of entrances opening to an interior side yard, and so forth.

Note 2: Residential standards are drawn from the 2008 Zoning Ordinance. Standards are subject to change from time to time.

Parking

City parking standards for residential developments are tailored to the vehicle ownership patterns associated with different residential uses. The Zoning Ordinance requires parking based on the number of units on the property. Parking requirements for residential uses are listed in **Table 37**.

Table 37: Parking Requirements

Dwelling Type	Parking Required¹
Single-Family Dwelling: 4 or less bedrooms	2 covered spaces
Single-Family Dwelling: more than 4 bedrooms	2 covered spaces and .5 covered space for every bedroom beyond the fourth
Accessory Units	1 uncovered space
Duplex	2 spaces per unit ²
Townhouses, condominiums, and rental apartments	2 spaces per unit (1 covered for each unit) ²
Guest or visitor parking	1 space for every 4 units ² (for projects with at least 4 units)
Rooming or boarding houses	1 covered space for each bedroom, but not less than 3 spaces ²
Downtown Parking Zone	
Dwellings: 2 or more bedrooms	1.5 (minimum) to 3 (maximum) spaces ³
Dwellings: 1 bedroom	1 (minimum) to 2 (maximum) spaces ³
Dwellings: studio	.75 (minimum) to 1.5 (maximum) spaces ³

Source: City of Redwood City Zoning Ordinance, 2008.

¹ Parking reductions for mixed-use are also available.

² The minimum requirements may be reduced, near El Camino Real and Woodside Road, if it can be shown that fewer parking spaces than those required are necessary due to the nature of the project.

³ The minimum requirements may be reduced if it can be shown that fewer parking spaces than those required above are necessary due to the nature of the project.

For single-family developments, the Zoning Ordinance requires two parking spaces within covered garage. Multi-family residences also require two spaces per unit, and guest parking is required for those developments. The City’s Downtown Parking Zone, amended in 2005, allows reduced parking requirements for residential uses within the Downtown area, with a minimum of 1.5 spaces for two-bedroom units, 1 space for one-bedroom units, and 0.75 spaces for studios. The Downtown Precise Plan sets a goal to provide “just enough” parking to serve the needs of residents and visitors to the Downtown. In order to do so, maximum parking requirements are set, based on the use.

In addition, the City may reduce or eliminate the required number of guest or visitor spaces in residential developments (a) if adequate street parking is available, and/or (b) if only one parking space is reserved per unit for residents, and/or (c) if the site is in close proximity to retail shopping facilities.

Flexible Development Standards

The City’s planned development zoning designation encourages flexibility of design and promotes innovative projects by allowing variations in the usual development standards, such as maximum height for structures, maximum lot coverage, minimum front, side, and rear yard setback requirements, and sign regulations. This flexibility allows for efficient use of a site by allowing clustered development on smaller lots to encourage multi-unit rentals, townhouses, condos, and single-family developments.

Mixed-Use Development Standards

The City’s overriding constraint with regard to residential development is the lack of vacant land. As such, Redwood City will need to rely extensively on infill and mixed-use development to provide increased residential capacity in the City. This is further challenged by small lot sizes in many areas of the City. The General Plan recognizes the importance and increased vitality provided by mixed-use areas and permits mixed-use within the Downtown, pursuant to a precise plan, in the bayfront pursuant to the Peninsula Park Precise Plan, and along El Camino Real and portions of Woodside Road.

The City has implemented the mixed-use general plan designation through a Zoning “Combining District.” The letter “R” may be used as a suffix to any CG zoning district that has been designated for mixed-use in the General Plan. Residential uses may be permitted in an R (Residential) Combining District only if the

residential portion of the site satisfies all of the requirements of the R-5 district and a planned development permit is approved for the project. In addition, mixed-use is permitted in the Central Business District and in the Downtown Precise Plan area.

Density Bonus

Redwood City encourages the development of affordable and senior housing through a density bonus ordinance. To date, the City has approved two projects (City Center Plaza and Villa Montgomery) with density bonuses resulting in a total of 149 units. Developers in Redwood City, in accordance with §65915 and §65915.5 of the Government Code, can receive density bonuses of 20 to 35 percent, depending on the amount and type of affordable housing provided. The density bonus regulations allow for exceptions to applicable zoning and other development standards to further encourage development of affordable housing (**Table 38**).

Table 38: Density Bonus Program

Housing Type	Minimum % of Units	Bonus Granted
Very Low-Income	10%	25%
Low-Income	20%	25%
Moderate-Income (Condo only)	20%	10%
Senior Citizen Housing Development	50%	25%

Source: Redwood City Zoning Ordinance, 2008

The City’s density bonus regulations also include incentives and concessions. A developer can receive an incentive or concession based on the proportion of affordable units for target groups. Incentives or concessions may include, but are not limited to, a reduction in setback and square footage requirements and a reduction in the ratio of vehicular parking spaces that would otherwise be required that results in identifiable, financially sufficient, and actual cost reductions.

Precise Plans

Precise plans are flexible documents adopted by some California cities to facilitate the use of innovative or unconventional urban planning techniques. Precise plans are often very similar to specific plans, but are preferred by some charter cities (which, unlike general law cities, can use any planning tool not prohibited by the State) due to the lack of State-mandated constraints.

Redwood City has adopted several precise plans, which provide for further variety in development types and locations. The regulations contained within the precise plans replace the land use and development regulations previously contained within the Zoning Ordinance for the related properties. The five adopted plans with substantial residential components are the Downtown Precise Plan, the El Camino Real and Vera Avenue Precise Plan, the Woodside Villas Precise Plan, the Peninsula Park Precise Plan, the Preserve at Redwood Shores, and the North Main Street Precise Plan. The City also has two other precise plans for Sequoia Hospital and the Kaiser Permanente Downtown Medical Campus.

Redwood City adopted the Downtown Precise Plan in 2007, to orchestrate private and public investment actions in the Downtown in order to revive the heart of the City. The Downtown Precise Plan consists of approximately 193 acres within the City’s historic center, and is bounded by Veteran’s Boulevard to the north, Maple Street to the east, Kaiser Permanente Hospital campus to the north, and the properties just north of El Camino Real on the south. In addition to revitalizing the commercial portions of downtown, a key component of the plan is to bring housing to downtown, which is affordable to a variety of income groups. The Downtown Precise Plan permits housing in the Downtown Core and the Downtown General use zones, requiring ground floor commercial in some locations. While specific densities are not articulated (in order to provide flexibility to developers), the maximum building heights in the Downtown range from four stories to a maximum of 12 stories, with mostly 8 stories as the new height limit. The flexible plan is tailored to provide the choice of “convenience living,” which includes a balanced mix of

employment and a range of housing types in close proximity to transit, entertainment, shopping, restaurants, and public services.

The El Camino Real and Vera Avenue Precise plan consists of four parcels, totaling 0.92 acres, all owned by the Redwood City Redevelopment Agency. In 2004, the Precise Plan was adopted, to allow for residential uses on all parcels (two parcels had formerly been commercially zoned) and to articulate a development plan for the site: an attractive mixed-use development located on a major transit thoroughfare. The City purchased these properties in 2000, utilizing Community Development Block Grant Funds, HOME Funds, and Redevelopment Funds with the intent of creating affordable housing on the site. In September 2007, the Villa Montgomery Housing Development was completed at this site, including 58 new very low-income units, affordable for a minimum of 55 years. This project represents a successful conclusion to a landbanking strategy.

The Peninsula Park Precise Plan grew out of the Bayfront Area Visioning Study, which explores possibilities for Redwood City to embrace its bayfront as an active, unique area of the City. The study, a policy document, provided possible land use scenarios as well as preliminary recommendations for land use changes, circulation- and open space-related capital improvements, and design and development guidelines. Consistent with the Bayfront Area Study, the Peninsula Park Precise Plan contains land use, design, and circulation policies for creating a distinctive, water-oriented, urban residential community. The approved concept for this 33-acre development includes a maximum of 796 residential units, 200 hotel rooms, 10,000 square feet of retail space, public park acreage and promenades, and public access to the waterfront.

The Preserve at Redwood Shores Precise Plan provides for the development of the last major parcels of undeveloped land on the Redwood Shores Peninsula (115 acres). The Plan includes the restoration of approximately 90 acres of tidal marshes to create a pristine wetland environment with public access trails, new wildlife habitat as well as a recreational destination for the community. In addition to these restored wetlands, a new 7-acre public elementary school, up to 158 townhomes, and a 3.5-acre neighborhood park are planned. Due to its location, the Army Corps of Engineers has reviewed and approve the site plan, in addition to the approval of the project by Redwood City. This project was under construction in 2008.

The North Main Street Precise Plan is intended to create a strong physical link between Downtown and the Bayfront via a potential Highway 101 crossing. This approved plan, encompassing 9.5 acres and located just outside the Downtown Precise Plan area, establishes a plan for infill development and pedestrian- and bicycle-oriented access improvements that would create a spine between Downtown and the Bayfront.

Approvals of specific development projects within Precise Plans occur through the planned community permit process. However, minor site changes and minor building alterations that are in conformity with the Precise Plan may be permitted without a planned community permit, provided that the Precise Plan contains reasonable and adequate standards for the granting of such administrative approvals. Environmental review conducted for these plans occurs at a programmatic level, which, in most cases, eases the development process for specific projects within the plan, while ensuring that adequate environmental analysis occurs.

Providing for a Variety of Housing Types

The Land Use Element and Zoning Ordinance contain the basic standards that allow for the development of a variety of housing types. Housing Element law specifies that jurisdictions must identify adequate sites through appropriate zoning and development standards to encourage the development of various types of housing. This includes single-family housing, multi-family housing, mobile and manufactured homes, emergency shelters, and transitional housing, among others. Various housing types are permitted within residential districts in the City, as well as conditionally permitted in specific commercial districts; all are summarized in **Table 39**.

Table 39: Permitted Uses in Zoning Ordinance

Uses	RH	R-1	R-2	R-3	R-4	R-5	MH	CB	CG-R	DTPP-DC	DTPP-DG
Residential Uses											
Single Family Homes	P	P	P	P	P	P	-	-	-	P*	P*
Duplex Homes	-	-	P	P	P	P	-	-	-	P	P
Triplex Homes	-	-	P	P	P	P	-	-	-	P	P
Multi-Family Housing	-	-	PD	P	P	P	-	P*	P*	P	P
Mobile Homes	-	-	-	-	-	-	P	-	-	-	-
Second Units	P*	P*	P*	P*	P*	P*	-	-	-	-	-
Residential Care Facility											
Six or fewer persons	P	P	P	P	P	P	P	-	-	-	-
Seven or more persons	C	C	C	C	C	C	C	-	C	-	-
Family Care Homes	-	-	-	-	C	C	-	-	-	-	-
Other Residential Uses											
Rooming/Boarding houses	-	-	-	-	C	C	-	-	-	P	P
Nursing/Rest Homes	-	-	-	-	C	C	-	-	P	P	P
Live-Work	-	-	-	-	-	-	-	-	-	P	P
Motels and Hotels	-	-	-	-	-	-	-	C	P	P	P

P = Automatically permitted use

P* = Permitted use, subject to specific restrictions as indicated in the Zoning Ordinance

C = Conditional Use. Use eligible for consideration under the conditional use procedures and permitted only if the conditional use permit is approved, subject to the specific conditions of such permit.

PD = Planned Development Permit required.

- = Not a permitted use.

RH = Residential Hillside District, MH = Mobile Home District, CB = Central Business District, CG-R = Commercial General – Residential, DTPP-DC = Downtown Precise Plan Downtown Core, DTPP-DG = Downtown Precise Plan Downtown General.

Source: Redwood City Zoning Ordinance, 2008

Multi-Family Housing

Multi-family housing accounts for 38 percent of the total housing stock in the City, according to 2008 California Department of Finance estimates. Multi-family developments are permitted in the R-2, R-3, R-4, and R-5 districts, and in a number of commercial districts. The maximum densities are 20 dwelling units per acre in the R-2 and R-3 districts and 40 dwelling units per acre in the R-4 and R-5 districts. Residential uses are permitted throughout the Downtown Precise Plan area. Some specific streets within the Downtown Precise Plan require the ground floor space to be occupied by commercial uses to enhance the pedestrian experience. The Downtown Precise Plan does not include maximum densities, to allow for flexible design in this pedestrian environment. There are five height zones within the Downtown Precise Plan, which permit a maximum of between 4 and 12 stories.

Second Units

The review process for second units, also known as accessory dwellings, in Redwood City is ministerial, i.e., reviewed against fixed, objective and quantifiable standards. The Zoning Ordinance permits development of second units in all residential districts. Since 2000, approximately 25-30 second units have been approved in Redwood City. Second units must meet the following criteria:

- The accessory dwelling may not be sold, but may be rented, and the main unit must be owner-occupied.
- The lot upon which the accessory dwelling is proposed to be located must be zoned for single-family or multi-family use (RH, R-1, R-2, R-3, R-4, or R-5), and contain an existing single-family dwelling.

- The accessory unit may either be attached to the existing dwelling structure and located within the living area thereof or detached from the existing dwelling but located on the same lot as the existing dwelling structure.
- The total gross floor area for the accessory dwelling must not exceed 640 square feet, nor contain more than one bedroom.
- No more than one entrance to the existing single-family dwelling is allowed to be located on the street side of the building (other than a garage entrance), and the entrance to the accessory dwelling must not be directly visible from the street.
- At least three off-street parking spaces are required for the main dwelling structure and accessory dwelling, combined.
- The application is subject to architectural review by the Planning Division to ensure compliance with those non-discretionary design standards set forth in the City's "Standards for Architectural Review of Accessory Dwellings."

Senior Housing

The City encourages the development of senior projects by providing density bonuses and concessions on property development and design standards. For example, the Planning Commission may reduce the number of parking spaces required for senior housing upon findings that the proposed development is located in proximity to commercial activities and services, and is adequately served by public transportation systems.

Residential Care Facilities

Consistent with State law, the City facilitates the development of residential care facilities by treating licensed facilities that serve six or fewer persons as standard residential uses. Unlike other cities that confine larger residential care facilities to one or two designated areas within the city, Redwood City conditionally permits these and other "quasi-public" uses in all residential districts. In addition, residential care facilities are permitted by right in many commercial and industrial districts, including the Commercial Administrative (CA), Commercial Park (CP), Industrial Restricted (IR) districts and conditionally permitted in the Commercial General (CG), Commercial-Office (CO) and Tidal Plan (TP) districts. For the Housing Element, the City will research approvals for community care facilities that have occurred in Redwood City, to ascertain if there are any constraints to development. The City will also consider specifically identifying residential care facilities in the Zoning Ordinance, and listing associated development standards and conditions for approval.

Emergency and Transitional Housing

Emergency shelters provide short-term shelter (usually for up to six months of stay) for homeless persons or persons facing other difficulties, such as domestic violence. Transitional housing provides longer-term housing (up to two years), coupled with supportive services such as job training and counseling, to individuals and families who are transitioning to permanent housing. Consistent with State law, small transitional housing serving six or fewer people is considered a standard residential use and is permitted where single-household residential uses are permitted. Transitional housing for more than seven people that is operated as a boardinghouse is conditionally permitted in the R-4 and R-5 districts. Transitional housing that functions as a regular multi-family use (such as apartments) is permitted by right where multi-family uses are permitted.

While the City has four emergency and transitional shelters in the City, emergency shelters as a dedicated use are not listed in the Zoning Ordinance. To facilitate the development of emergency housing and comply with State law (SB 2)⁴, the City should amend the Zoning Ordinance to permit emergency shelters by right in a specific zone in the City. The City will consider allowing emergency shelters by right

⁴ On October 15, 2007, Governor Arnold Schwarzenegger signed into law SB 2 which amends Government Code Sections 65582, 65583, and 65589.5 of State Housing Element Law. This legislation requires local jurisdictions to strengthen provisions for addressing the housing needs of the homeless, including the identification of a zone or zones where emergency shelters are allowed as a permitted use without a conditional use permit. This legislation, effective January 1, 2008, will apply to jurisdictions with housing elements due June 30, 2008 and after.

in the light industrial zone, or alternatively in the live/work designation that is under development as part of the New General Plan process. This designation will require an associated implementing zone. Programs to address the requirements of SB 2 for emergency shelters must be implemented within one year of adoption of the housing element.

Farmworker Housing

As indicated in the Community Needs Assessment, 113 Redwood City residents were reported to have “Farming, Forestry, and Fishing” occupations, according to the 2000 Census. Redwood City has extensive land area that is unimproved and devoted to the preservation of natural resources or the managed production of resources. These areas include Bair Island and Greco Island, which are natural preserves, and the areas that are currently used for salt harvesting, located south of Greco Island. While salt harvesting is considered an agricultural operation, it does not have the seasonal housing needs associated with traditional agriculture farming. In addition, the majority of persons reporting a “Farming, Forestry, and Fishing” occupation are likely employed in the fishing industry. Given the low number of persons employed in agricultural-related industries, the City can address the needs of the farmworker population through its overall affordable housing programs.

Single-Room Occupancy Housing

Single-room occupancy (SRO) developments house people in single rooms, with tenants often sharing bathrooms and kitchens. SROs are not specifically addressed in the Zoning Ordinance but are conditionally permitted as boardinghouses in the R-4 and R-5 districts.

Supportive Housing

In a supportive housing development, housing can be coupled with social services such as job training, alcohol and drug abuse programs, and case management for populations in need of assistance, such as the homeless, those suffering from mental illness or substance abuse problems, and the elderly or medically frail. A supportive housing development in the form of a residential care facility serving six or fewer persons is treated as a residential use, consistent with State law, but is subject to development standards for the zoning district in which it is located. Supportive housing that functions as a large residential care facility is conditionally permitted in all residential districts, as well as the Commercial General District. The City will also consider specifically identifying residential care facilities in the Zoning Ordinance, and listing associated development standards and conditions for approval.

Building Codes and Enforcement

In 2007, Redwood City adopted the updated California Uniform Building, Plumbing, Mechanical, and Electrical Codes. The City has also adopted the International Building Code, 2006 Edition. The City has made some minor amendments to the Uniform Housing and Code to require the entire Redwood Shores area to meet the more stringent requirements related to strengthening the foundation of buildings, an added, but necessary, cost of residential construction on Bay mud.

Enforcement of building code standards does not constrain the production or improvement of housing in Redwood City but instead serves to maintain the condition of the City’s neighborhoods. Further, the International Building Code is adopted by many cities throughout California and does not, in general, pose a constraint to residential development. The mission of the Building and Inspection Divisions is to promote community awareness of, and encourage voluntary compliance with, Redwood City’s Municipal Code. This enforcement enhances Redwood City’s neighborhoods and economic conditions so that the City is a good place to live, raise a family, work, and retire. Division staff investigates and enforces city codes and state statutes when applicable. Requests for inspections are responded to within 24 hours. Violation of a code regulation can result in a warning, citation, fine, or legal action. If a code violation involves a potential emergency, officers will respond immediately; otherwise, complaints are generally followed up within one working day by visiting the site of the alleged violation, and if necessary beginning the process of correcting the situation.

Energy Conservation

Title 24 of the California Administrative Code mandates uniform energy conservation standards for new construction. Minimum energy conservation standards implemented through Title 24 may increase initial construction costs, but reduce operating expenses and expenditure of natural resources over the long run. The City is in the process of beginning community discussions regarding a green building ordinance, with a public meeting held in August 2008. A green building ordinance would create the opportunity for new buildings to incorporate more environmentally friendly and energy-efficient design, construction, materials, and operation. This could be accomplished with an ordinance containing building construction guidelines for human and environmental health, including sustainable site development, water savings, energy efficiency, materials selection, and indoor environmental quality. Redwood City is currently drafting a Green Building Ordinance that will be similar to the County of San Mateo Green Building Ordinance. The draft ordinance that is currently under discussion would require new residential projects and larger additions to meet either 50 Green Points from the Build It Green framework, or to meet LEED certification requirements. Allowing for two types of possible avenues to reach green building certification will facilitate flexibility for developers. Building green, with sustainable materials and conservation methods, is beneficial for resource conservation as well as for residents' health.

On- and Off-Site Improvements

Site improvements are a necessary component of the development process. Improvements can include the laying of sewer, water, and streets for use by a community when that infrastructure is lacking, and these improvements make the development feasible. Due to the built-out nature of the City, most of the residential areas in Redwood City are already served with adequate infrastructure. However, areas that are not already served by infrastructure are required to provide adequate street, water, and sewer capacity.

In areas already served by infrastructure, site improvement requirements vary depending on the existing condition of each project site. The undergrounding of utilities is required of all projects, and street tree planting may also be required. These extra requirements, especially the undergrounding of utilities, can add substantial additional cost to affordable housing projects. The City does offer an in-lieu utility underground fee to projects that qualify. The City should ensure that affordable housing developers are aware of the in-lieu fee option and will consider exempting affordable housing projects from this fee.

Fees and Exactions

The City assesses various development fees to cover the costs of permit processing (**Table 40**). Some of the fees charged are flat fees based on the cost of services, but several fees are dependent on the size of the project. Fees charged in Redwood City are, in general, comparable to those of surrounding communities in San Mateo County. A survey of neighboring jurisdictions (East Palo Alto, Belmont, and San Carlos) indicates that permit fees in Redwood City are very similar to those found in neighboring San Carlos and Belmont and slightly less than those in East Palo Alto.

State law requires that locally imposed fees must not exceed the estimated reasonable costs of providing the service. Furthermore, State law also requires that impact fees must have a substantial nexus to the development and that the dedication of land or fees be proportional to its impact. Redwood City abides by State law with respect to fees and exactions and uses a cost recovery deposit system.

Table 40: Planning and Development Fees

Action/Activity	Redwood City	Neighboring Jurisdictions
Architecture Permits for Residential (4+ units)	\$1,000	\$1,705
Architecture Permits for Residential including additions (1-3 units)	\$620	\$120
CEQA (Initial Study, Mitigated Negative Declaration, and EIR)	\$5,000 initial deposit	\$2,735 - \$25,750
Conceptual Design Plan (including consultation)	\$1,000 initial deposit	---
Condominium Permit	\$5,000 initial deposit	\$975
General Plan Amendment	\$5,000 initial deposit	\$3,995-\$10,618
General Plan Maintenance Fee	.05% of building valuation fee**	---
Geographic Information System (GIS) Fee	2% of building permit base fee**	---
Historic Resources Charge	\$500 initial deposit	\$460 - \$2,436
Lot combination, merger, lot line adjustment	\$5,000 initial deposit	\$1,409 - \$5,257
Planned Community Permit	\$5,000 initial deposit	\$3,907
Planned Development Permit (PD)	\$2,500 initial deposit	\$10,618
Preliminary Design Map (subdivision only)	\$1,000 initial deposit	---
Tentative Parcel Map	\$2,500 initial deposit	\$ 3,308 - \$6,811
Tentative Subdivision Map	\$5,000 initial deposit	\$9,324
Use Permit requiring public hearing	\$2,630	\$3,166 - \$3,785
Use Permit without public hearing	\$400	\$2,200
Variance	\$600	\$3,307 - \$3,785
Zoning Text/Map Amendment	\$5,000 initial deposit	\$10,618
Building Permit	Based on building valuation	Based on building valuation

Source: City of Redwood City, City of East Palo Alto, City of Belmont, City of San Carlos, 2008

The City also charges impact fees to ensure that services and infrastructure are in place to serve the planned developments. Although impact fees and requirements for offsite improvements add to the cost of housing, these fees and requirements are necessary to maintain the quality of life within a community. Redwood City's impact fees include a traffic impact fee, a park impact fee, a water impact fee, a sewer fee, and school fees (**Table 41**). The fees are intended to provide funds to recoup the cost of providing infrastructure to the developments, while not unduly constraining the feasibility of both market-rate and affordable housing.

Table 41: 2008 Redwood City Impact Fees

Impact Fees	Per Unit Fee (SFR)	Per Unit Fee (MFR)
Traffic Fee	\$1,502	\$1,021
Park Fee	\$10,233	\$8,943
Water Fee	\$11,230	\$3,596
Sewer Fee	\$1,676	\$1,437
Sequoia High School District Fee	\$2.63 per sq. ft.	\$2.63 per sq. ft.

Source: City of Redwood City, 2008

Note: Park Fee assumes multi-family development occurs at greater than 21 units per acre. Less dense development requires a slightly higher fee (\$9,203 per unit). The park fees for condominium construction are \$8,590 for projects with less than 20 units per acre, and \$6,750 for projects with more than 21 units per acre.

In 2005, with assistance from Coro Northern California, the City conducted a study to assess how development fees in Redwood City compared with six neighboring jurisdictions, Daly City, Menlo Park, Palo Alto, San Leandro, San Mateo, and Sunnyvale. The study provided five sample residential projects and compared the related development and impact fees required by each jurisdiction. This study was updated in 2006 to reflect new fees and increases in fees. Redwood City had the lowest fees for four hypothetical projects, including an apartment building project (58 units), a condominium project (50 units), a new single-household home, and a second story addition (**Table 42**). Redwood City's fees were comparable to other cities on a second unit project.

Table 42: Fee Comparison

Project	Redwood City	Daly City	Menlo Park	Palo Alto	San Leandro	San Mateo	Sunnyvale
New Home	\$20,976	\$26,936	\$47,331	\$34,038	\$48,979	\$29,741	\$27,752
Second Unit	\$9,834	N/A	\$25,759	\$3,180	\$39,705	\$9,892	\$3,330
Second Story Addition	\$1,574	\$4,086	\$3,344	\$2,885	\$3,950	\$5,497	\$2,532
Apartment Building	\$256,209	\$495,205	\$1,181,202	\$737,722	\$1,189,427	\$740,039	\$742,884
Condominiums	\$477,758	\$618,760	\$1,124,068	\$573,035	\$1,259,535	\$74,217	\$778,087

Source: MIG 2006 Coro Study Update

While Redwood City initiated a park fee in 2007 that is not accounted for in this study, the City continues to require among the lowest fees in the area. Between 2002 and 2006, the City placed a moratorium on impact fees in the Downtown, in order to further encourage development. In addition, the City's traffic impact fee ordinance provides a reduced fee for affordable housing developments, senior housing projects, and transit-oriented development. The City also provides an exemption from Park fees for low- and very low-income affordable housing developments. Moderate-income housing projects qualify for a 50 percent reduction in park fees.

Development Review and Permit Processing

Development review in Redwood City begins at the permit counter in City Hall. A developer must submit an application to the Planning Division outlining a development plan. After the application is submitted, the Planning Division brings the application to the Planning Review Committee (PRC) for review. The PRC is comprised of staff from all the departments that comment on development applications, including Building and Inspection, Engineering and Construction, Public Works, Fire, and Police departments. The Planning Division provides comments from the PRC to the applicant, facilitating a one-stop permit processing system. Applicants revise plans based on these comments, and then re-submit for final review. Once the Planning Division reviews and approves the final plan, the applicant must submit an application for a building permit, to ensure that the project meets all local and State building codes. More complex and large-scale projects may require public hearings and/or environmental review, which have separate processing requirements.

In general, the time required for development review increases with the complexity of the project and the number of agencies involved in the review. Simple projects, such as individual single-household units, on previously subdivided parcels or apartment developments of fewer than four units typically require 1 – 1½ months to obtain final Planning and Building permit approvals. Multifamily projects with more than four units often require up to 12 months. Projects that require an environmental impact report (EIR) often take a year or more for full review and approval, depending on the complexity of the issue involved with the project.

In order to ensure appropriate and responsible development, City policies require time for review and processing of development applications. However, permit processing and review times are not at the sole

discretion of the City. State and federally mandated procedures can determine the time required for portions of the process. In addition, review by special agencies whose jurisdictions overlap with the City can add time to the review process. The City/County Association of Governments (C/CAG), Redwood City School District, the Regional Water Quality Control Board, Army Corps of Engineers, Bay Conservation Development Commission, and the Bay Area Air Quality Management District are some of the special purpose agencies that may be involved in development review in the City. The City strives to achieve concurrent review with these agencies to the maximum extent possible.

Redwood City further minimizes the cost of permit processing by implementing a 'Continuous Improvement Program' involving the participation and reorganization of all City Departments. The purpose of this program is to streamline permit process procedures including reducing governmental constraints upon the development, maintenance and improvement of housing for all income levels. Outlined below are a few of the City's permit and processing procedure improvements:

- Counter Team Cross-Training – All employees that work the front counter are cross-trained to provide better service to customers with questions related to Planning, Engineering, Fire and Building codes and to facilitate permit processing. The Counter Team is also trained to promote and provide to the public housing program handouts that promote new housing development. Backup senior staff from each department are also available for questions and to facilitate/expedite permit and processing procedures.
- One Stop Permit Shop – Every Wednesday smaller projects, including residential additions and secondary (in-law) units that meet state and city standards are approved over the counter or within 24 hours;
- Expedited Permit Review Procedures – A concentrated, interdepartmental team approach has also resulted in faster and more coordinated permit processing for larger development projects;
- Simplified Building and Planning Codes – The City simplified and reduced the number of Building and Planning codes to streamline the permit process and improve customer service;
- Eliminated Fees - The City does not charge Architectural Permit fees for single-story residential additions and other minor approvals.
- Combined Building and Engineering Inspections – The City combined Building and Engineering Inspections to streamline the permit process and improve customer service;
- Standardized Building Permit Forms/Procedures and Developed Standard Construction Handbook – The City took a lead role to standardize Building Permit forms and procedures within San Mateo County and developed a Standard Construction Handbook to streamline the permit process and improve customer service;
- Developed and Improved Public Information Handouts – Redwood City provides necessary forms in both English and Spanish, and makes forms available on the City's website;
- Extended Hours of Operation – The City has extended hours including early morning, evenings (after work hours) and weekend hours for improved customer service.

In addition, Redwood City coordinates all planning applications with a Planning Permit application form. This helps to ensure that all required permits are addressed in order to facilitate concurrent review.

Use Permit

Conditional uses are those uses that have a special impact or uniqueness and therefore require specific consideration as to their potential impacts on surrounding properties. At the time of application, a review of the location, design, configuration and impact of the proposed use is conducted by staff to compare the proposed use to established standards. This review determines whether the proposed use should be permitted by weighing the public need for and the benefit to be derived from the use against the impact that it may cause. A Use Permit (UP) is an entitlement application that requires the adoption of specific findings in order to approve the proposed use. In Redwood City, the Zoning Administrator must find that the establishment, maintenance, or operation of the use applied for would not, under the circumstances of the particular case, be detrimental to the health, safety, peace, morals, comfort, or general welfare of persons residing or working in the neighborhood of such proposed use or would not be detrimental or

injurious to property or improvements in the neighborhood or to the general welfare of the City. The Zoning Administrator may also attach conditions or requirements, as necessary to protect adjacent properties or the public interest.

Redwood City does not require a public hearing on Use Permit applications; however, the Zoning Administrator may require a public hearing when it is deemed desirable or necessary for the public interest. Due to the inherent special impacts that are likely to result from conditional uses, Redwood City almost always holds a public hearing to ensure adequate public input.

The requirements are the same for all uses requiring a UP. Residential uses requiring a UP include large residential care facilities, rooming/boarded houses, rest homes, motels and hotels, and family care homes. Review time of a UP varies, depending upon if a public hearing is required. Without a public hearing, a UP may be approved within 30 to 45 days. If it is determined that a public hearing is necessary, review may last up to three months.

Planned Development Permit

The Planned Development Permit allows certain zoning requirements to be different from those which otherwise pertain to the zoning district in which the property is located, including variations to height limits, lot coverage, setbacks, and sign regulations. Planned Development Permits provide a vehicle for medium to large scale residential development within an existing zoning district by encouraging flexibility in design standards to achieve the following objectives:

- Promote the most appropriate use of the land
- Encourage the development of innovative projects, which incorporate the highest quality of architectural solutions, building materials, and landscaping concepts
- Promote the most functional and aesthetic relationships between buildings, structures, signs, open space, and parking areas.
- Encourage the development of quality open space and recreational opportunities within projects.

A Planned Development Permit can only be granted approval if it is determined that the proposed development will provide an environment of physical and functional desirability, in harmony with the character of the surrounding neighborhood or district.

For projects that are less than an acre, review is conducted by the Zoning Administrator. Project larger than one acre are reviewed by the Planning Commission. In either case, applications for Planned Development Permits require a public hearing. Generally, the review of a Planned Development Permit is completed within four to six months.

Planned Community Permit

All projects proposed within precise plan boundaries must submit an application for a planned community permit for review by the Planning Division, with the exception of minor site changes and minor building alterations that are in conformity with the Precise Plan. Precise Plans include information on the level of detail required in the planned community permit application. A planned community permit also requires a public hearing, either before the Planning Manager or the Planning Commission, as well as notification to the owners of property within a radius of three hundred (300) feet of the exterior boundaries of the subject property.

In order for the City to approve the application, the proposal must implement the adopted Precise Plan. In addition, the City must find that the establishment, maintenance or operation of project will not, under the circumstances of the particular case, be detrimental to the health, safety, peace, morals or general welfare of persons residing or working in the neighborhood of the proposed use, or be detrimental or injurious to the property and improvements in the neighborhood, or to the general welfare of the City. In order to ensure this, conditions may be imposed as part of the permit approval. Because a public hearing

is involved, review and approval time may vary. Generally, the review of a Planned Community Permit is completed within four to six months.

Architectural Review

The purpose of architectural review is to provide a means through architectural control to protect and enhance the natural beauty of the environment, to provide for the orderly and harmonious appearance of structures and grounds, to protect the social and economic stability and to increase the benefits of occupancy in all zoning districts, and to retain proper balance in the relationship between taxable value of real property and the cost of municipal services throughout the City.

In Redwood City, architectural review addresses only the portions of structures facing a public street or place and the portions of the sides of a structure that are within fifty (50) feet of any portion of the structure that faces upon a public street or place. In the case of a single or two (2)-household dwelling, architectural review addresses only roof overhang, roofing material, and siding material only.

One story additions to single or two-household residences are exempt from architectural review. All other alterations, additions, and new structures are subject to architectural review. Approval of an architectural permit is based on the following:

- The existence of sufficient variety in the design of the structure and grounds to avoid monotony in the external appearance;
- The size and design of the structure is in proportion to its building site and that it has a balance and unity among its external features so as to present a harmonious appearance;
- The extent to which the structure conforms to the general character of other structures in the vicinity insofar as the character can be ascertained and is found to be architecturally desirable;
- The extent to which excessive ornamentation is to be used and the extent to which temporary and second-hand materials, or materials which are imitative of other materials, are to be used;
- The extent to which natural features, including trees, shrubs, creeks, and rocks, and the natural grade of the site are to be retained;
- The accessibility of off-street parking areas and the relation of parking areas with respect to traffic on adjacent streets;
- The reservation of landscaping areas for the purposes of separating or screening service and storage areas from the street and adjoining building sites, breaking up large expanses of paved areas, separating or screening parking lots from the street and adjoining building sites, and separating building areas from paved areas to provide access from buildings to open space areas;
- In the case of any commercial or industrial structure, the Zoning Administrator considers the project's proximity to any residential districts and the effect of the proposed project upon the character and value of the adjacent residential district; and
- The provision of permeable areas and drainage design appropriate to capture and treat stormwater runoff prior to its discharge from the site including, but not limited to, the use of vegetated swales, landscape features, permeable pavement materials, infiltration basins or engineered designs.

The Architectural Review Committee advises the City Council, Planning Commission, and Zoning Administrator on matters concerning building and landscape architecture, site design, and signs. Specifically, the Committee reviews the City's Urban Design Guidelines and reviews applications for architectural permits pertaining to single family and multi-family dwellings, signs, landscaping, commercial and industrial buildings, and makes recommendations. The committee also provides other recommendations pertaining to architectural matters regarding private and public projects in the City as deemed appropriate.

Housing for Persons with Disabilities

Pursuant to State law, Redwood City permits State-licensed residential care facilities serving six or fewer persons in its residential zoning districts by right. In addition, these and other “quasi-public” uses are conditionally permitted in the R-3, R-4, and R-5 districts and multiple commercial and industrial districts. In addition, nursing homes and rest homes are conditionally permitted in the R-4 and R-5 districts. These housing types for persons with disabilities require a UP that is no more stringent than those for other conditional uses.

As stated above, the City has adopted the California Uniform Building Code. Standards within the Code include provisions to ensure accessibility for persons with disabilities. These standards are consistent with the Americans with Disabilities Act. No local amendments that would constrain accessibility or increase the cost of housing for persons with disabilities have been adopted. To accommodate disabled persons in public facilities, the City defers to Title 24 of the California Handicap Accessibility Code.

The City complies with Federal and State mandated structural accessibility laws. When housing development is assisted with federal funds, five percent of the units must be designed as accessible to persons with physical disabilities, and two percent must be adaptable for the vision and hearing impaired. These units are affirmatively marketed to persons with the respective disabilities.

The City also complies with the American Disability Act (ADA) laws that have helped to remove structural accessibility issues in housing construction for persons with disabilities. When there is a conflict between an ADA requirement and a Zoning Ordinance requirement, the project planner (for small residential developments) and the City’s Plan Review Committee (for larger residential projects) identifies the conflict early in the review process and resolves it with priority given to ADA requirements.

The definition of “family” may limit access to housing for persons with disabilities when municipalities narrowly define the word, illegally limiting the development of group homes for persons with disabilities, but not for housing similar sized and situated families. The Redwood City Zoning Ordinance defines family as one person living alone, two or more persons related by blood, marriage, or legal adoption, or two or more persons living as a single housekeeping unit. This definition does not discriminate nor limit access to housing for persons with disabilities.

Reasonable Accommodation

The Fair Housing Act, as amended in 1988, requires that cities and counties provide reasonable accommodation to rules, policies, practices, and procedures where such accommodation may be necessary to afford individuals with disabilities equal housing opportunities. While fair housing laws intend that all people have equal access to housing, the law also recognizes that people with disabilities may need extra tools to achieve equality. Reasonable accommodation is one of the tools intended to further housing opportunities for people with disabilities. For developers and providers of housing for people with disabilities who are often confronted with siting or use restrictions, reasonable accommodation provides a means of requesting from the local government flexibility in the application of land use and zoning regulations or, in some instances, even a waiver of certain restrictions or requirements because it is necessary to achieve equal access to housing. Cities and counties are required to consider requests for accommodations related to housing for people with disabilities and provide the accommodation when it is determined to be “reasonable” based on fair housing laws and the case law interpreting the statutes.

State law allows for a statutorily based four-part analysis to be used in evaluating requests for reasonable accommodation related to land use and zoning matters and can be incorporated into reasonable accommodation procedures. This analysis gives great weight to furthering the housing needs of people with disabilities and also considers the impact or effect of providing the requested accommodation on the City and its overall zoning scheme. Developers and providers of housing for people with disabilities must be ready to address each element of the following four-part analysis:

- The housing that is the subject of the request for reasonable accommodation is for people with disabilities as defined in federal or state fair housing laws;
- The reasonable accommodation requested is necessary to make specific housing available to people with disabilities who are protected under fair housing laws;
- The requested accommodation will not impose an undue financial or administrative burden on the local government; and
- The requested accommodation will not result in a fundamental alteration in the local zoning code.

The City's Variance process also allows, under special circumstances, exceptions to such zoning standards as minimum lot size, lot coverage, setbacks and parking. As such, developers for persons with disabilities could apply for structural modifications to housing units, including secondary (in-law) dwelling units, for such items as ramps that may need to encroach within required setbacks, but that would provide greater accessibility to residential entrances and exits for persons with disabilities. Developers for persons with disabilities can also apply for reduced parking for special needs housing providing it can be demonstrated that the occupants will have fewer cars. In addition, the City's Planning Division does not require Architectural Permits and does not charge a fee for first-story additions to single-family residences, including bedroom additions that could be used to accommodate caretakers for persons with disabilities.

Redwood City has an adopted Reasonable Accommodations Policy (originally adopted in 1991, revised in 2002). This policy defines reasonable accommodations as any physical improvement, program flexibility, or any other modification or adjustment necessary to allow a person with disabilities the same equal opportunity to programs and services being funded by CDBG or other federal funds as available to non-disabled persons. In addition to this policy, the City will adopt a Reasonable Accommodation Ordinance to create a process for making requests for reasonable accommodation to land use and zoning decisions and procedures related to the siting, funding, development, and use of housing for people with disabilities.] The City will provide notice to the public of the availability of an accommodation process at City Hall and on the City's website.

In addition, the City provides CDBG and HOME funds to a number of non-profit organizations and local community groups to provide housing preservation services and accessibility improvements. In 2007 alone, funding from Redwood City to the Center for the Independence of the Disabled, through its Housing Accessibility Modification (H.A.M.) Program, enabled 50 Redwood City households to modify their residences to meet their accessibility needs.

Environmental and Infrastructure Constraints

Environmental and infrastructure constraints can hamper development of sufficient housing for all economic segments. The following section discusses potential environmental and infrastructure constraints to residential development in Redwood City.

Environmental Constraints

Environmental factors can constrain residential development in a community by increasing costs and reducing the amount of land suitable for housing construction. The majority of Redwood City is urbanized with few environmental constraints. The northeastern portion of the City is located in existing and former tidal marshes at elevations near sea level. The central portion of the City, located southwest of Interstate Highway 101 and including El Camino Real, is a gently sloping plain draining northeast to the tidal marshes. Redwood City's urban center with commercial and mixed uses is located in this area. The southwestern portion of the City forms the eastern foothills of the Santa Cruz Mountains, and has elevations up to about 600 feet.

Habitat and Wildlife

Redwood City is fortunate to be located immediately adjacent to large open spaces, including the San Francisco Bay and Bayfront lands, and the open space preserves and watershed lands in the higher elevations to the west and southwest of the City. The wetland areas immediately adjacent to the Bay are made up mostly of tidal marshes, mudflats, sloughs, and moist greenland. Wetlands are among the most productive and diverse biological habitats due to the interface of land and water and the recurring tidal action. As such, much of Redwood City's Bayfront is part of the Don Edwards San Francisco Bay National Wildlife Refuge.

Several open space lands with a variety of habitat and wildlife are located immediately adjacent to Redwood City in the higher elevations to the west. These lands also serve as watersheds for a number of creeks, streams, and tributaries that originate in these upland areas.

Seismic Hazards

The City is likely to experience ground shaking associated with the active and potentially active faults systems in the surrounding area. The City's proximity to the San Andreas Fault (2,000 feet from the City boundary), along with a potential for ground failure due to liquefaction in some areas, present a risk. Considerable portions of the City are considered to have medium to high liquefaction susceptibility, especially if an earthquake were to occur after substantial rainfall.

Redwood City has an adopted Emergency Operations Plan, revised in 2006, that outlines prevention and preparedness measures, as well as response and recovery protocol in the case of an emergency.

Hazardous Material

Significant quantities of hazardous materials are currently and have historically been used at heavy industrial sites in Redwood City, such as those along Seaport Boulevard and the Port of Redwood City, as well as light industrial and commercial sites throughout the City. While heavy industrial areas around the Port and along Seaport Boulevard are planned to be retained as industrial, some industrial and commercial sites throughout the City may be developed with housing uses. In this case, environmental remediation may be necessary to remove hazardous material and soil contamination.

Projects that have residual soil and groundwater contamination on the land can experience substantial delays. Clean-up at these sites is necessary to ensure health safety for future residents. At the same time, the San Mateo County Environmental Health review process can result in long delays, up to 3 years in some cases, before a project can move forward.

Infrastructure Constraints

The infrastructure of critical importance to the maintenance and development of new housing includes water facilities, sewerage facilities, streets, and sidewalks. As most of Redwood City is built-out, there are few off-site improvements necessary for new residential construction in residential zoning districts. Often, one of the most expensive site improvements is the undergrounding of utilities. Other primary improvements are for new curb, gutters, and sidewalks, which are in need of repair. In addition, some projects may be required to include tree planting at the development site, which can add to development costs, especially for affordable housing projects. The City does offer an in-lieu utility underground fee to projects that qualify. The City should ensure that affordable housing developers are aware of the in-lieu fee option and will consider exempting affordable housing projects from this fee.

Congestion Management Program

In 1999, the San Mateo City/County Association of Governments (C/CAG) amended the Congestion Management Program (CMP) to require local jurisdictions to ensure that traffic impacts of the CMP roadway network are fully mitigated. Projects that will generate a net 100 or more trips on the network during peak periods, and which are subject to CEQA, trigger the requirements for mitigation. If mitigation measures do not completely mitigate the impact, an impact fee is charged. The fee is not lowered for affordable housing. The impact fees impose additional costs to affordable housing projects and therefore make the attainment of affordable housing even more difficult than before the fees were instituted. However, few projects are required to pay the fee because projects that include a traffic demand management (TDM) program to mitigate the peak period traffic are not required to pay this fee. No affordable projects in Redwood City have been required to pay this fee. The City reviews proposed programs of regional entities for impacts on the affordability of housing.

Water and Wastewater

The primary infrastructure constraint in Redwood City is the availability of water. Redwood City's sole water supplier of potable water is the San Francisco Public Utilities Commission (SFPUC) through the Hetch Hetchy regional water system. The amount of water available to the SFPUC's retail and wholesale customers is constrained by hydrology, physical facilities, and institutional parameters that allocate the water supply of the Tuolumne River. Due to these constraints, the SFPUC is very dependent on reservoir storage to manage its water supplies. Reservoir storage provides the SFPUC with year-to-year water supply carry over capability, enabling the SFPUC to carryover water supply from wet years to dry years. **Table 43** identifies estimates of the existing and planned water supply sources and quantities available to Redwood City in the future.

Table 43: Redwood City Current and Planned Water Supplies (af/yr)

Water Supply Sources	2005	2010	2015	2020	2025	2030
SFPUC Potable Water Purchases ("Best Estimate")	12,768	12,096	12,544	12,768	12,880	12,992
Redwood City Recycled Water	30	922	1,178	1,398	1,695	1,995
Total	12,798	13,018	13,722	14,166	14,575	14,987

Source: Redwood City 2005 Urban Water Management Plan

According to a 1984 Settlement Agreement and Master Contract with San Francisco, Redwood City's contracted Supply Assurance is 12,243 acre-feet per year (af/yr). The City has been consuming more than the contractual amount for many years (**Table 44**); although the City has been able to purchase the additional required supply from SFPUC as a result of other customers not using their full contractual supply.

Table 44: Redwood City Potable Water Deficit History (af/yr)

Fiscal Year	Potable Water Supply Deficit
1999/2000	1,028
2000/2001	950
2001/2002	794
2002/2003	524
2003/2004	1,410
2004/2005	207

Source: Redwood City 2005 Urban Water Management Plan

In August 2003, the Redwood City City Council approved a broadly-defined and flexible recycled water project to help the City achieve its goal of reducing demand on the Hetch Hetchy system. The Redwood City Recycled Water Project provides water to be used to irrigate eligible landscapes as well as for industrial applications and toilet flushing in new commercial buildings. The Recycled Water Project began providing recycled water to some commercial properties in 2007. As of 2008, the City was saving approximately 50 million gallons of drinking water per year through the Recycled Water Project, with a set goal of saving 300 million gallons by the year 2010.

In 2008, the City adopted a Recycled Water Use Ordinance, which requires the use of recycled water for use in internal separate plumbing for urinals, internal cooling towers and external landscaping on new apartments, townhouses and condominiums, and on industrial and governmental projects. It also requires the use of recycled water for external landscaping on existing and remodeled commercial and industrial buildings. The Recycled Water Use Ordinance will allow the City to reuse even more non-potable water where it is feasible and meets all public health, safety and environmental standards.

In addition to recycled water efforts, the City has initiated a variety of water conservation measures, including residential plumbing retrofits, system water audits, leak detection and repair, incentives for large landscape preservation and rebate programs.

In the future, the City can expect to seek alternative/new sources of water supply, and potentially require new development to bring water supply with it from other agencies in the SFPUC regional service area that may be willing to sell unneeded supply, and implement further conservation measures. While these measures may increase the cost of housing construction, the City has reached existing water capacity, and as such are necessary for development here.

Wastewater in Redwood City is collected and conveyed through a sewer pipeline system that is operated and maintained by the Public Works Services Department's Sewer Service Division. The system is made up of 280 miles of sewer mains and 31 sewer lift stations. Wastewater is conveyed via these mains to the South Bayside System Authority (SBSA) treatment plant located at the eastern end of Redwood Shores. The SBSA treatment plant has an operating capacity of 29 million gallons per day average dry weather flow. The SBSA is permitted to discharge tertiary-treated wastewater into the Bay by the San Francisco Regional Water Quality Control Board. Redwood City has a finite capacity allotment with SBSA. Currently, that allotment is considered sufficient for anticipated future developments.

SECTION 3: SUMMARY

The Housing Element will include programs to address the needs and constraints discussed in Sections 1 and 2 of this report, as well as additional programs related to the development of adequate sites and other City policies. Significant issues to be addressed in the General Plan policies and programs include:

Housing Needs

- **Units At-Risk of Conversion to Market-Rate:** The City has 58 units of affordable housing at-risk of conversion to market-rate. During the next planning cycle, Redwood City should monitor these units, which are owned by a for-profit company. A program is recommended in the Housing Element that indicates the City's intent to adhere to the developed plan to further the preservation of affordable units, including the maintenance of a list of qualified, community-based organizations with experience in Redwood City to step in and assume ownership and management of the units. The City will also hold public hearings upon receipt of any Notice of Intent to Sell or Notice of Intent to Convert to Market Rate Housing, pursuant to Government Code §65863.10. Once a qualified buyer has been identified, the City will seek to participate in the acquisition of financing necessary to assist the buyer in the purchase of the units and preservation of affordability.
- **Affordable Housing:** Over 9,000 Redwood City households experience a housing cost burden. In addition, 39 percent of the City's households are considered lower income, earning less than 80 percent of the County's median income. The City has a history of supporting affordable housing developments through the development of appropriate zoning standards and financial assistance. Policies to continue to support the development of affordable housing should be included in the General Plan.

Housing Constraints

- **SB 2:** While Redwood City has four emergency and transitional shelters located within the City limits, the capacity of these shelters is 82 transitional beds and 47 emergency shelter beds. The 2007 San Mateo County Homeless Census and Survey counted 487 homeless individuals (212 of which were unsheltered) in Redwood City. Since there is still an outstanding need for emergency housing, the City is required by State law to revise its Zoning Ordinance within one year of adoption of the Housing Element to identify a zone in which to permit homeless shelters by right. The City may include in that ordinance a number of performance measures, consistent with State law, including the number of beds, required parking, proximity to other shelters (to a maximum of 300 feet apart), on site management, the size and location of waiting and intake areas, etc. The City should consider allowing emergency shelters by right in the light industrial zone, or in the live/work designation that is being proposed under the New General Plan. The City may alternatively consider developing an overlay that may be utilized to permit shelters; however approval of the overlay may not include discretionary review.
- **Housing for Persons with Special Needs:** Reasonable Accommodation includes providing exceptions to zoning and land use standards, policies, and practices in order to provide individuals with disabilities equal housing opportunities. The City's Reasonable Accommodation policies applies to programs and services funded by CDBG and other federal programs. A program is recommended to adopt a Reasonable Accommodation Ordinance to create a process for making requests for reasonable accommodation to land use and zoning decisions and procedures related to the siting, funding, development, and use of housing for people with

disabilities. The Housing Element Program should also include advertising strategies to ensure community access to the information. In addition, it is recommended that the City research recent approvals for community care facilities that have occurred in Redwood City, to ascertain if there are any constraints to development. The City should also consider specifically identifying residential care facilities, supportive housing, and transitional housing in the Zoning Ordinance, and listing associated development standards and conditions for approval.

- **Government Constraints – Fees:** The undergrounding of utilities is required of all projects in Redwood City. This requirement can add substantial additional cost to affordable housing projects. The City does offer an in-lieu utility underground fee to projects that qualify. The City should ensure that affordable housing developers are aware of the in-lieu fee option and will consider exempting affordable housing projects from this fee.
- **AB 1233: (“RHNA roll over”):** AB 1233 amended State housing element law to promote effective and timely implementation of housing elements. If a jurisdiction failed to identify or make available sites in the prior planning period, this bill requires local governments to accommodate these sites in addition to the RHNA from the current planning period. An HCD memo indicates that this bill applies to jurisdictions that did not adopt a housing element during the last planning cycle. While Redwood City did not adopt an element for the 2001-2008 period, the City’s Housing Element was conditionally certified by HCD, and adequate sites were made available. As such, although the previous Housing Element was not finalized, HCD may decide that the provisions of AB1233 do not apply to Redwood City. Discussions with HCD staff have indicated that this is a reasonable conclusion, though no direct confirmation has been received. For the General Plan, the recommended strategy includes outlining in the Element that the previous period’s RHNA was accommodated during the last period. The section will continue with an analysis of the current RHNA cycle and related sites.