

San Mateo County Housing Initiatives Update

Prepared for the San Mateo County Board of Supervisors
February 27, 2018

San Mateo County Housing Update: February 2018

Introduction

In March of 2015, the San Mateo County Board of Supervisors held a study session on affordable housing. That study session resulted in a list of over 20 projects the Board directed staff to undertake. Since then, much has been accomplished, ranging from stronger protections for residents of mobile home parks and significant funding for new affordable housing projects, to establishing a homeownership assistance program for county employees and launching the countywide Home for All Initiative. To date 10 projects have been completed and 14 more have been designed, approved, launched and involve ongoing work.

The Department of Housing and the Planning and Building Department led many of these projects, but much of the work has required multi-department collaboration, with significant contributions from County Counsel, the Office of Sustainability, the Health System and the County's Manager's Office. The work has also involved collaboration with many community partners ranging from Legal Aid to the San Mateo County Credit Union. A list of participating staff and community partners is included at the end of the report.

Many of the housing-related efforts requested by the Board of Supervisors are countywide in scope while others apply only in the unincorporated area of the county. A summary of all the San Mateo County housing work over the past three years is organized by project type into four groups: projects that support new housing; projects that preserve rental housing and provide tenant services; the Home for All San Mateo County Initiative projects; and ordinances, regulations and programs for the unincorporated area.

Supporting New Housing

1. New Affordable Housing

Since the establishment of the San Mateo County Affordable Housing Fund five years ago, over \$100 million has been allocated by the Board of Supervisors to support new affordable housing projects. Since the inception of the fund, over 325 new, affordable housing units in nine new buildings located throughout the county have been completed and are now occupied by seniors, veterans, families and others needing an affordable home. Three housing projects with 173 units are currently under construction and 920 units in 11 different projects are in the pre-development phase. The pre-development projects are located in eleven different cities.

2. Home Sharing

Since July of 2015, HIP Housing has facilitated 228 home sharing arrangements for San Mateo County residents. The County has provided HIP \$150,000 a year for the past three years for increased outreach and marketing for this program.

3. Agricultural Workforce Housing

Over the past two years, six new mobile homes have been acquired and one single family home has been rehabilitated providing quality housing for 21 farm laborers on the San Mateo coast side. The County has spent \$1.1 million in Measure K funds on this program.

4. Rehabilitation of Single Family Homes

Over the past 18 months, 83 single family homes were improved by Rebuilding Together, El Concilio and Senior Coastsiders with the assistance of Community Development Block Grant (CDBG) funds provided by the Department of Housing. CDBG funds were also used by the Center for Independence of Individuals with Disabilities to improve housing accessibility in 36 homes in the County.

5. County Employee Down-Payment Assistance Program

Over the past year, 8 County employees have purchased new homes in San Mateo County with help from the County down payment assistance program. Another 10 loans are currently in process. This pilot project was initially funded with \$2.2 million and \$1.8 million has been loaned or committed to date.

Rental Housing: Preservation and Tenant Services

1. Affordable Rental Housing Acquisition and Preservation Fund

The County has contributed just under \$13 million toward the acquisition and preservation of 87 affordable rental units in four apartment buildings located in Pacifica, San Mateo and Redwood City.

2. Affordable Single Family Home Rental Preservation

Through a Department of Housing Innovation Fund grant, Hello Housing and MidPen Housing developed a model to purchase and then rent out single family homes to families earning less than 60% of the area median income (AMI), which is \$78,960 for a family of four. Through the pilot project, four homes were purchased. Three were rented and one was sold to a homeowner making 120% of AMI. Hello Housing is planning to purchase four more homes this year to preserve as affordable rental homes.

3. Legal Assistance

Community Legal Services of East Palo Alto and the Legal Aid Society of San Mateo County together assisted 747 tenants with housing related issues last fiscal year. In addition, Bay Area Legal Aid provided safety net services (including housing) to 206 domestic violence victims in FY 2016-17.

4. Tenant Information and Referral

Project Sentinel provides information and referral services to landlords and tenants, counsels both landlords and tenants and also holds community workshops on tenant and landlord issues. Last fiscal year, 2,437 tenants contacted Project Sentinel with questions and 353 contacts were

made by landlords. Project Sentinel held ten workshops and counseling was provided to 77 clients. This work is supported by a two-year \$160,000 contract funded through Measure K.

5. Enhanced Apartment Inspection Program

In 2016, the Environmental Health Services Division of the Health System began an enhanced apartment inspection program and conducted special inspections of 347 buildings that had multiple prior complaints and violations. The inspector identified 2,181 violations of the Health and Safety Code in these buildings with the majority of the violations related to weather protection, general maintenance, vermin and fire safety. By the follow-up inspection, property owners had corrected 75% of the initial violations and Environmental Health worked with the property owners on correcting the remaining issues. When re-inspections of these 347 buildings were conducted in 2017, they found a 32% reduction in violations and 23% (80) of the buildings were in full compliance. Those 80 buildings will be removed from the pilot and replaced with new buildings that need additional oversight in 2018.

A second part of the enhanced inspection effort is a "healthy homes" tenant education program which offers bi-lingual materials and staff outreach in North Fair Oaks, Redwood City, East Palo Alto and the northern part of the County. The Healthy Homes Outreach Coordinator has visited 358 apartments and entered and assessed 92 units. A key focus of Healthy Homes is pest reduction and prevention. The Healthy Homes Outreach Coordinator has built trust within the tenant community and has been allowed access to units that have denied access to pest control companies and inspectors in the past.

While home visits and enhanced inspections have resulted in positive changes in pest prevention, pest infestations do recur. Integrated Pest Management (IPM) is the most effective and efficient response to recurring pest violations and in 2018 the Healthy Homes program will implement an IPM Demonstration Project. IPM facilitates collaboration among property owners, managers, maintenance, pest control operators, and tenants to address pest issues. The program hopes that a successful demonstration project in North Fair Oaks will be a gateway to working with property owners in other communities throughout the county.

Home for All San Mateo County Initiative

1. Promoting Second Units

Second units, also known as ADU, granny flats and garage apartments, can add affordable housing without changing the look of local neighborhoods. In the unincorporated area, there are over 14,000 homes on lots that could accommodate a second unit according to research by UC Berkeley that was commissioned by the Department of Housing. To promote the development of second units, Home for All hosted a community convening on January 25, 2018 that was attended by over 140 people. At the convening, the on-line Second Unit Center, which includes a cost/benefit calculator, was launched. Attendees received copies of the "Second Unit Inspiration" book developed by Home for All, which includes floor plans and stories about people who have built second units in San Mateo County. Later this spring, a "How to Develop a Second Unit" work book will be added to website and hard copies will be distributed to the

cities. To further promote second units, Home for All is working with staff from Adobe Systems, through the Silicon Valley Talent Partnership, on a second unit marketing plan which will be ready the end of March.

2. Home for All Learning Network

In August of 2017, Home for All hosted the first city and county Learning Network, which is a forum for sharing information and learning about community engagement techniques and tools. The network meets every other month and attendees include elected officials and staff from 15 cities and towns plus county staff. Meetings are scheduled through fall 2018 and will continue as long as there is ongoing interest by the participants.

3. Community Engagement Pilot Projects

The Home for All team is testing ways to increase community participation in housing discussions through four city pilot projects. The participating cities - Burlingame, Half Moon Bay, Portola Valley and Redwood City - were selected through a competitive proposal process. The responding cities identified a housing related project requiring community engagement that the city wanted to pursue with our Home for All staff and our engagement consultants, Common Knowledge Plus. The participating cities each received a small grant of Measure K funds to cover project related expenses, along with consulting support from Common Knowledge Plus and the Home for All team.

The yearlong pilots are all underway and the first two large community events have been scheduled. Burlingame hosted a very successful “community conversation” about housing on February 10, 2018 and an event in Portola Valley will be held March 3, 2018. The pilot projects will wrap up in late 2018. To evaluate the pilots, we have retained Nadine Levin, former Assistant City Manager in Mountain View, who is with the Municipal Resource Group.

4. Talking About Housing so People Listen, Learn and Act

Home for All has contracted with the FrameWorks Institute to present a community work shop on how to effectively talk about housing. FrameWorks is a non-profit research organization that tests how to talk about social issues, such as early childhood education and mental health, in ways that generate community support. They also focus on what messages “backfire” or turn people away from issues. At the March 22nd convening, FrameWorks will share their recently released research on housing messaging in the morning. Additional workshops for our non-profit partners, city pilot projects and county staff are scheduled the following afternoon and next day.

5. New Housing: Creative Solutions to Parking and Traffic Concerns

Concerns about the parking and traffic impacts are often cited by people opposed to new housing. To help planners, developers and local decision makers address these concerns, Home for All has contracted with the Mineta Transportation Institute at San Jose State University to develop 15 case studies that demonstrate how cities, towns and developers are able to reduce parking and traffic impacts in new housing projects. The case studies will be shared with the community at a convening in May 2018 and posted on a new housing, parking and traffic resource website sponsored by Home for All.

6. Spreading the Word about Housing

Home for All is active on Twitter and Instagram, has a well-received website that is using Google Adwords to generate traffic, has a bi-monthly newsletter and participated in 11 community conversations about housing this past fall hosted by the San Mateo County Libraries. Sixteen city councils have adopted resolutions in support of the Home for All Initiative and seven organizations including the Mental Health Association, SAMCEDA and HIP Housing have submitted letters of support. We continue to make presentations about Home for All throughout the County. Recent audiences have included the San Mateo Chambers of Commerce, north county School Boards and the Redwood City and San Mateo Chamber of Commerce Leadership program.

Ordinances, Regulations and Programs for Unincorporated San Mateo County

1. Inclusionary Housing Ordinance

The inclusionary housing ordinance, which requires developers to include affordable units in their projects, was revised in April of 2016 to cover both rental and ownership properties.

2. Red Tag Ordinance

An ordinance requiring property owners of rental units that are red tagged to compensate their displaced tenants, was adopted by the Board in February of 2016. To date, the ordinance has been applied once. The Board recently took action to make this ordinance permanent, as it was originally adopted with a sunset clause after one year.

3. Impact Fees

The Board approved affordable housing impact fees for both commercial and market-rate residential projects in June of 2016 and committed 50% of the fees collected to HEART and 50% to the County Affordable Housing Fund. To date, \$88,000 in impact fees have been collected by the County.

4. Revised Second Unit Regulations

In January of 2017, the Board approved revisions to the County second unit ordinance to align with new state laws. The changes to the regulations included reducing parking requirements in areas near public transit, reducing set back requirements and providing for ministerial review of second unit plans.

5. Mobile Home Rent Control

The mobile home rent control ordinance was updated in December 2015 and a compliance oversight program has been put in place. Minor modifications to the ordinance were adopted in September of 2017 and a bi-lingual outreach program to inform park residents of the ordinance changes has begun.

6. Mobile Home Zoning

A new mobile home zone, which includes park conversion protections, was established by the Board in September of 2017.

7. Rezoning of El Camino Real in North Fair Oaks

In the fall of 2017, the Board approved zoning changes along El Camino Real in the North Fair Oaks neighborhood. The new zoning increased height and density limits and allows mixed use developments. These changes increase the amount and potential for new housing along this transit corridor.

8. Second Unit Amnesty Program

The Board approved a pilot second unit amnesty program in January of 2018. The goal of the pilot program is to improve the safety of existing unpermitted second units by working with owners to achieve a safe living environment. Initial results of the pilot will reported to the Board in the fall of 2018.

Contributors

As mentioned in the introduction, work on all the housing initiatives listed in this report has required the time and skills of many San Mateo County staff and many community partners. While by no means complete, key members of the county teams that worked on the projects described in this report are listed below followed by a list of our community partners.

Supervisors and District Staff

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District 4 (current and past)

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- Maggie Cornejo

Community Partners

- Baird and Driscoll
- Bay Area Council
- Center for Independence of Individuals with Disabilities (CIID)
- City of Burlingame
- City of Half Moon Bay
- Common Knowledge Plus
- Community Legal Services of East Palo Alto
- El Concilio
- Enterprise Community Partners
- Faith Community leaders including Rev. Penny Nixon of the Congregational Church of San Mateo and colleagues
- Forsythe Street Advisors, LLC
- FrameWorks Institute
- Hello Housing
- Hip Housing
- Housing Leadership Council
- Kol Peterson, Second Unit Consultant
- Legal Aid Society of San Mateo County
- MidPen Housing
- Mineta Transportation Institute, San Jose State University
- Municipal Resources Group, Nadine Levin, Consultant
- Project Sentinel
- Rebuilding Together
- Redwood City
- Samaritan House
- SAMCEDA
- SamTrans
- San Mateo County Credit Union
- San Mateo County Libraries
- Senior Coastsiders
- Silicon Valley Talent Partnership
- Town of Portola Valley
- University of California, Berkeley