

## City of San Mateo Fair Housing Assessment

### What is AFFH?

The State of California's 2018 Assembly Bill (AB 686) requires that all public agencies in the state affirmatively further fair housing (AFFH) beginning January 1, 2019. Public agencies receiving funding from the U.S. Department of Housing and Urban Development (HUD) are also required to demonstrate their commitment to AFFH. The federal obligation stems from the fair housing component of the federal Civil Rights Act mandating federal fund recipients to take "meaningful actions" to address segregation and related barriers to fair housing choice.

AB 686 requires all public agencies to "administer programs and activities relating to housing and community development in a manner that affirmatively furthers fair housing, and take no action inconsistent with this obligation"<sup>1</sup>

AB 686 also makes changes to Housing Element Law to incorporate requirements to AFFH as part of the housing element and general plan to include an analysis of fair housing outreach and capacity, integration and segregation, access to opportunity, disparate housing needs, and current fair housing practices.

#### Affirmatively Furthering Fair Housing

**"Affirmatively furthering fair housing"** means taking meaningful actions, in addition to combating discrimination, that overcome patterns of segregation and foster inclusive communities free from barriers that restrict access to opportunity based on protected characteristics. Specifically, affirmatively furthering fair housing means taking meaningful actions that, taken together, address significant disparities in housing needs and in access to opportunity, replacing segregated living patterns with truly integrated and balanced living patterns, transforming racially and ethnically concentrated areas of poverty into areas of opportunity, and fostering and maintaining compliance with civil rights and fair housing laws. The duty to affirmatively further fair housing extends to all of a public agency's activities and programs relating to housing and community development. (Gov. Code, § 8899.50, subd. (a)(1).)"

Source: California Department of Housing and Community Development Guidance, 2021, page 14.

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<sup>1</sup> California Department of Housing and Community Development Guidance, 2021, page 9.

**History of segregation in the region.** The United States' oldest cities have a history of mandating segregated living patterns—and Northern California cities are no exception. ABAG, in its recent Fair Housing Equity Assessment, attributes segregation in the Bay Area to historically discriminatory practices—highlighting redlining and discriminatory mortgage approvals—as well as “structural inequities” in society, and “self segregation” (i.e., preferences to live near similar people).

Researcher Richard Rothstein's 2017 book *The Color of Law: A Forgotten History of How Our Government Segregated America* chronicles how the public sector contributed to the segregation that exists today. Rothstein highlights several significant developments in the Bay Area region that played a large role in where the region's non-White residents settled.

Pre-civil rights San Mateo County faced resistance to racial integration, yet it was reportedly less direct than in some Northern California communities, taking the form of “blockbusting” and “steering” or intervention by public officials. These local discriminatory practices were exacerbated by actions of the Federal Housing Administration which excluded low income neighborhoods, where the majority of people of color lived, from its mortgage loan program.

According to the San Mateo County Historical Association. San Mateo County's early African Americans worked in a variety of industries, from logging, to agriculture, to restaurants and entertainment. Expansion of jobs, particularly related to shipbuilding during and after World War II attracted many new residents into the Peninsula, including the first sizable migration of African Americans. Enforcement of racial covenants after the war forced the migration of the county's African Americans into neighborhoods where they were allowed to occupy housing—housing segregated into less desirable areas, next to highways, and concentrated in public housing and urban renewal developments.

The private sector contributed to segregation through activities that discouraged (blockbusting) or prohibited (restrictive covenants) integrated neighborhoods. In the City of San Mateo, builders of the Hillsdale neighborhood in the mid-1900s recorded deeds that specified that only “members of the Caucasian or White race shall be permitted” to occupy sold homes—the exception being “domestics in the employ[ment] on the premises.”<sup>2</sup> This developer went on to develop many race-restricted neighborhoods in the Bay Area, became president of the National

**This history of segregation in the region is important not only to understand how residential settlement patterns came about—but, more importantly, to explain differences in housing opportunity among residents today. In sum, not all residents had the ability to build housing wealth or achieve economic opportunity. This historically unequal playing field in part determines why residents have different housing needs today.**

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<sup>2</sup> <https://www.nytimes.com/2020/08/14/opinion/sunday/blm-residential-segregation.html>

Association of Home Builders (NAHB), became national president of the Urban Land Institute (ULI), and was inducted into California’s Homebuilding Foundation Hall of Fame.

The segregatory effect of blockbusting activities is well-documented in East Palo Alto. In 1954, after a White family in East Palo Alto sold their home to an African American family, the then-president of the California Real Estate Association set up an office in East Palo Alto to scare White families into selling their homes (“for fear of declining property values”) to agents and speculators. These agents then sold these homes at over-inflated prices to African American buyers, some of whom had trouble making their payments. Within six years, East Palo Alto—initially established with “whites only” neighborhoods—became 82% African American. The FHA prevented re-integration by refusing to insure mortgages held by White buyers residing in East Palo Alto.

Throughout the county, neighborhood associations and city leaders attempted to thwart integration of communities. Although some neighborhood residents supported integration, most did not, and it was not unusual for neighborhood associations to require acceptance of all new buyers. Builders with intentions to develop for all types of buyers (regardless of race) found that their development sites were rezoned by planning councils, required very large minimum lot sizes, and/or were denied public infrastructure to support their developments or charged prohibitively high amounts for infrastructure.

In addition to historical discriminatory practices that embedded segregation into living patterns throughout the Bay Area, it’s also necessary to recognize the historical impacts of colonization and genocide on Indigenous populations and how the effects of those atrocities are still being felt today. The original inhabitants of present-day San Mateo County are the Ramaytush Ohlone, who have “...lived on the San Francisco Peninsula for thousands of years and continue to live here as respectful stewards of the land.”<sup>3</sup> However, “[d]ue to the devastating policies and practices of a succession of explorers, missionaries, settlers, and various levels of government over the centuries since European expansion, the Ramaytush Ohlone lost the vast majority of their population as well as their land.”<sup>4</sup> The lasting influence of these policies and practices have contributed directly to the disparate housing and economic outcomes collectively experienced by Native populations today.<sup>5</sup>

The timeline of major federal Acts and court decisions related to fair housing choice and zoning and land use appears on the following page. As shown in the timeline, exclusive zoning practices were common in the early 1900s. Courts struck down only the most discriminatory, and allowed those that would be considered today to have a “disparate impact” on classes protected by the Fair Housing Act. For example, the 1926 case *Village of Euclid v. Amber*

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<sup>3</sup> <https://www.smcoe.org/for-communities/indigenous-people-of-san-mateo-county.html>

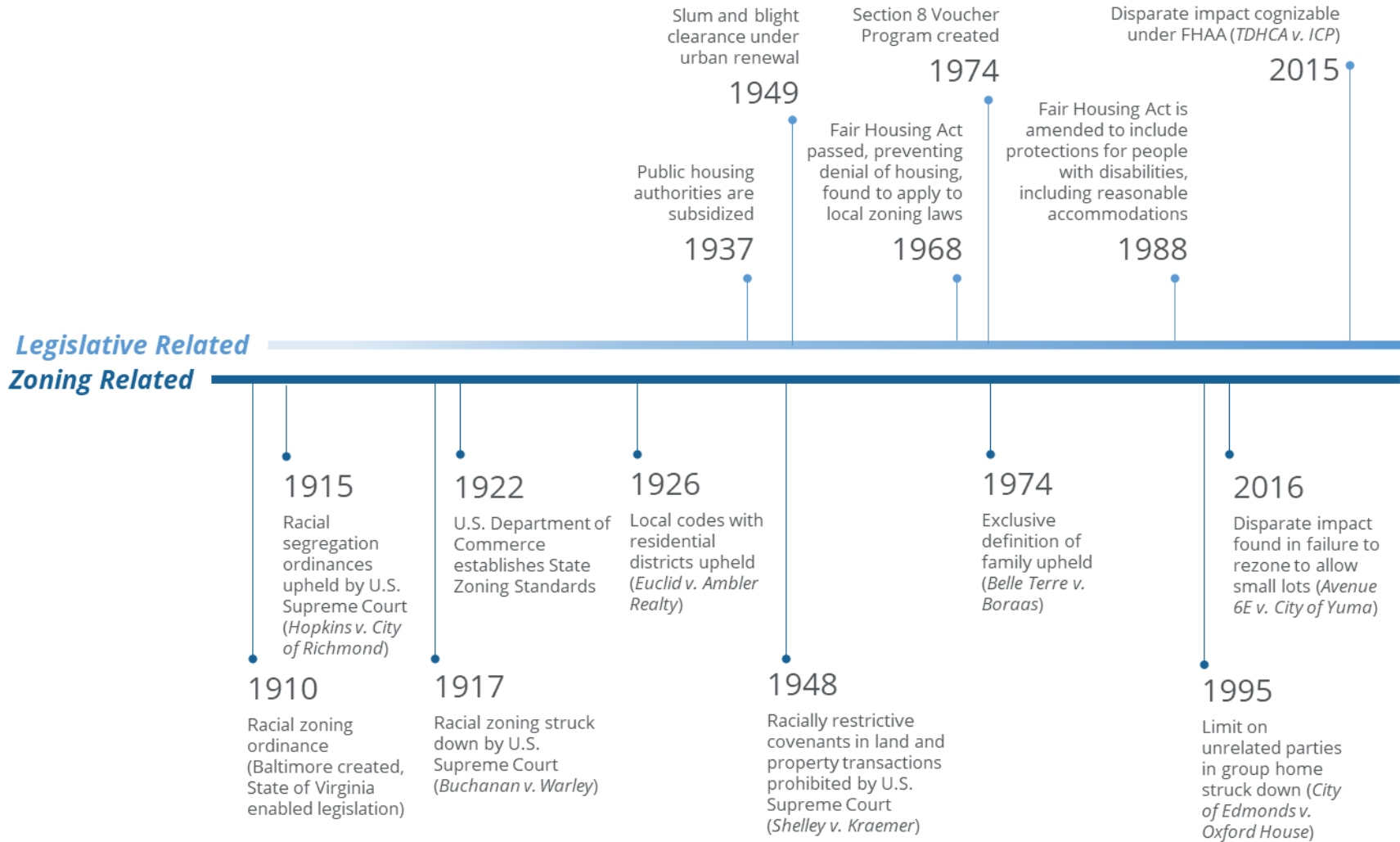
<sup>4</sup> <https://www.smcoe.org/for-communities/indigenous-people-of-san-mateo-county.html>

<sup>5</sup> <https://www.americanprogress.org/article/systemic-inequality-displacement-exclusion-segregation/>

*Realty Co.* (272 U.S. 365) supported the segregation of residential, business, and industrial uses, justifying separation by characterizing apartment buildings as “mere parasite(s)” with the potential to “utterly destroy” the character and desirability of neighborhoods. At that time, multifamily apartments were the only housing options for people of color, including immigrants.

The Federal Fair Housing Act was not enacted until nearly 60 years after the first racial zoning ordinances appeared in U.S. cities. This coincided with a shift away from federal control over low income housing toward locally-tailored approaches (block grants) and market-oriented choice (Section 8 subsidies)—the latter of which is only effective when adequate affordable rental units are available.

## Major Public and Legal Actions that Influence Fair Access to Housing



**Maps and data referenced in this section.** Throughout this section, there are references to maps created by HCD to support the AFFH and data tables created by HCD, the Association of Bay Area Governments (ABAG), and the consultant team. Those maps and tables appear in an Appendix and follow the organization of this section and the state guidance. The maps, in particular, are useful in demonstrating how the City of San Mateo compares with surrounding jurisdictions and the county overall in offering housing choices and access to opportunity.

**Report content and organization.** This Fair Housing Assessment follows the April 2021 State of California State Guidance for AFFH. The study was conducted as part of the 21 Elements process, which facilitates the completion of Housing Elements for all San Mateo County jurisdictions.

**Primary Findings, Contributing Factors, and Fair Housing Action Plan** identifies the primary factors contributing to fair housing challenges and the plan for taking meaningful actions to improve access to housing and economic opportunity.

**Section I. Fair Housing Enforcement and Outreach Capacity** reviews lawsuits/enforcement actions/complaints against the jurisdiction; compliance with state fair housing laws and regulations; and jurisdictional capacity to conduct fair housing outreach and education.

**Section II. Integration and Segregation** identifies areas of concentrated segregation, degrees of segregation, and the groups that experience the highest levels of segregation

**Section III. Access to Opportunity** examines differences in access to education, transportation, economic development, and healthy environments.

**Section IV. Disparate Housing Needs** identifies which groups have disproportionate housing needs including displacement risk.

#### **Appendices.**

- **[Available February 2022]** Resident survey results—findings from a survey of San Mateo County residents on their experience finding and remaining in housing
- Disparate Access to Educational Opportunities—findings from a countywide analysis of access to education and educational outcomes by protected class.
- **[Available February 2022]** State Fair Housing Laws and Regulations—summary of key state laws and regulations related to mitigating housing discrimination and expanding housing choice
- **[Available February 2022]** Fair Housing Organizations in San Mateo County—mission, services, and contact information

### **Primary Findings**

This section summarizes the primary findings from the Fair Housing Assessment for the City of San Mateo including the following sections: fair housing enforcement and outreach capacity,

integration and segregation, access to opportunity, disparate housing needs, and contributing factors and the city's fair housing action plan.

- **16% of fair housing complaints filed in San Mateo County from 2017 to 2021 (57 total) were in the City of San Mateo (9 total), even though the city accounts for 14% of the county's population.** The most common issues cited in the city were refusal to rent and discrimination in terms, conditions, privileges relating to rental. Most complaints were on the basis of disability status (6 complaints) and race (3 complaints) in the city.
- Racial and ethnic minority populations are **disproportionately impacted by poverty, low household incomes, overcrowding, and homelessness** compared to the non-Hispanic White population in the City of San Mateo. Additionally, racial and ethnic minorities are more likely **to live in moderate resources areas and be denied for a home mortgage loan.**
  - Racial and ethnic minority populations generally have higher rates of poverty (Figure II-5) and lower household incomes (Figure II-4) compared to the non-Hispanic White population in the City of San Mateo.
  - Racial and ethnic minorities are more likely than non-Hispanic White households to experience overcrowding (Figure IV-17). Low and moderate income households are also more likely to be overcrowded (Figure IV-18).
  - People who identify as American Indian or Alaskan Native, Black, White, and Hispanic are overrepresented in the homeless population compared to their share of the general population (Figure IV-22).
  - Hispanic, Asian, and Black residents are more likely to live in moderate resource areas compared to high resource areas (Figure III-12). It is important to note there are no designated low resource areas in the City of San Mateo.
  - Hispanic and American Indian or Alaska Native households have the highest denial rates for mortgage loan applications in 2018 and 2019 (Figure IV-33).
- Geospatially, **the northeast area of the city** is disproportionately impacted by high poverty, low education opportunity, low economic opportunity, low environmental scores, high social vulnerability scores, concentrations of cost burdened households, overcrowding, and moderate resource scores. These areas are generally on either side of Highway 101 and stretch to the San Francisco Bay waterfront, encompassing the North Central and Shoreview neighborhoods. These areas have:
  - Higher poverty rates between 10% and 20% (Figure II-28).
  - Education opportunity scores between 0.25 and 0.5—meaning they have lower education scores compared to the rest of the city (Figure III-1).
  - Low economic opportunity scores between zero and 0.5 (Figure III-7).

- Low environmental scores—which account for PM2.5, diesel PM, drinking water, pesticides, toxic release, traffic, cleanup sites, groundwater threats, hazardous waste, impaired water bodies, and solid waste sites (Figure III-9). The northeast area of the City of San Mateo has particularly poor environmental outcomes for traffic, impaired water, groundwater threats, hazardous waste, and asthma.
  - The composite opportunity score for the City of San Mateo shows census tracts in the northeast area of the city fall within moderate resource areas while the rest of the city is within high or highest resource areas (Figure III-14).
  - The Social Vulnerability Index (SVI) provided by the Centers for Disease Control and Prevention (CDC) ranks census tracts based on their ability to respond to a disaster and includes four themes of socioeconomic status, household composition, race or ethnicity, and housing and transportation. The northeast area of the city is most vulnerable according to the SVI (Figure III-15).
  - Concentration (60% to 80% of households) of cost burdened households (Figure IV-13).
  - Overcrowded households are concentrated in the same areas as cost burdened households (Figure IV-19).
  - These areas are also within Special Flood Hazard Areas (Figure IV-31) and are vulnerable to displacement (Figure IV-28).
- The City of San Mateo has a **slight concentration of residents with a disability with 9% of the population compared to 8% in the county** (Figure III-17). Residents living with a disability in the city are more likely to be unemployed and are largely concentrated in areas around Highway 101. Finally, the aging population is putting a strain on paratransit access countywide.
    - **Unemployment is disproportionately high among residents living with a disability at 12% compared to 3% for residents without a disability** in the City of San Mateo—particularly when compared to the county (Figure III-20).
  - Racial and ethnic minority students in the City of San Mateo—served by the San Mateo Union High School District and the San Mateo-Foster Elementary School District—**experience lower educational outcomes compared to other students**. Many high schoolers in the county met admission standards for a University of California (UC) or California State University (CSU) school. However, **Pacific Islander, Hispanic, and Black students in the San Mateo Union district were less likely to meet the admission standards**. Although San Mateo Union High School has relatively low drop out rates—4% of students—compared to other districts in the county, **drop out rates among Hispanic (7%), Black (6%), and Pacific Islander students are higher** (Disparate Access to Educational Opportunities Appendix).



- Nearly **half of all renter households in the City of San Mateo are cost burdened**—spending more than 30% of their gross income on housing costs—and one in four are extremely cost burdened—spending more than 50% of their gross income on housing costs (Figure IV-9). There are **disparities in housing cost burden in the City of San Mateo by race and ethnicity and family size** (Figure IV-11 and Figure IV-12).
- 15% of respondents to the resident survey conducted for this AFFH said that schools in their neighborhood were of poor quality.

**Resident needs collected through local survey.** A survey administered to capture residents' needs and support the AFFH found the following housing challenges. Nearly 150 residents completed the survey:

- About 26% of residents said their house or apartment is too small for their family;
  - 36% for racial and/or ethnic minority households;
  - 42% for single parent households
- 14% of renters said they worry that if they request a repair they will experience rent increase or get evicted;
  - 16% for racial and/or ethnic minority households
  - 21% for single parent households
- 27% of respondents indicated they had been discriminated against when looking for housing in San Mateo County ;
  - 31% for racial and/or ethnic minority respondents;
  - 43% for residents with a disability;
- 10% (14% for single parent households) of renters are often late on rent and 14% (20% for residents with a disability) can't keep up with utilities.

**Contributing factors and Fair Housing Action Plan.** The disparities in housing choice and access to opportunity discussed above stem from historical actions, socioeconomic factors that limit employment and income growth, the inability of the broader region to respond to housing demand, regional barriers to open housing choice, and, until recently, very limited resources to respond to needs. Specifically,

**Fair housing issue: Hispanic households have disproportionate housing needs. These needs are evident in mortgage denial gaps, geographic distribution of affordable housing, cost burden, and overcrowding.**

*Contributing factors:*

- Higher rates of mortgage denial rates among Hispanic households stems from decades of discrimination in housing markets and challenges building wealth through economic mobility and homeownership.

- Although voucher holders and affordable housing (as captured in the HCD Location Affordability Index) are not as highly concentrated in the City of San Mateo as in many surrounding jurisdictions, the northern portion of the city offers the most affordable homes. As such, residents living in these areas have lower incomes and higher rates of poverty. Preference may be at play as well: A recent article in *Cityscape* found that Hispanic homebuyers—when controlled for demographics, loan characteristics, and finances—are more likely to purchase homes in neighborhoods with fewer non-Hispanic White homeowners and lower economic opportunity.<sup>6</sup>
- Hispanic residents are more likely than others to work low wage jobs that do not support the city’s or region’s housing prices, resulting in higher rates of cost burden and overcrowding. Although, it is customary for Hispanic households to live in multigenerational settings, which may account for higher rates of perceived overcrowding, overcrowding is also an indicator of lack of access to affordable and right-sized housing.
- Hispanic residents are primarily concentrated in the northeastern area of the city where residents face higher poverty and cost burden as well as poor opportunity outcomes according to TCAC’s opportunity maps.

**Fair housing issue: Hispanic residents and single female parent households are concentrated in census tracts with higher poverty, low economic and environmental opportunity, high cost burden, overcrowding, and flood hazards compared to the rest of the City of San Mateo.**

***Contributing factors:***

- Concentration of naturally occurring affordable ownership and rental housing opportunities in the northeast areas of the city further concentrates poverty, cost burden, and overcrowding in areas with low economic and environmental outcomes.
- There is a relative lack of affordable housing opportunities in higher resourced areas of the city.
- Highway 101 creates a major barrier between the Shoreview neighborhood—where the geographic concentrations of these groups exist—and the rest of the City of San Mateo.

**Fair housing issue: Persons with disabilities have higher housing needs due to challenges accessing employment and housing discrimination and are concentrated in areas with lower environmental and economic opportunity scores.**

***Contributing factors:***

- The unemployment rate for the City of San Mateo’s residents with a disability is four times that of persons without a disability. The exact reasons for this

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<sup>6</sup> Sanchez-Moyano, R. (2021). Achieving spatial equity through suburban homeownership? Neighborhood attributes of Hispanic homebuyers. *Cityscape: A Journal of Policy Development and Research*. Volume 23(3).

disparity are unclear and are likely related to limited job opportunities, access to employment, and market discrimination.

- The undersupply of accessible housing units, particularly for renters, creates a scarcity of units for residents living with a disability.
- There were six complaints—out of the nine total complaints in the city—filed with HUD in the City of San Mateo from 2017 to 2020 where the issues cited included a failure to make reasonable accommodations. Landlords and property owners are required to provide reasonable accommodations to residents living with a disability upon request.
- There are concentrations of the population living with a disability west of Highway 101 in the North Central neighborhood. This area of the city has a concentration of low and moderate income households (more than 50% per census tract) and scores low on TCAC’s environmental and economic opportunity scores.

**Fair housing issue: Persons with disabilities and persons of color are most likely to file complaints of housing discrimination due to discriminatory terms, conditions, privileges, or services and facilities and failure to make reasonable accommodations.**

*Contributing factors:*

- Housing discrimination residents with disabilities and Hispanic households.
- Lack of understanding of reasonable accommodation requirements by landlords and property owners.

The Fair Housing Action Plan (FHAP) below details how the City of San Mateo proposes to respond to the factors contributing to the fair housing challenges identified in this analysis.

# SECTION I. Fair Housing Enforcement and Outreach Capacity

This section discusses fair housing legal cases and inquiries, fair housing protections and enforcement, and outreach capacity.

**Fair housing legal cases and inquiries.** California fair housing law extends beyond the protections in the Federal Fair Housing Act (FHA). In addition to the FHA protected classes—race, color, ancestry/national origin, religion, disability, sex, and familial status—**California law offers protections for age, sexual orientation, gender identity or expression, genetic information, marital status, military or veteran status, and source of income** (including federal housing assistance vouchers).

The California Department of Fair Employment and Housing (DFEH) was established in 1980 and is now the **largest civil rights agency in the United States**. According to their website, the DFEH's mission is, "to protect the people of California from unlawful discrimination in employment, housing and public accommodations (businesses) and from hate violence and human trafficking in accordance with the Fair Employment and Housing Act (FEHA), Unruh Civil Rights Act, Disabled Persons Act, and Ralph Civil Rights Act".<sup>7</sup>

DFEH receives, evaluates, and investigates fair housing complaints. DFEH plays a particularly significant role in investigating fair housing complaints against protected classes that are not included in federal legislation and therefore not investigated by HUD. DFEH's website provides detailed instructions for filing a complaint, the complaint process, appealing a decision, and other frequently asked questions.<sup>8</sup> Fair housing complaints can also be submitted to HUD for investigation.

Additionally, San Mateo County has a number of **local enforcement organizations** including Project Sentinel, the Legal Aid Society of San Mateo County, and Community Legal Services of East Palo Alto. These organizations receive funding from the County and participating jurisdictions to support fair housing enforcement and outreach and education in the County (Figure I-1).

From 2017 to 2021, **57 fair housing complaints in San Mateo County were filed with the U.S. Department of Housing and Urban Development (HUD) (Figure I-2)—16% of complaints were in the City of San Mateo (9 complaints)** (Figure I-3). Most complaints submitted to HUD cited disability status as the bias (56%) followed by race (19%), and familial

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<sup>7</sup> <https://www.dfeh.ca.gov/aboutdfeh/>

<sup>8</sup> <https://www.dfeh.ca.gov/complaintprocess/>

status (14%). In the City of San Mateo, the most common issues cited were refusal to rent and discrimination in terms, conditions, privileges relating to rental.

Countywide, no cause determination was found in 27 complaints followed by successful conciliation or settlement with 22 complaints. Fair housing inquiries in 2020 were primarily submitted to HCD from the City of San Mateo, Redwood City, Daly City, and Menlo Park (Figure I-3, Figure I-4, and Figure I-5).

Of the 146 City of San Mateo respondents to the resident survey, 95 residents have looked for housing seriously, of those, 23 (24%) indicated that a “*Landlord did not return calls and/or emails asking about a unit*”, and 41 (46%) indicated they have been denied housing to rent or buy in the past 5 years. The main reason for denial (40%) was “*income too low*.”

Similarly, of the 28 voucher holders responding to the survey, the majority (69%) indicated that finding an affordable unit is somewhat or very difficult. Seven of them indicated this is due to “*Landlords have policies of not renting to voucher holders*.” Fair housing complaints filed with HUD by San Mateo County residents have been on a declining trend since 2018, when 18 complaints were filed. In 2019, complaints dropped to 5, increased to 11 in 2020, and had reached 6 by mid-2021.

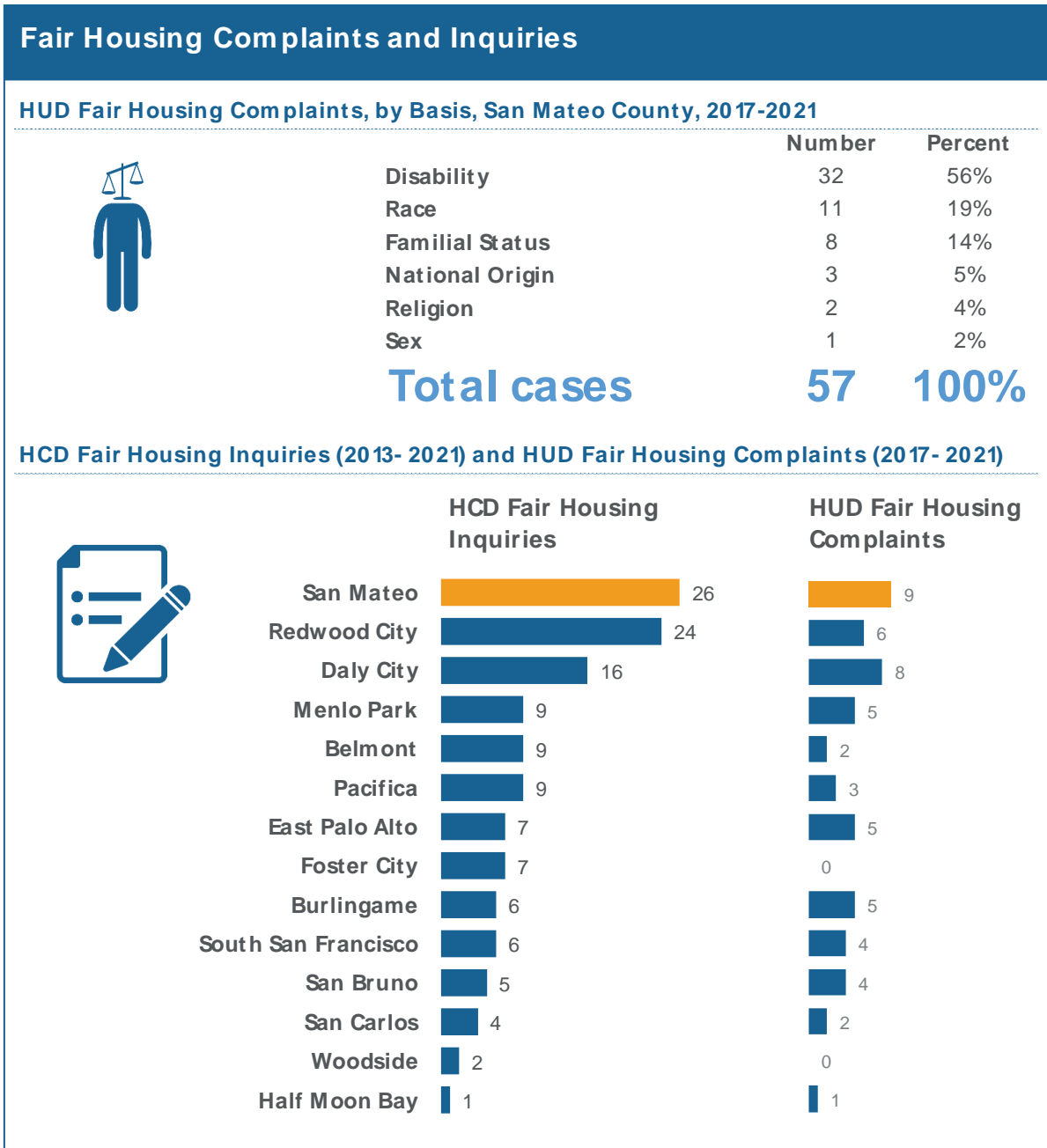
Nationally, the National Fair Housing Alliance (NFHA) reported a “negligible” decrease in the number of complaints filed between 2019 and 2020. The primary bases for complaints nationally were nearly identical to San Mateo County’s: disability (55%) and race (17%). Familial status represented 8% of complaints nationally, whereas this basis comprised 14% of cases in the county.

NFHA identifies three significant trends in 2020 that are relevant for San Mateo County:

- First, fair lending cases referred to the Department of Justice from federal banking regulators has been declining, indicating that state and local government entities may want to play a larger role in examining fair lending barriers to homeownership.
- Second, NFHA identified a significant increase in the number of complaints of harassment—1,071 complaints in 2020 compared to 761 in 2019.
- Finally, NFHA found that 73% of all fair housing complaints in 2020 were processed by private fair housing organizations, rather than state, local, and federal government agencies—reinforcing the need for local, active fair housing organizations and increased funding for such organizations.<sup>9</sup>

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<sup>9</sup> <https://nationalfairhousing.org/2021/07/29/annual-fair-housing-report-shows-increase-in-housing-harassment/>



**Outreach and capacity.** The City of San Mateo could improve the accessibility of fair housing information on their website and resources for residents experiencing housing discrimination. The city’s website provides a link to the Regional Assessment of Fair Housing—approved by HUD in November 2017—and AFFH goals specific to the City of San Mateo.<sup>10</sup> Housing

<sup>10</sup> <https://www.cityofsanmateo.org/3764/Fair-Housing-Assessment>

resources are also available on the city's website but there is not specific information or resources for residents experiencing discrimination in housing or the Fair Housing Act.<sup>11</sup>

**Compliance with state law.** The City of San Mateo is compliant with the following state laws that promote fair and affordable housing. The city has not been alleged or found in violation of the following:

- State Density Bonuses and Other Incentives Law (Gov. Code. Title 7. Division 1. Chapter 4.3 Density Bonuses and Other Incentives, amended and effective January 1, 2021)
- Housing Accountability Act (Gov Code Section 65589.5) requiring adoption of a Housing Element and compliance with RHNA allocations;
- No Net Loss Law (Gov Code Section 65863) requiring that adequate sites be maintained to accommodate unmet RHNA allocations, including among income levels;
- Least Cost Zoning Law (Gov Code Section 65913.1);
- Excessive Subdivision Standards Law (Gov Code Section 65913.2);
- Limits on Growth Controls Law (Gov Code Section 65589.5).

**Housing specific policies enacted locally.** The City of San Mateo identified the following local policies that contribute to the regulatory environment for affordable housing development in the city.

*Local policies in place to encourage housing development.*

- Mixed Use Zoning
- Density Bonus Ordinances
- Condominium Conversion Ordinance
- Homeowner Rehabilitation program
- General Fund Allocation Incl. former RDA "Boomerang" Funds
- Commercial Development Impact Fee
- Locally Funded Homebuyer Assistance Programs

*Local barriers to affordable housing development.*

- Height limits on multifamily developments
- Voter initiatives that restrict multifamily developments, rezoning for higher density, height limits or similar measures
- Low floor area ratios (FAR) for multifamily housing
- Excessive parking requirements
- Extensive time period/requirements to develop multi-family properties

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<sup>11</sup> <https://www.cityofsanmateo.org/2506/Other-Resources>

*Local policies that are **NOT** in place but would provide the best outcomes in addressing housing shortages.*

- Development and/or permit streamlining
- Objective design standards

*Local policies that are **NOT** in place, but have potential Council interest for further exploration.*

- Community land trusts
- Acquisition of affordable

*Local policies in place to mitigate or prevent displacement of low income households.*

- Condominium conversion regulations
- Affordable housing impact/linkage fee on new commercial development
- Inclusionary zoning
- Living wage employment ordinances
- Promoting streamlined processing of ADUs
- Fair housing legal services
- Acquisition of unsubsidized properties with affordable rents
- Dedicating surplus land for affordable housing

According to the California Department of Housing and Community Development AFFH Data Viewer (HCD data viewer), the City of San Mateo does not have any public housing buildings (Figure I-6). However, the city does have three census tracts with a moderate share of households units housing vouchers (5% to 15%) and most other areas of the city have some (5% or less) housing voucher utilization (Figure I-7).

Compared to nearby Millbrae, Burlingame, and Hillsborough, the **City of San Mateo appears accommodating to renters with housing vouchers** because the city has a greater share of voucher holders compared to the surrounding communities (Figure I-7). The presence of housing voucher users indicates available rental supply to house these residents and a lack of exclusionary behavior from landlords in the city.



## SECTION II. Integration and Segregation

This section discusses integration and segregation of the population by protected classes including race and ethnicity, disability status, familial status, and income status. The section concludes with an analysis of racially and ethnically concentrated areas of poverty and affluence.

### Integration and Segregation

**“Integration** generally means a condition in which there is not a high concentration of persons of a particular race, color, religion, sex, familial status, national origin, or having a disability or a particular type of disability when compared to a broader geographic area.

**Segregation** generally means a condition in which there is a high concentration of persons of a particular race, color, religion, sex, familial status, national origin, or having a disability or a type of disability in a particular geographic area when compared to a broader geographic area.”

Source: California Department of Housing and Community Development Guidance, 2021, page 31.

**Race and ethnicity.** Generally, the demographic characteristics of the City of San Mateo are consistent with the overall characteristics of San Mateo County. The population **distribution by race and ethnicity is similar to the county** with the largest proportion of the population being non-Hispanic White (41%) followed by Asian (26%), Hispanic (25%), other or multiple races (6%), and Black (2%) (Figure II-1).<sup>12</sup>

Since 2000, the share of the population that identifies as Asian, Hispanic, or some other race has increased while the share of non-Hispanic White and Black or African American population has decreased (Figure II-2). **Older residents are less diverse** with 67% of the population older than 65 years identifying as White compared to only 46% of the population for children less than 18 years old (Figure II-3).

**Racial and ethnic minority populations generally have higher rates of poverty and lower household incomes compared to the non-Hispanic White population in the City of San Mateo** (Figure II-4 and Figure II-5).

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<sup>12</sup> The share of the population that identifies as American Indian or Alaska Native is less than 1%.

Geospatially, the City of San Mateo has three White majority census tracts<sup>13</sup> and several census tracts that have a slim Hispanic majority (Figures II-6, II-7, II-8, II-9, and II-10).<sup>14</sup>

**[PLACEHOLDER] Dissimilarity and isolation indices. . [ABAG DI and isolation indices were not available at the time this report was prepared ]**

The Dissimilarity Index, or DI, is a common tool that measures segregation in a community. The DI is an index that measures the degree to which two distinct groups are evenly distributed across a geographic area. The DI represents the percentage of a group's population that would have to move for each area in the county to have the same percentage of that group as the county overall.

DI values range from 0 to 100—where 0 is perfect integration and 100 is complete segregation. Dissimilarity index values between 0 and 39 generally indicate low segregation, values between 40 and 54 generally indicate moderate segregation, and values between 55 and 100 generally indicate a high level of segregation.

The isolation index is interpreted as the probability that a randomly drawn minority resident shares an area with a member of the same minority, it ranges from 0 to 100 and higher values of isolation tend to indicate higher levels of segregation.

**Disability status.** The **share of the population living with at least one disability is 9% in the City of San Mateo** compared to 8% in San Mateo County (Figure II-13). There are a handful of census tracts in the city that have a 10% to 20% share of the population living with a disability (Figure II-14). Geographic concentrations of people living with a disability may indicate the area has ample **access to services, amenities, and transportation that support this population.**

**Familial Status.** The City of San Mateo is home to **more single-person households** than the county, with 28% of households compared to only 22% in the County (Figure II-16). Additionally, there are **fewer married-couple families and families with children in the city** (Figure II-17 and Figure II-18).

Familial status can indicate specific housing needs and preferences. A larger number of nonfamily or single person households indicates a higher share of seniors living alone, young adults living alone or with roommates, and unmarried partners. Higher shares of nonfamily households indicate an increased need for one and two bedroom units.

The majority of married couple households and slim majority of residents living alone live in owner occupied housing (Figure II-19). **The number of housing units available by number of**

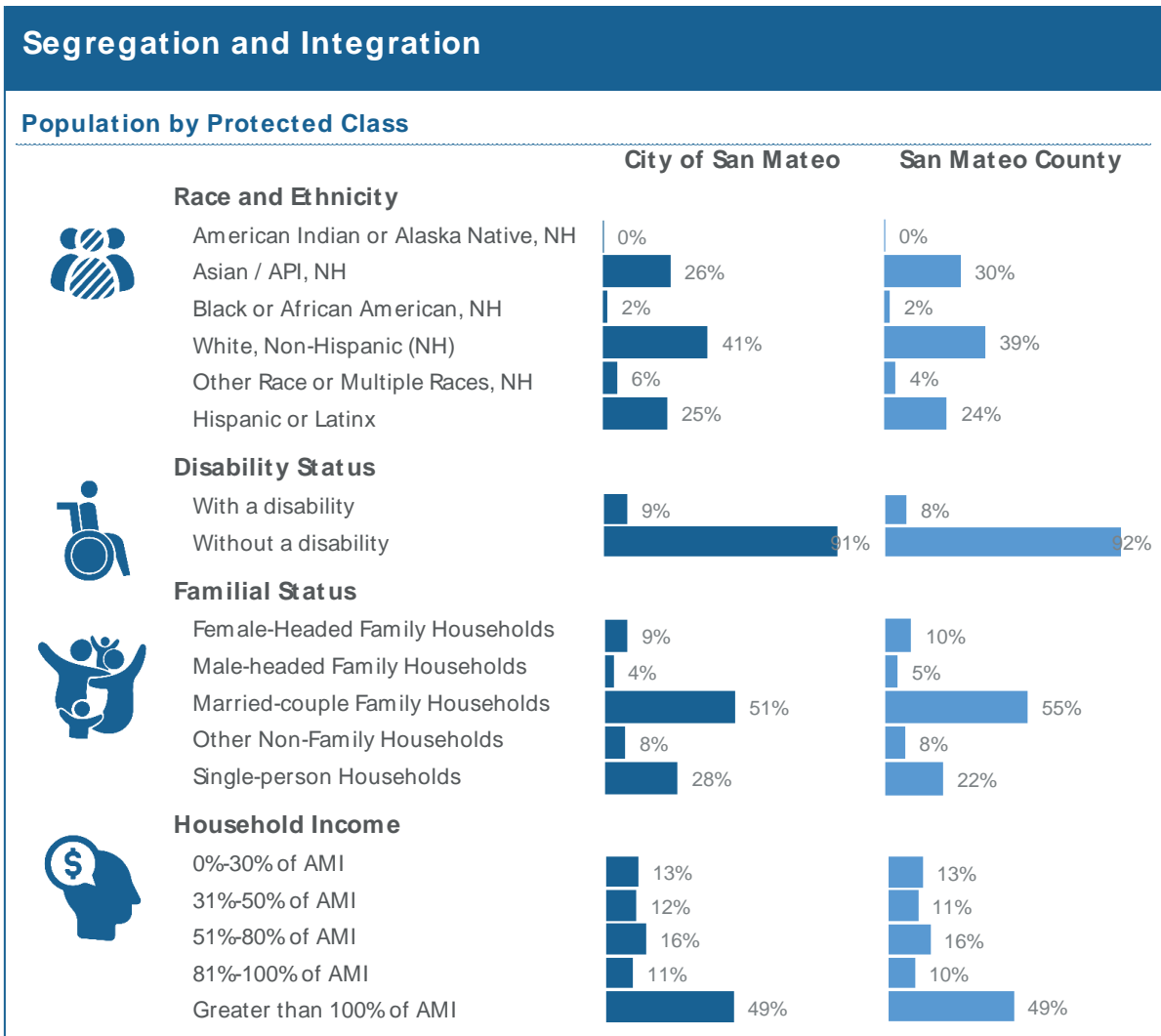
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<sup>13</sup> Majority census tracts show the predominant racial or ethnic group by tract compared to the next most populous.

<sup>14</sup> Redlining maps, otherwise known as Home Owners' Loan Corporation (HOLC) maps, are not available for San Mateo County.

**bedrooms and tenure is consistent with the familial status of the households that live in the City of San Mateo** (Figure II-16 and Figure II-20). Compared to the county, the City of San Mateo has a smaller proportion of family households and greater proportion of single person households—which is reflected in the number of bedrooms and tenure of the housing stock in the city (Figure II-19 and Figure II-20). The distribution of households by family type are mapped at the census tract level in Figures 21, 22, 23, and 24.

**Household income.** The household income distribution by percent of area median income (AMI) in the City of San Mateo is similar to the county (Figure II-25). There are several census block groups in the city that have median incomes below the 2020 state median income of \$87,100 for a family of four, but the majority of block groups have median incomes well above that (Figure II-26 and Figure II-27). **Poverty rates are highest in the City of San Mateo—between 10% and 20%—in census tracts along the San Francisco Bay and Highway 101** (Figure II-28).



**Racially or ethnically concentrated areas of poverty and affluence.** Racially Concentrated Area of Poverty or an Ethnically Concentrated Area of Poverty (R/ECAP) and Racially Concentrated Areas of Affluence (RCAAs) represent opposing ends of the segregation spectrum from racially or ethnically segregated areas with high poverty rates to affluent predominantly White neighborhoods. Historically, HUD has paid particular attention to R/ECAPs as a focus of policy and obligations to AFFH. Recent research out of the University of Minnesota Humphrey School of Public Affairs argues for the inclusion of RCAAs to acknowledge current and past policies that created and perpetuate these areas of high opportunity and exclusion.<sup>15</sup>

It is important to note that R/ECAPs and RCAAs are not areas of focus because of racial and ethnic concentrations alone. This study recognizes that racial and ethnic clusters can be a part of fair housing choice if they occur in a non-discriminatory market. Rather, R/ECAPs are meant to identify areas where residents may have historically faced discrimination and continue to be challenged by limited economic opportunity, and conversely, RCAAs are meant to identify areas of particular advantage and exclusion.

### R/ECAPs

HCD and HUD's definition of a Racially/Ethnically Concentrated Area of Poverty is:

- A census tract that has a non-White population of 50 percent or more (majority-minority) or, for non-urban areas, 20 percent, AND a poverty rate of 40 percent or more; OR
- A census tract that has a non-white population of 50 percent or more (majority-minority) AND the poverty rate is three times the average tract poverty rate for the County, whichever is lower.

Source: California Department of Housing and Community Development Guidance, 2021.

For this study, the poverty threshold used to qualify a tract as an R/ECAP was three times the average census tract poverty rate countywide—or 19.1%. In 2010 there were three census tracts that qualify as R/ECAPs (19.4% poverty rate) in the county. None of the R/ECAPs were located in the City of San Mateo in 2010 (Figure II-29).

In 2019 there were two census tracts that qualify as R/ECAPs (19.1% poverty rate) in the county. None were located in the City of San Mateo (Figure II-30).

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<sup>15</sup> Goetz, E. G., Damiano, A., & Williams, R. A. (2019). Racially Concentrated Areas of Affluence: A Preliminary Investigation. *Cityscape: A Journal of Policy Development and Research*, 21(1), 99–124

[PLACEHOLDER] RCAs. [ABAG data on RCAs was not available at the time this report was prepared ] HCD’s definition of a Racially Concentrated Area of Affluence is:

- A census tract that has a percentage of total white population that is 1.25 times higher than the average percentage of total white population in the given COG region, and a median income that was 2 times higher than the COG AMI.

## SECTION III. Access to Opportunity

This section discusses disparities in access to opportunity among protected classes including access to quality education, employment, transportation, and environment.

### Access to Opportunity

“**Access to opportunity** is a concept to approximate place-based characteristics linked to critical life outcomes. Access to opportunity oftentimes means both improving the quality of life for residents of low-income communities, as well as supporting mobility and access to ‘high resource’ neighborhoods. This encompasses education, employment, economic development, safe and decent housing, low rates of violent crime, transportation, and other opportunities, including recreation, food and healthy environment (air, water, safe neighborhood, safety from environmental hazards, social services, and cultural institutions).”

Source: California Department of Housing and Community Development Guidance, 2021, page 34.

**Local knowledge: resident survey questions about access to opportunity.** Residents were asked about several resources that would improve their living situation in the survey conducted to support this AFFH. When asked what type of help they need to **improve their housing security**, top answers where:

- Help me with a down payment/purchase (35%);
- Help me with the housing search (26%); and
- Help me get a loan to buy a house (24%).

When asked what type of help they need to **improve their neighborhood**, top answers where:

- Better lighting (34%);
- Improve street crossings (29%); and
- Reduce crime (27%).

When asked what type of help they need to **improve their health**, top answers where:

- Make it easier to exercise (40%);
- More healthy food (37%); and
- Better/access to mental health care (23%).

When asked what type of help they need to **improve their job situation**, top answers where:

- Increase wages (46%);
- Find a job near my apartment/house (26%); and
- Help paying for college (20%).

When asked what type of help they need to **improve children's education**, top answers where:

- Stop bullying/crime/drug use at school (26%);
- Make school more challenging (25%); and
- Have more activities afterschool (24%).

The California Tax Credit Allocation Committee (TCAC) in collaboration with HCD developed a series of opportunity maps that help to identify areas of the community with good or poor access to opportunity for residents. These maps were developed to align funding allocations with the goal of improving outcomes for low income residents—particularly children.

The opportunity maps highlight areas of highest resource, high resource, moderate resource, moderate resource (rapidly changing), low resource and high segregation and poverty. TCAC provides opportunity maps for access to opportunity in quality education, employment, transportation, and environment. Opportunity scores are presented on a scale from zero to one and the higher the number, the more positive the outcomes.

**Education.** TCAC's education score is based on math proficiency, reading proficiency, high school graduation rates, and the student poverty rate. According to TCAC's educational opportunity map, most census tracts in the City of San Mateo score between 0.5 and 0.75—opportunity scores are presented on a scale from zero to one and the higher the number, the more positive the outcomes (Figure III-1). However, there are a handful of census tracts **along Highway 101 and the San Francisco Bay** that score between 0.25 and 0.5—meaning they **have lower education scores compared to the rest of the city**. This area also has higher poverty rates, lower economic opportunity scores, and a greater share of minority households compared to the rest of the city.

According to the Disparate Access to Educational Opportunities Appendix, the City of San Mateo is served by the San Mateo Union High School District and the San Mateo-Foster Elementary School District. San Mateo Union increased enrollment by 16% from 2010 to 2020 and the elementary district enrollment increased by 1% over the same time. However, **both districts lost students during the COVID pandemic.**

San Mateo Union enrollment by race and ethnicity is similar to the countywide distribution. However, there is a higher proportion of Asian students in San Mateo Union (23% compared to 17% countywide), a smaller proportion of Filipino students (5% compared to 8% countywide) and Hispanic students (32% compared to 38% countywide).

The San Mateo-Foster Elementary District has the second highest share of homeless students, with 2% of students experiencing homelessness. The district also has a high share of English learners compared to the countywide proportion (26% compared to 20% countywide). Overall, **the elementary district is more diverse than the countywide average.**

Many high schoolers in the county met admission standards for a University of California (UC) or California State University (CSU) school. Of the high school districts in San Mateo County, Sequoia Union had the highest rate of graduates who met such admission standards at 69% followed by San Mateo Union High with 68%. **Pacific Islander, Hispanic, and Black students in the San Mateo Union district were less likely to meet the admission standards,** with rates of 29%, 46%, and 46% respectively.

Although San Mateo Union High School has relatively low drop out rates—4% of students—compared to other districts in the county, **drop out rates among Hispanic (7%), Black (6%), and Pacific Islander students are higher.**

**Employment.** The top three industries by number of jobs in the City of San Mateo include **professional and managerial services, health and educational services, and arts and recreation services** (Figure III-2 and Figure III-3). The City of San Mateo has a lower job-to-household ratio when compared to the county at 1.45 and 1.59 respectively—which means there are fewer employment opportunities per household in the City of San Mateo (Figure III-4 and Figure III-5). The city also has a slightly lower unemployment rate of 5.2% compared to the county at 5.9% (Figure III-6).

TCAC's economic opportunity score is comprised of poverty, adult educational attainment, employment, job proximity, and median home value. The western portions of the City of San Mateo, adjacent to the City of Hillsborough and Belmont, score more than 0.75 for economic opportunity, whereas tracts in the central city score between 0.5 and 0.75 (Figure III-7). Finally, the **lowest economic opportunity scores** in the city are within tracts **along the waterfront in the northeast area of the City of San Mateo.**

HUD's job proximity index shows the **City of San Mateo is in relatively close proximity to jobs** (Figure III-8). On a scale from zero to 100 where 100 is the closest proximity to jobs the majority of the city scores above 60.

**Transportation.** [TCAC's transportation opportunity score and maps were not available at the time of this report] This section provides a summary of the transportation system that serves the City of San Mateo and the broader region including emerging trends and data relevant to transportation access in the city. The San Mateo County Transit District acts as the administrative body for transit and transportation programs in the county including SamTrans and the Caltrain commuter rail. SamTrans provides bus services in San Mateo County, including Redi-Wheels paratransit service.

In 2018, the Metropolitan Transportation Commission (MTC), which covers the entire Bay Area, adopted a coordinated public transit and human services transportation plan. While developing the coordinated plan, the MTC conducted extensive community outreach about transportation within the area. That plan—which was developed by assessing the effectiveness of how well seniors, persons with disabilities, veterans, and people with low incomes are served—was reviewed to determine gaps in services in San Mateo and the county overall. Below is a summary of comments relevant to the City of San Mateo and San Mateo County.

*“San Mateo’s [Paratransit Coordinating Council] PCC and County Health System, as well as the Peninsula Family Service Agency provided feedback. The most common themes expressed had to do with pedestrian and bicycle needs at specific locations throughout the county, though some covered more general comments such as parked cars blocking sidewalk right-of-way and a desire for bike lanes to accommodate motorized scooters and wheelchairs. Transportation information, emerging mobility providers, and transit fares were other common themes.*

*While some comments related to the use of car share, transportation network companies (TNCs), or autonomous vehicles as potential solutions, other comments called for the increased accessibility and affordability of these services in the meantime.”<sup>16</sup>*

**Transit improvements recommended for the City of San Mateo** include:

- *“More access to the College of San Mateo is needed. There is no direct service to Canada College [from the College of San Mateo] and other local colleges from the Coastside.*
- *Many sidewalks in the county are uneven and inaccessible to individuals using mobility devices.*
- *Some people with disabilities need personalized assistance (escort service) that is not available.*
- *Transfers into San Mateo County [from transit services outside of the county] continue to be very difficult. SFMTA and SamTrans need a cost sharing agreement.”*

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<sup>16</sup> [https://mtc.ca.gov/sites/default/files/MTC\\_Coordinated\\_Plan.pdf](https://mtc.ca.gov/sites/default/files/MTC_Coordinated_Plan.pdf)



A partnership between the World Institute on Disability and the MTC created the research and community engagement project TRACS (Transportation Resilience, Accessibility & Climate Sustainability). The project's overall goal is to, "stimulate connection and communication between the community of seniors and people with disabilities together with the transportation system— the agencies in the region local to the San Francisco bay, served by MTC."<sup>17</sup>

As part of the TRACS outreach process, respondents were asked to share their compliments or good experiences with MTC transit. One respondent who had used multiple services said, **"it is my sense that SamTrans is the best Bay Area transit provider in terms of overall disability accommodation."**

The San Mateo County Transit District updated their Mobility Plan for Older Adults and People with Disabilities in 2018. According to the district, the **county's senior population is expected to grow more than 70% over the next 20 years and the district is experiencing unprecedented increases in paratransit ridership.** The plan is targeted at developing effective mobility programs for residents with disabilities and older adults including viable alternatives to paratransit, partnerships, and leveraging funding sources.<sup>18</sup>

MTC also launched Clipper START—an 18 month pilot project— in 2020 which provides fare discounts on single transit rides for riders whose household income is no more than double the federal poverty level.<sup>19</sup>

**Environment.** TCAC's opportunity areas environmental scores are based on the CalEnviroScreen 3.0 indicators, which identify areas disproportionately vulnerable to pollution sources such as ozone, PM2.5, diesel PM, , pesticides, toxic release, traffic, cleanup sites, groundwater threats, hazardous waste, impaired water bodies, and solid waste sites.

Generally, all census tracts in the City of San Mateo **score moderate to poorly on environmental outcomes.** Census tracts surrounding Highway 101 and 92 have the lowest environmental scores in the city—primarily due to traffic on the highways, groundwater threats, and impaired water bodies (Figure III-9 and Figure III-10). However, the **city scores relatively high compared to other areas of San Mateo County on the California Healthy Places Index (HPI)** developed by the Public Health Alliance of Southern California (PHASC) (Figure III-11).

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<sup>17</sup> <https://wid.org/transportation-accessibility/>

<sup>18</sup>

[https://www.samtrans.com/Planning/Planning\\_and\\_Research/Mobility\\_Plan\\_for\\_Older\\_Adults\\_and\\_People\\_with\\_Disabilities.html](https://www.samtrans.com/Planning/Planning_and_Research/Mobility_Plan_for_Older_Adults_and_People_with_Disabilities.html)

<sup>19</sup> <https://mtc.ca.gov/planning/transportation/access-equity-mobility/clipperr-startsm>

The HPI includes 25 community characteristics in eight categories including economic, social, education, transportation, neighborhood, housing, clean environment, and healthcare.<sup>20</sup> The northeast area of the City of San Mateo score the lowest on the HPI (Figure III-11).

**Disparities in access to opportunity.** Data show that racial and ethnic minorities are more likely to live in moderate resource areas compared to non-Hispanic White residents (Figure III-12). Nearly half (47%) of the population living in high resource areas are non-Hispanic White, compared to one in three (33%) in moderate resource areas.

Conversely, **Hispanic, Asian, and Black residents are more likely to live in moderate resource areas.** It is important to note that the City of San Mateo does not include any census tracts that are designated as low resource areas. The share of the population with Limited English Proficiency (LEP) is 8% compared to 7% in the county (Figure III-13).

TCAC’s composite opportunity score for the City of San Mateo shows census tracts in the northeast area of the city fall within moderate resource areas while the rest of the city is within high or highest resource areas (Figure III-14). The Social Vulnerability Index (SVI) provided by the Center for Disease Control (CDC)—ranks census tracts based on their ability to respond to a disaster—includes four themes of socioeconomic status, household composition, race or ethnicity, and housing and transportation. Again, **the northeast area of the city—encompassing the neighborhoods North Central, Shoreview, and North Shoreview—is most vulnerable according to the SVI** (Figure III-15).

The City of San Mateo does not have any disadvantaged communities as defined under SB 535 as, “the top 25% scoring areas from CalEnviroScreen along with other areas with high amounts of pollution and low populations.”<sup>21</sup> (Figure III-16)

**Disparities specific to the population living with a disability.** Nine percent of the population in the City of San Mateo are living with at least one disability, compared to 8% in the county (Figure III-17). The most common disabilities in the city are ambulatory (4.2%), independent living (3.6%), and cognitive (3.5%) (Figure III-18).

Of residents with a disability responding to the residents survey, 30% said that their home does not meet the needs of their household member.

**Disability**

<sup>20</sup> <https://healthyplacesindex.org/about/>

<sup>21</sup> <https://oehha.ca.gov/calenviroscreen/sb535>

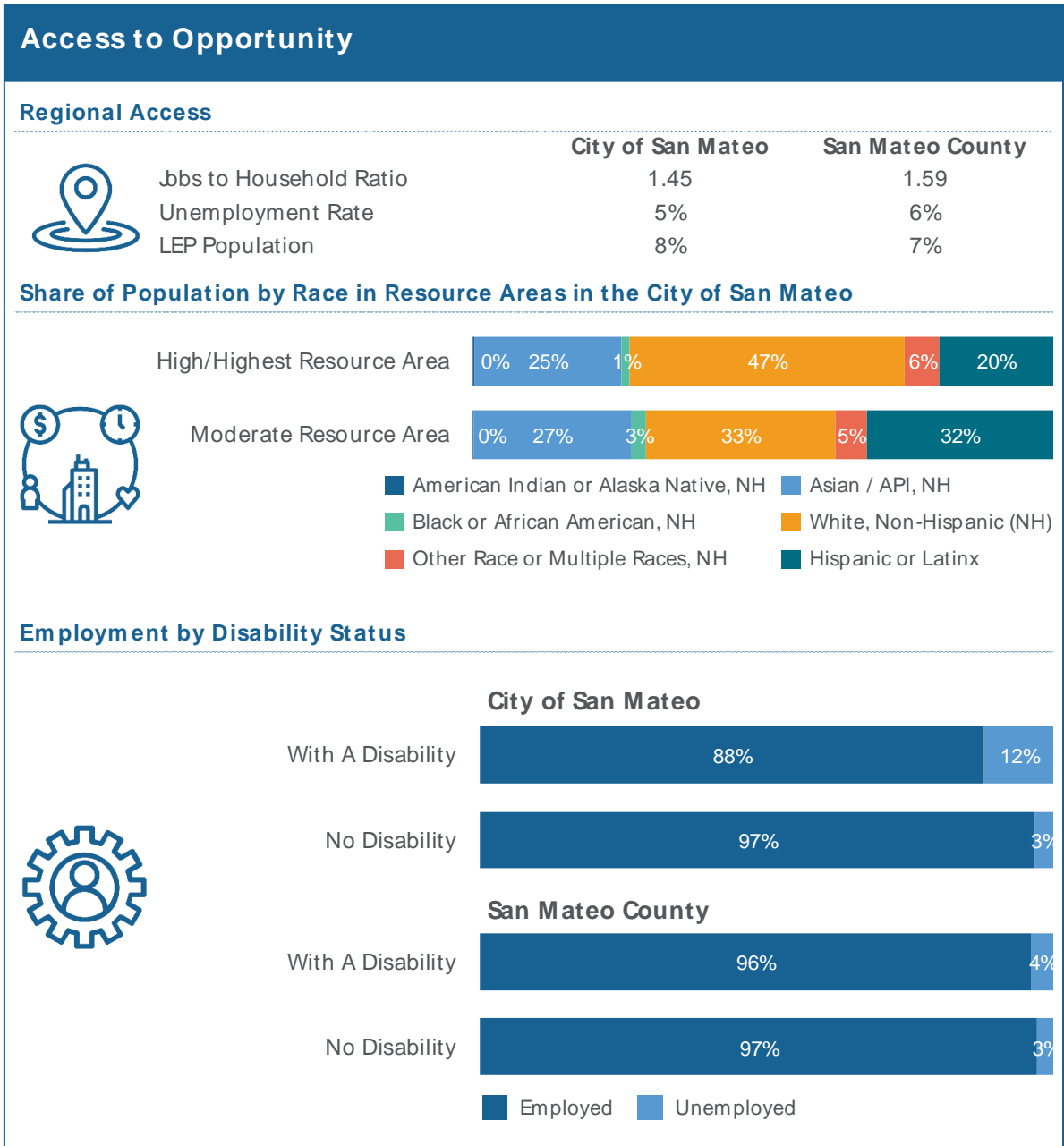
**“Disability types** include hearing difficulty, vision difficulty, cognitive difficulty, ambulatory difficulty, self-care difficulty, and independent living difficulty.”

Source: California Department of Housing and Community Development Guidance, 2021, page 36.

**For the population 65 and over, the share of the population with an ambulatory or independent living difficulty increases** (Figure III-19). As mentioned above under access to transportation, San Mateo County is rapidly aging; therefore, this population with a disability is likely to increase.

**Unemployment is disproportionately high among residents living with a disability with an unemployment rate of 12%, compared with 3% for residents without a disability in the City of San Mateo—particularly when compared to the county where the disparity is not as high. Countywide, the unemployment rate for residents with a disability is 4%, compared to 3% for residents without a disability** (Figure III-20). High unemployment rates among this population points to a need for increased services and resources to connect this population with employment opportunities.

Residents living with a disability are primarily concentrated geographically along the Highway 101 corridor (Figure III-21).



## SECTION IV. Disproportionate Housing Needs

This section discusses disparate housing needs for protected classes including cost burden and severe cost burden, overcrowding, substandard housing conditions, homelessness, displacement, and other considerations.

### Disproportionate Housing Needs

“**Disproportionate housing needs** generally refers to a condition in which there are significant disparities in the proportion of members of a protected class experiencing a category of housing need when compared to the proportion of members of any other relevant groups, or the total population experiencing that category of housing need in the applicable geographic area. For purposes of this definition, categories of housing need are based on such factors as cost burden and severe cost burden, overcrowding, homelessness, and substandard housing conditions.”

Source: California Department of Housing and Community Development Guidance, 2021, page 39.

**Housing needs.** Population growth in the City of San Mateo has generally kept up with the pace of growth countywide, except the city did not lose population during the great recession whereas the county did (Figure IV-1). **Population growth slowed again from 2019 to 2020, likely due to the emergence of the COVID-19 pandemic in the Spring of 2020.**

Since 2015, **the housing that has received permits to accommodate growth has largely been priced for above moderate income households**, with 1545 units permitted for above moderate income households compared to 94 permits for moderate income households; 59 permits for low income households; and 126 permitted for very low income households (Figure IV-2). The Housing Needs Data Report for the City of San Mateo indicates new construction has not kept pace with demand throughout the Bay Area, “resulting in longer commutes, increasing prices, and exacerbating issues of displacement and homelessness.”<sup>22</sup>

The variety of housing types available in the city in 2020 are predominately single family (44%) and medium to large scale multifamily (39%). From 2010 to 2020, the multifamily inventory increased more than single family, and the city has a greater share of multifamily housing compared to other communities in the region.<sup>23</sup>

The majority of the housing inventory in the City of San Mateo was constructed from 1940 to 1980 (Figure IV-3). As such, the city’s units are older, lack energy efficiency, could be costly to

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<sup>22</sup> Housing Needs Data Report: San Mateo, ABAG/MTC Staff and Baird + Driskell Community Planning, 2021.

<sup>23</sup> Housing Needs Data Report: San Mateo, ABAG/MTC Staff and Baird + Driskell Community Planning, 2021.

adapt for disability accessibility, and may have deferred maintenance if households cannot afford to make improvements.

Compared to San Mateo County, the city's owner occupied housing market has a greater share of units priced between \$1 and \$1.5 million—29% of units in the city fall within this price range compared to 23% in the county (Figure IV-4). Conversely, units priced above \$2 million make up a smaller proportion of the city's housing stock compared to the county with 14% and 19% respectively. According to the Zillow home value index, home prices have experienced remarkable growth in the city and county (Figure IV-5).

Rents have increased at a slower pace compared to the for sale market—however, median rents increased more rapidly from 2017 to 2019 (Figure IV-7). Rent increases have likely been dampened by the COVID-19 pandemic. Compared to the county, the **City of San Mateo has more luxury rental units**—27% of units rent for more than \$3,000 in the city compared to 22% in the county (Figure IV-6).

**Cost burden and severe cost burden. Nearly half of all renter households in the City of San Mateo are cost burdened**—spending more than 30% of their gross income on housing costs—and one in four are extremely cost burdened—spending more than 50% of their gross income on housing costs (Figure IV-9). Cost burdened households have less money to spend on other essentials like groceries, transportation, education, healthcare, and childcare. Extremely cost burdened households are considered at risk for homelessness.

A greater portion of households in the City of San Mateo (39%) struggle with cost burden compared to the county (37%) (Figure IV-8). Lower income households are more likely to experience housing cost burden. Nearly three out of every four households earning less than 30% AMI—considered extremely low income households—are severely cost burdened, compared to only 1% of households earning more than 100% of AMI (Figure IV-10).

There are **disparities in housing cost burden in the City of San Mateo by race and ethnicity and family size**. Black or African American (59%) and Hispanic households (55%) experience the highest rates of cost burden in the city. Non-Hispanic households of other races (28% cost burdened), Asian households (33%), and non-Hispanic White households (34%) experience the lowest cost burden (Figure IV-11).

Large family households—considered households with five or more persons—experience cost burden at a rate of 46% compared to all other households at 37% (Figure IV-12). Cost burdened households are primarily concentrated along the waterfront and Highway 101 (Figure IV-13 and Figure IV-14).

**Overcrowding.** The vast majority of households (93%) in the City of San Mateo are not overcrowded—indicated by more than one occupant per room (Figure IV-15). However, renter households are more likely to be overcrowded with 13% of households with more than one occupant per room compared to 2% of owner households (Figure IV-16).

The resident survey shows higher needs: 26% of respondents said that their house or apartment isn't big enough for their family members.

**Racial and ethnic minorities are more likely than non-Hispanic White households to experience overcrowding.** Other races (27% of households), Hispanic households (26%), and American Indian or Alaskan Native households (12%) experience the highest rates of overcrowding (Figure IV-17). Low and moderate income households are also more likely to be overcrowded (Figure IV-18).

Geographically, overcrowded households are concentrated in the same areas as cost burdened households, along the waterfront and Highway 101 (Figure IV-19).

**Substandard housing.** Data on housing condition are very limited, with the most consistent data available across jurisdictions found in the American Community Survey (ACS)—which captures units in substandard condition as self-reported in Census surveys. In the City of San Mateo, renter households are also more likely to have substandard kitchen and plumbing facilities compared to owner households. Generally, a low share of households are lacking kitchen or plumbing. For renters, 1.3% are lacking kitchen facilities while less than one percent are lacking plumbing. For owners, less than one percent are lacking either kitchen or plumbing facilities (Figure IV-20).

**Homelessness.** In 2019, 1,512 people were experiencing homelessness in the county (74 people in the City of San Mateo) during the One-Day Count, with 40% of people in emergency or transitional shelter while the remaining 60% were unsheltered. The majority of unsheltered people experiencing homelessness were in households without children. The majority of people in transitional housing were in households with children (Figure IV-21).

**People who identify as American Indian or Alaskan Native (6% of the homeless population compared to less than 1% of the total population), Black (13%, 2%), White (67%, 51%), and Hispanic (38%, 28%) are overrepresented in the homeless population** compared to their share of the general population (Figure IV-22 and Figure IV-23). People struggling with chronic substance abuse (112 people), severe mental illness (305), and domestic violence (127) represented a substantial share of the homeless population in 2019 (Figure IV-24).

**Displacement.** Owner households generally experience a greater amount of housing stability whereas renter households are more mobile (i.e., move more frequently). Households in the city were more likely to have moved in the past year compared to the households in the county (14% compared to 12% in the county) (Figure IV-25 and Figure IV-26).

In the City of San Mateo **10% of income assisted rental units are at high or very high risk for displacement**, a total of 72 out of 702 total units in the city. In San Mateo County, 417 units are at risk—8% of the total assisted housing units in the county (Figure IV-27).

## Displacement Sensitive Communities

“According to the Urban Displacement Project, communities were designated sensitive if they met the following criteria:

- They currently have populations vulnerable to displacement in the event of increased redevelopment and drastic shifts in housing cost. Vulnerability is defined as:
    - Share of very low income residents is above 20%, 2017
    - AND
    - The tract meets two of the following criteria:
      - Share of renters is above 40%, 2017
      - Share of people of color is above 50%, 2017
      - Share of very low-income households (50% AMI or below) that are severely rent burdened households is above the county median, 2017
      - They or areas in close proximity have been experiencing displacement pressures. Displacement pressure is defined as:
        - Percent change in rent above county median for rent increases, 2012-2017
- OR
- Difference between tract median rent and median rent for surrounding tracts above median for all tracts in county (rent gap), 2017”

Source: <https://www.sensitivecommunities.org/>.

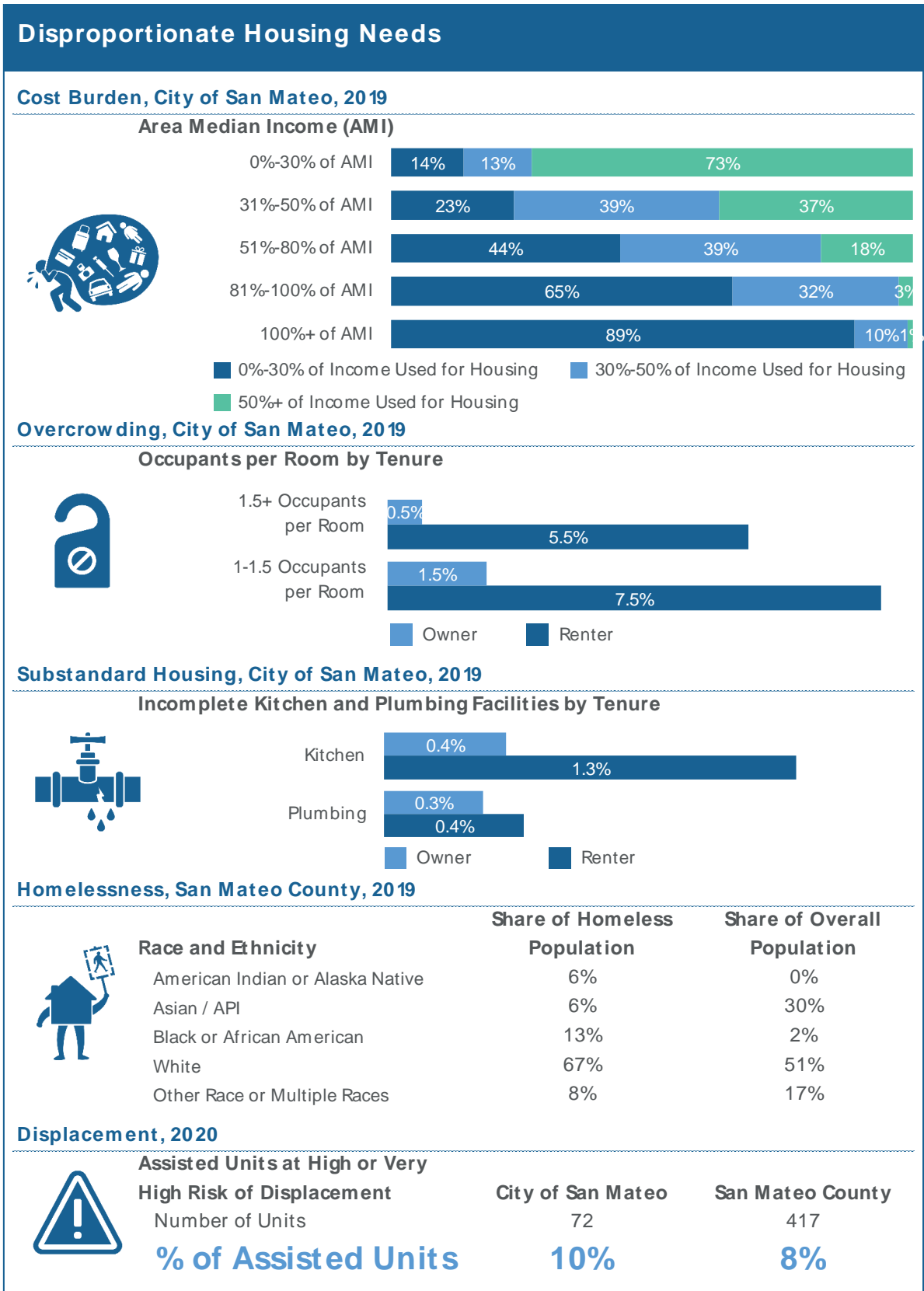
The resident survey conducted for this study found that 31% of residents in the City of San Mateo have been displaced in the past 5 years. The top reason for displacement was “*Rent increased more than I could pay*” (42%).

Sixteen census tracts in the city are vulnerable to displacement—these same Tracts have high shares of renter households (Figure IV-28). Additionally, **areas of the city with the highest cost burden and overcrowding—along the waterfront—are included in the Special Flood Hazard Areas determined by the Federal Emergency Management Agency (FEMA) as having a 1% chance of flooding annually** (Figure IV-29, IV-30, and IV-31).

**Access to mortgage loans.** Disparities by race and ethnicity are also prevalent for home mortgage applications, particularly in denial rates (Figure IV-32). **Hispanic (32% denial rate) and American Indian or Alaska Native households (27%) had the highest denial rates for**



**mortgage loan** applications in 2018 and 2019. Conversely, non-Hispanic Asian (17%), Black (18%), and White households (19%) have the lowest denial rates during the same time (Figure IV-33).



## Placeholder for Site Inventory Analysis

AB 686 requires an analysis of sites identified to meet RHNA obligations for their ability to affirmatively further fair housing.

Once sites are identified, the analysis will be placed here and will consist of:

- Map of identified sites by lower income, moderate income, and above moderate income units;
- Identification of sites within or proximity to R/ECAPs and/or low income/poverty concentrations;
- Proportion of low and very low income units located in that area, as well as concentrations of Housing Choice Vouchers,
- How the distribution of lower, moderate, and above moderate income units—and the share located in low, moderate, and high resourced areas—will change with proposed site inventory development;
- Proximity to:
  - High proficiency K-12 education institutions;
  - High-resourced areas/positive economic outcome areas;
  - Low social vulnerability;
  - Good jobs proximity;
  - Access to transportation;
  - Healthy places; and
  - Flood hazards.