City of Daly City
General Plan

Housing Element

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1. INTRODUCTION

A. SCOPE AND ROLE OF THE HOUSING ELEMENT

All too often housing plans are dominated by statistics: carefully assembled, classified and tabulated data that, after manipulation through sophisticated analytic techniques, tells us there is or is not a problem. What these analyses seldom do is relate housing to a social purpose. Concern is focused on the number of new units or the mixture of unit types instead of the basic human need for adequate shelter. As long as the housing problem is described in terms of quantified data, the social implications of housing policy will be poorly conceptualized. This Housing Element contains a substantial amount of quantified information because, in part, California State Law requires it. At the same time, the plan attempts to consider housing in a wider social context and in so doing recognizes the diverse housing needs that exist in Daly City.

This Housing Element Update provides a comprehensive analysis of the status of housing in Daly City, and sets forth a goal, objectives, policies and programs to improve the quality of the City's housing stock and increase housing opportunities. It does so at a time when the entire Bay Area faces an enormous housing crisis. The element provides a framework for evaluating specific housing proposals; establishes a coordinated, realistic course of action for dealing with Daly City's concerns; and is intended to be a tool for decision-makers.

B. CITIZEN REVIEW AND PARTICIPATION

As indicated in Government Code Section 65583(c)(6)(B), Housing Element law requires public participation in a jurisdiction's formulation of its Housing Element. Specifically, the law states that jurisdictions "…shall make a diligent effort to achieve public participation of all economic segments of the community…" In compliance with the law, Daly City has met with the central homeowners resident association and invited input and comments about housing issues. Representatives from various communities throughout the City attended the meeting. Residents expressed concerns about housing affordability and the negative impacts of secondary units.

In addition to this meeting, the City mailed out a survey to various social service providers serving low income populations to gather input on the housing needs and issues facing low income persons. Over 50 percent of survey recipients responded. The City also held a Housing Element workshop to inform and receive input from the community. The workshop was advertised on the City's government cable access channel and the City's website. A press release announcing the workshop was issued to local newspapers, and a mailing was sent to apartment building managers asking them to post the notice.

The City will continue its public participation effort until this Housing Element Update has been adopted by the City Council. The draft Housing Element Update will be made

available to City residents for comment and input while it is under review by the State. The draft will also be distributed to various organizations and individuals who have expressed interest in reviewing it. Public notice of the draft's availability will be issued in the local paper.

C. CONSISTENCY WITH GENERAL PLAN

State law requires that a City's Housing Element describes "the means by which consistency will be achieved with other General Plan elements and community goals." By reviewing and bearing in mind the other General Plan elements (i.e., land use, circulation) during the course of updating its Housing Element and receiving public comments during various stages of the revision process, Daly City ensures consistency with the other General Plan elements as well as community goals.

In 1993, all elements of the General Plan were evaluated for consistency as part of the updating of the Housing, Land Use and Circulation Elements. The Housing Element policies adopted in 1993 are largely carried forward to the 2001 update. The only significant revisions affect the number of housing units needed to meet Daly City's share of regional housing needs to the year 2006. As an older community, housing development opportunities will occur in existing neighborhoods as in-fill development. The existing infrastructure, including arterials, will be sufficient to accommodate projected growth.

Furthermore, the revised Housing Element is consistent with housing needs, priorities and action steps displayed in its current federal Five-Year Department of Housing and Urban Development (HUD) Consolidated Plan. The Housing Element and HUD Consolidated Plan are mutually inclusive and beneficial public processes and documents. Both planning documents enable the City to develop and implement short-term housing plans that address important citywide housing needs, while meeting both State and federal requirements.

2. HOUSING NEEDS ASSESSMENT

Prior to setting housing objectives and drafting policies to achieve them, it is necessary to examine the City's existing housing situation and to conduct an assessment of its needs. As required by Housing Element Law (California Government Code, Section 65583), this section looks at data regarding the City's population, its households, and its housing units. This analysis grounds and guides the goals, policies and objectives set forth later in this Housing Element. The analysis of this data provides valuable information regarding the City's residents, household characteristics and trends, housing conditions and market characteristics. Also included is the regional housing needs determination as set by ABAG.

A. DEMOGRAPHICS AND EMPLOYMENT

POPULATION GROWTH TRENDS

The City of Daly City's population has been increasing for the past three decades. From 1970 to 1980, the population grew 17.3 percent; from 1980 to 1990 it grew by 18 percent; and from 1990 to 2000 it grew by 12 percent. The City remains at about 15 percent of San Mateo County's population, and it continues to be the largest city in the County in terms of population. Table 2.1 compares the populations of the City and County from 1980 to 2000. The City's population has grown by more than that of the County.

Table 2.1: Population Growth, 1980 -2000

	2000	*1990*	*1980*	*% Δ '80-90*	*% Δ '90-00*
City of Daly City	103,621	92,315	78,519	18%	12%
San Mateo County	707,161	649,623	587,329	11%	9%
City as % of County	15%	14%	13%		

Source(s): 1990 and 2000 Census

The Association of Bay Area Governments (ABAG) is the regional agency responsible for producing economic and demographic projections for the nine county Bay Area region. The table below depicts ABAG's Daly City population projections for 1990-2020.[1] Projections for both the City's jurisdictional boundary and its sphere of influence are provided. The projections indicate that Daly City's population growth will slow in the future. Between 2000 and 2020, it is projected that Daly City's population within its jurisdictional boundary will grow by about 6 percent during this twenty year time period. This projected growth is almost three times less than the growth the City experienced between 1980 and 1990. The decline in the population growth rate reflects limitations in land available for development and infrastructure constraints.

[1] Methodology for the ABAG projections are explained in Projections 2000: Forecasts for the San Francisco Bay Area to the Year 2020. Projections apply to City of Daly City jurisdictional boundary.

Table 2.2: ABAG Population Projections, 1990-2020

	1990	*1995*	*2000*	*2005*	*2010*	*2015*	*2020*
Daly City, jurisdictional	92,088	98,900	106,200	109,100	110,400	111,900	113,000
% increase		7	7	3	1	1	1
Daly City, sphere of influence	96,639	104,000	112,600	115,900	117,200	118,900	120,000
% increase		8	8	3	1	1	1

Source: Projections 2000 , ABAG

AGE COMPOSITION

Census 2000 indicates that Daly City's age composition closely mirrors that of the county as a whole. Table 2.3 shows that the majority of the population for both geographic areas is working adults between the ages of 18 and 64. Both make up about 65 percent of the population. Youth between the ages of 5 and 17 make up the second largest segment of the population, at 16 percent for the City and 17 percent for the County. Seniors and children under five years old make up less than a quarter of the population at the City and County levels. The median age for the City is 35.4 years.

Table 2.3: Age Composition and Comparison, 2000

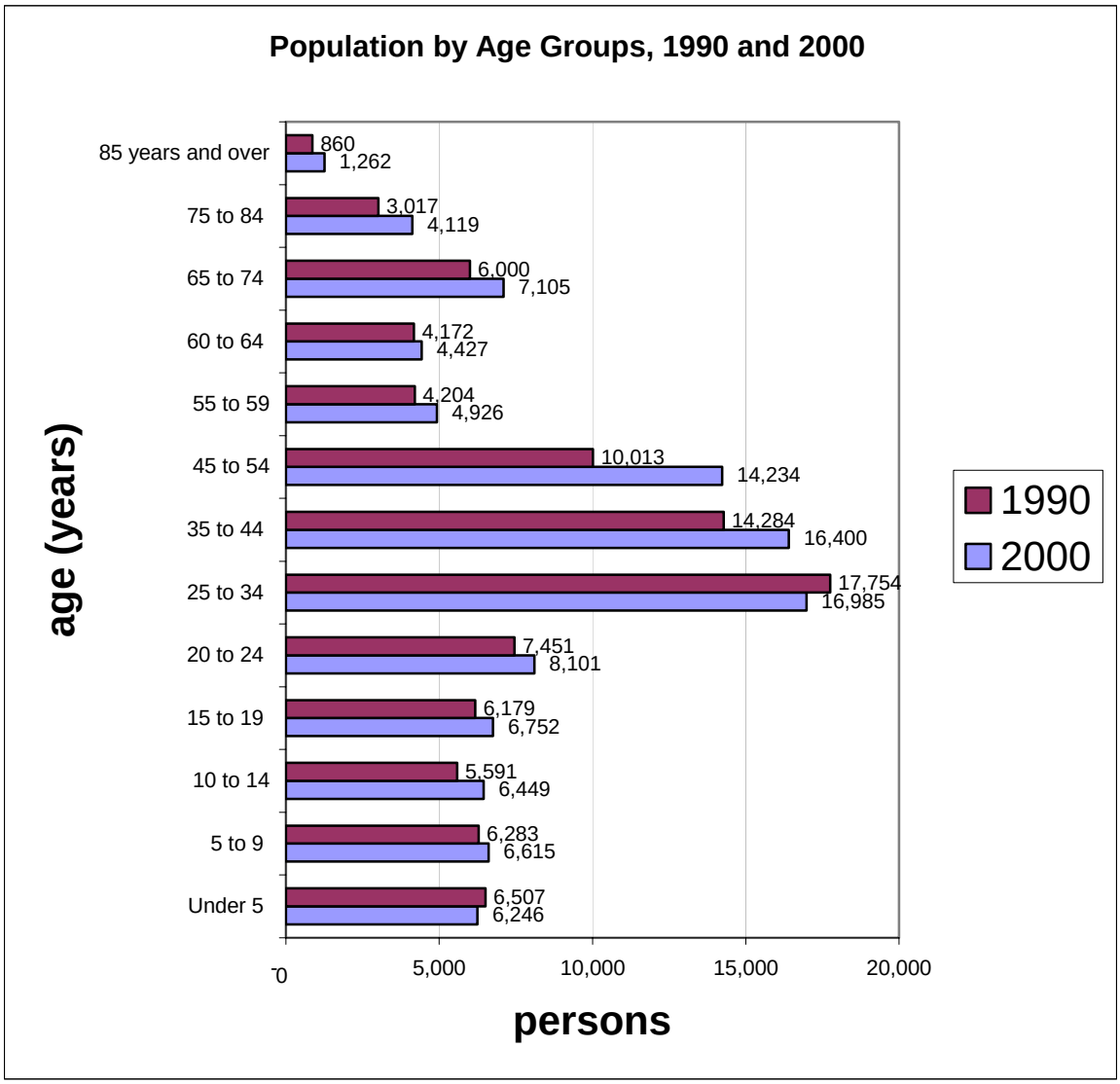
Age	*Daly City*		*County*	
	Number	*Percent*	*Number*	*Percent*
0 to 4	6,246	6%	45,374	6%
5 to 17	17,032	16%	116,726	17%
18 to 64	67,857	65%	456,976	65%
65 +	12,486	12%	88,085	12%
Total	103,621		707,161	

Daly City population as % of County: 14 %

Source: 2000 Census

Figure 2.1 on the following page graphically compares the City's age composition in 1990 and 2000. The senior population for Daly City as a percentage of the total population has increased from 11 percent to 12 percent. The number of persons between the ages of 18 to 64 grew by 12 percent although it continues to be about 65 percent of the City's total population. The number of persons between 45 to 54 years had the greatest change in numbers. There are 4,221 more persons in this age group, an increase of 42 percent. The population of persons 65 years and older increased by 2,609.

Figure 2.1


Population by Age Groups, 1990 and 2000
85 years and over
860
1,262
75 to 84
3,017
4,119
65 to 74
6,000
7,105
60 to 64
4,172
4,427
55 to 59
4,204
4,926
45 to 54
10,013
14,234
35 to 44
14,284
16,400
25 to 34
17,754
16,985
20 to 24
7,451
8,101
15 to 19
6,179
6,752
10 to 14
5,591
6,449
5 to 9
6,283
6,615
Under 5
6,507
6,246
0
5,000
10,000
15,000
20,000
persons
age (years)
1990
2000

ETHNIC/RACIAL CHARACTERISTICS

As the most populated city in San Mateo County, Daly City is also one of the most ethnically and racially diverse. Ethnic and racial data from the 2000 Census is presented in Table 2.4. This information is not directly comparable with information from the 1990 Census because of changes in the way racial information is collected. The 2000 Census, for the first time in census history, allowed persons to indicate more than one race. Almost four percent of the City's population identified themselves as multi-racial.

Daly City is 50.3 percent Asian and 17.7 percent White (not Hispanic or Latino); in contrast, the County is 49.8 percent White and 19.8 percent Asian. Filipinos make up the dominant racial category in the City, comprising almost 32 percent of the population. In the 1990 Census, they were 27 percent of the City's population. Hispanics or Latinos comprise about 22 percent of the population, and Blacks or African Americans make up less than five percent of the population for both the City and County.

Table 2.4: Hispanic or Latino and Race - Daly City and San Mateo County, 2000

	Number	*Percent (%)*
Daly City		
Hispanic or Latino (of any race)	23,072	22.3
Not Hispanic or Latino	80,549	77.7
White	18,344	17.7
Black or African American	4,482	4.3
American Indian or Alaska Native	199	0.2
Asian	52,154	50.3
Native Hawaiian and other Pacific Islander	904	0.9
Some other race	414	0.4
Two or more races	4,052	3.9
San Mateo County		
Hispanic or Latino (of any race)	154,708	21.9
Not Hispanic or Latino	552,453	78.1
White	352,355	49.8
Black or African American	23,778	3.4
American Indian or Alaska Native	1,546	0.2
Asian	140,313	19.8
Native Hawaiian and Other Pacific Islander	9,112	1.3
Some other race	2,217	0.3
Two or more races	23,132	3.3

Source: 2000 Census

EMPLOYMENT

Normal employment growth in Daly City can be closely correlated with the increase in population. Historically, Daly City has had a job deficit with 2.5 employed residents for every job in the community. New employment opportunities will contribute to the balance of jobs and housing. Table 2.5 identifies the civilian labor force for Daly City as

presented in the 2000 Census. The table shows that 50,885 persons (61 percent of individuals over 16 years of age) are in the labor force.

Table 2.5: Employment Status in Daly City, 2000

*Civilian Labor Force**	*Male*	*Female*	*Both*
Employed	26,717	24,168	50,885
Unemployed	1,099	909	2,008
Not in labor force	12,521	17,610	30,131
TOTAL	40,337	42,687	83,024

* Civilian Labor Force = 16+ yrs.

Source: 2000 Census

Daly City is part of the San Francisco Metropolitan Statistical Area (MSA). As the table below indicates, 50 percent of Daly City's working residents work in the central city or San Francisco, while 40 percent work in the remainder of the MSA (San Mateo and Marin counties). The next table, Table 2.7, depicts ABAG's total jobs projections for 1990 to 2020. Information for Daly City as well as San Mateo and San Francisco counties are provided since the majority of Daly City residents work outside of the City.

Table 2.6: Place of Work - MSA/PMSA Level, 2000

	In MSA/PMSA of residence	*Out of MSA/PMSA of residence*
Central city	24,910 (50%)	2,760 (6%)
Remainder of this MSA/PMSA	19,828 (40%	2,076 (4%)

Source: 2000 Census

Table 2.7: Total Jobs Projection

	1990	*2000*	*2005*	*2010*	*2015*	*2020*
Daly City	20,530	26,030	28,170	29,860	32,280	34,260
SM County	326,670	380,370	402,570	413,840	432,240	451,830
SF County	579,180	628,860	660,610	687,350	714,700	731,660
Total	926,380	1,035,260	1,091,350	1,131,050	1,179,220	1,217,750
Total % change		13.31	5.42	3.64	4.26	3.27
Daly City % change		16.83	8.22	6.00	8.10	6.13

Source: ABAG Projections 2000, using City sphere of influence #s

Daly City has three major shopping areas that provide retail jobs for its residents. Other principal employers in the City include Seton Medical Center, Jefferson Elementary School, City government, Jefferson High School District, and the Cow Palace.

INCOME

The 2000 Census provides data on the total income received during calendar year 1999. Table 2.8 shows that the household median income for 1999 was $62,310. Households with between $750,000 and under $100,000 and $100,000 and under $150,000 comprised the largest income groups among all households at 16.7% and 15.4%, respectively.

Table 2.8: Household Income, 1999

Income Level ($)	*# of hh*	*% of hh*
0 to 14,999	2,718	8.8
15,000 to 29,999	3,515	11.4
30,000 to 44,999	4,021	13.1
45,000 to 59,999	4,303	14.0
60,000 to 74,999	4,214	13.7
75,000 to 99,999	5,144	16.7
100,000 to 149,999	4,731	15.4
$150,000 to $199,999	1,309	4.3
$200,000+	839	2.7
Total households	30,794	
1999 Household median income (DC)		$62,310
1999 Household median income (County)		$70,819

Source: 2000 Census

Table 2.9 approximates the number of households by income group. The data was calculated by taking ABAG's definition of income groups and applying it to the 2000 household income data. San Mateo County's median household income, which is higher than the City's median household income, was used to determine the four income groups. The resulting figures estimate that 24.4 percent of households in Daly City are very low income, compared to 21.1 percent of households for the County. Alternatively, 41.2 percent of households in the County are above moderate, compared to 32.4 percent of households in the City. In general, Daly City is less affluent than the County as a whole.

Table 2.9: Estimated Existing Households by Income Group* for Daly City and San Mateo County, 2000

Income group	*Daly City*	*% of DC*	*County*	*County %*	*DC as % of SMC*
Very Low (<50%)	7,505	24.4	53,659	21.1	3.0
Low (51%-80%)	6,059	19.7	44,698	17.6	2.4
Moderate (81%-120%)	7,263	23.6	51,197	20.1	2.9
Above Moderate (>120%)	9,967	32.4	104,665	41.2	3.9
All Income Groups	30,794		254,219		

** Figures are close estimates using percentages of the 1999 SM County median household income.*

Source: 2000 Census

Table 2.10 indicates that 7 percent of Daly City's population is below the poverty level. This is more than double the 5.8 percent figure at the County level. For both geographic areas, persons between the ages of 18 and 64 make up about two-thirds of the population below the poverty level, and seniors comprise close to ten percent. Children under 18 years of age are about 25 percent of the population below poverty level in both Daly City and San Mateo County.

Table 2.10: Persons Below Poverty Level, 1999

	Under 18	*18 to 64*	*65+*	*Total*	*Total as % of Area Pop.*
Daly City	1,813	4,817	635	7,275	7.0
County	10,285	26,059	4,348	40,692	5.8

Source: 2000 Census

B. HOUSEHOLD CONDITIONS

A discussion of household conditions involves looking at the housing situation in which residents find themselves. Are they renters or owners? Are they paying more or less than 30 percent of their monthly income on housing? Are they living comfortably in units that are not overcrowded? The answers to these questions provide information that guide the City on specific housing policies to ensure that persons of various income levels can live comfortably in Daly City.

TENURE AND DWELLING UNIT TYPE

According to the 2000 Census, the majority of housing units in Daly City is owner-occupied and single-family detached. Table 2.11 indicates that 60 percent of housing units are owner-occupied and 40 percent are renter occupied. This breakdown in housing tenure has remained consistent since 1990. Recent data from the Census 2000 reports that there are 18,485 owner-occupied housing units (60%) and 12,242 renter-occupied housing units (40%). The percentages have shifted very slightly towards more ownership housing since 1990.

Table 2.11: Housing Tenure Patterns by Housing Unit Type for Occupied Year Round Units, 1990 and 2000

	Owner Occupied		*Renter Occupied*		
Unit Type	*1990*	*2000*	*1990*	*2000*	*2000 Totals*
1 SF Detached	11,563	12,790	2,756	2,902	15,692
1 SF Attached	3,240	3,506	923	877	4,383
2 Units	98	187	531	726	913
3-4 Units	171	305	1,523	1,536	1,841
5+ Units	1,003	1,179	6,249	6,170	7,349
Mobile Home	537	507	67	31	538
Other	265	11	137	0	11
Totals	16,877	18,485	12,186	12,242	29,063
% of Totals		60%		40%	100%

Source: HUD Consolidated Plan 2003/04-2007/08, 1990 and 2000 Census

Between 1990 and 2000, the total number of single and multi-family units for owners and renters increased reflecting the rising trend towards homeownership. Most of the single and multi-family units for renters increased as well, except for one unit single family attached units and five or more unit buildings. There was a decrease in mobile homes for both owners and renters. Mobile homes will continue to represent a very small portion of housing in Daly City. The Franciscan Mobile Home Park is the only mobile home park in Daly City and provides housing that is fairly affordable relative to the other types of housing units in the City. Also, there was a reduction from 1990 to 2000 for "other" types of housing units (e.g. RV, van, boat) in regards to both owners and renters.

In addition to owner and renter occupied housing, some Daly City residents live in group quarters. The Census defines group quarters as living arrangements such as nursing homes or rooming houses, which are not households. Table 2.12 indicates that during the 2000 Census 790 persons lived in group quarters, and 70.6 percent of these were over 65 years of age. Of the persons living in group quarters, 532 were institutionalized and 258 were non-institutionalized.

Table 2.12: Persons in Group Quarters, 2000

Institutionalized Persons:	
Under 18 years	8
18 to 64 years	35
65 years and over	489
Other Persons in Group Quarters:	
Under 18 years	35
18 to 64 years	154
65 years and over	69

Source: 2000 Census

OVERPAYMENT

The Bay Area, in the new millennium, has become the most expensive metropolitan expanse in the nation.[2] The California Association of Realtors (CAR) puts out a monthly housing affordability index measuring the percentage of households that can afford to purchase a median priced home in California and regions within the State. In its January 2001 affordability index report, San Francisco City and County was the least affordable county in the State at 10 percent, followed by San Mateo County at 13 percent. The rest of California, as well as the nation, had higher affordability indices of 37 percent and 57 percent, respectively.

[2]Broderick Perkins, "San Francisco Bay Area Tops New Home Price Forecast," Realty Times July 19,2000.

Daly City, in general, is more affordable than the rest of the County. The San Mateo County Association of Realtors (SAMCAR) compiles sales statistics for the sale of single family homes and condominiums/townhouses. The data indicate that housing costs have risen greatly in recent years. Between 1997 and 2000, the median price of Daly City single family homes sold increased by 67%. The median price for condominiums/town homes increased by 84%. For the County during this three year period, the median sale prices for single family homes and condominiums/town homes increased by 62 percent and 68 percent, respectively.

Table 2.13: Median Price of Daly City Home Sales ($)

	1997	1998	1999	2000
Single Family				
Daly City	240,000	275,000	329,000	400,000
County	370,000	418,444	475,000	600,000
Condominiums/Townhomes				
Daly City	149,450	181,000	215,000	275,000
County	214,000	240,000	278,819	360,000

Source: San Mateo County Association of REALTORS

Not only have prospective homeowners suffered from the housing affordability crisis in the region, renters have also faced high housing costs. The National Low Income Housing Coalition reported in September 2000 that 58% of renters in San Mateo County are unable to afford fair market rate (FMR) for a two bedroom apartment. Their annual *Out of Reach* report calculates a housing wage (i.e., amount a worker would have to earn per hour in a 40 hour work week to afford a two bedroom unit at the area's FMR).[3] The housing wage rate calculated for San Mateo County was $28.06. Using the minimum wage rate in California of $5.75 per hour, the report also calculated that a worker earning the minimum wage would have to work 195 hours per week in order to afford a two-bedroom unit at the area's FMR. Given the lack of affordable housing in the Bay Area, overpayment becomes a major issue for its lower income residents.

Overpayment involves the number of lower-income households, both owner and renter occupied, that are paying more than 30 percent of their monthly income for housing. The 1990 Census figures for “income by gross rent” and “monthly housing costs as a percent of income” were used to estimate the number of households that are overpaying. Gross rent is the contract rent, plus the estimated average monthly cost of fuels and utilities if these are paid by the tenant. Monthly housing costs for homeowners include mortgage payment, insurance and property taxes.

Income data for Daly City reveal a growing housing affordability problem. Median household income has not increased in line with housing costs. Between 1998 and 1999, the HUD area median family income increased by 5.5 percent. During this time period, the HUD FMR for a two bedroom rental unit increased by 18 percent. The average

[3] National Low Income Housing Coalition, *Out of Reach*, September 2000.

growth rate for the HUD area median income from 1997 to 2001 is 5.5 percent, while the average growth rate for the two bedroom FMR is 9.2 percent. According to Table 2.13 above for 1998 and 1999, the median price for a single family unit rose by almost 20 percent, while Condos/townhouses rose by almost 19 percent. Consequently, the two bedroom FMR growth rate between 1998 and 1999 also significantly exceed the rate of increase for the area median family income in this two year period.

Table 2.14: HUD FMR and Area Median Family Income ($) for San Mateo County

	1996	*1997*	*1998*	*1999*	*2000*	*2001*	*Growth Rate*
Area med. fam income	61,300	64,400	68,600	72,400	74,900	80,100	
% change		5.06	6.52	5.54	3.45	6.94	
Avg. growth rate 97-01							5.50
2 bd FMR	950	965	987	1,167	1,251	1,459	
% change		1.58	2.28	18.24	7.20	16.63	
Avg. growth rate '97-'01							9.18

Source: HUD

Tables 2.15 and 2.16 provide data on housing costs for homeowners and renters based on information from the 2000 Census. The data reflects that overpayment is an issue for more renters than homeowners. Thirty percent of owner-occupied respondents from all income groups spent greater than 30% of their household income on monthly housing costs (see Table 2.15). In comparison, forty-two percent of rental respondents from all income groups spent greater than 30% of their household income on housing costs (see Table 2.16). For both homeowners and renters, the percentage of households facing overpayment decreased as household income increased.

Table 2.15: Monthly Owner Costs of Households (HHs) as % of HH Income by Income Group, 1999

Owner HH income group	*> 30 % of HH Income*	*< 30% of HH Income*	*Not Computed*
less than 10K	80%	5%	15%
10K to 19,999	46%	54%	0%
20K to 34,999	49%	51%	0%
35K to 49,999	53%	47%	0%
50K to 74,999	43%	57%	0%
75K to 99,000	25%	75%	0%
100K +	5%	95%	0%
all income groups	30%	70%	2%

Source: 2000 Census

Table 2.16: Gross Rent of Households (HHs) as % of HH Income by Income Group, 1999

HH income group	*> 30% of HH Income*	*< 30% of HH Income*	*Not Computed*
Less than 10K	66%	3%	31%
10K to 19,999	86%	9%	5%
20K to 34,999	83%	15%	2%
35K to 49,999	56%	43%	1%
50K to 74,999	15%	83%	2%
75K to 99,999	3%	95%	2%
100K +	0%	99%	1%
All income groups	42%	53%	5%

Source: 2000 Census

OVERCROWDING

HUD defines "overcrowding" as having more than 1.01 persons per room. Balconies, porches, bathrooms, foyers, halls, utility rooms, unfinished attics, basements and other spaces used for storage are not counted as rooms. According to the 2000 Census, the City of Daly City had 7,945 overcrowded housing units or approximately 26% of all occupied housing units in the City. Based on an average household size of 3.34 persons from the 2000 Census, Daly City had an estimated population of 26,536 persons living in overcrowded units,. This is a 50% increase from the estimated number based on the 1990 Census which indicated 3.153 persons per household and 17,540 overcrowded housing units. The number of persons per household in Daly City has increased and continues to be greater than the persons per household figure for San Mateo County. Recent data from Census 2000 indicates an average household size for the County of 2.74 (up from 2.64).

Table 2.17 above shows the number of overcrowded units by tenure and census tract. Like the problem of overpayment recently discussed, overcrowding appears to be an issue more common to renters than homeowners. Fifty-six percent (56%) of overcrowded units are renter-occupied, and forty-four percent (44%) are owner occupied. Looking at the total number of housing units, nineteen percent (19%) of owner-occupied housing are overcrowded, and thirty-six percent (36%) of renter-occupied housing are overcrowded.

Table 2.17: Number of Overcrowded Units by Census Tract

			Owner Occupied		*Renter Occupied*		
	Census Tract	*Total Housing Units*	*Number of Units w/1.01-1.5 Persons per Room*	*Number of Units w/ 1.5+ Persons per Room*	*Number of Units w/1.01-1.5 Persons per Room*	*Number of Units w/1.5+ Persons per Room*	*Total (Percent Overcrowded)*
CITY-WIDE		30,727	1,736	1,776	1,553	2,880	7,945 (26%)
NEIGHBORHOOD							
Bayshore	6002	973	105	117	53	55	330 (34%)
S. Hills	6003	1,167	49	53	0	7	109 (9%)
Crocker	6004	2,209	200	290	82	79	651 (30%)
Hillside	6005	2,086	149	126	111	105	491 (24%)
Vista Grande	6006	1,406	99	149	88	172	508 (36%)
Top of the Hill	6007	1,948	165	175	101	260	701 (36%)
Westlake Apts.	6008	2,881	11	15	267	630	923 (32%)
Westlake Terr.	6009	1,463	46	37	9	26	118 (8%)
Skyline	6010	2,069	79	122	48	40	289 (14%)
Westlake/Southgate	6011	1,919	103	63	13	56	235 (12%)
Civic Center	6012	2,036	78	40	140	260	518 (25%)
East Market/Colma	6013	2,203	90	108	250	393	841 (38%)
St. Francis – North	6014	1,897	124	65	83	40	312 (16%)
St. Francis – Central	6015.01	1,303	149	84	40	31	304 (23%)
St. Francis - South	6015.02	1,731	16	0	135	469	620 (36%)
Franciscan MHP	6016.01	821	32	33	17	32	114 (14%)
Serramonte-Southeast	6016.03	1,853	68	102	54	109	333 (18%)
Serramonte – Southwest	6016.04	1,193	32	108	0	74	214 (18%)
Serramonte - North	6016.05	1,670	141	89	62	42	334 (2%)
Total Renter Occupied Units		12,242					
Total Owner Occupied Units		18,485					

Source: 2000 Census

C. HOUSING UNITS

HOUSING TYPE AND VACANCY RATES

Single-family residences continue to be the predominant type of housing in Daly City. The 1990 Census reflected that single family detached and attached units make up about 64 percent of all housing units, multi-family residences with at least three units comprise 31 percent, and mobile homes make up two percent. There was a seven percent increase in occupied year round housing units between 1980 and 1990 (see previous Table 2.8).

Estimates for the total number of housing units, occupied units and household sizes for the years 1995 to 2000 are presented in Table 2.18. This information from the State Department of Finance shows that 96 percent of total housing units were occupied. From the 1990 Census there were 29,063 housing units. The State Department of Finance estimated that there were 31,963 housing units in 2000, reflecting almost a 10 percent (or 2,900 units) increase in housing units in the past decade.

Table 2.18: Estimates of Housing Units, % Vacancy, Persons per HH, 1995-2000

	1995	*1996*	*1997*	*1998*	*1999*	*2000*
Single detached	14,483	14,588	14,693	14,723	14,775	14,800
Single attached	4,472	4,472	4,472	4,472	4,472	4,472
Multiple	11,539	11,710	11,896	12,010	12,058	12,064
Mobile Homes	612	612	613	619	621	627
Total Units	31,106	31,382	31,674	31,824	31,926	31,963
Occupied Units	29,917	30,182	30,463	30,607	30,705	30,741
% Vacant	3.82	3.82	3.82	3.82	3.82	3.82
Persons per HH	3.253	3.279	3.315	3.354	3.372	3.373

Source: State of California, Department of Finance, *City/County Population and Housing Estimates, 1991-2000, with 1990 Census Counts.* Sacramento, California, May 2000.

Table 2.19 shows the actual housing units from Census 2000. According to Census 2000 the actual number of housing units was 31,311. Between 1980 and 1990, there was a 9.4 percent increase in housing units. The percent increase in housing units is less than the percent increase in Daly City's population growth. This pattern has continued through 2000 where Daly City's population increased by 12 percent, but its housing units increased by only 4 percent.

Table 2.19: Daly City Housing Units 2000

Total housing units	31,311
Occupied housing units	30,775
Vacant housing units	536
For seasonal, recreational or occasional use	90
Homeowner vacancy rate	.3
Rental vacancy rate	1.7

Source: 2000 Census

Vacancy rates serve as good indicators of existing housing need. The difference between current vacancy rate and the optimal vacancy rates provides a good measurement of whether the market is responding to overall housing needs. For rental housing, the optimal vacancy rate is five-percent. With for-sale housing, a two-percent vacancy rate is optimal. The vacancy rates from Census 2000 of .3 percent for for-sale housing and 1.7 percent for rental housing indicate a tight housing market and a significant need for greater housing supply.

EXISTING HOUSING CONDITIONS AND REHABILITATION NEEDS

In June 2001, the Daly City Economic and Community Development Department conducted a city-wide windshield survey of existing housing conditions. Daly City last performed a housing condition survey in 1986. The results of the survey were organized according to census tracts as defined under Census 2000.

The rating criteria for the survey are the same ones used in 1986. A scale of one to four was employed as follows:

Rating	*Criteria*
1	*Housing structure is in sound condition and requires minimal improvements*
2	*Housing structure is in need of minor rehabilitation*
3	*Housing structure demonstrates the need for major or substantial rehabilitation*
4	*Housing structure is in critical condition that is beyond rehabilitating or economically infeasible to fix.*

The housing survey focused only on the exterior structural features visible from the street such as walls, stairs, roofs, porches, windows, doors, garages, and miscellaneous features (e.g., chimneys, gutters, fascias). As a result, the housing condition survey is inherently limited in determining the problems within each housing unit in the City and, therefore, does not represent the most accurate summary of housing conditions.

All existing housing structures, whether vacant, single family or multifamily, were evaluated under the survey. As for multifamily housing, the survey methodology generally assessed their conditions by building, not individual units. For instance, a building containing 15 apartment units was evaluated as one structure. A total of 19,870 residential structures were surveyed.

Table 2.20 displays the survey results for housing stock with minor, major or critical problems. The housing stock surveyed and determined to be in sound condition were not included in Table 2.20, which examines housing rehabilitation need, because they are not in need of rehabilitation assistance. The quantity of housing by census tract or City-wide in critical condition is negligible. Older neighborhoods east of Interstate 280 appear to have greater housing improvement needs. The Bayshore, Crocker, Vista Grande, Top of the Hill (i.e., Census tracts #6002, 6004, 6006, and 6007) neighborhoods, according to Table 2.20 contain up to 43 percent of the City's housing stock in need of minor improvements, 69 percent requiring major rehabilitation, and 88 percent in critical condition. These four census tracts contain some of the oldest housing in the City. Housing age, however, should not be assumed to automatically correspond to housing conditions without considering other factors such as regular and adequate maintenance.

Younger neighborhoods such as Skyline, St. Francis, and Serramonte (i.e., Census tracts #6010, 6014, 6015.01, 6015.02, 6016.03, 6016.04, 6016.05) have a larger quantity of housing in need of minor or major repairs than was revealed in the 1986 survey. One

explanation may be that the homes in these areas are showing the effects of aging and insufficient maintenance. Also, homes situated near the coast face greater exposure to moisture.

Table 2.20: Daly City Housing Conditions Survey Results, June 2001

		Number of Structures & Percent of Total by Condition					
Census Tract #	*Neighborhood*	*Minor*	*%*	*Major*	*%*	*Critical*	*%*
6002	*Bayshore*	544	21	54	30	3	33
6003	*Southern Hills*	75	3	2	1	0	0
6004	*Crocker*	175	7	19	10	2	22
6005	*Hillside*	94	4	1	1	0	0
6006	*Vista Grande*	129	5	27	15	1	11
6007	*Top of the Hill*	257	10	25	14	2	22
6008	*Westlake Apartments*	15	1	1	1	0	0
6009	*Westlake*	108	4	5	3	0	0
6010	*Skyline*	287	11	20	11	0	0
6011	*Westlake-Southgate*	61	2	2	1	0	0
6012	*Civic Center*	27	1	9	5	0	0
6013	*East Market*	62	2	2	1	1	11
6014	*St. Francis - North*	191	7	8	4	0	0
6015.01	*St. Francis - Southwest*	181	7	0	0	0	0
6015.02	*St. Francis - Southeast*	22	1	2	1	0	0
6016.01	*Franciscan Mobile Home Park*	25	1	0	0	0	0
6016.03	*Serramonte - Southeast*	192	7	4	2	0	0
6016.04	*Serramonte- North*	0	0	0	0	0	0
6016.05	*Serramonte - Southwest*	138	5	0	0	0	0
	Total	2,583	100	181	100	9	100

Note: reflect Census 2000 tract boundaries and numbers

The primary difference between the current housing condition survey and the previous one from 1986 is that results from the current survey show a larger number of housing structures throughout the City in need of minor (i.e., 2,558 structures versus 931 structures in 1986) and major (i.e.,181 structures versus 97 in 1986) rehabilitation. The combination of increased age and delayed upkeep seem to be possible factors justifying the differences. However, the number of homes in critical condition, while very small, decreased from 10 to nine between the 1986 survey and the most recently completed one. The City's existing housing rehabilitation programs and policies will continue to play an important role in improving the City's housing inventory.

Conversations with Code Enforcement personnel and a regional nonprofit agency providing legal assistance with housing issues have expressed concerns about the conditions of secondary units, particularly illegal secondary units. Both have cited cases where tenants have been living in illegal secondary units that are not maintained and pose health and safety issues. In response to this, the City adopted an ordinance requiring

property owners to provide relocation assistance to tenants forced to vacate their unit because of code enforcement activity.

City-wide, the median year of the construction of housing units in Daly City is 1962. An estimate of the maximum housing rehabilitation need of the City is derived by looking at the number and percentage of units built before 1960. This estimate of 14,003 units is 45% of Daly City's housing stock.

Table 2.21: Age of Residential Structures

Year Built	*No. of Units*	*% of Total*
1999 to March 2000	101	0.32
1995 to 1998	680	2.18
1990 to 1994	1,040	3.33
1980 to 1989	2,881	9.22
1970 to 1979	5,947	19.03
1960 to 1969	6,601	21.12
1950 to 1959	8,988	28.76
1940 to 1949	2,558	8.18
1939 or earlier	2,457	7.86
Total Units	31,253	
Median year	1962	

Source: 2000 Census

D. SPECIAL HOUSING NEEDS

"Special Needs" groups can be defined as persons with work disabilities, households with persons over the age of 65, large households, farmworkers, female headed households and households needing emergency shelter. This section looks at each of these groups and assesses their housing needs.

ELDERLY

The housing needs of the elderly are varied. Some elderly persons have substantial retirement incomes and own their own homes, while others live on limited incomes in substandard rental housing. The 1990 Census documented 9,877 persons to be 65 years of age or older. This is 10.7 percent of Daly City's population. The percentage of the senior population has declined since the 1980 Census when it comprised 18.3 percent of the City's population. The most recent Census information from the year 2000 documents that there are 12,486 persons that are 65 years and older: 5,159 males and 7,327 females. Twenty-nine percent of all households or 8,872 households have individuals that are 65 years and older.

Many of the elderly have unique housing needs such as poor health and infirmity, limited income, and mobility difficulties. Daly City Community Development Block Grant funds assist the elderly in several programs. Rehabilitation funds are available to provide

minor home repairs and handicap accessibility for disabled seniors. Many seniors take advantage of this program because the additional income from renting the unit supplements their limited retirement income. Groceries are provided to needy seniors through Operation Brown Bag, a program of Second Harvest Food Bank. The Doelger Senior Center offers a daily reduced price hot lunch for qualified seniors and provides a place for seniors to congregate and take part in recreational activities.

Table 2.22 shows that about 25% of the owner-occupied housing units (4,573) and 11% of rental housing units (1,362) are elderly households.

Table 2.22: Tenure by Age of Householder

Age	# of Persons
Owner Occupied	18,396
15 to 24 years	155
25 to 34 years	1,710
35 to 44 years	3,980
45 to 54 years	4,604
55 to 64 years	3,374
65 + years	4,573
Renter occupied	12,379
15 to 24 years	1,071
25 to 34 years	3,267
35 to 44 years	3,079
45 to 54 years	2,379
55 to 64 years	1,221
65 + years	1,362

Source: 2000 Census

FEMALE-HEADED HOUSEHOLDS

The 1990 Census documented 3,698 female-headed households in Daly City. This number constitutes 13 percent of all households. Of these female-headed households, 1,568 (42%) had children under 18 years of age. The 2000 Census indicates increases in these figures, reporting that there are 4,364 female-headed households, and 53 percent of these households (2,333) have related children under 18 years of age. Table 2.23 shows data on family households.

Female headed households with children often have special housing needs because these households usually have lower earnings than their male counterparts and are faced with the challenges of raising children on limited income. These factors result in a need for lower priced housing and affordable child care to be available in the community.

Daly City has established several programs to meet the needs of female-headed households. While not all of the programs listed below provide direct assistance for housing, they cover other necessary costs that allow more income sources to go towards housing costs. Child care costs can be almost as expensive as housing, and with large families it can actually exceed housing costs.

The City Council has allocated Community Development Block Grant (CDBG) funds to help meet an array of special needs. These include providing funds for local child care programs, and housing and supportive services that assist homeless families find permanent housing. The City's Community Service Center also provides information and referral for emergency housing and food services, clothing and other social services.

Table 2.23: Family Type and Presence of Children, 2000

Family Type	*Daly City*	*San Mateo County*
Married-couple family	16,785	134,739
w/ related children under 18 years	9,112	65,935
Other family	6,304	36,510
Male householder, no wife present	1,940	10,899
Male householder w/ related children under 18 years	865	5,525
Female householder, no husband present	4,364	25,611
Female householder w/ related children under 18 years	2,333	14,551
Total households	254,103	30,775

Source: 2000 Census

DISABLED

The 2000 Census indicates that 21% of Daly City's civilian non-institutionalized population over 5 years of age had a disability. The types of disability may include sensory, physical, and mental. Table 2.24 also highlights that the percentage of disability among the population increases with age. About 3% of persons between the ages of 5 to 15 years had a disability. In contrast, about 43% of persons 65 years and older were disabled..

Table 2.24: Daly City Disabled Civilian Non-institutionalized Populations 5 Years and Over By Age Group

Age Group	*Total*	*With One Type of Disability*	*With 2+Types of Disability*	*Percent with Disability*
5 years and over	96,374	9,790	10,748	21.3
		With One Type of Disability	*With 2+ Types of Disability*	% of Age Group with Disability
5 to 15	14,255	290	100	2.7
16 to 20	6,838	608	502	16.2
21 to 64	63,666	6,487	7,449	21.9
65 and over	11,975	2,405	2,697	42.6

Source: 2000 Census

The Center for Independence of the Disabled (CID) is a nonprofit community agency that provides assistance programs for disabled persons. According to CID, most disabled

households require accessible housing with special design features (e.g. appropriate dimensional reach, shelf heights, floor finishes, barrier free entrances and floor plans, and provision of turning radius for wheelchairs, etc.) The City provides support to CID's Housing Accessibility Modification program designed to address home architectural barriers that persons with disabilities face. The program provides a variety of relevant modifications to make homes safer and more accessible for disabled persons of all ages.

Data are not available on the number of disabled persons who, because suitable housing is not available, reside in housing that does not meet their special needs. The State Department of Social Service's Inventory of Community Care Facilities indicated that in January 1986 there was three residential care facilities in Daly City licensed for the care of disabled persons. These three had a combined capacity of twenty-two persons. In 1997, a new care facility with 49 beds was opened to care for persons with Alzheimer's disease. Currently there are about 20 residential care homes in the City.

LARGE HOUSEHOLDS

The Department of Housing and Urban Development defines a large family as having five or more persons. Table 2.25 indicates that approximately 23% of Daly City households are large families. This is an increase of 2% from the 1990 Census. Large families may require housing assistance due to increased household expenses and the need for larger living quarters. Sixty-five percent of housing units with five persons or more live in owner-occupied housing. Thirty-five percent live in rental housing units.

Table 2.25: Tenure by Persons in Unit

	# of units
Owner Occupied	
1 person	2,814
2 persons	4,728
3 persons	2,862
4 persons	2,630
5 + persons	3.843
Renter Occupied	
1 person	2,980
2 persons	3,033
3 persons	2,235
4 persons	1,755
5 + persons	2,183

Source: 2000 Census

FARMWORKERS

State Housing legislation has identified farmworkers as persons with special housing needs. This is because the wages are typically very low and the work is often seasonal. The 1990 Census reveals that less than 1% of the labor force are employed in agriculture in Daly City, and it is likely that this figure has decreased since the remaining agricultural land has been developed. There is not sufficient need for farmworkers housing in Daly City to justify the establishment of special housing programs. It is believed that persons in need of housing in this category will obtain assistance from programs available to all low-income persons.

HOMELESS

The San Mateo County Human Services Agency Office of Housing recently conducted a needs assessment of emergency shelter services in June of 2001. The report found that for FY1999-2000, the seven homeless service providers in the County made 833 referrals to emergency shelters and documented 828 individuals with unmet emergency shelter needs.[4] The service provider in Daly City made 33 referrals and reported 20 unmet shelter needs. The majority of the referrals and unmet shelter needs were reported in the central and southern parts of the County. There is limited data on the actual number of homeless in Daly City. The Daly City Community Services Center tracks its referrals for emergency shelter and reports these to the County who has taken the lead in coordinating services to the homeless in the County. The County's lead provides for a regional approach to addressing homelessness.

In 2000, a winter homeless shelter recently opened in South San Francisco when the shelter in San Mateo was closed. This northern location is closer to Daly City, making it more accessible for Daly City residents in need of emergency shelter. The County emergency shelter needs assessment made the recommendation that this shelter be open year-round, thereby providing 90 additional shelter beds throughout the year.

A family transitional shelter operated by Shelter Network is located in Daly City. The City provides financial support to this shelter as well as other shelters in the county. It also supports an emergency food pantry that was set up as a hot food program for the homeless.

[4] San Mateo County Human Services Agency Office of Housing. Emergency Shelter Services Needs Assessment, June 2001

E. AT-RISK HOUSING UNITS

California Government Code Section 65583 requires jurisdictions to evaluate the potential for low-income housing projects to convert to non-low income housing and to propose activities to preserve or replace the converted units. The following information is required:

- An inventory of restricted low income housing projects in the City and their potential for conversion;
- An analysis of costs for preserving and/or replacing the units at risk;
- An analysis of the organizational and financial resources available for preserving and/or replacing the units at risk;
- Quantified objectives for the number of at-risk units to be preserved;
- Programs for preserving the at-risk units

The State requires that the analysis include projects that are at-risk of converting during the next two five year planning periods under the Housing Element.

INVENTORY OF AT-RISK UNITS

This section identifies in Daly City the low-income units at-risk of converting to non low-income units during the next ten years and evaluates the likelihood of conversion.

This inventory includes all multi-family units which are assisted under a variety of federal, State, and local programs, including HUD programs, State and local bond programs, redevelopment programs and local in-lieu fees, inclusionary housing polices, density bonuses, and direct assistance programs. The inventoried units should be those eligible to change to non low-income housing uses due to termination of subsidy contract, mortgage prepayment, or expiring use restrictions. Within Daly City, there is only one government assisted low-income housing project (see description below) at-risk of converting to non low-income housing use during the next ten years.

Apartment Name:	*Villa Fontana*
Owner:	*G&K Management Co., Inc.* *5150 Overland Ave.* *Culver City, CA 90230*
Total No. Units:	*120 (of which all are targeted to elderly and/or disabled and 112 are Section 8 units)*
Type of Mortgage:	*HUD Section 236 Mortgage and Section 8 Agreement. While the Section 236 Mortgage contract does not expire until September 2016, the owner executed a HUD Mark Up-to-Market agreement on October 1, 1999 that prevents it from opting out of its project-based Section 8 contract until September 30, 2004.*

Amberwood Apartments in Daly City is no longer on the at-risk inventory for Daly City because it opted out in July 1999. Amberwood contains 123 elderly units. This project was originally funded with a HUD 221(d)(4) loan. All tenants in the complex now receive Section 8 vouchers from the San Mateo County Housing Authority. Presently, the owner of Amberwood Apartments is voluntarily participating in the Section 8 Voucher Program and has not indicated any intentions to discontinue program participation in the near future.

If owners of at-risk housing complexes wish to prepay the HUD loan or terminate their HUD contract, they must notify affected tenants and public agencies at least one year prior to sale or termination under federal and State law. In addition, State law requires that owners of at-risk multifamily buildings seeking to sell or end their HUD contract provides qualified organizations interested in maintaining the affordability of the units first right of refusal.

With the current state of high cost housing market in San Mateo County, it is difficult to assess whether the City's at-risk units will convert to market housing or not. However, the Villa Fontana ownership appears to find its HUD subsidies satisfactory as evident from its recently re-negotiated Mark Up-to-Market agreement for project-based Section 8. Meanwhile, Amberwood Apartments, which opted out in July 1999, continues using HUD assistance by accepting tenant-based Section 8 vouchers. There has been no noticeable discontent with HUD assistance from either Villa Fontana or Amberwood Apartments. The San Mateo County Housing Authority and HUD, not Daly City, have purview over Villa Fontana's HUD mortgage. The City will monitor its at-risk units on its own initiative and work with and support the County Housing Authority and HUD to make sure these units remain affordable (see Program 16 on Page 119).

COST ANALYSIS OF PRESERVATION AND REPLACEMENT

The following analysis examines the cost of preserving the units at-risk and the cost of producing replacement rental housing comparable in size and rent levels to the units which might convert to non low-income use. In addition, this analysis will compare the costs between preservation and replacement.

- *Preservation Costs*

  Bay Area, including Daly City, housing prices have undergone dramatic increases in recent years. A comparable apartment building in size and rents to Villa Fontana Apartments was recently listed for sale at $11.2 million, or $112,000 per unit. Applying this per unit estimate to Villa Fontana, with its 120 units, would result in a market value of approximately $13.4 million. The costs of preserving units discussed above factor in purchase, rehabilitation, and maintenance costs. Maintenance costs are assumed to be low for Villa Fontana given its age and excellent condition.

- *Replacement Costs*

  The cost of developing new housing depends on a variety of factors such as density, size of units, location and related land costs, and type of construction. Land costs in the Bay Area are among the highest in the nation. The cost to replace Villa Fontana Apartments has been estimated using average costs for land and construction in Daly City. The per unit replacement cost is estimated to be between $100,000 to $125,000 per unit. Consequently, the replacement cost for the 120-unit Villa Fontana Apartments would range from $12 million to $15 million. Based on the present day housing market and its inflated prices, the replacement cost for Villa Fontana is likely nearer the higher end of the range.

  Under the earlier analysis of preservation costs, it was assumed that HUD Section 8 subsidies would be available annually for existing and future owners of Villa Fontana Apartments. If Congress significantly cuts Section 8 appropriations in the near future, the estimated preservation costs for Villa Fontana would increase significantly. Based on the assessment of preservation and replacement costs, preserving the City's at-risk units appears to be the most cost-effective option.

RESOURCES FOR PRESERVATION

The types of resources available to preserve the at-risk low income housing units in Daly City fall into two categories: 1) entities, such as public agencies or non-profits, with the interest and capacity to purchase and/or manage at-risk units, and 2) financial resources available to purchase existing units or develop replacement units.

- *Public and Nonprofit Agencies*

  As part of the research for this section, local and regional private, non-profit housing organizations were contacted. They could not make a commitment to purchase the at-risk units in the future because the need to assume ownership and management of these units is speculative at this stage. They did state, though, that they were interested and would be willing to work with Daly City to preserve the long-term affordability of these units if necessary. The organizations contacted were Mid-Peninsula Housing Coalition, Citizens Housing Corporation and Mercy Charities Housing.

  The State Housing and Community Development Department (HCD) also maintains a list of qualified organizations, including nonprofit housing developers, who are interested in being given first right of refusal on any upcoming sale of federally-subsidized at-risk rental units in order to keep the units affordable.

- *Public Financing and Subsidies*

As a result of the high cost of purchasing and developing housing, intense competition for available funding, and restrictions on the use of funds, financing for the preservation and/or replacement of at-risk units will likely come from multiple sources. The following funding sources have been identified for use in purchasing at-risk units in Daly City. Because new funding sources may become available in the future, the list below should not be viewed as comprehensive.

1) Redevelopment Set-Aside Funds
State law requires redevelopment agencies to set-aside at least 20% of tax increment revenues for increasing and improving the City's supply of low and moderate income housing. Presently, the City has two Redevelopment Project Areas: Mission Street/Junipero Serra and Bayshore. Both Redevelopment Project Areas project positive revenue over the next five years.

2) State Programs
The State provides several financial resources for housing development activities, including the preservation or replacement of at-risk units, through its various agencies. Since many of the State housing programs have a competitive funding cycle, Daly City would, if the situation arose, identify the amount of funding needed to preserve or replace at-risk units and apply to the appropriate programs.

- *State Housing and Community Development Funds*
State HCD offers a variety of loans and grants for housing development. One current program is the Multifamily Housing Program, which awards deferred loans for acquisition, rehabilitation and new construction.

- *CalHFA Funds*
The California Housing Finance Agency (CalHFA) operates several programs targeting both multifamily and single family housing. CHFA's multifamily housing development programs offer a range of loans to assist in the acquisition and development of affordable rental units.

- *Tax Credits*
The California Tax Credit Allocation Committee, under the State Treasurer's Office, implements the federal and State low income

housing tax credit programs, which are available to eligible acquisition, rehabilitation and/or new construction projects annually through a competitive application cycle. State tax credits can only be received upon approval for federal tax credits. Because of the highly competitive nature of the funding process, projects awarded tax credits are targeted to very low-income renters. Public or private developers are eligible to apply.

3) CDBG Funds

Through the federal Community Development Block Grant (CDBG) program, the City provides grants and loans to a wide range of housing and neighborhood development activities. As an entitlement grantee, Daly City receives CDBG funds directly from HUD each year. The City has been averaging about $1.6 million in annual CDBG funding from HUD over the last four years which is allocated to five funding categories: general administration, housing, economic development, capital improvements and public services.

Over the last four fiscal years, an average of $500,000 has been allocated annually towards housing activities. However, the City commits the majority of its annual CDBG funds for housing activities towards residential rehabilitation. Under the City's Residential Rehabilitation Program, grants and low interests loans are available to eligible single family and multifamily property owners.

4) HOME Funds

Daly City, in conjunction with several local jurisdictions in San Mateo County and the County itself, form a consortium to receive Home Investment Partnership Program (HOME) funds from HUD. Being a consortium enables the participating jurisdictions to take a regional approach to meeting housing needs, have consensus on prioritizing proposed projects and allocations, and pool funds and human resources. The County administers the HOME funds.

Jurisdictions in the consortium apply to the County each year for HOME dollars. Each jurisdiction within the consortium has an opportunity to review and comment on all proposed applications. Daly City has focused its HOME applications and received HOME funds in the last few years for proposed acquisition and rehabilitation of multifamily units and for homebuyer assistance to households with emergency needs. The City will become a HOME PJ in FY 2003-04.

5) Other HUD Funds

Subject to annual Congressional appropriations, HUD will provide most – and in some cases all – of the financial incentives necessary for acquisition or maintenance of federally subsidized at-risk projects with existing

owners or other public or private entities like non-profit organizations. Some HUD funding sources include the following:

- *Restructured and/or renewed Section 8 contracts between existing owners and HUD to maintain or extend affordability of at-risk units. Villa Fontana Apartments chose this option by participating in HUD's Mark Up to Market Program and delaying any possibility of an opt out for five years.*

- *Section 8 Vouchers are available to tenants in at-risk multifamily units whose owners terminate their project-based Section 8 contracts to prevent any displacements. These owners can then voluntarily accept Section 8 tenant-based vouchers or else the tenants can seek out another rental unit since the vouchers are portable. If the tenants move, the vouchers will only pay up to the difference of the HUD rent standard and 30% of the tenant's monthly income.*

F. REGIONAL HOUSING NEEDS DETERMINATION

State law (Government Code 65583 (a)(1)) requires that a local Housing Element include a projection of the housing units by income category. State law (Government Code 65584) requires that the Association of Bay Area Governments (ABAG) determine the existing and projected regional housing needs of the Bay Area as well as each city's share of that regional need. Section 65584 of Article 10.6 of the Government Code states that:

> *"…a locality's share of the regional housing need includes that share of the housing need of persons at all income levels within the area significantly affected by the jurisdiction's general plan."*

The determination of existing and projected housing need takes into consideration the following six factors: (1) market demand for housing; (2) employment opportunities; (3) availability of suitable sites and public facilities; (4) commuting patterns; (5) type and tenure of housing; and (6) housing needs of farmworkers. In addition to these factors, Government Code also requires that the distribution of regional housing needs "seek to avoid further impaction of localities with relatively high proportions of lower income households." While the ABAG interpretation of this requirement is to avoid increasing housing disparities in the Bay Area, the projections assume a continuation of the status quo and, according to many, fail to adhere to a regional "Fair Share" concept. The table below shows ABAG's projection of housing needs for both Daly City for the 1999-2006.

As the table indicates, Daly City will need to provide 1,391 new housing units for the years 1999-2006 to meet the projected need as established by ABAG. ABAG estimates an average yearly need of 185 housing units during this time period. The City has disputed these figure with ABAG arguing that the projection does not take into account

the jobs-housing imbalance in the City nor the fact that Daly City has historically provided some of the more affordable housing in the Bay Area.

Table 2.26: Projected Housing Needs by Income Group, 1999-2006

Income Group	*Projected Need*	*Percent*
Very Low	282	20.3
Low	139	10.0
Moderate	392	28.2
Above Moderate	578	41.6
Total	1391	

Source: ABAG RHND 2000

G. ENERGY CONSERVATION

Due to the recent State energy crisis that has resulted in high energy costs in the form of both gas and electricity, residents are aware of the need to conserve. Consequently, many have become more aware of different energy conservation measures which are available to offset and control these increasing utility costs. The use of alternative energy sources such as solar energy help to reduce energy consumption in many new subdivisions in cities all across California. Besides the use of solar energy, which is most advantageous when incorporated n the design of new subdivisions, there are numerous other energy conservation measures such as weatherproofing and insulation that can be "retrofitted" into existing housing. Water conservation devices can also be installed in many houses to reduce the amount of water consumption by restricting the volume of water flow. These conservation measures are discussed briefly below.

Insulation and Weatherproofing

Even though a majority of the housing stock in Daly City is fairly new, many homeowners can reduce their utility costs considerably by weatherproofing and insulating their homes, particularly those who own houses constructed prior to 1950. Most of these older houses were constructed at a time when energy sources such as oil and natural gas were an inexpensive, seemingly unlimited resource. Little attention was paid to making sure that doors, windows and other openings were airtight when closed, as their primary function was to let light or air into the home. This has resulted in houses which are energy intensive, as they do not retain heat well because most of it escapes through these fixtures. This results in higher utility costs to the homeowner.

In order to conserve heat, a homeowner can install insulation in the attic and exterior walls to help prevent heat loss. In addition to this, window and doors can be retrofitted with airtight fittings, caulking and weather-stripping to minimize the amount of heat loss to the outside. Water heaters and their pipes can also be insulated which can effectively reduce the amount of heat loss.

The City of Daly City's Residential Rehabilitation Program provides grants and low interest loans to homeowners for home improvements. The installation of new window and doors, weather-stripping and insulation are eligible home improvements under this program.

Solar Energy

There are many different ways solar energy can be used to both heat and cool a house. As previously mentioned, the use of solar energy is most effective when designing new homes and subdivisions. However, solar energy devices such as solar water heaters, can be retrofitted to existing houses to help reduce energy consumption.

Solar energy systems are available in two types: passive and active. In passive solar energy systems, the building design and orientation play a major role in the effectiveness of the system. Passive solar buildings are usually constructed of dense materials such as concrete to better absorb the heat and have a southerly orientation in order to maximize solar exposure. The use of glass on the southern side maximizes solar gain.

Active solar energy systems utilize solar panels of different types to collect and store solar energy in the form of heated air or water. These systems use mechanical pumps to circulate the heated water through the house either for direct use or into a heat exchanger to heat swimming pools or hot tubs or other large masses of water.

While the use of solar energy is a cost effective and environmentally sound way of heating and cooling a home, the use of both active and passive solar energy systems in Daly City is limited by several factors. First, in order to effectively use passive solar systems, subdivisions and new homes must be designed to maximize solar exposure. Due to the nature of the existing housing in Daly City, it is difficult to design small, infill style subdivisions to utilize passive systems and integrate them with the existing housing. Second, there is a limited amount of vacant developable land that could accommodate large subdivisions which could utilize passive designs. Third, the generally foggy climate of the City detracts from the use of active solar systems year round.

While these constraints must be considered, there are still opportunities within Daly City to utilize some forms of active and passive energy systems. As previously mentioned, existing houses can be retrofitted with solar panels to heat water for domestic uses. These can be cogeneration systems which allow for the use of a conventional water heater to provide hot water when the solar panels cannot provide one hundred percent of the heating. Also, passive solar design can be incorporated into developments that acquire a Planned Development zoning designation. The Planned Development designation allows for alternative designs, which could not be developed under standard zoning designations.

Water Conservation

Water conservation can also be considered a viable means of energy conservation. Water conservation methods can result in the savings of thousands of gallons of water per household per year. The installation of plumbing fixtures such as low flow shower heads, faucets and toilets are inexpensive ways of conserving water. Other water conservation methods include the use of drought resistant landscaping around the house to reduce the need for irrigation and, as a result, water consumption. The City has initiated a water conservation effort in an attempt to ease wastewater flows to the North San Mateo County Sanitation District treatment plant.

H. SUMMARY OF FINDINGS

Demographics and Employment

- Between 1990 and 2000, Daly City's population increased by 12%. Between 1980 and 1990, the population increased by 17%.

- The 2000 Census indicates that Daly City makes up 14% of San Mateo County's population. It is the most populous city in the County.

- ABAG 2000 Projections project that Daly City's population growth will begin to decrease after the year 2000.

- According to Census 2000, the age composition of Daly City is similar to that of San Mateo County. The median age of Daly City residents is 35.4 years.

- Census 2000 indicates that Hispanics or Latinos, Asians, and Whites make up 90% of Daly City's population:

  a) Hispanic or Latino - 22%
  b) Asian (not Hispanic or Latino) - 50%
  c) White - 25.9%, White (not Hispanic or Latino) - 17.7%

  Blacks make up 3.4% of the total population. Filipinos consist of 32% of the entire Daly City population. Filipinos in Daly City constitute 55% of the County's Filipino population.

- Historically, Daly City has had a jobs-housing imbalance, with 2.5 employed residents for every job in the community.

- Fifty percent of Daly City's working residents are employed in San Francisco.

  Daly City is generally less affluent than San Mateo County as a whole. Daly City's median income for 1999 was $62,310, while the County median income was $70,819.

- Seven percent of Daly City's population, according to the 2000 Census, was below poverty level. About 20 percent was estimated to be low income and 24 percent was estimated to be very low income.

Household Conditions

- Census 2000 indicates that about 60% of Daly City's housing units are owner-occupied and 40% are rental.

- Household income has not increased in line with housing costs. HUD area median family income grew at an average of 5.5% between 1997 and 2001. During this time period, HUD fair market rate for a two bedroom increased by 9.2%.

- More renters face overpayment than homeowners. Thirty percent of owner-occupied residents spent greater than 30% of their income on housing costs, as compared to 42% of renters.

- Census 2000 indicates an average household size of 3.34 persons.

- More renters are subject to overcrowding than homeowners. Fifty-six percent of overcrowded units are rentals, and 44% are owner occupied.

Housing Units

- Census 2000 indicates that there are 31,311 housing units in Daly City. This is an increase of 4% from 1990 and reflects that the housing supply is not keeping up with population growth. Daly City population increased by 12% since 1990.

- Daly City has a tight housing market. Census 2000 reports that its homeowner and rental vacancy rates (.3 % and 1.7 percent, respectively) fall below the optimal vacancy rates of 2% and 5%, respectively.

- The median year for the construction of housing units in Daly City is 1962. Forty-five percent of Daly City's housing stock was built before 1960.

- The Housing Conditions Survey conducted in 2001 indicates that 2,583 housing structures are in need of minor rehabilitation and 181 are in need of major rehabilitation. The survey shows an increased need for housing rehabilitation since the last Housing Conditions Survey was conducted in 1986.

Special Needs Housing

- The 2000 Census indicates that twenty-nine percents of all households or 8,872 households have individuals that are 65 years and older.

- The 2000 Census reports that there are 2,333 female-headed households with related children under 18 years of age.

- About 21%of Daly City's population over 5 years of age report having at least one disability. . Daly City has several licensed care facilities to serve disabled persons. It also supports the Center for Independence of the Disabled, a nonprofit with various programs for the disabled.

- The 2000 Census reports that 23 percent of Daly City households are large families. Sixty-five percent of housing units with five persons or more are owner-occupied housing. The remaining 35% are rental units.

- Daly City provides funding for a family transitional shelter in its jurisdiction, as well as well as another transitional shelter and two emergency shelters located outside the City, but within the County.

- There is not a need for farmworker housing in the City.

At-Risk Housing Units

- Villa Fontana, with 120 affordable units, is the one at-risk housing development in Daly City. It is estimated that it would cost $13.4 million to acquire the development for preservation.

- Funding resources for preservation are limited because the need for such funds exceeds supply. Funding resources that may be available to Daly City include Redevelopment Set-Aside Funds, Housing and Community Development funds, CalHFA, Tax Credits, CDBG, and HOME funds.

Regional Housing Needs Determination

- The regional housing needs determination for Daly City projects a construction need of 1,391 new units. Twenty percent of these units are to be affordable to very low income persons, 10% to low income persons, and the remaining 70% to moderate and above moderate income persons.

Energy Conservation

- Due to the recent State energy crisis, the need for conservation has become increasingly important. Insulation and weatherproofing, use of solar energy, and water conservation are means to cut down on energy costs.

3. REVIEW OF 1993 HOUSING ELEMENT

As required by the California Government Code Section 65588, updates to the Housing Element must include a "review and revise" evaluation of the previous Housing Element. This evaluation consists of a three-step process involving a review of each of the following:

1. *Effectiveness of the Housing Element - review outcomes of the previous Element's goals, objectives, policies, and programs.*
2. *Progress in implementation - compare outcomes to what was projected and analyze the difference.*
3. *Appropriateness of goals, objectives and policies - based on the above analysis, describe how the updated Element's goals, objectives, policies, and programs will be changed to address the shortfalls and incorporate lessons learned.*

Section A looks at the goals, objectives and policies of the previous Housing Element and evaluates the effectiveness and progress in implementation. The 1993 goal and objectives are stated in text boxes and followed by a discussion and analysis. Section B discusses the appropriateness of goals, objectives and policies; and Section C provides a review of the programs.

A. EFFECTIVENESS OF THE ELEMENT/PROGRESS IN IMPLEMENTATION

GOAL

It is vitally important that locally responsible government institutions give priority attention to preserving and enhancing Daly City's residential environment, so persons of all ages, races and incomes can choose to live here in safe, attractive and affordable housing

This goal from the previous Housing Element is not readily evaluated because it is a general statement of what the City of Daly City aims to accomplish. However, the goal statement has adequately guided the City in setting its far-reaching policies and programs that encourage safe, decent, attractive and affordable housing to all persons. In a broad sense, this goal has been effective and achieved. On a more detailed level, however, it is through the evaluation of the policies and programs below that this goal can be measured.

CONSTRUCTION OBJECTIVE

- Encourage development of approximately 210 units/year over next five years
- Encourage development of 200 units/year in the following five years
- Twenty-six percent of units built each year will be affordable to lower income households

The construction objective set in the previous housing element and as stated above was to encourage the development of 2,050 housing units in a period of ten years. Twenty-six percent of these units, or 533 housing units, were to be affordable to lower income households.

Data on housing construction from 1991 to 2000 indicate that the City has not produced the desired number of new housing units. Based on current data[5], the City produced 56% of its new construction objective, or 1,157 housing units. In 1991, the City exceeded its annual objective for construction by building 388 units. However, annual housing construction did not reach 200 units in the years that followed. According to Table 3.1, all new construction for moderate and above moderate income persons have been for owner occupancy. Alternatively, almost all of the new construction for very low and low income persons have been rental. The few exceptions to this pertain to mobile home units.

Secondary units, for this analysis, are assumed to be affordable to very low income persons. This assumption is based on observations that secondary units often house extended family members and do not offer as many amenities as other rental units. Between 1991 and 2000, there were 540 units affordable to very low and low income persons built. This is about 47% of the total new construction during this ten year period. Although affordable units did not comprise 26% of all units built annually, the units affordable to lower income persons exceeded 26% of new construction over the ten year period. About 29 percent of the affordable units were secondary units.

REHABILITATION OBJECTIVE

- Rehab 25 units/year over next five years
- Rehab 30 units/year in the following five years
- Within next 10 years, correct 90% of residential buildings with major or critical deficiencies as identified in Housing Conditions Survey

The rehabilitation objective set in the previous Housing Element was to rehabilitate 275 housing units over a ten year period through the City's Residential Rehabilitation

[5] Data based on the number of Certificate of Occupancies (CO's) issued. From 1991 to 1998, these numbers were derived from Planning's annual report to the Department of Finance. After 1998, the COs were counted because the annual reports began using permits issued. Unlike the annual reports, these numbers are adjusted to not include legalized second units

Table 3.1: Housing Production, 1991-2000

	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	Total 91-00
Very Low*	34	15	73	12	2	19	30	2	0	0	187
Owner occupancy	0	0	0	0	0	0	0	0	0	0	0
Rental	34	15	73	12	2	19	30	2	0	0	187
Low	142	54	19	10	0	27	40	22	18	21	353
Owner occupancy	0	0	0	0	0	17	6	0	7	13	43
Rental	142	54	19	10	0	10	34	22	11	8	310
Moderate	114	12	21	10	0	0	0	0	0	0	157
Owner occupancy	114	12	21	10	0	0	0	0	0	0	157
Rental	0	0	0	0	0	0	0	0	0	0	0
Above Moderate	48	11	0	45	107	107	30	70	31	7	456
Owner occupancy	48	11	0	45	107	107	30	70	31	7	456
Rental	0	0	0	0	0	0	0	0	0	0	0
Total	338	92	113	77	109	153	100	94	49	28	1,153

* Secondary units are assumed to be affordable to very low income households.
For 1999 and 2000, they are assumed to be affordable to low income households.

Program. Many of these units to be rehabilitated were to have been those identified as having major or critical deficiencies in the Housing Conditions Survey of 1986. Table 3.2 provides the number of units that have received rehabilitation assistance through the City's program. The program offers several types of rehabilitation assistance (i.e., complete rehabilitation loan, senior minor home improvement grant, roof only loan, etc.), and some units have received more than one type of assistance. Between 1991 and 2000, there were 131 housing units that benefited from the City's Residential Rehabilitation program. This is 48% of the rehabilitation objective.

Because the City Residential Rehabilitation Program is a voluntary program, it is difficult to directly affect the number of residents that participate in the program. Program outreach is primarily done a couple of times a year when information about the program is included with the mailing of utility bills to every Daly City household. In addition, information about the program has recently been made available on the City's web site.

Participants of the Residential Rehabilitation Program must meet program requirements. In fact, the majority of program participants have been very low income persons who may not have otherwise had the financial means to do repairs to their homes. A large number of homes that have participated in the City's Residential Rehabilitation Program are located in neighborhoods east of Interstate 280 that were identified in the previous Housing Element as having the highest concentration of dilapidated units.

Table 3.2: Units Receiving City Rehabilitation Assistance, 1991-2000

	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000
# of Units	20	7	7	12	10	10	19	20	13	13
TOTAL							131 units			

Source: City of Daly City Residential Rehabilitation Program

The City does not keep track of privately rehabilitated units and is therefore unable to account for residential rehab that may be undertaken by households of moderate and above moderate incomes. The previous housing element indicated that the Division of Building Inspection estimated that about 2,400 units per year were privately rehabilitated between 1987 and 1989. However, an updated estimate could not be provided by the current Division of Building Inspection.

CONSERVATION OBJECTIVE

- Conserve existing low income housing projects that have been identified as being "at-risk": Amberwood Apartments (123 units) and Villa Fontana (120 units).

In addition to the objective stated above, the conservation objective of the previous Housing Element also made reference to "avoid actions that would adversely affect existing, sound dwellings… [maintain] a balanced housing supply by discouraging the demolition of lower cost housing that would be replaced with more expensive housing…"[6] These references are discussed in the policies review section below since they were incorporated into policies and not stated in quantifiable objective terms.

Since the adoption of the previous Housing Element, Amberwood Apartments has "opted out" of its federal mortgage obligations by prepaying the balance of its HUD 221(d)(4) loan. Consequently, its 123 units are no longer mandated to be at below market rate. The City made contact with Amberwood Apartments prior to its opting out but received no response. Presently, the owner of Amberwood Apartments is voluntarily participating in the Section 8 Voucher program which allows its elderly low income residents to continue residing there. The City is in contact with Amberwood Apartments and will monitor, along with the San Mateo County Housing Authority, its Section 8 status.

Villa Fontana Apartments recently renewed its HUD contract to maintain its 120 units as affordable. More information is provided on at-risk housing in Section E of Chapter 2.

REPLACEMENT OBJECTIVE

- Remove all buildings identified as not suitable for rehab: 15 units over 5 years, 30 units over 10 years.

The replacement objective of the previous Housing Element was based on the number of demolition permits the City historically issued, which comes out to about three demolition permits per year. Replacement is a means to remove dilapidated buildings from the housing stock and stem the negative effects to neighborhoods of unsafe and unsanitary buildings.

[6] Daly City Housing Element, adopted May 24, 1993, Section 4, p33

Table 3.3: Housing Units Lost

	1991-1996	*1997-2000*	*Total*
Housing Units Lost	15	30	45

Source: Daly City Planning & Building

Between 1991 to 2000, a total of 45 housing units were lost. Twenty-five of these units were single family dwellings demolished in 2000. These homes were adversely affected by a landslide and deemed unsafe. The City provided relocation assistance to its residents.

POLICIES

Objective #1

Policy 1.1: Support infill housing on appropriate sites in existing neighborhoods.

As most of Daly City is already built out, many of the new units that have been built are infill construction in existing neighborhoods. The housing units built in recent years include two mixed-used developments on underutilized parcels along Mission Street resulting in the creation of 71 units of housing.

Policy 1.2: Foster housing development on suitable, surplus public lands.

The previous Housing Element identified six parcels of surplus public land as possible sites for housing development[7]. A total of 180 housing units have been built on these parcels, and 36 units are under construction. The current status of these sites are described in detail below:

1. Vista Grande School Site: A mixed use facility was completed on this site in 1996. Mercy Charities Housing, a nonprofit housing developer, worked with the City to develop Vista Grande Family Apartments. In addition to serving as developer, Mercy is the owner and property manager. Vista Grande Apartments is a mixed use complex that has 24 rental units, all of which are affordable to lower income households.
2. Savage School Site: The 109 single family market rate units built on this site constitute the Traditions subdivision.
3. 87th and Edgeworth: The City recently entered into a Development and Disposition Agreement (DDA) with a developer to provide neighborhood-serving commercial uses on this site. An automotive repair shop was recently completed and is in operation.
4. Crocker School Site: The construction of 36 single family units is currently in progress on this site.

[7] Ibid., p34

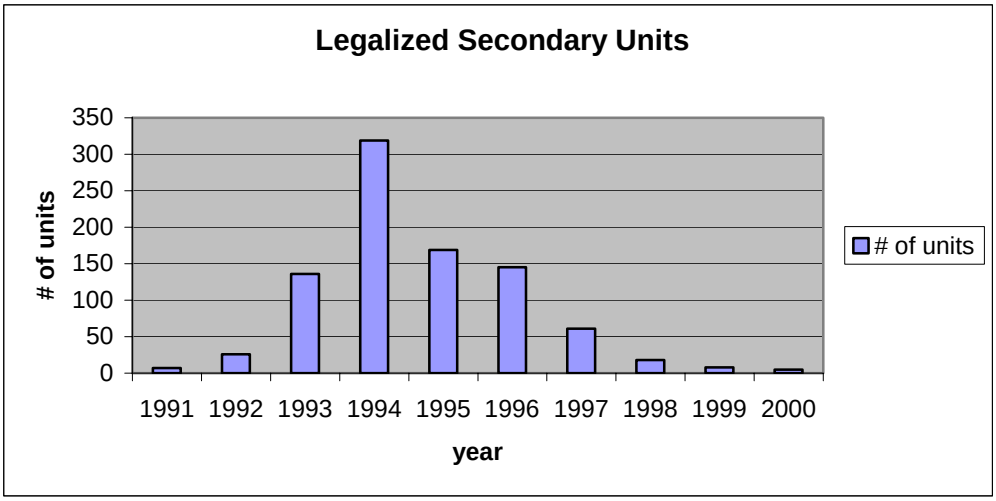
5. Landmark: Development proposals were under consideration and a developer was selected. Proposals were for a mixed use development with the residential units containing some affordable units.
6. St. Vincent de Paul: Mercy Charities Housing worked with the City to build a new mixed use building that includes 47 affordable rental units, all of which are affordable to lower income households

Policy 1.3: Continue to allow secondary units in single-family neighborhoods.

Secondary units continue to be allowed in single-family neighborhoods provided that certain requirements are met. These requirements include that one of the two units shall be occupied by the owner(s) of record and that two off-street parking spaces shall be provided for each secondary unit. Between 1991 and 2000, there were 146 new secondary units built.

In addition to the new stock of secondary units, a total of 894 existing illegal secondary units built prior to 1992 were legalized. Figure 3.1 shows the number of illegal secondary units legalized per year. The large numbers of units between 1993 and 1996 reflect the impact of Project Homesafe, a program offered twice from 1992 to 1996, to help legalize secondary units. Project Homesafe did not add to the existing housing stock, but it did add to its stability and ensure that 894 Daly City households resided in safe and sanitary living conditions.

Figure 3.1



Policy 1.4: Disapprove of housing in areas not suited for residential use.

The City has discouraged and, where appropriate, prohibited the development of new housing in areas not suitable for residential use. The Planning Division reviews plans for development and construction of housing to ensure that all residential developments are safe and in compliance with the General Plan.

Policy 1.5: Assure that standards for new housing construction adequately safeguard life and property.

The Uniform Building Code is intended to assure that new residential construction meets or exceeds minimum standards. The City adopts the latest building codes and enforces these. The standards are vigorously enforced through the review of plans and through inspections at various stages of construction. The Building department conducts multiple inspections for each new unit built.

Objective #2

Policy 2.1: Establish zoning controls and density limits, which maintain the prevailing character of existing neighborhoods.

This policy affects new housing development as well as modifications in the existing housing stock. The Zoning Map was revised in 1998 and incorporated zoning controls and density limits that complement existing neighborhoods. Zoning ordinance standards are periodically reviewed and, where necessary, revised in light of this policy.

Policy 2.2: Encourage higher density residential development in areas where such development will not have adverse effects.

Throughout the 1990s, Daly City has encouraged the development of new housing, particularly in areas where underutilized and vacant properties exist. In the latter part of the 1990s, Daly City worked with a non-profit developer to complete the development of two, new mixed-use developments on underused parcels along Mission Street: Vista Grande Family Apartments (1996) and School House Station Family Apartments (1997). These projects have higher than average densities for Mission Street.

During the winter of 2001, the City marketed the Landmark property, which is 1.52 acres and located in the Top-of-the-Hill neighborhood. A total of 4 proposals were received and a developer was chosen. This development will eventually provide commercial space and over 90 residential units. It is anticipated that about 15 percent of the new residential units will be made affordable to lower income households.

Policy 2.3: Allow mixed residential/retail or office uses along the Mission St. Corridor.

Two mixed-use developments have been completed along the Mission St. Corridor within the last five years. See Policy 2.2.

Objective #3

Policy 3.1: Assure that existing housing is maintained in a decent, safe and sanitary condition.

The City has a Code Enforcement Program that carries out this function. In 2000, the City added a code enforcement technician to expand the City's code enforcement efforts.

During FY 1999-2000, 80 percent of code enforcement cases were closed within 30 to 45 days, a much faster process than in previous years. In addition to the Code Enforcement Program, the Fire Department systematically inspects apartment buildings for safety.

Policy 3.2: Operate a residential rehabilitation loan program that meets the needs of the low and moderate-income population.

The results of this program have been discussed in the preceding section under Rehabilitation Objectives. The results indicate that a majority of participants in the program have been very low income households.

Policy 3.3: Establish an incentive program for voluntary housing rehabilitation.

The City offers several housing rehabilitation grant and loan programs. These programs not only provide financial resources, but practical assistance with home inspection, work write-ups, contractor selection, construction administration and contractor payment. In addition, the City provides CDBG funds to several non-profit organizations that offer home repair services free of charge to eligible residents.

Policy 3.4: Assure the timely correction of code violations.

The timely correction of code violations is a high priority. In FY 2000, a code enforcement technician was added to the City staff, thus enabling the Code Enforcement Program to address more cases in a more rapid fashion. During 1999-2000, eighty percent (80%) of enforcement cases were closed in 30 to 45 days, which is an improvement from earlier years.

Objective #4

Policy 4.1: Establish incentives for the inclusion of low income units in new residential developments.

The City adopted an inclusionary housing policy in the Mission Street/Junipero Serra Redevelopment Project Area during the early 1990s. This policy complies with State Redevelopment Law by having all developments of 27 or more units set aside at least 15 percent of the units as affordable to low income households and six percent of the total units must be reserved for very low income households. Presently, the City is examining the adoption of both an inclusionary housing policy in the Bayshore Redevelopment Project Area and City-wide.

Policy 4.2: Use the financial resources available to the City to reduce the cost and increase the amount of affordable housing.

Table 3.4 demonstrates that the City has used diverse financial resources to reduce the development costs and increase the amount of affordable housing. It has allocated CDBG monies, Redevelopment monies, HOME funds, low income housing tax credits and bond issuances to meet its housing needs.

Table 3.4: Utilization of Financial Resources for Housing

Project and Description	Funding Sources
Hillside Terrace: Acquisition/Rehabilitation, 18 unit multifamily apartment complex. Completed in 2000.	• Daly City CDBG: $100,000 • HOME Consortium: $754,500 • Bayview Bank Bridge Loan: $800,000
Schoolhouse Station: New Construction, 47 unit multifamily apartment complex with ground floor commercial space. Completed in 1997.	• Daly City CDBG: $256,500 • Daly City Redevelopment Agency: $512,500 • HOME Consortium: $600,000 • San Mateo County CDBG: $234,041 • Low Income Housing Tax Credit Equity: $5,024,500 • Allied Irish Bank: $7,611,914 (construction loan only) • California Community Reinvestment Corp: $2,961,000
Serramonte Ridge Apts: 396 unit development refinanced with City-issued revenue bonds contingent on providing 79 units of BMR units. Bonds issued in 1996 and again in 1999.	• $20,300,000 in Housing Revenue Refunding Bonds - Issue A • $9,000,000 in Housing Revenue Refunding Bonds - Issue B
Vista Grande Family Apts: New Construction, 24 unit multifamily apartment complex with ground floor commercial space. Completed in 1996.	• Daly City CDBG: $365,000 • Daly City Redevelopment Agency: $444,500 • HOME Consortium: $250,000 • Low Income Housing Tax Credit Equity: $2,443,458 • Allied Irish Bank: $3,121,862 (construction loan only) • SAMCO: $1,025,000

Source: Daly City FY99-00CAPER, FY97-98 Action Plan/FY95-97 Three Year Plan

Policy 4.3: Allow construction of a variety of cost reducing, innovative housing types.

Modular houses and mobile homes provide additional housing for low and moderate income households. Daly City enacted a prefabricated housing ordinance pursuant to the requirements of State law.

Policy 4.4: Streamline the permit process to expedite housing construction.

Over the last several years, Daly City has shown significant progress in streamlining its building permit process. During 1999-2000, approximately 5,700 permits were issued with over 89 percent issued the day an application was filed. The City also conducted over 2,707 reviews of building plans submitted under 1,137 applications. Nearly 95 percent were reviewed in two weeks or less. Over 40 percent were reviewed the same day, using the Express Plan Check service.

Policy 4.5: Make maximum use of available State and federal housing programs.

See Table 3.4.

Policy 4.6: Ensure that City amendments to and interpretations of construction-related codes and ordinances do not unnecessarily increase the cost of construction.

The City adopts the latest Uniform Building Codes which are updated every three years to reflect changes due to factors such as technology. The Building Division regularly reviews its local amendments to the building codes to ensure that such amendments do not unnecessarily increase the cost of construction. In July 1999, in line with this policy, the City eliminated local amendments that restricted wiring methods. This helped to reduce the cost of construction in some areas.

Policy 4.7: Utilize a majority of the City's annual Community Development Block Grant entitlement directly for housing and infrastructure programs that benefit low and moderate income households.

As an entitlement community, the City receives a direct CDBG allocation from HUD each year. Table 3.5 provides information on how much of our annual CDBG allocation has been used for housing in recent years. Table 3.5 indicates that for the past two fiscal years, the City has used 30 percent of its CDBG funds for housing. The figures do not include capital improvements to parks located in low and moderate income neighborhoods. Nor do the figures include how much has been spent towards supporting homeless shelters with CDBG funds.

Table 3.5: CDBG Allocations for Housing

Fiscal Year	Total CDBG Available	Housing Allocation/ Percentage
1997-98	$1,936,054	$442,500/ 23%
1998-99	$1,836,763	$447,000/ 24%
1999-00	$1,824,526	$460,000/ 25%
2000-01	$2,128,903	$645,000/ 30%
2001-02	$2,041,010	$603,721/ 30%

Source: City of Daly City HCD

Objective #5

Policy 5.1: Prevent housing discrimination based on age, race, religion. sex or ethnic background.

The City annually funds Project Sentinel to combat housing discrimination and educate about fair housing. It also funds the Legal Aid Society and La Raza, nonprofits providing legal assistance on a variety of landlord/tenant issues including housing discrimination.

Policy 5.2: Promote adaptability and accessibility of residential units for disabled occupants.

The City financially supports the Housing Accessibility Modification (HAM) program sponsored by the Center for Independence of the Disabled. The HAM program provides modifications to residential units to make them more accessible to their disabled or elderly occupants. Modifications include grab bars, ramps, shower heads, and hand rails.

Policy 5.3: Encourage economic integration in housing.

The City has encouraged economic integration in housing by working to ensure that affordable housing developments not be concentrated in limited areas of the City, but rather, that they be distributed throughout the City. The Daly City Redevelopment Agency has implemented an inclusionary housing policy for the Mission/J.S. Redevelopment Project Area requiring developers to set aside a portion of new units for low and moderate income households. Also, allocation of units for low and moderate income households and rent restrictions were a condition of the City's bond issuance (and subsequent bond refinancings) for the 396-unit Serramonte Ridge Apartment complex.

Policy 5.4: Support a balanced distribution of quality residential care facilities.

In 1997, a new 49-bed residential care facility to treat seniors with Alzheimer's disease was approved and built in Daly City. There were only two other applications regarding residential care facilities that were submitted between 1991 and 2000, and both were approved. Residential care facilities with six patients or less do not require a use permit, but these are inspected regularly by the Fire Department.

Policy 5.5: Provide financial assistance to lower income households in emergency situations.

The Daly City Community Service Center provides emergency food, shelter, transportation and other emergency needs including counseling, advocacy and information and referral to a wide variety of human service programs in San Mateo County. In 1999-2000, the Community Service Center assisted over 900 households. In addition, the City provides funding to over 20 social service providers in the County who offer services such as emergency housing, food, clothing, legal services and crisis intervention.

Policy 5.6: Expand home ownership opportunities.

The City will be conducting its first set of homebuyer education seminars and counseling sessions in Fall 2001. It continues to explore financial assistance possibilities to low and moderate income households. It has recently engaged with other cities in San Mateo County to coordinate a regional first-time homebuyer financial resource.

Policy 5.7: Support the development of rental housing.

As discussed previously, the City has helped finance and leverage financing for the development of rental housing units, particularly rental housing for low and moderate income households. See Table 3.4.

Objective #6

Policy 6.1: Encourage the development of well-designed housing.

The City's Planning Division devotes a significant portion of its time to the review of plans and designs of new housing. The goal is to ensure that all new housing is safe, attractive and consistent with all relevant building codes. In addition, the Building Division also conducts plan reviews. The City's Design Review Committee also has input into a wide range of residential projects. Also, the Mission St./J.S. Blvd. and Bayshore Redevelopment areas both have guiding urban design plans.

Policy 6.2: Assure housing is provided with adequate public improvements, service and amenities.

The Planning and Building Divisions' reviews carried out prior to issuance of building permits for new housing routinely includes a consideration of adequate infrastructure, access to public transportation and on-site amenities such as parking and open space. In addition, the Water and Wastewater Resources Department provides input on all proposed residential developments to assure that adequate infrastructure may be provided.

Policy 6.3: Minimize the disruption caused by institutions expanding into or adjacent to residential areas.

There have been no instances of institutions expanding into or adjacent to residential areas since the last Housing Element Update.

Objective #7

Policy 7.1: Educate the residents in energy conservation and heighten energy awareness.

The City has included information in its quarterly newsletter about energy conservation and awareness.

Policy 7.2: Actively enforce the Title 24 Energy Efficiency Standards.
The City has actively enforced these standards by requiring statements from development applicants that their projects will comply with Title 24 Energy Efficiency Standards. Inspections are conducted on-site to verify the statements.

Objective #8

Policy 8.1: Encourage the relocation of sound housing units that are threatened by development activities or natural forces.

There have been very few housing units threatened by development activity because the City discourages development that will result in the loss of housing units. In 2000, the City determined that several homes in the Westline Drive neighborhood were no longer habitable because the potential for a landslide disaster had been noticeably exacerbated as a result of the 1998 El Nino storms and inclement weather the following years. The City Council declared the area a local emergency in February of 2000. The City evaluated the possibility of moving the homes to another area but concluded, based on the conditions of the homes and hillside and the logistics of transporting the homes over steep terrain, that moving the housing units to another permanent location was economically infeasible. All homeowners that were forced to evacuate their homes received relocation assistance.

Policy 8.2: Protect apartment dwellers who are affected by a proposed condominium conversion.

There have been no proposed condominium conversions within the last ten years.

Policy 8.3: Provide relocation services where publicly financed actions cause displacement

During the last ten years, there have been no publicly financed actions that have caused displacement of Daly City residents aside from the mandatory relocation of residents living on Westline Drive (see Policy 8.1 review above) due to safety concerns. Relocation assistance was made available to all residents through FEMA, and those residents income-eligible received some assistance through HOME funds.

Policy 8.4: Preserve the 223 existing low-income housing units, which are at risk of being converted to market-rate housing.

See earlier discussion of Conservation Objective.

Policy 8.5: Require property owners to provide relocation assistance to renters displaced where rental units in which they live were constructed or are maintained in violation of the Daly City Municipal Code.

In June of 1996, the City Council adopted a resolution and amended the Housing Element to incorporate the above policy. An ordinance was prepared and implemented to assist prospectively displaced tenants living in substandard secondary units. City Code Enforcement personnel and nonprofit organizations like La Raza Centro Legal inform and counsel affected tenants about this policy and have enabled them to receive relocation assistance.

B. APPROPRIATENESS OF GOALS, OBJECTIVES AND POLICIES

The goal of the previous Housing Element continues to be a statement that guides and provides direction to the City in its setting of housing policies and programs. Consequently, the goal is still appropriate and remains unchanged in this Housing Element Update.

The objectives are slightly different in that they are set for a five year planning period, and not ten, as in the previous housing element. The Construction Objective is adjusted to comply with the City's regional housing needs as determined by ABAG. The Rehabilitation Objective of twenty-five units per year remains the same, and the Conservation Objective is adjusted to reflect that a previously at-risk development has already opted out and includes the number of units at Franciscan Mobile home Park.

In general, the policies from the Housing Element adopted in 1993 continue to be relevant and appropriate. The policies will be maintained in this Update, except for the following changes:

- *Policy 1.4: Disapprove of housing in areas not suited for residential use* -- this policy is removed because it is implied in the other policies. Only housing in areas suitable for residential use will be approved. Policy 1.5 from the 1993 Housing Element is now Policy 1.4 in this Update.

- *Policy 4.5: Make maximum use of available State and federal housing programs* -- this policy is removed and joined with Policy 4.2. Policy 4.6 from the 1993 Housing Element is now Policy 4.5 in this Update.

- *Policy 4.7: Utilize a majority of the City's annual Community Development Block Grant entitlement directly for housing and infrastructure programs that benefit low and moderate income households* -- this policy is removed because it is already implicit in Policy 4.2.

C. REVIEW OF PROGRAMS (1990-2000)

Following is a review of Housing Programs proposed in Daly City's 1993 Housing Element. Based on this review, programs in the updated 2001 Housing Element have been streamlined to eliminate duplication found in the 1993 Housing Element. Several of the following programs have been retained and subsumed into broader programs of this Housing Element update as described in Chapter 6.

PROGRAM 1: HOUSING SITE ACQUISITION

In the 1993 Housing Element, the City indicated under this program that it would examine three suitable sites in the Mission Street/Junipero Serra Boulevard Redevelopment Plan Area for new housing construction of 15 new housing units. The City worked with Mercy Charities Housing, a nonprofit housing developer, to assemble land parcels to develop two affordable rental housing projects. As a result, the Vista Grande Family Apartments containing 24 affordable rental units was built in 1996 and School House Station Apartments with 47 affordable rental units was built in 1997. Both apartments combined provide a total of 71 units, all of which are affordable to low income households, and exceed the projected 15 new units. Mercy Services, the nonprofit property management entity associated with Mercy Charities Housing, owns and manages both apartments.

The challenge the City faces in acquiring land parcels in the future is from the local real estate market itself. Vacant land is not plentiful in Daly City. In addition, the real estate is expensive and competitive. The search for property, therefore, can take time and putting together adequate financing may take even more time.
This program is retained in Programs 2, 3, 5 and 6 of this Housing Element Update.

PROGRAM 2: SURPLUS LAND DISPOSITION

The City has made available public land that is appropriate for residential uses. As discussed above, DCRA property in the Mission Street/Junipero Serra Boulevard Redevelopment Plan Area was sold to a nonprofit housing developer in order to develop two new affordable rental housing projects. Additionally, a site of a former school in the Crocker neighborhood has been developed into 36 units of market rate housing (See Policy 1.2). The City has shared information and had discussions with the Jefferson Union High School District (JUHSD) regarding the latter's properties over the years. However, to date, no JUHSD surplus land has become available for affordable housing development.

The City has been marketing the Landmark site in the Top of the Hill neighborhood for several years. Recently, the City initiated a new RFP and marketed the site for higher density mixed use. The City received RFP responses from several interested developers and selected one in 2001..

This program is retained in Programs 2 and 3 of this Housing Element Update.

PROGRAM 3: LOW INCOME HOUSING REQUIREMENT

In October 1991, the City Council approved an inclusionary housing policy for the Mission Street/Junipero Serra Boulevard Redevelopment Plan Area. Under this policy, any development activity that constructs or rehabilitates housing must make at least 15% of the total housing units affordable for low income households and 6% of the total housing units affordable to very low income households, except where 15% of the total units constructed and rehabilitated is equal to or less than four units. This policy has

been effective in creating affordable rental housing units in the Mission Street/Junipero Serra Boulevard Redevelopment Area.

This program is retained in Program 13 of this Housing Element update.

PROGRAM 4: REDEVELOPMENT HOUSING STRATEGY

In 1998, the DCRA created and adopted a redevelopment plan area in the Bayshore neighborhood. The Bayshore Redevelopment Plan Area is the City's second redevelopment area. Under the Bayshore Redevelopment Plan, the DCRA established a housing strategy in accordance with State Redevelopment Law under AB 1290, which was passed in 1993. The plan envisions assistance to a total of 10 households during the first five years of the redevelopment project area (2000-2004). According to State Redevelopment Law, the Bayshore Redevelopment Project housing strategy will be updated prior to 2005.

In May of 2001, the DCRA adopted an updated Five Year Implementation Plan for the Mission St./Junipero Serra Blvd. Redevelopment Project Area. As required by law, the Five Year Plan includes an affordable housing strategy. For the years 2001-2010, the plan envisions development of 55 units during this ten year period.

This program has been completed.

PROGRAM 5: MULTI-FAMILY RENTAL HOUSING ACQUISITION

In partnership with the Housing Association for the Needy and Dispossessed (HAND), a nonprofit housing developer and certified community housing development organization (CHDO), an 18-unit apartment building, Hillside Terrace Apartments, in the Hillside neighborhood was acquired in 1998. The rehabilitation was completed in 2000. Of the 18 units, at least four units are set-aside for households at 50% area median income or less, ten units are for households at 60% AMI or less, and four units are at 100% AMI or less. The funding sources for this project were HOME, CDBG and California Housing Finance Agency (CHFA) funding. Human Investment Project (HIP), the umbrella organization for HAND, owns and manages Hillside Terrace.

Acquisition and rehabilitation is a priority for the City as a means to preserve and increase the supply of housing. With the significant appreciation in value of existing residential buildings such as apartments and multiplexes throughout the Bay Area, local governments will face an equally challenging task in any efforts to acquire existing multifamily rental properties to create more housing.

This program is retained in Programs 2 and 3 of this Housing Element Update.

PROGRAM 6: HOMEOWNER ASSISTANCE TO LEGALIZE SECOND UNITS

In 1992, the City created Project HomeSafe, which became a nationally recognized program, to allow homeowners with illegal second units an opportunity to bring their

units in compliance with building and safety codes without penalty. In 1997, the component of Project HomeSafe that allowed the legalization of illegal second units expired. Through Project HomeSafe, the City was able to legalize over 700 second units.

The City's Residential Rehabilitation Program previously made loans available to homeowners seeking to legalize second units. Between FY 1990-91 and FY 1996-97, only two loans were made to legalize second units. As a result of public concerns raised about neighborhood impacts from second units such as parking and overcrowding and the small volume of second unit rehab loans, marketing for second unit rehab loans was discontinued in FY 1997-98.

The City's Planning, Code Enforcement and Building Divisions continue to provide technical assistance to homeowners who are interested in creating new second units or who must bring their illegal second unit up to code.

This program is retained in Program 7 of this Housing Element Update.

PROGRAM 7: ESTABLISH AN INCLUSIONARY POLICY IN THE REDEVELOPMENT AREA

In 1991, the DCRA approved an inclusionary housing policy for the Mission Street/Junipero Serra Boulevard Redevelopment Plan Area as discussed above under "Program 3: Low Income Housing Requirement." The inclusionary housing policy is not only an effective mechanism to help the DCRA meet its on-going housing obligations under State Redevelopment Law, but also stimulates public-private partnerships in producing affordable housing units City-wide. Consequently, the updated Housing Element discusses efforts underway to establish a similar inclusionary housing policy in the newly created Bayshore Redevelopment Plan Area. Also, the City has been researching and considering adoption of a City-wide inclusionary housing policy, exclusive of the two redevelopment areas, for all new residential development.

This program is retained in Program 13 of this Housing Element Update.

PROGRAM 8: NEW AFFORDABLE HOME OWNERSHIP UNITS

Housing developers have found the development of affordable ownership units a particular challenge in Daly City. In FY 2000-01, the City implemented a First Time Homebuyer Education Program to teach and provide direct counseling for households that are interested in buying a home. The homebuyer education program will enable the City to better gauge the demand for homeownership and need for homebuyer educational and financial assistance. The City is continuing efforts to look for additional financial resources for first time homebuyers. Since December of 2000, the City has been part of a public-private regional workgroup addressing homebuying as a regional issue for San Mateo County and the creation of a County-wide, streamlined homebuyer financial resource.

Also, the finalists to develop the Landmark site described above have offered mixed use proposals with ownership units. The Landmark site is located in the Mission Street/Junipero Serra Redevelopment Area. Therefore, the inclusionary housing policy will lead to the creation of several affordable ownership units for moderate income households.

This program is retained in Program 2 of this Housing Element Update.

PROGRAM 9: REHABILITATE HOUSING STOCK

Rehabilitation of the existing housing stock has been and continues to be a priority for Daly City. The City not only includes this priority in its Housing Element, but in its HUD Consolidated Plan and through the Redevelopment Area Plans as well.

The City's Residential Rehabilitation Program, which is funded through CDBG, assists low income homeowners with low interest loans or grants to make minor or major improvements to their homes. From FY 1990-91 through FY 1999-2000, the Residential Rehabilitation Program served 145 low income single family homeowners. The City, however, has in recent years begun more aggressively marketing the program by outreaching to Daly City residents through direct mailings and coordination with local social service agencies.

The City has adapted its Residential Rehabilitation Program appropriately to address public safety concerns as they arise. Since FY 1996-97, the program has offered grants of up to $1,500 to replace illegal and unsafe grills on bedroom windows and exterior doors and provide smoke detectors and hallways to remove potential fire hazards.

The City also received funding from HUD's Rental Rehabilitation Loan Program in the early 1990s, which is when the program expired. Between FY 1990-91 through FY 1992-93, the HUD Rental Rehabilitation Loan Program supplemented larger loans from the City's CDBG-funded Residential Rehabilitation Program.

In addition to single family homeowners, the City's Residential Rehabilitation Program also assists owners of multifamily rental properties with low interest loans. These property owners can qualify for a low interest loan if 51% or more of the rehabilitated rental units will be occupied by low income households. From FY 1990-91 through FY 1999-2000, the City made loans to improve 32 rental units, of which 29 were occupied by low income households.

The primary impact of the Residential Rehabilitation Program has been on single family rehabilitation because the demand has been there over the years. Since FY 1993-94, the City has only made two rental rehab loans, both in FY 1997-98. The strong demand for rental housing in recent years may help explain why landlords may have less inclination to apply for a rehabilitation loan because they could realize greater returns through higher rents as opposed to restricting the majority of their units for low income households. When vacancy rates begin to climb, landlords may eventually become more amenable to

applying for a rehabilitation loan. In the meantime, the City will continue to market its rental rehabilitation loan services to multifamily property owners.

The City has awarded CDBG funds under its "Public Services" funding category to a range of nonprofit organizations that provide home rehabilitation services to low income households. Since the early 1990s, the City has annually funded the Center for the Independence of the Disabled (CID), which provides home modifications for persons with disabilities. CID is discussed and assessed in-depth under "Program 12" below. North Peninsula Neighborhood Services has been working annually with the City since the mid-1990s. Rebuilding Together, formerly Christmas in April, has been an occasional CDBG applicant and subrecipient. They are able to help a few low income elderly, and often disabled, homeowners with major and minor rehabilitation.

Along with the City's Residential Rehabilitation Program, North Peninsula Neighborhood Services, CID, and Rebuilding Together, formerly Christmas in April, will all continue to be integral components of the City's comprehensive housing rehabilitation strategy. All four rehabilitation programs supplement each other by enabling eligible households to maximize the use of multiple financial resources for home improvement services and by mutually promoting each program's services to clients.

This program is retained in Program 1 of this Housing Element Update.

PROGRAM 10: RENTAL ASSISTANCE

The San Mateo County Housing Authority administers the Section 8 Voucher Program for all cities and unincorporated areas in the County. Therefore, the City will continue to support the County Housing Authority in maintaining the current levels of Section 8 vouchers and applying for new vouchers as increased HUD funding becomes available. In 1993, there were 350 Daly City households using Section 8 vouchers and certificates. Since then, the number of Daly City Section 8 voucher and certificate holders has averaged over 400 annually.

This program is retained in Program 4 of this Housing Element Update.

PROGRAM 11: CONSTRUCT NEW RENTAL UNITS

In its existing Housing Element, the City indicated that it would retain a qualified nonprofit housing developer to construct a 20-unit affordable rental project in 1996. The City has exceeded this goal. Vista Grande Family Apartments, with 24 units, and School House Station, with 47 units, were completed in 1996 and 1997, respectively. All of the units in both projects are affordable to low income households.

The scarcity in vacant land and the competitive real estate market makes new rental housing construction more difficult to achieve in the City. However, the City remains committed in its updated Housing Element to finding opportunities to construct new rental units. Rental housing can meet more housing needs and is more cost effective than the development of ownership housing.

This program is retained in Program 2 of this Housing Element Update.

PROGRAM 12: RESIDENTIAL ACCESSIBILITY MODIFICATION PROGRAM

The Center for the Independence of the Disabled (CID) has been receiving CDBG funds annually since FY 1991-92 and has helped 305 low income disabled and/or elderly households through FY 1999-00. The City surpassed the existing Housing Element's goal of serving 115 households with disabilities. CID helps meet the critical needs for a subpopulation, low income persons with disabilities, that may otherwise be unable to afford needed home improvements and allows them to prolong their self-sufficiency.

This program is retained in Program 1 of this Housing Element Update.

PROGRAM 13: SECONDARY UNITS

The City has reviewed the procedures and requirements, such as parking requirements, under its Secondary Unit Ordinance and found them to be effective. As a result, no changes have been made to it. Because second units represent an important type of affordable housing, the City has been researching the feasibility of implementing a policy or ordinance to restrict newly legalized second units for low income households as mentioned in the updated Housing Element. Between FY 1991-2000, there have been 146 secondary units constructed and 894 existing illegal secondary units built before 1992 that have been legalized.

This program is retained in Program 7 of this Housing Element Update.

PROGRAM 14: ESTABLISH ALLOWABLE AND REASONABLE DENSITIES

Under the 1993 Housing Element, the City proposed to study residential density requirements in residential neighborhoods in order to facilitate mixed-use development projects. The City has assessed its residential density guidelines and determined they are reasonable and do not hinder efforts to adequately increase its housing inventory. Consequently, this program has not been added to the updated Housing Element.

This program is completed.

PROGRAM 15: FACILITATE MIXED USE DEVELOPMENT

The 1993 Housing Element included consideration of a zoning district or overlay zone that would facilitate mixed-use projects in suitable areas. The most suitable locations in the City for mixed-use development are its two redevelopment areas because they both contain large commercial corridors. Any housing development along these corridors would likely be part of a mixed use project. The City has determined it unnecessary to create a mixed use zoning district or overlay zone because the current zoning in these two commercial corridors do not pose an impediment to mixed use developments.

This program is more appropriately expressed as a policy. See Policy 2.3 of this Housing Element Update.

PROGRAM 16: MONITOR HOUSING CONDITIONS

As part of updating the Housing Element, the City conducted a new Housing Conditions Survey. The previous survey was completed in 1986. The 2001 Housing Conditions Survey was conducted through the windshield survey method involving a general rating system. The survey serves as a general, yet useful, tool for the City to determine residential rehabilitation and neighborhood revitalization needs. Furthermore, the City has the capacity to map the survey results with available geographic information systems software.

This program is completed.

PROGRAM 17: NEIGHBORHOOD REHABILITATION

This program under the 1993 Housing Element discussed the capital improvement projects throughout the City that would enhance its neighborhoods. Capital improvement activities included streets, sidewalk wheelchair ramps, and street landscaping. The City recently adopted a Five Year Capital Improvements Plan that will upgrade its parks and recreation facilities to meet current and future needs. Improvements identified in the Plan are now about 15% completed with construction and 60% in the design phase.

This program is completed.

PROGRAM 18: SHARED HOUSING OPPORTUNITY PROGRAM

Human Investment Project, a nonprofit social service agency, has received CDBG funds annually for decades for its Shared Housing Program that matches renters seeking housing and homeowners looking for boarders. The existing Housing Element proposed to place a total of 200 families in shared housing situations. From FY 1990-91 through FY 1999-2000, HIP had matched 309 households and placed them in shared housing. The Shared Housing Program represents a limited, yet effective, means to provide affordable housing as well as reduce the financial burdens of participating homeowners.

This program is retained in Program 8 of this Housing Element Update.

PROGRAM 19: VOLUNTARY CODE CORRECTIONS – SINGLE FAMILY RESIDENCES

Under the existing Housing Element, Project HomeSafe was created in 1992 to give owners of illegal second units a chance to legalize these units without penalty. The component of Project HomeSafe to legalize illegal second units expired in 1997. The program received national recognition for its success. (See “Program 6: Homeowner Assistance to Legalize Secondary Units” above for additional discussion.)

This program is completed.

PROGRAM 20: RESIDENTIAL AIRCRAFT NOISE ATTENUATION

Daly City continues to operate its Residential Aircraft Noise Attenuation Program through the Economic and Community Development Department. While the program was funded by the Federal Aviation Administration (FAA) and the City of San Francisco Airport Commission in the past, the program is currently financed completely by the City of San Francisco. The program provides grants for noise abatement improvements to homes in the flight path of the San Francisco International Airport. The existing Housing Element indicated the program would help 230 homes by 1995 and over 3,000 homes during the life of the program. By 1995, the program had approved retrofitting work for 353 homes. Since it started in Daly City in 1990, the program has helped 1,643 homes.

This program is retained in Program 15 of this Housing Element Update.

PROGRAM 21: STREAMLINE PERMITTING PROCESSING

The City's existing development database (e.g., permitting history, property ownership data) has proven very accessible, useful and efficient in helping staff review construction or rehabilitation or renovation projects. City staff receives updates, produces reports and monitors projects immediately through the database. The City will continue to assess and to modify, as needed, the database in order to better streamline project reviews. This program is retained in Program 20 of this Housing Element Update.

PROGRAM 22: REVIEW CODE REQUIREMENTS

The City's Code Enforcement Division has been undertaking proactive code enforcement on properties that do not meet local building or other public safety codes. The City will continue its effort to ensure property owners bring their building or parcels in compliance with local codes and to evaluate and revise, as necessary, local development and safety codes that are found to be barriers to affordable housing.

This program is retained in Program 17 of this Housing Element Update.

PROGRAM 23: IMPROVED HOUSING DESIGN

As proposed in the existing Housing Element, the City created and published a Residential Design Guideline manual that lays out ideas and methods to create more attractive and well-integrated building designs. In addition, the Mission Street Urban Design Plan and the Geneva Avenue Urban Design Plan, the latter that was recently approved, will further guide design in the City's two redevelopment areas.

This program is retained in Program 19 of this Housing Element Update.

PROGRAM 24: FIRE SPRINKLER RETROFIT PROGRAM

This pilot program was completed and evaluated under the 1993 Housing Element. The public education component was successfully implemented to ensure citizens understood the benefits of the program. Therefore, this program is closed out and is not included in the updated Housing Element.

This program is completed.

PROGRAM 25: PRESERVATION OF AT-RISK SUBSIDIZED AFFORDABLE HOUSING

Of the two at-risk apartments, Villa Fontana and Amberwood Apartments, discussed under the existing Housing Element, the latter opted out of its HUD agreement in 1999. The San Mateo County Housing Authority, which administers public housing and Section 8 program countywide, was unable to convince Amberwood Apartments to renew its HUD loan agreement. There were discussions with local nonprofit housing developers to acquire and manage Amberwood Apartments, but a successful transfer of the property was not accomplished. However, Amberwood Apartments is currently still participating in the Section 8 Voucher Program so that its units remain affordable.

As discussed in the updated Housing Element, the City will seek to maintain affordability at Villa Fontana Apartments, which is a 120 unit complex for seniors and the disabled. The City will continue monitoring Villa Fontana to ensure that it remains affordable. Villa Fontana presently remains a participant in the HUD 236 Mortgage Program, thereby ensuring that 100% of its units are below market rate

In addition, the City will continue to work with Franciscan Mobile Home Park's owners and residents to maintain affordability within this 501 unit park.

This program is retained in Program 16 of this Housing Element Update.

PROGRAM 26: MONITOR UNITS AT-RISK

The City keeps in regular contact with the Villa Fontana owners and will continue this ongoing communication with them, as well as Franciscan Mobile Home Park and Amberwood Apartments, to make sure their units remain affordable for as long as possible.

This program is retained in Program 16 of this Housing Element Update.

PROGRAM 27: MAINTAIN A LIST OF RESOURCES AVAILABLE TO PRESERVE AT-RISK PROJECTS

The City developed a list of nonprofit housing developers and financial resources available to assist in preserving at-risk housing facilities if needed. These resources are included in the updated Housing Element and will be maintained and updated as needed.

This program is retained in Program 16 of this Housing Element Update.

PROGRAM 28: PRESERVATION OF PRIVATELY-OWNED, UNSUBSIDIZED AFFORDABLE RENTAL HOUSING

Through its partnership with HAND, a nonprofit housing developer, Daly City was able to achieve the goal of this program through the acquisition and the rehabilitation of the 18-unit Hillside Terrace Apartments. The acquisition of Hillside Terrace enabled the City to preserve affordable units and stabilize rents.

This program is retained in Programs 3 and 16 of this Housing Element Update.

PROGRAM 29: MAINTAIN AND ENFORCE THE PROVISION OF THE CONDOMINIUM CONVERSION ORDINANCE

No conversions of rental units to "for sale" ownership units have occurred since the ordinance was adopted in 1980. The City will continue enforcing this ordinance, which limits these conversions.

This program is retained in Policy 8.2 under "Principle 8: Avoid or Reduce the Economic and Social Difficulties Caused By Displacement" of this Housing Element Update.

PROGRAM 30: PROVIDE FOR THE ESTABLISHMENT OF HOMELESS SHELTERS

In the existing Housing Element, the City proposed to amend its zoning ordinance to allow homeless shelters in C-1 and R-3 zoning districts pending approval of a use permit. Reasonable standards to evaluate the development of shelters were also proposed as part of this zoning amendment. These and other amendments to the City's residential development regulations are currently being drafted. Anticipated adoption is near the end of 2004.

The City has been supporting and funding existing and new homeless facilities that would best meet Daly City's homeless needs. For instance, the City has annually allocated CDBG funds to Family Crossroads, a transitional shelter for families in Daly City, and Maple Street Shelter, an emergency and transitional shelter in Redwood City, since the shelter opened in FY 1998-99. Also, the City gave $160,000 from CDBG in FY 2000-01 to build the recently opened Safe Harbor Winter Shelter in South San Francisco and allocated CDBG dollars in FY 2001-02 for operation costs. In the updated Housing Element, the City affirms its commitment to working with other local jurisdictions in the County and providing a proportionate share of financial aid to well-designed homeless facilities and services.

This program is retained as Program 5 of this Housing Element Update.

4. LAND USE INVENTORY & CONSTRAINTS ANALYSIS

Housing production is analyzed in this section, including: an examination of recent residential construction; land potentially available for housing; constraints to housing production; and the potential to accomplish established goals. The results of a survey of vacant land and current residential land use and zoning designations are also discussed. This section also addresses the various constraints to housing production in Daly City, including governmental and market constraints.

A. CONSTRUCTION TRENDS, 1995 -2000

As previously noted, Census data on the age of residential structures indicated that 14,478 units were constructed prior to 1960. Using the 2000 Census figure of 31,311 total housing units, housing constructed prior to 1960 represents 46% of the current housing in Daly City. It is apparent that construction has slowed considerably over the past five years. This trend can be seen in Table 4.1.

Table 4.1: Estimates of Housing Units Constructed Annually

	1995	1996	1997	1998	1999	2000
Single Family	107	107	30	68	31	7
Multi-Family	2	45	64	24	11	8
Mobile Homes	0	1	6	2	7	13
Total Units constructed	109	153	100	94	49	28

Source: See Table 3.1 and Footnote 6

As indicated by Table 4.1, the number of housing units built between 1996 and 2000, for both single and multi-family units, dropped considerably. It is important to note that a majority of the single family units built in this timeframe were for detached single family homes and not condominiums. Condominium construction during this five year period has been minimal.

Table 4.1a shows the number of building permits issued for new single family and multifamily homes in 1999 through 2001. New second units are not included in the multifamily unit numbers. The table indicates that in the last three years, new and detached single family homes have been built. An analysis of the permits indicates that none of these 202 units are affordable to low and very low income persons.

Table 4.1a: Building Permits issued, 1999-2001			
	1999	2000	2001
Single Family Units	8	84	105
Multifamily Units	0	3	2
Total	8	87	107

Source: Daly City MUNIbase report on building permits issued.

B. LAND ZONED FOR RESIDENTIAL USE

Daly City's existing Zoning Ordinance and the General Plan's Land Use Element designations for residential development are discussed in this section. Also included in this section is a synopsis of the results of the Vacant Land Survey which was conducted by the Department of Economic & Community Development during May and June, 2001. An analysis of these two factors will determine if available land can sustain the projected level and types of residential development needed to provide for the City's "fair share" of regional growth.

ANALYSIS OF LAND USE PLAN AND ZONING ORDINANCE

Daly City's 1987 Land Use Plan contains five different residential classifications that relate directly to single family and multi-family residences. These classifications are: Open Space Residential, 0 to 2 dwelling units per acre; Low density, 2 to14.5 dwelling units per acre; Medium-Low density, 14.6 to 20 dwelling units per acre; Medium density, 21 to 35 dwelling units per acre; High density, 35 to 50 dwelling units per acre; and Very High density, >50 dwelling units per acre. Although these classifications are considered high by most standards, they adequately reflect the existing densities in the City. Most of the city that was developed prior to 1949 was done so on 2500 square foot lots with the resulting densities being approximately 18 units per acre.

The Zoning Ordinance contains eight residential districts and four non-residential districts. The minimum lot area per unit and resulting densities of these districts are presented in Table 4.2 below. It is important to note that there is no land currently zoned R-4 in Daly City.

Table 4.2: Zoning District Designations and Densities

Zoning Designation	*Lot Area per D.U. (sq. ft.)*	*Resulting Density*
MHP Mobile Home Park	1/200 min. (avg. 1/2500)	17.4 D.U./Ac.
R-1 Single Family	1/3,000	14.5 D.U./Ac.
R-1A Single Family/Duplex	1/1,250	34.8 D.U./Ac.
R-2 Duplex	1/1,500	29.4 D.U./Ac.
R-2A Two Family Design	1/1,250	34.8 D.U./Ac.
R-3 Multiple Family	1/500	87.1 D.U./Ac.
BRM BART Multiple Family	1/1,750	25 D.U./Ac.
R-4 Multi-family/Professional	1/300	145 D.U./Ac.
C-1 Light Commercial District	1/300	145 D.U./Ac.
C-2 Heavy Commercial District	1/300	145 D.U./Ac.
PD Planned Unit Development	Flexible	Not applicable
Pre-PD Pre-Planned Unit Dev.	Flexible	Not applicable

Although the R-1 densities presented in Table 4.2 appear to allow only 14.5 dwelling units per acre, in reality the densities are closer to 17.5 dwelling units per acre for those subdivisions established prior to 1949. These higher density areas are in the portion of the City that is east of Interstate 280. These areas will continue to be allowed to develop at this density where a proposal is a re-subdivision of an original subdivision. Any new subdivision within the City will have to be developed at the lower 14.5 dwelling units per acre density. Second units are allowed in all R-1 and R-1A zoned areas with the approval of a second unit permit. The permit requires that the second unit cannot be located in an area where the density, including the second unit, exceeds 16 dwelling units per acre.

Multi-family densities presented in the above table appear to be extremely high when, in fact, under General Plan policies, they should generally not exceed 50 dwelling units per acre. Most of the recent multi-family developments have acquired Planned Development zoning prior to development. Planned Development zoning allows for flexibility in design in order to accommodate unique site or topographic features. Higher densities are desirable near transit corridors and transit nodes(e.g. BART stations).

Most new multi-family development in the City does not reach the maximum density of 50 dwelling units per acre but usually is between 30 and 40 dwelling units per acre. The City encourages development at the maximum density, but development costs may increase significantly at higher densities. In some instances, the steep terrain, which characterizes many areas of the City, reduces the maximum density that can be constructed economically. On the other hand, new single family subdivisions in areas developed prior to 1949 are often developed at the maximum of 18 dwelling units per acre. New single family subdivisions in areas developed after 1949 often are developed at the maximum density of 14.5 dwelling units per acre.

VACANT LAND SURVEY

The Planning Division conducted a survey of vacant land in June of 2001 in order to identify those parcels that are vacant or underutilized and have potential for development within the next ten years. Parcels that are underutilized include those used for parking not specifically accessory to a business, existing greenhouses, etc. Appendix A lists the parcels and includes information on parcel size, ownership, zoning, and existing land use. Seventeen percent of the vacant land identified is owned by the City of Daly City or its Redevelopment Agency. The Bay Area Transit (BART) owns .28 acres and the remaining parcels are privately owned. The parcels in Appendix A are summarized by zoning classification in Table 4.3, and the larger, contiguous parcels in Appendix A are included in Table 4.4.

Table 4.3: Vacant Land Survey - 2001Vacant and Underutilized Parcels	
Zoning	***Acres***
R-1	13
R-2	.92
R-3	6
C-1	22
PD/PrePD	26
Greenhouses	6
Total	73.92

All of these parcels in Table 4.3 are located within the urban service limits of the City and have public facilities nearby. There is sufficient infrastructure capacity available to serve all projected future developments. The City has identified the contiguous and larger parcels and evaluated their potential as development sites for housing in Table 4.4. below.

Table 4.4: Potential Development Sites for Housing

#	Site/Ownership	Size (acres)	Current Zoning/ Use	Capacity (dwelling units/acre)	Potential Units	Unit Type (unless otherwise noted, units could be rental or ownership)
1	C04-1Private	5	C1	70-250	200	multifamily
2	E09-1Private	6	PrePD/vacant	Office	200	multifamily
3	E11-1Private	2	PD46/vacant	24-70	36	multifamily
4	F03-1/Public	1	C1/vacant	18-64	85	redevelopment/mixed use
5	F11-1/Private	4	PD44/vacant	84-140	45	single family
6	G03-1/Private	1	C2/vacant	16-60	50	redevelopment/mixed use
7	G03-2/Private	5	R3/vacant	70-250	50	single family
8	G04-1/Private	1	R1/vacant	14-17	15	single family
9	H03-1/Private	2	R1/vacant	33-40	7	single family
10	H03-2/Private	2	R1/vacant	31-38	38	single family
11	J03-1/Private	19	PrePD/vacant	Retail-Office	170	multifamily
12	J03-1/Public	12	C1/vacant	175-625	200	multifamily
13	K03-1/Private	2	R1/vacant	29-36	35	single family
14	K03-2/Private	1	C1/vacant retail	17-63	62	redevelopment/mixed use
	Totals	**63**			**1,193**	

Source: Vacant land survey; consultation with Terry Sedik, ECD Director
Notes: Site #2 is seeking a change in land use designation from Office to allow for 200 dwelling units. For Site #11, the last developer sought to amend the land use designation of Retail-Office to allow for 200 units before terminating the project.

Table 4.4 indicates that 1,193 housing units can potentially be built on the above sites. Public rights-of-way (streets, easements, etc.) were considered in the unit calculations. Public rights-of-way may account for approximately 20% of the total available acreage. With the 87 units built since 1999 and other units already under construction, the City can potentially build the 1,391 units allocated to it.

Some of the sites, particularly those zoned Planned Development (PD), have already involved discussions between developers and the City's Planning staff. PD projects have received their entitlements, if needed, and in the case of housing projects committed to providing a specific number of units. Consequently, the PD land parcels described in Table 4.4 will actually, not potentially, be providing the number of housing units listed. Receiving the PD zoning designation allows for land use and development standard flexibility for more uniquely shaped sites and the integration of a variety of compatible land uses (i.e. residential, commercial, neighborhood retail, professional service offices). The PD designation process is reviewed by the Planning Commission and City Council. The standard processing time for a PD project would be about 6 to 12 months. While staff, the Planning Commission and the City Council remain open to establishing suitable development standards and densities for all proposed PD projects based on the merits of each project and the constraints of the site, the ultimate guide is the City's General Plan, particularly the Land Use Element, which designates land uses and densities where the PD sites are.

A couple of the sites in Table 4.4 have the Pre-Planned Development (Pre-PD) zoning designation. The Pre-PD designation represents the transitional step towards PD status. Pre-PD provides the City with a "big picture" process resulting in a more environmentally sensitive and physically appealing urban design for more distinctively shaped or located parcels. This "transition" designation helps the City accomplish its housing production goals by giving potential developers and the City time to consider what the right mix of housing types (e.g., condos, town homes, apartments) and non-housing uses might be, how to best assemble multiple parcels to create appropriately scaled residential units, and to determine the optimal housing unit density. Thoughtful planning during the Pre-PD stage will produce viable PD projects. Developers and/or property owners do not apply for a Pre-PD zoning. The City designated its existing Pre-PD areas within the Land Use Element of its General Plan. In order to undertake new development, a property owner would need to apply for the PD designation. For Table 4.4, the 200 and 170 housing units proposed by the two Pre-PD parcels, respectively, are general targets and will possibly change once the developer puts in a PD application.

Much of the multi-family potential lies in future redevelopment of already developed parcels. The City has had past experience with reusing land to build more housing with mixed-use developments. Since the last Housing Element Update was adopted in 1993, it has built more than 150 units on recycled land. Seventy-one of these were the affordable rental units built on Mission Street by Mercy Charities Housing. In the past, the City has also built on land previously used for greenhouses.

For sites such as those discussed in Table 4.4 that are zoned R-3 and Commercial (e.g. C-1, C-2), the Bay Area housing market has in the past and will continue to dictate the highest densities feasible to the developers that meet local zoning requirements and do not have negative impacts on the surrounding area. While there are no existing ways to prevent lower density housing from being built on R-3 or Commercial properties, the possibility of lower density housing occurring on these sites is unlikely because of the

strong demand for housing units not only in the City, but throughout the region, as well as the developers' profitability threshold that can best be attained from the economies of scale arising from larger development projects.

While there is a limited amount of vacant land within Daly City, there have been several projects that have been approved or are pending approval which represent a significant number of new dwelling units. Many of the new projects are located in the Bayshore neighborhood.

Since the 1980s, the City has worked diligently to encourage mixed use development on nonresidential or underutilized land, particularly in the redevelopment areas. The City's efforts have included master planning, marketing of sites on the City's website, and extensive technical assistance (i.e. financial analysis, appraisals) to prospective developers. When City-owned property is involved, the City has written down land costs in order to facilitate development. When private property is involved, the City has facilitated land assembly, up to and including the use of eminent domain. The City has permitted up-zoning of property and permitted parking variances in order to enhance the economic feasibility of mixed-use projects.

With respect to the privately owned Site #1 (C04-1) in Table 4.4 that is zoned C-1, the City has worked with three prospective developers over the last five years to identify and bring to fruition a development that meets the City's various public policy goals (e.g. affordable housing, public beach access, attractive natural resources for recreation) and also satisfies the developer's profit requirements. Each developer has benefited from the experience of the prior applicants and moved further along in the development process before abandoning their proposed projects, usually due to a lack of capitalization. This is a unique site in the northern Peninsula and the owners are eager to sell the property. The City anticipates that the site will be developed within the next three to five years and will require Coastal Commission approval.

The C-1, C-2, PD and Pre-PD sites make up about 51 acres of the 63 total acres available for potential residential development in Table 4.4. These sites range in size from one to 19 acres. The largest sites are in the City's Bayshore neighborhood, which is a redevelopment project area. Based on their existing land use designations, these 51 acres can produce 1,048 (or 75%) of the City's RHND goal of 1,391 housing units. Most of the sites in Table 4.4 have or have had residential proposals on them. Most of these sites involve few parcels, although two have multiple owners which has proved challenging to coordinate and to develop consensus. As for on-site constraints, the majority of the sites do not have significant environmental or physical barriers to development, but for the few that do, such barriers include steep, potentially unstable slopes, small lots requiring land assembly, and soil remediation.

ABAG's Regional Housing Needs Determination projects that Daly City will have to provide a total of 1,391 units or approximately 199 units a year in order to meet its housing need in 2006. The results of the City's vacant land survey, which included underutilized land, indicates that current zoning of available land supports the residential

construction of nearly 1,200 new units. The construction of these units in addition to the development projects built and or under construction since 1999 will provide at least the 1,391 units specified in the RHND. More units may be built through second units and the development or reuse of smaller, infill parcels including greenhouses and used car lots. A few of the greenhouse parcels are already zoned residential, and those zoned otherwise will require a use permit for residential development.

Of the new units estimated in Table 4.4. it is very likely that between 400 and 500 will be provided at affordable costs to the public. It is the City's goal that several of the sites listed in Table 4.4 will be developed with an inclusionary housing requirement as a condition of approval. In these cases, 10 to 20 percent of the units will be affordable to lower income households as ownership or rental housing, yielding approximately 200 new affordable units. Sites likely to yield a large number of affordable housing units are located in commercial corridors and residential sections of the City's two redevelopment areas. In addition, several of the sites listed in Table 4.4 will be marked primarily for affordable housing developments. These sites could provide an additional 300 units of housing affordable to lower income households. Sites in Table 4.4 with the strongest potential to enable the City to accommodate its RHND lower income housing target of 421 units (see Table 2.26) are those described for multifamily developments such as Sites #1, #4, #6, #11, #12 and #14, as well as a few of those described as single family such as Sites #7 and #13.

Meeting lower-income housing needs will be a significant challenge for the City. ABAG has projected that the City would have to make 813 units available to very-low, low and moderate income households in order to meet the projected demand for housing that is affordable to households in these income categories. The City will make maximum use of federal and State housing funds and will continue to identify innovative sources of subsidy financing in order to meet the projected housing need through new development. In addition, the City will continue to consider incentives such as density bonuses, inclusionary housing and second unit programs in order to encourage affordable housing development. This Housing Element Update responds to the need for affordable housing by proposing policies, programs and a variety of mechanisms for meeting housing needs.

C. CONSTRAINTS TO RESIDENTIAL DEVELOPMENT

Constraints to the maintenance, improvement and construction of housing can generally be divided into two categories - governmental and non-governmental. State law requires analysis of actual and potential constraints and identification of ways to reduce or overcome the constraints, where possible, to meet the identified housing needs. In many instances constraints represent a balance between the need for housing and other desirable goals. Where this is the case the balancing should be examined to make certain the constraint is not unnecessarily severe.

GOVERNMENTAL CONSTRAINTS

Federal and State Actions

Various State and federal policies can have significant impacts on housing affordability. Most important of these policies are those federal monetary policies that influence interest rates. Interest rates affect both construction costs (construction loans) and long-term mortgage costs, thereby having a significant direct impact on the affordability of housing. In recent years, interest rates have fallen to record lows for a sustained period serving as a boon for the housing industry. However, there are expectations that the existing record low interest rates cannot be sustained in this declining domestic economy and that rising rates may lead to a slowing down of housing construction and sales. .

The federal government has also significantly reduced its involvement in direct subsidy and construction programs to meet the housing needs of low- and very-low income households, a trend that had begun since the 1980s.

Recent State legislation and how the State responds to its declining economy will impact the availability of housing, particularly affordable housing. The recent passage of Senate Bill (SB) 975 that imposes State prevailing wage on affordable housing projects will drive up housing development costs and may reduce the number of qualified affordable housing developments by making them economically infeasible. Also, how the State addresses its budget deficit, including whether to cut or preserve existing social, health and economic programs that benefit the neediest households, will fuel housing demand and highlight the need to increase the affordable housing supply and preserve existing affordable housing despite diminishing financial resources.

Local Governmental Actions

Actions by local governments may impede housing construction, maintenance and improvement in a variety of ways. For example, excessive fees or improvement requirements may discourage housing activity or possibly price housing above the level some groups can afford. Environmental impact reports (EIRs) can be costly and create delays, although by state Statute such analyses are mandatory. In some instances the lack of available water and/or sewer facilities may temporarily diminish housing construction activity. The governmental constraints to housing development include land use controls, building codes, fees and dedications, site improvements, permit processing procedures, and infrastructure constraints.

Land Use Controls

Private development of land can create costs (in the form of impacts) that are borne by persons other than the developer. For example, an infill development may contribute to the demand for on-street parking in an area already lacking parking. If the parking provided in that development does not meet the demand for parking, the neighborhood's problem increases and each resident "pays" for that development. The land use controls established by Daly City are often designed to minimize a development's potential

impacts, e.g., provide off-street parking. In effect these controls prevent the builder from passing certain "costs" on to the neighborhood or community and force the development to pay its way. The principle is generally a sound one; however, the City should be conscious of how these increase the cost of developing housing and avoid their unnecessary use wherever possible.

The various development standards in the City's Zoning Ordinance, such as minimum lot size, lot coverage, parking, etc., limit the type and density of development on a site, thereby increasing the per unit land cost. Inordinately high standards can discourage housing development in the community. Daly City standards (see Table 4.5) are similar to those found in most other communities in the Bay Area.

Table 4.5 City Zoning Regulations for Residential Development Per Zoning District

Zoning District	*Permitted Uses*	*Use Permit Req'd.*	*Max. Building Height*	*Min. Lot Area*	*Floor Area Ratio*	*Min. Lot Width*	*Max. Lot Coverage*	*Min. Front Yard*	*Min. Side Yard*	*Min. Rear Yard*	*Lot Area Per D.U.*
R-1	*Single-family*	*No*	*30 ft.*	*3000 s.f. 2500* s.f.*		*33 ft. 25* ft.*	*50% 55%**	*15 ft.*	*None*	*10 ft.*	*3000 s.f. 2500* s.f.*
R-1/A	*Single-family.*	*No*	*30 ft.*	*2500 s.f.*		*25 ft.*	*55%*	*15 ft.*	*None*	*10 ft.*	
	Duplexes	*Yes*									
R-2	*R-1*	*All uses permitted in this zoning classification (see above)*									
	One two-family dwelling	*No*	*36 ft.*	*3000 s.f. 2500* s.f.*		*33 ft. 25* ft.*	*60%*	*15 ft.*	*None*	*10 ft.*	*1500 s.f. 1250* s.f.*
R-2/A	*Single-family, two-family*	*No*	*30 ft.*	*2500 s.f.*		*25 ft.*	*60%*	*15 ft.*	*None*	*10 ft.*	
	Duplexes	*Yes*									
R-3	*R-1, R-2*	*All uses permitted in these zoning classifications (see above)*									
	Multi-family	*No*	*36 ft.*	*3000 ft. 3500* ft.*		*33 ft. 25* ft.*	*75%*	*15 ft.*	*None*	*10 ft.*	*500 s.f.*
BRM	*Sm. Apt's., twnhms, flats…*	*No*	*45 ft.*	*5000 s.f.*		*50 ft.*	*60%*	*5 ft. 10 ft. max*	*None*	*15 ft.*	
	R-1, R-2	*Yes*									
R-4	*R-1, R-2, R-3*	*All uses permitted in these zoning classifications (see above)*									
	Multi-family	*No*	*FAR 3.5 : 1.0*	*10000 s.f.*	*3.5 - 1.0*	*100 ft.*	*70%*	*15 ft.*	*None 20 ft. ****	*10 20 ft.***	*300 s.f.*
MHP	*Mobile homes*	*No*	*30 ft.*	*2500 s.f.*		*30 ft.*	*75%*	*5 ft.*	*3 ft.*	*3 ft.*	
C-1	*R-3*	*All uses permitted in this zoning classifications (see above), except use permit is required*									
	R-4	*No*	*36 ft.*	*2,500 sf – 3,000 sf*		*33 ft. 25* ft.*	*70%*	*None*	*None*	*None*	*300 s.f.*
C-2	*C-1*	*All uses permitted in this zoning classifications (see above), except use permit is required and 7.0 – 1.0 FAR*									
	R-3	*Yes*		*2,500 sf – 3,000 sf*	*7.0 – 1.0*	*33 ft. 25* ft.*	*70%*	*None*	*None*	*None*	*300 s.f.*
PD	*A variety of uses or combination of uses are allowed in this zoning classification pending City approval of an applicant's planning application*										
Pre-PD	*Serves as a transitional zoning classification for PD (see description of PD uses above)*										

** for lots or subdivisions recorded prior to 1/1/49*
*** for buildings in excess of 3 stories*
Other exceptions may apply

The Daly City zoning code has been written to encourage new development in such a way that the quality of life for existing and potential residents is maintained. Multi-family densities are relatively high. Parking requirements for new residential development are established for each type of residential use, prescribed as follows:

Residential Type	***Required Parking Spaces***
Single-family	*2 spaces per unit*
Two-family (Duplex)	*2 spaces per unit; 4 per structure*
Multiple-family	*1 space per studio* *1.5 spaces per one bedroom* *2 spaces per two-bedroom unit or larger*
Mobilehome Park	*1 space per mobilehome, plus 1 guest space each grouped in common area*
Boardinghouse	*1 space per rentable room, plus 1 space per every 200 sq. ft. kitchen and administrative office area*
Secondary Unit	*2 spaces, plus 2 per principal dwelling (4 total)*

Reductions are allowed for low-income developments as well as projects for low-income elderly persons are required to provide only one fourth of the parking indicated above.

Generally, the City's residential development standards are consistent with the requirements of neighboring jurisdictions and accepted planning practice, and do not constrain development of new and/or affordable housing. The greatest constraints to affordable housing in Daly City regard high land costs, high construction costs, lack of vacant and available land to develop, and financing. The City also routinely evaluates these standards to identify where barriers to affordable housing may occur and, thus far, no specific constraints have been identified. Nor have any such constraints been identified at recent meetings with an affordable housing developer interested in building on vacant City-owned property. Although not considered detrimental to any specific affordable housing development proposal, an existing provision of Zoning Code currently prohibits condominiums less than 20 units, possibly affecting needed flexibility. A proposal to amend this requirement, as necessary, to accommodate smaller affordable housing projects will, together with other residential development regulation amendments, be presented for consideration of adoption by the end of 2004. Other than this one change, the City has alternatively committed to considering deviations from the requirements of the residential development standards including application fee waivers and/or reductions, as necessary and possible, to facilitate affordable housing.

Building Codes

The 1997 Uniform Building Code, as amended by the City, has also established construction standards which add to the cost of housing development. Local code amendments have been significantly reduced in an effort to allow greater uniformity of construction standards throughout the county. The remaining local amendments are minor and do not add significantly to the cost of housing, but significantly increase the

long-term safety of residents, prevent fire spreading to adjoining homes, and improve insurance rates.

Site improvements and exactions by the City, such as traffic signals or park in-lieu fees increase the cost of development in Daly City. To better assure equity in the application of fees related to new development, the City analyzed the needed public facilities associated solely with new development and established a fee that allocates a 'fair share' of cost to new residential and commercial development. Most off-site improvements needed to serve future growth are funded through the City's Public Facilities Fees.

Fees and Dedications

All Bay Area cities charge fees in order to pay the costs to process, regulate and mitigate the impacts of new development. Fees are also established to connect to the sewer and water system. If fees are inordinately high or above those charged by other communities, they can lead to higher cost housing that discourages housing development. However, Daly City's fees are average when compared to those found in other communities in the Bay Area.

Fees, while important in offsetting the costs to the City in planning and regulating development, can be limited to minimize the effects on the cost per unit of housing developed. Fees are, therefore, set at a level that reflects most, if not all, of the costs to the City. The most equitable method for reducing fees is to reduce costs. Table 4.6 shows the typical fees charged by the City of Daly City for a single-family dwelling being constructed in 2001. The dwelling is assumed to cost $204,567 and Table 4.6 presents both site and construction fees. The site fees would only be applicable if the home were being constructed in a new subdivision. An in-fill development would not bear site costs but would be subject to construction fees.

Daly City impact fees are based on the costs of public facilities required by new development and were the result of the State of California Assembly Bill 1600 (AB 1600) requiring cities in California to establish reasonable impact fees for new development, as opposed to current deficiency. Public facilities funded through the AB1600 fee include police, library, fire, administrative facilities, roadways, water and wastewater. The fees are charged on the basis of geographic benefit zones, each with differing cost bases. Therefore, the fee may range from $3,674 to $14,616 depending upon the benefit zone in which new residential development occurs.

TABLE 4.6: DALY CITY NEW RESIDENTIAL CONSTRUCTION FEES

	FEE	TOTAL
Site Fees		
Tentative Subdivision Map	$600 + $50/lot	$650
Final Subdivision Map	$200 + $75/lot	$275
Grading Fee	$78/1,000 cu. yds.	$78
Fire Fee	$50 + $5/D.U.	$55
Inspection Fee	2%-4%	$5,200
Construction Fees		
Plan Check Fee		$1,469
Building Permit Fee		$8,553
Electrical Permit Fee		$277
Mechanical Permit Fee and Underutilized Parcels		$99
Plumbing Permit Fee		$145
Sewer Permit Fee		$1,780
AB 1600		$5,813
Total		$18,136

Source: Daly City Building Division

Site Improvements

In addition to processing fees charged by the City, a new subdivision may be required to install improvements off-site, dedicate land for parks (or pay an in-lieu fee) or contribute to the cost for services provided to the project. These are typical costs associated with mitigating environmental impacts associated with a development and they vary on a case by case basis depending upon the anticipated impacts. While these costs are necessarily a part of new development in the City, the charges are carefully analyzed in each case in order to avoid unnecessary requirements being placed on new residential development.

The subdivision of land often requires that new streets be constructed, including curbs, gutters and sidewalks. The requirements set forth in the Subdivision Ordinance are similar to those established in other neighboring communities and are based on minimum standards to accommodate pedestrian and vehicular circulation and emergency access.

Permit Processing Procedures

The processing of discretionary permits and other local entitlements can be lengthy and delay development, resulting in increased costs. This process typically includes use permits, variances, rezonings, General Plan amendments, subdivisions, and environmental review pursuant to the California Environmental Quality Act (CEQA), which requires the review of both the Planning Commission and City Council. In Daly City the process entails the following steps: 1) pre-application meeting (optional); 2) application submittal; 3) preliminary application review; 4) completeness review; 5) project analysis and recommendation; and, 6) building permit process. The time necessary to complete the process varies depending upon many factors such as the nature, size, location and complexity of the project including the involvement of other agencies. Typical permit processing time ranges from 6 – 8 weeks for simple projects with minimal permits, and longer for those more complicated and involving more permits. Residential developments, whether single-family or multi-family, tend to fall under the latter category, involving a lengthier time to process. Often, the completion of the

environmental review process pursuant to CEQA causes the greatest delay. A majority of the tentative subdivision applications reviewed by the City are acted upon within 150 days of filing. Final maps can take an equal amount of time and building permits take 60 to120 days to process.

In an attempt to better coordinate and streamline the tentative and final subdivision map review process. City staff has prepared an inter-departmental review manual that explains responsibilities and actions at each step of the subdivision process. Review processes should be more thorough and timely, as a result, and the person seeking to subdivide his or her property is made aware of issues and problems earlier in the process. In addition, all City departments or divisions involved in the development process are represented at weekly Development Coordinating Committee meetings.

The entitlement process in Daly City is more expedient compared to many neighboring cities. For instance, the Planning Commission functions as a recommendation-only body, such that all decisions on discretionary permits are made exclusively by the City Council. This tends to streamline the approval process and advance projects quicker to the final decision-making body. The City also offers developers an opportunity to receive feedback from a two-member ad hoc City Council Committee prior to committing to the entitlement process. These Committee meetings are particularly useful to developers of affordable housing projects, where potential issues can be scoped in the initial stages and resolved to minimize or avoid the creation of conflicts or controversy that could derail an affordable housing project.

Furthermore, all development projects that require discretionary permits, including residential projects, also require approval of the Design Review Committee, another ad hoc Council Committee. This Committee, however, typically reviews projects after Planning Commission review and City Council approval, but prior to issuance of a building permit, and reviews the finishing touches relating to the aesthetic and design merits of a project. The Design Review process is an expedient one that is open to the public and can occur on short notice, typically within two weeks of a request to meet.

Generally, the planning review process for residential projects in R-3, C-1 and C-2 zoned areas follow the planning review process described above (e.g. optional pre-application meeting and filing an application with staff), preparation of staff reports to the appropriate bodies (e.g. City Council), and Planning Commission and City Council meetings to review and approve or reject the project. The City Council has final say on whether a development proposal is accepted or rejected.

A Design Review Committee meeting would be applicable after the City Council approves a project that contains four or more residential units, needs a use permit, is in a redevelopment project area or is subject to an approved urban design, master or specific plan. Residential development in a C-1 or C-2 zone requires a use permit and, therefore, triggers a meeting with the Design Review Committee. If a project is in either of the City's two redevelopment project areas, then a conceptual review public meeting to get Redevelopment Agency approval/rejection of the project must take place prior to

consideration by the Planning Commission and City Council. Overall, this process takes up to 4 months, depending on the size and scale and design of the proposal.

The City's multifamily design and review standards are formally described in Section 17.45 of the City's Zoning Ordinance. These standards are readily available and accessible to the general public and involve evaluation of a site plan, building and/or landscaping designs, and other relevant data. The Design Review Committee, which consists of two Councilmembers, looks at typical architectural issues including character and scale of the design, aesthetics of the design, integration of the structures with the site and surrounding physical environment, quality of building materials. Because the design review standards are published and available in hard copy or online under the City's Municipal Code, developers know what to expect. Therefore, the design review process is not a constraint to development, but more importantly, serves to ensure quality design is well integrated into the existing neighborhood context.

In terms of entitlement processing for emergency shelters and transitional housing, the City of Daly City has historically deferred to the San Mateo County Office of Housing, which has taken the lead role in San Mateo County to evaluate and provide for homeless population needs, facilities and services. This County Office has concluded, based on the most recent study (Summer 2001), that homeless needs for Daly City in addition to other neighboring communities are being served and met by the year-round operation of Safe Harbor in South San Francisco. Safe Harbor is an emergency shelter closest to Daly City and most likely to serve Daly City residents needs for homeless facilities. Homeless counts and needs assessment by the County occurs annually and biennial, respectively. No requests have been received for added emergency shelters.

Emergency shelter for special needs populations is accommodated by the organizations that serve those particular populations and needs. When approached by these organizations the City has historically provided appropriate assistance as needed. Regarding transitional housing, the City has worked with non-profit organizations and governmental agencies to assess needs, evaluate sites, and determine operational and acquisition costs. Otherwise, the City has not received nor expects to receive within the term of this Housing Element Update a request for new construction of these facilities. More commonly, existing buildings are being adapted for reuse to accommodate these needs rather than new buildings being constructed, typically without requiring any discretionary permits.

The City currently has no special review process for emergency shelter or transitional housing facilities, given that one is not needed presently nor anticipated within the term of this Housing Element Update. Nonetheless, the City is currently drafting amendments to its residential development regulations, which will include provisions to allow homeless shelters and transitional housing in the C-1 and R-3 zoning districts pending approval of a use permit. These amendments are anticipated to be adopted near the end of 2004. The amendments are intended to facilitate opportunities for establishing emergency shelters and transitional housing by allowing application review to be

completed with a minimal amount of red tape. As a result, a typical application review should take approximately 90 days.

Infrastructure Limitations

Since the vacant, residentially zoned properties are either small or moderate in size and are scattered throughout the City, it is unlikely that any development will create a serious, additional demand on existing services and infrastructure (i.e., water, distribution lines, sewer collection system, etc.).

The North San Mateo County Sanitation District completed a $23 million modification to its treatment facility, increasing capacity from 8 million gallons per day to 10.3 million gallons per day. This expansion, completed in 1990, was in response to a serious lack of capacity that resulted in a sewer connection moratorium during 1986-87. The expanded capacity will easily serve all projected new growth.

Daly City's water system should also be adequate to serve future needs. Portions of the system, including the Bayshore neighborhood, will need expanded storage capacity to meet future fire flow requirement for residential development. In addition, Daly City is working with the San Francisco Public Utilities Commission to address integrated resource management issues associated with conjunctive use of supplemental surface water to recharge groundwater supplies, and development of tertiary recycled water as an irrigation source to local golf courses. These strategies are intended to extend available resources to meet projected water needs, but none of these improvements are perceived to pose a significant limitation to long-term residential growth

Constraints on Housing for Persons with Disabilities

Under SB 520 passed in 2001, State Housing Element law was amended to require localities to "analyze potential and actual constraints upon the development, maintenance and improvement of housing for persons with disabilities and demonstrate local efforts to remove governmental constraints that hinder the locality from meeting the need for housing for persons with disabilities." City staff has analyzed its zoning and land use regulations and building codes to determine which constraints on providing housing for persons with disabilities exist. In addition, the City's HUD-required Analysis of Impediments to Fair Housing (AI), which is currently being updated, has provided some insights into potential constraints. The AI is a joint effort between Daly City, San Mateo County, Redwood City, San Mateo, South San Francisco and a regional fair housing nonprofit, Project Sentinel. The AI examines public and private sector barriers to fair housing choice within each jurisdiction and develops recommendations to overcome them. The AI process enables local jurisdictions to affirmatively further fair housing in their communities.

The City has existing procedures and policies that enhance accessibility in its residential housing. The City enforces the accessibility provisions under Title 24 of the California Codes that apply to new construction of multifamily units with three or more units. City

staff also takes or accepts individual requests for special accommodations (e.g. allowing second units on the first floor of a house without meeting minimum parking requirements in order to help a physically disabled family member who cannot climb stairs) and works with the property owner to have them implemented.

The City has also supported programs over the years to enable lower income households, including those with persons with disabilities, an opportunity to maintain and improve their housing, while providing them with needed financial relief. The City's Residential Rehabilitation Program, which offers grants and low interest loans, and the nonprofits, North Peninsula Neighborhood Services and Rebuilding Together, both of whom provide grants to low income households as well, allow accessibility modifications as eligible activities. Another nonprofit, Center for the Independence of the Disabled (CID), solely undertakes accessibility improvements to housing for a person with disabilities. All four programs are funded annually with City CDBG funds.

In the current drafting of the AI Update, some constraints on housing for persons with disabilities were identified. One impediment was the City's outdated definition of "family," which is "a person or group of persons related by blood, marriage or adoption" living together. The City will amend this definition in the course of revising other residential zoning ordinance requirements and having the City Council adopt these changes near the end of 2004. The new definition will formally codify that unrelated people, including those with disabilities, are legally allowed to share housing.

The draft AI Update also identified that the City does not have written reasonable accommodation policies (i.e. exceptions) to local zoning decisions. In short, the City should have formalized standards for its staff to effectively and efficiently respond to reasonable accommodation requests in residential projects and ensure that zoning decisions are made in compliance with applicable local, State and federal fair housing and disability requirements. The City will examine reasonable accommodation ordinances adopted in other localities, consult with agencies that are experienced in implementing such ordinances, and evaluate which ones offer the best guidance in helping the City develop their own written reasonable accommodation guidelines or policies in housing people with disabilities (see "Policy 5.2: Promote adaptability and accessibility of residential units for disabled occupants," under Chapter 5(C), "Principle 5: Insure Housing Opportunities for All People," under this Housing Element Update).

NON-GOVERNMENTAL CONSTRAINTS

Constraints attributable to the private market that affect the improvement, maintenance and production of housing are generally categorized as non-governmental constraints. The imbalance between housing supply and demand makes housing costs in the Bay Area among the nation's highest. The high costs of development, financing, and land are the greatest barriers to the provision of affordable housing.

Land Costs

Daly City's proximity to the San Francisco employment center and the rapidly increasing job opportunities there have created an environment which makes Daly City a desirable place to live. Market forces continue to push land costs upward resulting in an increase in housing costs. As the cost of housing rises at a much greater rate than income, there is a decreasing opportunity for home ownership to a growing proportion of Daly City residents. Additionally, there is an increasing number of households who can barely afford the home they purchased and, as a result, cannot afford expenditures on routine maintenance and repair.

Market Conditions

Another potential constraint to housing rehabilitation in some portions of Daly City is the uncertainty some property owners may feel toward the long-term prospects for upgrading a neighborhood. Areas where this could be a constraint are generally the older neighborhoods east of Interstate 280.

Many of the current building condition problems stem from the inability of some Daly City residents to pay for well-maintained, standard housing. In this regard, the housing problem is basically a problem of poverty. A low-income family cannot pay prevailing rents for decent housing without imposing a severe strain on the family budget. They have two choices: spend an inordinately high percentage of income to get a standard unit or spend a more reasonable amount and accept substandard housing.

Landlords may face a similar dilemma. Revenues received from a building must match the operating cost, including mortgage payments, taxes, insurance and basic upkeep. If there are no tenants willing or able to pay the amount needed to maintain the building in good condition, costs are usually reduced by cutting back on maintenance and repair. Ignoring needed repairs causes the building to deteriorate and with it the neighborhood.

Construction Costs

Based on building cost estimator guides, the cost of constructing a wood-frame, single-family residence in the Bay Area has increased significantly since 1980 with lumber, concrete and labor constituting the most rapidly rising components. The construction cost, without considering land costs, financing, etc., for an average single-family home in Daly City is approximately $200,000. The cost of a single-family lot that can be built on varies depending on the characteristics of the property (e.g. sloped) and location. A 2,500 square foot lot will cost from $80,000 to $140,000.

Availability of Financing

Financing costs reached an all-time high in the first part of this decade. The lack of affordable financing has led to a proliferation of creative financing packages including variable rate mortgages, balloon payments, interest-only loans, equity participation and other techniques. The long-term outlook for interest rates is highly uncertain, and will be influenced by such factors as deficit spending by the federal government, federal housing policy, borrowing needs of businesses and individuals, and the monetary policy of the Federal Reserve Board. These are all factors over which Daly City has little or no influence. In the spirit of the overall Housing Goal, the City must recognize the constraints in establishing realistic policies. The City has and should continue to sponsor and/or administer interest rate reducing programs (e.g. Housing Revenue Bond and Residential Rehabilitation Programs that benefit specific groups like low and moderate income households, first-time home buyers, and groups with special needs.

5. GOALS, OBJECTIVES & POLICIES

A. THE HOUSING GOAL

The previous sections have established the general nature of Daly City's housing situation – the character of the City's housing stock, population and household data, the housing needs of the City, and constraints to housing production and conservation. This section of the Housing Element presents the overall goal, objectives and policies of the City of Daly City.

The information, analyses, recommendations and programs offered in this Housing Element are aimed at the accomplishment of a single housing goal, which is:

"It is vitally important that locally responsible government institutions give priority attention to preserving and enhancing Daly City's residential environment, so persons of all ages, races and incomes can choose to live here in safe, attractive and affordable housing."

A number of points about this goal should be carefully considered. First of all, the goal is directed toward "locally-responsible government institutions" (e.g., the City Council, the Planning Commission and other advisory boards and commissions, the City's staff, and other elements of local government). In so doing, the housing goal directs housing program responsibilities toward local officials and local solutions and away from groups and/or forces which may traditionally have been areas of concern, such as federal policy and funding, state legislation, economic trends, regional housing opportunity imbalances, etc.

An example of this goal's importance and how it might vary from previous approaches can best be shown by comparing market forces and affordability. The need for housing in Daly City, as is generally the case in the Bay Area, outstrips the rate of new construction so basic principles of supply and demand become evident in a variety of ways which are outlined below. Each of these housing problems is attributable, at least in part, to the forces of supply and demand in the market place :

1) *Housing costs soar (e.g., the average cost of a Daly City single-family home nearly quadrupled in the 1970's from $26,000 up to $100,381 and has increased by almost 400% more in the 1990's, up to $400,000 as of December 2000)*
2) *Families double and triple up in a single dwelling*
3) *Illegal apartments are added without City approval or permits and*
4) *Those who cannot afford decent and safe housing are crowded into pockets of poverty.*

In the Bay Area, spiraling housing demand, basically a function of population and employment growth, household formation and household income, is primarily fueled by

population increases that stem from the growth of job opportunities. For example, according to ABAG 2000 projections, the City of San Francisco had an increase of about 50,000 jobs between 1990 and 2000. During this period, however, San Francisco produced a total of 12,434 new housing units creating a shortfall in housing supply that has driven up the cost of housing.[8] The shortfall that fuels the cost of housing in San Francisco knows no geographical or political boundaries and, as a result, boosts the cost of housing in Daly City, too. Although it is believed to be the single most significant factor in causing extraordinary housing cost increases, realistically, there is nothing Daly City can do to reduce the construction of high-rise office buildings in downtown San Francisco. Neither should Daly City abandon efforts to secure an improved tax base because the region faces a housing shortage. Daly City's efforts to assure an adequate supply of decent, affordable housing treats the symptoms of soaring costs and not its causes because these are factors over which the City has no control. In recognizing Daly City's situation and what locally responsible government institutions can and cannot hope to accomplish, the housing goal replaces rhetoric with reality.

A second point to consider about the goal is that it specifies "priority attention" be given to housing problems. It communicates a sense of urgency because a continuing failure to solve the housing crisis will manifest itself in a wider set of social and institutional problems such as increased income disparity and greater inequality. After the 1906 earthquake and fire that destroyed 28,000 buildings in San Francisco, the move to Daly City began. Subdividing lots could barely keep up with the need for new housing as housing assumed priority attention. The housing goal indicates that to the greatest extent possible this “priority” on housing should continue in Daly City.

A third part of the goal to consider is the residential conservation advocated by “preserving and enhancing" Daly City's stock. Just as important as adding new units, this aspect of the goal implies that, where necessary, older residential neighborhoods should be upgraded or maintained. Efforts that detract from the City's neighborhoods and adversely affect residents of those areas are not in the City's best interest and the Housing Goal cites the importance of preservation and conservation for this very reason.

The goal identifies the three major components of desirable housing: "safe, attractive and affordable." The United States Housing Act of 1937 is prefaced by a Statement of Objectives which reads, in part, "Provide for the eradication of slums, for the provision of decent, safe, and sanitary dwellings for families." Indeed, throughout this nation's history, large numbers of urban families have occupied overcrowded, unsanitary, and dilapidated dwellings. The gap between the cost of decent housing and the price people can pay has, in some areas, led to reduced maintenance and, as a result, increased deterioration. To a certain degree, there is a spiraling cycle where a lack of maintenance detracts from the appearance of a neighborhood, which leads to the vandalizing of property and fosters a “Why bother to repair it?" attitude. The housing goal, if it is to be met, requires that this cycle be broken.

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[8] San Francisco Planning Department, 2001 Draft Housing Element

The diversity of Daly City's population is recognized in the “persons of all ages, races and in- comes" statement. The housing goal applies to each and every citizen that lives or wishes to live in Daly City.

Finally, the housing goal seeks to allow a wider range of choices for those who have few, if any choices. The housing goal promotes opportunities to choose a location where they want to live, select a dwelling that meets their needs, both physically and financially, and improve their living environment. An underlying theme in Daly City's General Plan, which is especially true in the Housing Element, is that as each individual is better off with more choices in any decision, so are we all.

The overall housing goal represents a destination, a final purpose that the community seeks to attain. As the most general level of any policy, the goal, by itself, is not very helpful to decision-makers. Further refinement is necessary if the goal is to assist Daly City residents, political leaders, business entrepreneurs and appointed officials in reaching the destination. The first level of focusing and refining the housing goal takes place as stated objectives, which are discussed below.

B. QUANTIFIED OBJECTIVES

A goal states an ideal condition, while objectives further define the elements of the goal. Objectives should provide a means for measuring progress toward realization of the goal or ultimate purpose. For this reason a set of objectives should, to the extent possible, be stated in quantitative terms. There are four quantified objectives for the Daly City. These objectives identify the specific number of units to be constructed, rehabilitated, replaced or preserved. The quantified objectives cited in this Housing Element Update are defined for the years 1999 through 2006. Following the discussion of quantified objectives, various housing policies that will guide the City’s housing programs are presented.

The purpose of this Housing Element is to implement the objectives below, however, to a certain degree, these are local objectives and they are not intended to reinforce the need for federal subsidies or State intervention. If this Housing Element Update is successfully implemented, the need for State or federal action should decrease because local initiatives have reduced such need.

CONSTRUCTION OBJECTIVE

In order to account for projected growth of the community as well as reasonable factors for vacancy and replacement of the existing housing stock, Daly City will encourage the development of an average of approximately 199 units per year over the planning period from 1999-2006 (see Table 5.1 below). Daly City also seeks to assure a balanced supply of new housing to meet the needs of both renters and buyers and for all ranges of income under Table 5.1.

Table 5.1: Housing Construction Objective (1999-2006)

Income Group	*Annual Number*	*Total*	*Percent of Total*
Very Low	40	282	20.3%
Other Low	19	139	10.0%
Moderate	56	392	28.2%
Above Mod.	83	578	41.6%
Total:	199	1,391	100.0%

Source: Daly City Department of Economic and Community Development, 2001

Daly City has set its Construction Objective in Table 5.1 to match the housing needs established under ABAG's Regional Housing Needs Determination. Given the lack of suitable sites for new housing construction and limited financial resources for subsidizing affordable housing, realization of new construction will be a significant challenge for the City.

Daly City does not have a growth management ordinance and will continue to consider innovative methods to encourage construction of new housing. Any site available for residential development could accommodate lower income housing. The revised Vacant Land Survey indicates that there is sufficient acreage available to meet ABAG's Regional Housing Needs Determination for the City.

REHABILITATION OBJECTIVE

In order to upgrade deteriorated dwelling units found throughout Da1y City, the City will work to complete the rehabilitation of 31 dwelling units per year for the years 1999 through 2006 (see Table 5.2). While it is not possible to specify precisely which units will be rehabilitated, the quantified objective is, within the next 7 years, to correct 90% of the residential buildings with major or critical deficiencies identified in the Housing Conditions Survey. While the City's Residential Rehabilitation Program is not targeted to a specific area and property owners throughout the City may avail themselves of the Program, the neighborhoods east of Interstate 280 have the highest concentration of dilapidated units and may likely require a greater proportion of the residential rehabilitation resources.

Table 5.2: Rehabilitation Objectives (1999-2006)

Income Level	*Rehabilitation*
Very Low-Income	45
Low-Income	22
Moderate-Income	62
Above Moderate	91
Total	220

Source: Daly City Department of Economic and Community Development, 2001

This category also includes rehabilitation loans or grants to provide access for handicapped persons. Eligible homes can be retrofitted with such modifications as ramps, grab bars, lowered sinks and widened doorways. The City implemented the Senior Minor Home Repair Program in July 1990 that offers grants to seniors to make necessary repairs to their homes, often deferring the cost of repair until the dwelling is sold. Also, the City has annually allocated CDBG funds to a nonprofit, Center for the Independence of the Disabled, to provide free home modifications for eligible households with disabled members.

REPLACEMENT OBJECTIVE

The City will seek to remove by appropriate means all buildings identified as not suitable for rehabilitation. A substandard building is considered not suitable for rehabilitation if improvement costs to make it into decent, safe and sanitary housing exceeds the cost of replacing it with a newly constructed building. Such units are, by definition, considered to be in such a state of disrepair that rehabilitation is not feasible, and occupancy of these units on a long-term basis poses a significant threat to health and safety of the occupants.

Recognizing the guidelines for replacement, it is nearly impossible to determine the precise number of units not suitable for rehabilitation. In a few extreme cases, dilapidated and structurally unsound buildings will require major work (e.g., new foundations, structural modifications, new heating and plumbing) to the extent that demolition and complete new construction would be more cost effective. The structural problems associated with these properties usually go undetected in a windshield survey of building conditions like the one completed in July of 2001. However, based on previous demolition permits issued by Daly City a total of three such units per year is anticipated. The Replacement Objective for the current planning period from 1999-2006 is, therefore, 21 units.

PRESERVATION OBJECTIVE

In order to conserve the existing housing stock, the City should avoid actions that would adversely affect existing, sound dwellings, such as rezoning to non-residential uses and approving major demolition projects without adequate replacement housing. The preservation objective also contributes to the provision of a balanced housing supply by discouraging the demolition of lower cost housing that would be replaced with more expensive housing, unless that housing complies with the previously cited housing construction objectives. The San Mateo County Housing Authority, along with the City,

is presently monitoring the one at-risk rental property, Villa Fontana Apartments with 120 affordable units), in Daly City to ensure its long-term affordability.

C. HOUSING POLICIES

The specific objectives discussed in the preceding section will be accomplished through eight guiding principles. They are:

1. *Encourage new residential development in suitable locations*

2. *Increase the supply of housing in a manner compatible with the character, density and integrity of existing neighborhoods*

3. *Assure the quality of housing is continually maintained or upgraded*

4. *Provide housing affordable to all income groups*

5. *Insure housing opportunities for all people*

6. *Maintain and enhance the quality and diversity of Daly City's neighborhoods*

7. *Reduce unnecessary or wasteful energy practices and encourage more energy efficient housing*

8. *Avoid or reduce the economic and social difficulties caused by displacement.*

The following sections present specific housing policies that will enable the City to abide by these eight principles:

PRINCIPLE 1: ENCOURAGE NEW RESIDENTIAL DEVELOPMENT IN SUITABLE LOCATIONS

Policy 1.1: Support infill housing on appropriate sites in existing neighborhoods

By encouraging infill of existing residential areas where public service infrastructure is in place, construction costs can be reduced and housing can be more affordable. Appropriate sites would include the following: 1) vacant property that is not designated for open space in the General Plan, 2) underutilized property where residential development represents the highest and best use, 3) sites in residentia1 areas where non-conforming uses have been abandoned or terminated and 4) property not subject to environmental hazards such as flooding,

slope instability, seismic land rupture, excessive noise, hazardous materials handling, etc.

Policy 1.2: Foster housing development on suitable, surplus public lands

The Vacant Land Survey identified a number of publicly owned properties that may be suitable for housing. These sites are owned by a variety of public agencies including the City, local school districts, Caltrans, etc. In some instances, these public properties are no longer needed for the originally intended purpose, and would be more appropriately leased or sold (and rezoned, if necessary) for housing development. The City may also acquire surplus federal or State land, if funds are available, for eventual sale or lease, and where appropriate, make the land available for housing.

Policy 1.3: Continue to allow secondary units in single-family neighborhoods

In 1983, Daly City enacted a Secondary Unit Ordinance intended to establish reasonable standards for allowing such units in all the City's single-family neighborhoods, while minimizing red tape in the process. Secondary units represent a cost-effective way to expand the housing supply. The concept responds to the discrepancy between available housing characteristics (i.e., larger homes built in response to the “baby boom”) and housing needs (e.g., seniors or young professionals who, because of income or lifestyle, prefer smaller units). The City should periodically evaluate the second unit requirements and procedures to make certain this resource is used in the best possible manner.

Policy 1.4: Assure that standards for new housing construction adequately safeguard life and property

In part, the Uniform Building Code, as amended by the City, is intended to assure that new residential construction meets or exceeds minimum standards. The City should continue to vigorously enforce these requirements and, when possible, recommend additional safety measures applicable to individual projects.

Policy 1.5: Assure that standards for new housing construction comply with appropriate aircraft noise abatement requirements

All new housing development within the 65 dB CNEL aircraft contour, as shown on the most recent FAA accepted San Francisco International Airport Noise Exposure Map, should be constructed to achieve an interior noise level of 45 dB CNEL or less based on aircraft noise events.

PRINCIPLE 2: INCREASE THE SUPPLY OF HOUSING IN A MANNER COMPATIBLE WITH THE CHARACTER, DENSITY AND INTEGRITY OF EXISTING NEIGHBORHOODS

Policy 2.1: Establish zoning controls and density limits that maintain the prevailing character of existing neighborhoods

This policy affects new housing development as well as modifications in the existing housing stock. As a general rule, development should reflect the predominant intensity of the surrounding neighborhood. Building bulk, lot size and pattern, unit size and building type should complement that of the neighborhood. Prevailing densities are exceeded only when the scale and character of the surrounding neighborhood will not be disrupted. Zoning Ordinance standards should be periodically reviewed, and where necessary revised in light of this policy.

The City should continue efforts to promote mixed-use development along the Mission Street corridor, primarily comprising residential above ground floor commercial uses. This includes working closely with non-profit and other for-profit housing developers to facilitate the construction of commercial developments with integrated housing to meet the needs of low and moderate income households. Ongoing contact with business operators and property owners furthers this cause. The City should continue to routinely inventory and establish a list of vacant and underutilized property for prospective affordable housing development. This list, as always, will continue to be made available to all interested affordable housing developers. The City should also continue to seek out and meet with affordable housing developers and work to link them to interested sellers of vacant and/or underutilized properties along this corridor.

To assist in the development of housing for lower income persons, the City will continue to offer parking reductions that serve as an incentive to developers of affordable housing. This regards existing provisions that allow decreased parking requirements by 75% and 25% for low-income elderly and all other new low-income multi-family housing developments, respectively, whereby encouraging increased quantity of housing units and related density for these income groups. The City also has an inclusionary housing policy for the Mission Street Redevelopment Area that requires 15% affordable units for new residential development with 27 or greater units. The City is also currently drafting plans to update its residential development regulations, with anticipated adoption by the end of 2004. These regulations will include a proposal for added density bonuses and other related incentives for new affordable housing projects.

Along with the parking incentives described above, additional incentives that will help stimulate residential development, particularly affordable housing, include land assembly, re-zoning, public subsidies, technical assistance, and streamlined permitting. Recent examples of land assembly include the City's work in putting

together land parcels for the proposed mixed-use Landmark project and the affordable School House Station Family Apartments built in 1997. When applicable, the City will work with developers and property owners to re-zone land. The City's present partnership with Peninsula Habitat for Humanity involved the re-zoning of land designated Interim District (ID) to R-1 Single Family so seven (7) new town homes can be built on the site. This project will begin construction in spring of 2004.

When developers bring forth projects that include affordable units or when the City wants to encourage developers to offer affordable units in their proposals, the City will use its limited financial resources to subsidize a project in the form of a grant or loan. The City's financial aid is in the form of HUD (i.e. CDBG and HOME) and Redevelopment Housing Set-Aside monies. However, the public subsidies from the City help leverage private loans, foundations and other public funding sources as has been the case with the City's recent affordable rental developments like School House Station and Vista Grande Family Apartments.

Daly City staff can also provide developers with technical assistance. Economic Development Division staff offers in-house services like appraisals and financial analyses that determine reasonable profit margins for developers and necessary subsidy levels. Housing and Community Development staff can also assist developers calculate more accurate subsidy needs and also provide demographic and other relevant housing-related statistics.

In addition, the City's Building permit process has continually improved and efforts have been made to enhance services for developers and builders. In recent years, the City put its permit application online and also created and filled a Building Plan Engineer position. Prior to creating this position, the City had to outsource for engineer plan check services, but now can expedite and reduce costs by doing the work in-house. Also, permits submitted on Tuesdays or Thursdays are provided same day review.

Policy 2.2: Encourage higher density residential development in areas where such development will not have adverse effects

Higher residential densities are appropriate in locations where public services can support the increased demand and adjoining land uses would not suffer adverse impacts. This would include places where water and sewer capacity is sufficient and mass transit service is readily available. Other factors to be considered in locating higher densities include: availability of permanent open space; distance from primary service facilities and activity centers; balanced growth within the community; and compatibility with surrounding land uses. The General Plan was amended previously to allow an increase in residential density from 50 to 65 dwelling units per acre in urban commercial locations. With densities of up to 50 dwelling units per acre in residentially designated areas, these higher densities might be applicable to areas adjoining community and regional shopping areas, employment centers, public parks and transit stations.

Policy 2.3: Allow mixed residential/retail or office uses along the Mission Street Corridor

Mixed uses are allowed in this area with the granting of a use permit. The City should also review all building code requirements that may create unnecessary governmental constraints. The City will evaluate potential mixed-use development sites and provide assistance, where appropriate, in the assembly of parcels suitable for development.

The City's efforts will include maintaining an inventory and list of vacant and underutilized property for prospective affordable housing development. This list is updated to the extent possible, biannually and, as always, will continue to be made available to all interested affordable housing developers. The City will routinely seek out and work with prospective affordable housing developers and meet with property owners and, when necessary, take a leading role as facilitator between these two parties and other participants to foster new development. The City will offer technical assistance to landowners and prospective developers regarding, for instance, regulatory guidelines, development potential, design solutions, and marketing data. This will also include financial assistance where possible with subsidies from any available CDBG, HOME, Redevelopment and other public and private sources such as foundations. The City will continue to routinely monitor, investigate and utilize available new funding sources. Policy 1.1 above describes other incentives (e.g. parking requirement reductions) to help the City produce affordable housing.

PRINCIPLE 3: ASSURE THE QUALITY OF HOUSING IS CONTINUALLY MAINTAINED OR UPGRADED

Policy 3.1: Assure that existing housing is maintained in decent, safe and sanitary conditions

Residential units throughout the City should continue to meet housing code standards. The systematic inspection of apartment buildings begun by the Fire Department should be expanded to include the City's Building Division and cover all aspects of the Uniform Housing Code. To the extent possible, code compliance should be designed in a way that minimizes the hardship imposed on property owners and protects tenants rights. The City should examine the costs and benefits associated with mandatory code compliance for multi-family buildings upon sale or transfer and enact such a requirement, if appropriate.

Policy 3.2: Operate a residential rehabilitation loan program that meets the needs of the low and moderate-income population

The City annually allocates a significant portion of CDBG funds to operate its Residential Rehabilitation Program that targets low income households. For more detailed discussion of the program, see "Program 1: Residential Rehabilitation Programs," under Chapter 6 of this Housing Element Update.

Policy 3.3: Establish an incentive program for voluntary housing rehabilitation

The decline of individual housing units is often associated with the general decline of physical appearance of a neighborhood. As an incentive to voluntary housing rehabilitation, the City should establish a coordinated effort to improve neighborhood conditions by upgrading streets, gutters, sidewalks, street trees, etc. The City should also establish incentives for retrofitting the existing housing stock with automatic fire sprinklers (e.g. fee reductions, low interest loans).

The City will continue to offer housing rehabilitation grants to eligible low income homeowners through its Residential Rehabilitation Program (i.e., senior minor home repairs, security bar replacement) and CDBG-funded nonprofits like Center for the Independence for the Disabled and North Peninsula Neighborhood Services.

Policy 3.4: Assure the timely correction of code violations

As the City's housing stock ages, it becomes increasingly important to require maintenance and correction of code violations. In order to encourage the proper maintenance and repair of residential buildings, the City will continue its Code Enforcement Program, which includes regular inspections of multi-family residential buildings and prompt enforcement activity wherever code violations exist. In 2000, the City added a code enforcement technician to augment its code enforcement activities.

PRINCIPLE 4: PROVIDE HOUSING AFFORDABLE TO ALL INCOME GROUPS.

Policy 4.1: Establish incentives for the inclusion of low income units in new residential developments

In 1991, the Daly City Redevelopment Agency adopted an inclusionary housing policy for the Mission Street-Junipero Serra Boulevard Commercial Business District Redevelopment Project. The policy requires that any development activity in the redevelopment area which results in the construction and/or rehabilitation of dwelling units is required to make 15 percent of the total number of dwelling units affordable to persons and households of low or moderate income. The policy applies to developments of 27 or more units. A similar policy is currently under consideration for the Bayshore Redevelopment Area. A Citywide inclusionary housing policy is also currently under consideration and may be implemented.

The City also encourages inclusion of affordable housing through parking variances, density bonuses and developer financial assistance.

Policy 4.2: Use the financial resources available to the City to reduce the cost and increase the amount of affordable housing

In general, affordable housing requires one or more sources of subsidy financing in order to be feasible. Potential sources of subsidy financing include federal HOME and CDBG funds, State funds, tax credits, tax-exempt bonds, local jurisdictional resources and private sources such as foundations. In 2000, the State expanded its role in financing of affordable housing when Governor Gray Davis signed the largest housing budget in the history of the State. Given the State's recent energy crisis and budgetary woes, the future of the State's participation in affordable housing finance is unclear. Daly City should monitor available federal, State programs and other resources and secure its share of funds as programs are implemented.

Like many California communities, Daly City has begun using tax-exempt bonds to finance local housing projects. Single-family mortgage revenue bond proceeds are used to make mortgage loans to first-time home buyers who can put as little as five percent down and have interest rates below conventionally available loans. Multi-family rental housing bonds require 20 percent of the units be made available to lower income households at affordable prices. Other sources for funding affordable housing should be explored and, where appropriate, utilized by the City. The City has available to its citizens mortgage credit certificates (MCC) via San Mateo County for first-time homebuyers. The County MCC funding comes through State tax-exempt mortgage revenue bonds.

Policy 4.3: Allow construction of a variety of cost reducing, innovative housing types

Modular houses and mobile homes can provide additional housing for low and moderate-income households. Daly City has enacted a prefabricated housing ordinance. This policy was adopted pursuant to the requirements of State law.

Policy 4.4: Streamline the permit process to expedite housing construction

Delays in project approval and issuance of building permits can add to housing costs. The City should make every effort to insure that projects are reviewed and acted on in the shortest possible time consistent with the City's interest in complete review. Priority processing should be given to projects that include housing affordable to low and moderate income households. The City should also strive for consistent application of construction related code requirements.

Daly City has recently established one-stop permitting. Development permits are submitted to the Planning/Building Division counter. Interna1 review of these plans by various City departments is coordinated by a Planner or Building Inspector thereby avoiding inconvenience to the applicant.

Policy 4.5: Ensure that City amendments to and interpretations of construction-related codes and ordinances do not unnecessarily increase the cost of construction

Traditionally, Daly City has adopted the State-wide construction related codes (e.g., Uniform Building Code) with a number of local amendments. These changes can add to the cost of construction and maintenance of housing. City amendments to State codes should be carefully reviewed for their purpose and added construction cost. Any amendments adding to construction costs should be fully justified before approval. In interpreting the codes, City staff should consider the cost implications of their decisions. While not sacrificing quality or safety, interpretations should not be so narrow or restrictive that they unnecessarily add to construction costs.

PRINCIPLE 5: INSURE HOUSING OPPORTUNITIES FOR ALL PEOPLE.

Policy 5.1: Prevent housing discrimination based on age, race, religion. sex or ethnic background.

To insure equal housing opportunity, the City shall assist in the implementation and enforcement of State and federal of fair housing and civil rights laws. The City shall make use of opportunities in its interaction with real estate offices, businesses, and other groups or agencies to eliminate housing discrimination. Where discrimination is suspected, the City shall work with the appropriate public interest agencies to vigorously pursue the matter and where discrimination is found, the City shall assist the relevant entity in prosecuting the matter. Through its CDBG Program the City annually funds public service agencies like Project Sentinel, Legal Aid Society of San Mateo County, and La Raza Centro Legal to help Daly City residents address housing discrimination complaints.

Policy 5.2: Promote adaptability and accessibility of residential units for disabled occupants

While Daly City has a greater number of accessible units than other San Mateo County communities, the City should maintain an active role in expanding accessibility and require all State and local accessibility codes to be met. Disabled residents are less able to compete for scarce housing units because many units are not accessible. The City will look into developing and adopting written policies to guide staff in evaluating residential projects involving reasonable accommodation policies. The City also currently funds several home repair programs which residents can utilize to have various handicapped modifications constructed in and around their home.

Policy 5.3: Encourage economic integration in housing

At present housing opportunities for low and moderate income households exist throughout Daly City. This is due, in part, to City policies that promote balanced growth. A pattern of economic segregation, where a few neighborhoods provide a disproportionate amount of lower income housing, should not be allowed to develop. As special efforts are made to expand housing opportunities for low and moderate income households, the City should monitor housing patterns to insure economic integration. The City has monitored housing development for the past three years and found no signs of increasing economic segregation.

Policy 5.4: Support a balanced distribution of quality residential care facilities

It is desirable that residential care facilities be distributed throughout the City so people are offered a choice of locations. At the same time, dispersal will avoid an over concentration of such facilities in particular neighborhoods. State law precludes the City from regulating homes for six or fewer persons, but larger facilities are governed by zoning requirements. Proposed residential care facilities should be evaluated for compliance with the dispersal concept as well as proximity to community services, commercial areas, public transportation, accessibility to open space/recreation opportunities and other suitable criteria.

Policy 5.5: Provide financial assistance to lower income households in emergency situations

The Daly City Community Service Center presently operates the Housing Assistance Program that grants eligible lower income families, seniors and persons with disabilities money to cover housing related emergencies (e.g., security deposits, temporary difficulty meeting rent payments). The Center also assists individuals and families with temporary emergency shelter needs. In addition, the City annually funds Human Investment Project with CDBG dollars to coordinate shared home matches between homeowners needing income and lower income renters needing affordable rental housing.

Policy 5.6: Expand homeownership opportunities

Owner occupancy may assist in maintaining the housing stock. It is important that buyers be ready and capable of assuming the financial responsibilities of home ownership and maintenance. The City will work to expand the opportunity for individuals and families to own their home. In June of 2001, the City implemented its First Time Homebuyer Education Program to offer comprehensive guidance to primarily low and moderate income homebuyers and help enhance their skills and awareness as homebuyers and homeowners.

The City is committed to providing affordable homeownership opportunities, however, housing costs pose enormous difficulties. To help residents overcome

this barrier the City will explore a variety of additional activities including downpayment and closing cost payment assistance.

Policy 5.7: Support the development of rental housing

Despite low vacancy rates and high rents, rental housing production has not kept pace with demand in Daly City. Market conditions, which are beyond Daly City's control, have been cited as the principle constraint on rental housing construction. Daly City should seek out financial and regulatory methods for stimulating rental housing production.

In an effort to encourage the development of rental housing, Daly City maintains 107 acres of land in zoning for multi-family dwellings (R-3 zone). The City also has a secondary unit ordinance that provides for the establishment of small rental units in single-family homes, and, where appropriate, encourages mixed-use projects that include moderate-to-high density residential components.

PRINCIPLE 6: MAINTAIN AND ENHANCE THE QUALITY AND DIVERSITY OF DALY CITY'S NEIGHBORHOODS

Policy 6.1: Encourage the development of well-designed housing

All Daly City residents should be given an opportunity to live in a neighborhood environment that includes well-designed houses. To ensure this, the City should establish design guidelines to be used in the Planning and Building review processes. The following should be used in evaluating new residential construction and home improvements: relate the design, shape, setbacks, size and landscaping of improvements to the character of surrounding buildings. Curb cuts should be minimized and located so as to maximize on-street parking opportunities. Building facades should be articulated through use of bay windows, cornice details, entry details, and other variations of horizontal and vertical planes; views and well-defined interior block open spaces should have impairment minimized; and barriers that insure private open spaces encouraged. Building designs that encourage or allow significant opportunity to modify occupancy by creating separate living units not allowed under the code should be prohibited.

In addition, guidelines should assure adequate open space and natural light and avoid significantly reducing sunlight available to adjacent properties. The City's architectural and site improvement controls are administered at the staff level with appeals being heard by the City Council, Planning Commission, or a Design Review Committee established by ordinance.

The City imposed design review on all projects with residential components receiving planning approvals during the previous planning period. The development of guidelines should expedite project approval since it will alert

developers of the expectations concerning design. Design guidelines are being used in many communities.

Housing projects can be designed to be an asset to the community while maintaining construction costs to affordable levels. This policy will not impair the ability of developers to construct affordable housing in Daly City. Most communities in the Bay Area have design review requirements.

Quality design for all development types is an acknowledged principle for both of the City's redevelopment areas. Mission Street Design Guidelines were adopted in 1990 and apply to mixed-use projects in the Mission Street area. In February of 2001, the Daly City Redevelopment Agency approved the Bayshore Urban Design Study. The plan provides guidelines for future development in the Bayshore's primary commercial corridor including guidelines for building design, façade improvements, landscaping and street improvements.

Policy 6.2: Assure housing is provided with adequate public improvements, service and amenities

A variety of factors contribute to the quality of Daly City's neighborhoods, including access to open space and recreational opportunities, the quality of schools, the full range of library services, the effectiveness of police and fire protection, adequate street lighting, etc. Regular maintenance of streets and sidewalks, provision of street trees, control and prevention of graffiti and litter, protection from excessive traffic, and freedom from the nuisance of noise are all important to neighborhood life, and all should be addressed by the City in providing its citizens with a quality living environment.

The City conducted a comprehensive review of infrastructure needs and instituted a single, equitable development fee on all commercial and residential expansions and construction to finance infrastructure needed to support future development. The City also supports an active citizen-based, anti-graffiti campaign on Mission Street and has imposed litter-control measures on litter-generating businesses requiring planning approvals.

Policy 6.3: Minimize the disruption caused by institutions expanding into or adjacent to residential areas

The expansion of educational, religious, governmental, public utility and medical facilities may conflict with efforts to maintain or enhance the quality of life in a residential neighborhood. Buildings may not be in scale with the area and traffic and parking problems can be aggravated. To minimize potential disruption, the City should require processes (e.g., use permits) that allow careful review of expansion plans.

The needs of the neighborhood for housing, on-street parking, and safe, quiet streets should be considered in addition to the needs of a particular institution.

Larger facilities should be required to submit master plans prior to any City approvals of expansion requests. These plans should consider long-and short-term improvements and alternatives for reducing neighborhood impacts, while meeting the needs of the institution.

PRINCIPLE 7: REDUCE UNNECESSARY OR WASTEFUL ENERGY PRACTICES AND ENCOURAGE MORE ENERGY EFFICIENT HOUSING

Policy 7.1: Educate the residents in energy conservation and heighten energy awareness

The current energy crisis has made energy conservation and awareness a high priority State-wide. The City shall ensure that conservation awareness information is available to citizens, particularly those who are most vulnerable to increased energy bills such as fixed income elderly. Coordination between the City and the appropriate entities will be important in preparing useful conservation literature or to conduct educational activities for the public.

Coordinating energy awareness and conservation efforts with the school districts and PG&E, the City should reach out to the wide variety of ethnic groups in a manner that will provide a wiser use of resources. The City could create an energy awareness guide for residents and businesses and foster awareness through awards and other such incentives. The City has also undertaken a water-conservation education effort, which helps conserve energy.

Policy 7.2: Actively enforce the Title 24 Energy Efficiency Standards

At present the City of Daly City actively enforces the residential energy efficiency standards (Title 24, California Administrative Code) for new construction. These standards encourage energy efficient design and adapt requirements to the climate experienced in Daly City. The City should evaluate all new residential construction and continue its Title 24 enforcement efforts.

PRINCIPLE 8: AVOID OR REDUCE THE ECONOMIC AND SOCIAL DIFFICULTIES CAUSED BY DISPLACEMENT

Policy 8.1: Encourage the relocation of sound housing units that are threatened by development activities or natural forces

Where public or private development activities would result in the demolition of an existing housing unit that is in sound condition or if the home is threatened by natural forces, the City should encourage the relocating of that building to a suitable vacant lot. While the preservation of a sound building is a positive end, preserving an existing building should not create undue hardship that results in an increased cost for new residential construction.

Policy 8.2: Protect apartment dwellers who are affected by a proposed condominium conversion

The Subdivision Map Act and the City's Condominium Ordinance specify procedures and guidelines intended to protect households who are to be displaced because of a conversion of property into condominiums. More specifically, Section 17.37.100 generally describes the relocation assistance someone seeking to subdivide his or her property needs to provide to tenants affected by a conversion proposal. The City should re-evaluate this general language and write specific standards for a relocation program that include requirements for the following: 1) an on-site relocation assistance office, 2) the return of all deposits and fees, 3) benefits for voluntary relocation after conversion approval, 4) benefits for forced relocation, 5) first right of refusal for tenants wishing to purchase and 6) rent stabilization during the entire conversion process.

Policy 8.3: Provide relocation services where publicly financed actions cause displacement

The adopted relocation assistance policy of Daly City as well as State and federal relocation requirements should continue to serve as a basis for residents relocated because of publicly sponsored activities.

Policy 8.4: Preserve the 120 existing low-income housing units, which are at risk of being converted to market-rate housing.

The City should monitor existing at-risk low-income housing units to determine if the owners plan to file a notice of interest to prepay the mortgage obligation. The prepayment would terminate the requirement that the units be rented to low-income individuals. The City should maintain an up-to-date list of public and private non-profit housing entities who can and will be able to purchase the at risk units should the necessity arise. The City should also maintain a current list of available financial resources to fund the potential purchase of these units.

Policy 8.5: Require property owners to provide relocation assistance to renters displaced where rental units in which they live were constructed or are maintained in violation of the Daly City Municipal Code.

The City requires that property owners who place renters in units that violate the Municipal Code provide relocation assistance when the tenant must vacate the premises due to code enforcement activity. This policy will serve to protect particularly residents living in substandard illegal secondary units.

D. FINANCIAL RESOURCES

There are a variety of public and private financial resources available for financing housing activities in Daly City. Potential sources of subsidy financing include federal HOME and CDBG funds, tax credits, Redevelopment Agency funds and private sources such as foundations. With the passage of its 2000-01 budget, the State is also an important potential funding source for affordable housing. How the current energy crisis plays out will likely impact future State allocations for housing as energy costs take up a bigger portion of the State's budget.

Generally, the housing developer takes the primary role for securing financing for affordable housing development. Daly City, though, directly controls three key sources of subsidy financing. These are federal HOME and CDBG funds and Redevelopment Agency housing set-aside funds. Each of these is discussed in the sections below.

HOME Funds

Daly City is a member of the San Mateo County HOME Consortium, which receives approximately $2 million in federal HOME funds annually for the purpose of expanding and improving the supply of affordable housing in San Mateo County. In order for eligible housing activities in Daly City to receive funding, the City (or an applicant with a project in Daly City) must submit a proposal to the Consortium. In recent years, Daly City has received allocations of approximately $400,000 and the Consortium has allowed us to accumulate funds over two or three years in order to finance projects of significant size. Daly City will become a HOME participating jurisdiction in FY 2003-04 and receive funds directly from HUD instead of having to apply through the County.

CDBG Funds

In recent years, Daly City has received about $1.6 million annually through the Community Development Block Grant Program. The primary objective of the CDBG Program is the provision of decent housing, a suitable living environment and economic opportunity. The CDBG Program has been a critical component of several City projects including housing rehabilitation, economic development, ADA accessibility projects, street beautification and a wide variety of public services. Since FY92-94 the City has provided $721,500 in CDBG funds for the development and preservation of affordable housing including Vista Grande (24 units), School House Station (47 units), and Hillside Terrace (18 units).

Redevelopment Agency Set-Aside Funds

Under State Redevelopment Law, redevelopment agencies can accumulate housing set-aside funds up to $1.0 million before penalties apply. Specifically, an agency whose cumulative housing set-aside obligation exceeds $1 million can be prohibited from encumbering funds or expending moneys derived from any source until it has encumbered or expended sufficient funds for qualified affordable housing activities.

Table 5.3 provides a forecast of our obligation to utilize tax increment for eligible affordable housing activities for the years 1999-2000 through 2004-05. As Table 5.3 shows below, while our current housing set-aside obligation is minimal, the use of these funds for eligible activities will be an important consideration within the next three to four years.

The City will continue to use its Housing Set-Aside Funds to expand and preserve affordable housing in both redevelopment project areas, the Bayshore and Mission St./Junipero Serra Blvd. In 1996 and 1997, the Redevelopment Agency (DCRA) helped finance two mixed use projects, both 100% affordable to low income households, that provided a total of 71 apartments. The City is continually evaluating and looking for acquisition, new construction and rehabilitation opportunities, particularly mixed use, for affordable ownership and rental housing with qualified for-profit and nonprofit developers. Under the appropriate circumstances, the DCRA is also open to using its Housing Set-Aside Funds for affordable housing projects outside the redevelopment areas. Residential rehabilitation for existing homeowners is also a priority in the Bayshore area, which has a large number of single family housing units.

Table 5.3: Forecast of DCRA Housing Set-Aside Funds (FY2000- 2005)

Fiscal Year	*Mission/J.S. ($)*	*Bayshore ($)*	*Total ($)*
2000-01	202,000	70,000	272,000
2001-02	266,000	91,000	357,000
2002-03	368,000	180,000	548,000
2003-04	422,000	237,000	659,000
2004-05	478,000	279,000	757,000
2005-06	511,000	294,000	805,000

Source: Daly City Redevelopment Agency

6. HOUSING PROGRAMS

The housing programs below constitute an action plan describing how Daly City intends to achieve the goals and objectives and implement the policies of the Housing Element discussed in Chapter 5. Each program is linked to one or more of the policies described earlier. Historically, the City has chosen to organize the policies and programs described in the Housing Element in two separate chapters. This format has not impaired implementation of any housing programs. Table 6A below provides a summary of the linkage between housing policies and programs.

Table 6A: Linkage Between Policies and Programs

Programs / Policies	1. Housing Rehabilitation	2. Housing Development	3. Acquisition/Rehabilitation	4. HUD Section 8	5. Homeless Assistance	6. Special Needs	7. Second Units	8. Shared Housing	9. Fair Housing	10. Legal Assistance	11. Community Service	12. Public Services	13. Inclusionary Housing	14. Homebuyer Programs	15. Aircraft Noise	16. At Risk Housing	17. Code Requirement	18. Non-Profit Capacity	19. Housing Design	20. Permit Process
1.New Residential Development																				
1.1 Infill housing		X				X							X					X		
1.2 Housing Development		X				X							X							
1.3 Secondary Units		X				X	X						X							
1.4 Construction standards		X				X	X						X							
2. Neighborhood Compatibility																				
2.1 Zoning Controls		X					X												X	
2.2 Higher density		X																		
2.3 Mixed use		X																		
3. Housing Quality																				
3.1 Housing maintenance	X		X														X			
3.2 Rehabilitation loans	X		X														X			
3.3 Rehabilitation incentives	X		X														X			
3.4 Code Violations	X		X														X			
4. Housing Affordability																				
4.1 Inclusionary housing		X				X							X							
4.2 City financial resources		X	X	X	X	X														
4.3 Innovative housing		X			X			X												
4.4 Permit process		X																		X
4.5 construction codes		X																		
5. Housing Opportunities																				
5.1 Housing Discrimination									X	X										
5.2 Accessibility			X			X														
5.3 Economic integration			X	X		X	X	X					X							
5.4 Residential care facilities						X														
5.5 Emergency shelter					X						X	X								
5.6 Homeownership														X						
5.7 Rental housing		X				X												X		
6. Neighborhood Quality																				
6.1 Housing design		X													X				X	
6.2 public improvements		X					X					X								
6.3 Institutions/disruption		X																		
7. Energy Conservation																				
7.1 Energy conservation	X	X	X																	
7.2 Title 24	X	X	X																	
8. Displacement																				
8.1 Relocate sound housing			X																	
8.2 Condominium conversion									X	X										
8.3 Displacement									X	X										
8.4 At risk housing																X				
8.5 Relocation assistance							X													X

The City funds and administers many of the housing programs outlined below. However, the ongoing reality of funding cuts or deficiencies for municipal housing and community development programs requires partnerships and coordination to leverage human and financial resources. There are a variety of creative combinations among and between the public and private sectors (e.g., cities working with other cities or other levels of government, cities uniting with the private sector, or cities sponsoring nonprofits) to help cities meet their housing needs. The housing programs described below illustrate some of the City's effective partnerships.

Below is a summary of current and proposed housing programs or activities that are City-funded, City-administered, or available to Daly City residents.

1. RESIDENTIAL REHABILITATION PROGRAMS

Timeframe: ***1999-2006***

Agencies: ***City of Daly City / Economic and Community Development (ECD); North Peninsula Neighborhood Services; Center for the Independence of the Disabled; Rebuilding Together (formerly Christmas in April)***

Performance Target: ***220 Units***

Policies: ***3.1-3.4; 7.1-7.2***

In order to ensure that housing quality is continually maintained or upgraded, the City provides funding and administrative support to several housing rehabilitation programs. The City has administered a residential rehabilitation loan program for several years. In addition, the City works with several non-profit partners to assist low and moderate income households with a variety of home repairs. In order to encourage housing rehabilitation in all neighborhoods, the City will continue to seek new funding sources, employ innovative marketing methods and stay abreast of the latest technologies for home improvements.

In order to understand housing rehabilitation needs, the City will monitor housing conditions in all Daly City neighborhoods. The Housing Conditions Survey conducted for this current Housing Element will be periodically updated and improved, particularly in regard to methodology guidelines and procedures. Survey data will be added into a database for use with the City's geographic information system (GIS).

Following is a summary of key home rehabilitation programs that will be available to Daly City residents over the time frame indicated above:

Program 1.1 Daly City Residential Rehabilitation Program

The Residential Rehabilitation Program provides grants and low interest loans to homeowners City-wide with qualifying income. Through this program, low income homeowners can make needed major or minor home improvements and bring their homes into compliance with applicable building standards. The rehab grants and loans target low income households (up to 80 percent of area median income) who might not otherwise qualify for conventional loans or be able to afford home repair costs. The funding source for this program is the City's Community Development Block Grant (CDBG) funds. As a result of using CDBG funds, low income households are the primary beneficiaries of this program. In FY 2001-02, the City allocated $550,000 for its Residential Rehabilitation Program. Between FY 1996-97 and FY 2002, the Residential Rehabilitation Program has averaged an annual CDBG allocation of over $420,000. In the last several years, the program has provided loans or grants to an average of 17 households per year.

Under this program, the City makes the following loans: Complete Rehab Loans, Roof-Only and Paint-Only Loans, and Rental Property Loans. With the Complete Rehab Loans, applicants can make more substantial home improvements like installing a new roof, electrical and plumbing systems, and floors, while the Roof-Only and Paint-Only Loans target specific rehabilitation activities. The Rental Property Loans enable property owners to fix up their buildings for use as affordable rental housing.

These grants are available to eligible homeowners: Senior Minor Home Repair Grants and Security Grill Replacement Grants. To qualify for the Senior Minor Home Repair Grants, applicants must be 60 years and over. The Security Grill Replacement Grants help households remove illegal and unsafe grills and bars on bedroom windows and exterior doors that pose as hazards in case of emergencies and also cover the costs of installing smoke detectors in bedrooms and hallways.

The program helps eligible homeowners and landlords identify needed improvements through inspections, prepares work write-ups and cost estimates, and helps find qualified contractors. City staff monitors all projects to confirm adequate completion of home improvement activities to low income households. This program plays a central role in the City's five-year and ten-year goals for improving the existing housing stock.

The City is preparing to create an additional residential rehabilitation loan program financed with RDA Housing Set-Aside funds. The program will be available to households in the Bayshore Redevelopment Project Area with incomes of up to 110 percent of the area median income. The program will help to achieve one of the primary goals of the Bayshore Redevelopment Plan: revitalization and rehabilitation of residential neighborhoods.

Program 1.2 North Peninsula Neighborhood Services

Supplementing the City's Residential Rehabilitation Program is North Peninsula Neighborhood Services, a nonprofit social service agency located in South San Francisco, which provides minor home repair services for low income homeowners in Daly City. North Peninsula, which has received City CDBG funds since FY 1995-96, offers grants of up to $2,000 for a broad range of minor home improvements including repairing windows and doors, replacing plumbing fixtures, and fixing floors, walls, and ceilings. Staff from North Peninsula perform client intake, inspect the homes, complete work write-ups and cost estimates, and do the rehabilitation work. North Peninsula serves an estimated 31 Daly City households each year. The City awarded $35,000 in CDBG funds to North Peninsula in FY 2001-02.

Program 1.3 Center for the Independence of the Disabled

The Center for the Independence of the Disabled, Inc.,(C.I.D.) offers free disability modifications for eligible low income households with physical disabilities. Like the City's Residential Rehabilitation Program and North Peninsula Neighborhood Services' minor home repair program, CID serves as an important home improvement assistance resource that helps enable Daly City residents with mobility impairments to live independently in their own homes.

CID staff screens clients for eligibility based on income and disability status and undertakes the needed modifications, which include installation of grab bars, hand-held showerheads, and fixtures and building of interior or exterior ramps. CID trains, if necessary, clients on how to use the newly installed disability modifications and conducts outreach several times a year to advertise its available services. CID has been a long-standing CDBG recipient and annually benefits an average of 32 Daly City households. The City awarded CID with $15,000 in CDBG funds for FY 2001-02.

Program 1.4 Rebuilding Together

In FY 1999-2000, Daly City awarded CDBG funds to Rebuilding Together, formerly known as Christmas in April. As a nationally renowned nonprofit residential rehabilitation service provider, Rebuilding Together assists low income homeowners, particularly those who are elderly and disabled, in need of major or minor home improvements through public and private in-kind and financial donations and volunteer labor. In addition, Rebuilding Together supports and practices sustainable design by accepting recycled building materials and appliances for use in eligible homes needing repairs. Two (2) Daly City households had their homes rehabilitated through Rebuilding Together in FY 1999-2000. The City funded this organization with $8,000 in CDBG funds in FY 2001-2002.

2. HOUSING DEVELOPMENT

Timeframe: ***1999-2006***

Agencies: ***Economic and Community Development Department (ECD), Daly City Redevelopment Agency (DCRA), nonprofit or private housing development organizations***

Performance Target: ***1,391 units***

Policies: ***1.1 – 1.4; 2.1 – 2.3; 4.1-4.5; 5.7; 6.1- 6.3; 7.1- 7.2***

During the winter of 2001, the City marketed the 1.52 acre Landmark property, located in the Top-of-the-Hill neighborhood. A total of 4 proposals were received and a developer was selected in 2001 as well. This development will eventually provide commercial space and a substantial number of high quality residential units. Approximately 15 percent of the new residential units will be made affordable to lower income households.

The City will continue to explore opportunities for construction of new housing for all income levels. As previously indicated in Table 4.4 of Chapter 4, there is sufficient land to potentially meet the regional housing needs. Available land is currently zoned residential or commercial, and commercially zoned areas already allow for housing with a use permit. Staff will evaluate vacant, underutilized and other potential development sites for their suitability for single-family, multi-family and mixed-use. Key sites include parcels along the commercial corridors of the redevelopment areas where vacant and underutilized land will be evaluated for possible acquisition and consolidation to build housing for all income levels. To help revitalize neighborhoods and promote integrated living conditions, the City will continue facilitating mixed use, mixed income infill development, particularly in its redevelopment areas and near public transit facilities. The result will be to prevent sprawl, make more efficient use of energy and utilities, reduce traffic congestion and parking problems, and create vital pedestrian-scaled areas. Staff will provide technical assistance on planning and development issues.

As part of the new construction program, the City will assess publicly owned land that may become available and is suitable for housing development. The City will consider, or negotiate with the appropriate public agency about, selling or donating the property to development projects that address the City's housing needs. The City will continue pursuing both rental and ownership housing opportunities.

To assist in the development of housing for lower income persons, the City will continue to offer density bonus/parking reductions to housing developments that will be affordable to seniors and families. This regards existing provisions that allow decreased parking requirements by 75% and 25% for low-income elderly and all other new low-income multi-family housing developments, respectively, thereby encouraging increased quantities of housing units and related density for these income groups. The City is also currently drafting plans to update its residential development regulations, with anticipated

presentment for adoption by the end of 2004. These regulations will include a proposal for added density bonuses and other related incentives for new affordable housing projects.

The City will work closely with nonprofit housing developers to facilitate the construction of housing to meet the needs of low and moderate income households. The City will continue to routinely inventory and establish a list of vacant and underutilized property for prospective affordable housing development. This list, as always, will continue to be made available to all interested affordable housing developers. The City will further keep an ongoing dialogue with the owners of these properties and where interest has been shown, provide sales, opportunity and marketing analysis, and other technical assistance leading to, where appropriate, affordable residential development of the property. The City will also continue to seek out and meet with affordable housing developers and work to link them to interested sellers of vacant properties.

3. ACQUISITION/REHABILITATION OF RENTAL HOUSING

Timeframe: ***1999-2006***

Agencies: ***City of Daly City / ECD, Daly City Redevelopment Agency (DCRA), nonprofit or private housing development organizations***

Performance Target: ***25 units***

Policies: ***3.1-3.4; 4.2; 5.2-5.3; 7.1-7.2; 8.1***

In 1998, the City provided a total of $854,000 in local jurisdiction funds to the Housing Association for the Needy & Dispossessed, Inc. (HAND) to acquire and rehabilitate an 18-unit multi-family apartment complex, Hillside Terrace. By the end of 2000, over $180,000 was spent on the rehabilitation of Hillside Terrance, including extensive exterior improvements such as landscaping, window replacements and facade improvements. Fourteen of the eighteen units at Hillside Terrace have rents restricted to levels that are affordable to lower income residents.

The City will continue to investigate any private multifamily rental buildings that become available for sale. The City will work with qualified developers to acquire and rehabilitate the buildings and ensure that a portion of the units are rented to lower income households at affordable rents. Multifamily properties that become available and are either contiguous or within the same block can help stimulate neighborhood revitalization efforts.

4. HUD SECTION 8 HOUSING ASSISTANCE PROGRAM

Timeframe: ***1999-2006***

Agencies: ***Housing Authority of the County of San Mateo, Economic; City of Daly City/ECD***

Performance Target: ***Maintain 492 Section 8 Vouchers***

Policies: ***4.2; 5.3***

The San Mateo County Housing Authority administers the HUD Section 8 Voucher and Public Housing Programs throughout the County, including Daly City. The only public housing complex in Daly City is Midway Village, which has 150 rental units, located in the Bayshore neighborhood. Along with Midway Village, the County Housing Authority owns and manages all the public housing apartments Countywide.

The Section 8 Program provides eligible very low-income renters with rental assistance subsidies and includes project-based and tenant-based Section 8 (also known as housing vouchers). Tenant-based Section 8 housing vouchers are portable, which means tenants can continuing using them when they move, while project-based Section 8 stays with the multifamily building as a development or operating cost subsidy. The City strongly supports the Section 8 Program's efforts to preserve affordable rental units in the County and will continue to maintain a cooperative working relationship with the County Housing Authority to preserve the program.

The County Housing Authority last opened its waiting list for Section 8 vouchers in May 1994 and took in 25,000 applicants. Currently, the waiting list Countywide stands at 3,000 families. Because the waiting list is long and the available voucher slots are limited, the Housing Authority cannot open the list more often. HUD determines the number of households receiving assistance with Section 8 vouchers through an annual contract with each housing authority. The limits on vouchers do not necessarily increase each year depending on funding levels from Congress. When HUD does make additional vouchers available through a notice of funding availability, housing authorities apply and compete for them. Table 6.1 below displays a current overview of Daly City residents who have Section 8 vouchers.

Table 6.1: San Mateo County Housing Authority Section 8 Voucher Program

Locality	*Families*	*Elderly/Disabled **	*Total*	*Total as % of County*
Daly City	248	244	492	16%
San Mateo County	1,388	1,689	3,077	

*includes disabled or elderly

Source: San Mateo County Housing Authority, April 2001

5. HOMELESS ASSISTANCE

Timeframe: ***1999-2006***

Agencies: ***City of Daly City/ECD; Daly City Community Service Center; Shelter Network, Clara-Mateo Alliance, Samaritan House, Center for Domestic Violence Prevention, Mental Health Association of San Mateo County, Sor Juana Ines, Youth and Family Assistance***

Performance Target: ***Assistance to 100 households annually***

Policies: ***4.2-4.3; 5.5***

Homelessness is a regional dilemma. Homeless individuals and families often have no choice, but to go where shelter is available, even if it is beyond the city they presently live in. The homeless facilities and services in San Mateo County bring in clients from all parts of the County, if not from other nearby counties.

Homelessness is also a complex and diverse issue. The homeless population includes not only single adults, but also households with children. In addition, there are many homeless sub-populations ranging from abused women and children to persons with mental health disabilities to the elderly. Each of these sub-populations requires specialized services, such as counseling and case management, in addition to shelter.

Daly City supports, funds and works with several of the public and nonprofit social service agencies County-wide to ensure homeless people, including those who claim Daly City as their last place of residence, have access to needed housing and services.

The City will continue its regional approach to the issue of homelessness with other local governments and nonprofit social service agencies in the Peninsula. The City will support and provide its fair share of financing or other assistance for the improvement or development of emergency or transitional homeless facilities that have services available to homeless individuals and families who claim Daly City as their last place of residence. The City will favor activities that demonstrate an innovative and cost-effective approach to addressing homelessness.

The City is in the midst of updating its residential development guidelines to include allowing emergency and transitional shelters into R-3 and C-1 zoned areas with a use permit. The City intends to approve these amendments to the existing residential development guidelines by the end of 2004.

Below are descriptions of transitional and emergency housing facilities and services for families, individuals, abused women and children, persons with disabilities and youth that are available to Daly City residents who become homeless.

Program 5.1 Transitional Housing Facilities for Families and Individuals

** Family Crossroads*

Located in Daly City, Family Crossroads is an apartment complex that offers transitional housing and supportive services from two to four months for up to 12 homeless families at a time. Shelter Network of San Mateo County, an established and experienced nonprofit homeless service provider in the County, operates the facility, which was opened in 1988 and represents Shelter Network's first and longest running program. Daly City helped finance the development of Family Crossroads and continues to support its operation through CDBG fund each year. Family Crossroads received $20,000 in CDBG funds for FY 2001-02. In FY 1999-2000, Family Crossroads assisted 48 families from Daly City that represented an estimated two-thirds of the total clientele.

** Maple Street Shelter*

Shelter Network developed Maple Street Shelter in Redwood City to address the County's need for both year-round emergency and transitional housing, along with supportive services for homeless individuals. The facility opened in 1998, since which Daly City has awarded it CDBG funds to assist in its operations. For FY 2001-02, the City awarded Maple Street $6,000 from CDBG. There are 44 transitional housing beds which clients can use for up to six months. Maple Street assisted 30 Daly City residents in FY 1999-2000. (See "Emergency Housing Facilities" section below for a description of Maple Street's emergency housing program.)

** Haven Family House*

Haven Family House is another Shelter Network transitional housing and supportive service facility for families. This facility was relocated to a newly renovated building in Menlo Park in July 2000 and has one-and two- bedroom apartments that can house up to 23 families. Families usually stay from two to four months. A licensed child care facility is housed in Haven Family House so clients can receive case management and guidance on finding employment while their children are taken care of.

** Redwood Family House*

Shelter Network also has Redwood Family House, which provides transitional housing and supportive services for families, in Redwood City. This facility can house up to nine families at a time. Family stays are limited to two to four months.

** Bridges*

Shelter Network's Bridges Program gives longer term transitional housing for homeless individuals and families to enable them to become financially self-sufficient for the long term and find permanent housing. There is no one housing facility for Bridges. Clients, through rental assistance payments from Shelter Network, stay in houses and apartments (e.g., Haven Family House for families, East Palo Alto House for single adults) all over the County. Bridges allows clients to receive assistance for up to two years while they are in job training, school or other service programs that teaches them job skills and leads to more stable employment opportunities. Since its inception, over 90% of the clients have found gainful employment and permanent housing.

Program 5.2 Emergency Housing Facilities for Families and Individuals

** Safe Harbor Winter Shelter*

In winter of 2000, the San Mateo County Office of Housing and Samaritan House, a nonprofit homeless service agency, opened Safe Harbor as an emergency winter shelter for homeless individuals. Safe Harbor, which is in South San Francisco, replaced the Armory in San Mateo as the County's primary emergency winter shelter. The County served as project sponsor and Samaritan House is the facility operator. The shelter was recently transformed into a year-round emergency shelter. Maximum capacity for the shelter is ninety beds.

Daly City provided a substantial commitment of CDBG funds for the development costs of Safe Harbor in FY 2000-01. The County Office of Housing coordinated with Daly City and several other cities in the County to finance the project and to reflect their commitments to addressing homelessness as a regional problem. Daly City also awarded Safe Harbor $10,660 in FY 2001-02 CDBG funds for operational costs.

** First Step for Families*

Opened in November 1998, First Step for Families is an emergency shelter for families that Shelter Network operates. The shelter is located in San Mateo and has a maximum occupancy limit of 19 families. Families can stay for up to 60 days. First Step's primary goal is to move families from emergency shelter into other housing opportunities such as transitional housing programs or permanent housing.

** Maple Street Shelter*

Shelter Network's Maple Street Shelter facility in Redwood City offers both transitional and emergency housing for homeless single adults. A description of the transitional housing feature was summarized in the previous section. The emergency housing component of Maple Street has 31 beds. Clients can stay up to 60 days.

** Clara-Mateo Alliance Shelter*

Clara-Mateo Alliance Shelter is a year-round emergency and transitional shelter for individuals and families. The shelter is located next to the VA Hospital in Menlo Park and attracts clients from both San Mateo and Santa Clara Counties. The facility has 63 beds: 18 emergency beds and 6 transitional beds for single adults and 39 beds for families. The shelter seeks to transition its clients to independent living through supportive services, including specialized care for persons with disabilities and case management.

Program 5.3 Emergency Housing For Abused Women and Their Children

** Battered Women's Shelter*

The Center for Domestic Violence Prevention operates an emergency and transitional shelter with comprehensive services in an undisclosed site in the County for abused women and their children who need a safe haven from their abusive partners. Shelter residents can stay up to 8 weeks. Because shelter space is limited to 17 emergency beds and 5 transitional beds, CDVP refers individuals or families to shelters in other counties or provides them with motel vouchers. In FY 1999-2000, CDVP had to turn away 967 women because its shelter was full. Services available to clients include crisis and legal counseling, emergency food and shelter, art therapy for children and parenting education. Some emergency shelter clients may become eligible to participate in CDVP's transitional housing facility.

CDVP and its shelter have received Daly City CDBG funds since FY 1998-99. The City awarded CDVP with $9,682 for the current FY 2001-02. While hundreds of women and their children who claimed Daly City as there last place of residence have benefited from CDVP's services, the emergency shelter has housed an average of nine Daly City women since FY 1998-99.

** Sor Juana Ines Services for Abused Women*

Sor Juana Ines Services for Abused Women is headquartered in San Mateo and does not have a shelter facility for abused women and their children. However, Sor Juana Ines gives motel vouchers or makes referrals to clients for emergency shelter. Sor Juana Ines's other vital services include advocacy, crisis and peer counseling, legal assistance, emergency food and clothing, and bilingual translation. Daly City began awarding CDBG funds in FY 1995-96. Sor Juana received $5,660 in CDBG funds for FY 2001-02. In the last three years, Sor Juana has assisted an average of 80 Daly City households each year.

Program 5.4 Emergency and Transitional Housing Facilities for Persons with Disabilities

** Spring Street Shelter*

The Mental Health Association of San Mateo County operates the Spring Street Shelter in Redwood City. The shelter represents the only year-round emergency housing facility that exclusively serves individuals with serious mental illnesses and has 15 emergency shelter beds. The shelter also has seven transitional housing beds. Most emergency shelter clients do not stay beyond 45 days, while transitional housing clients cannot remain beyond two years. Supportive services for the emergency shelter include food and clothing, health care referral, transportation and medication. MHA's intent is to lead their clients towards full integration into mainstream living through self-sufficiency and permanent housing.

Spring Street Shelter has been funded annually with City CDBG funds to assist with operating costs since FY 1990-91. In FY 2001-02, the City granted Spring Street $5,000 from CDBG. The shelter annually helps approximately 18 persons who claim Daly City as their last place of residence.

Program 5.5 Emergency and Transitional Housing Facilities for Runaway and Homeless Youth

** Your House South*

Created and operated by the nonprofit, Youth and Family Assistance, Your House South is the only emergency housing facility for runaway and homeless youth ages 10-17 years old in San Mateo County. The facility has six beds and is in Redwood City. Through an individually designed two week program for each client, Your House South seeks to reunite runaway youths with their families.

** Daybreak*

Youth and Family Assistance also operates Daybreak, the only transitional shelter for homeless and runaway youth ages 16-21 years old in San Mateo County. Daybreak has 10 beds and is located in Redwood City. While Daybreak offers up to 18 months of supportive services for clients, each client undergoes a six month program including training, counseling and case management that will lead to successful independent living. Some clients become eligible for up to a year's worth of subsidized rental housing assistance in the County upon completion of the six month program as they progress towards self-sufficiency.

6. HOUSING FOR RESIDENTS WITH SPECIAL NEEDS

Timeframe: ***1999-2006***

Agencies: ***City of Daly City/ECD; North Peninsula Neighborhood Services; Center for the Independence of the Disabled; Rebuilding Together (formerly Christmas in April), Mental Health Association of San Mateo County***

Performance Target: ***250 households annually***

Policies: ***1.1-1.4; 4.1-4.2; 5.2-5.4; 5.7***

The City will partner with other local governments and nonprofit social service agencies in the Peninsula to address the housing needs of non-homeless special needs populations (e.g., frail elderly, developmentally disabled, persons with mental illnesses). The City shall support and contribute its fair share of financing or other assistance for the improvement or development of affordable housing facilities available to Daly City residents with special needs.

7. SECONDARY UNIT ORDINANCE

Timeframe: ***1999-2006***

Agencies: ***City of Daly City/ECD***

Performance Target: ***10 units annually***

Policies: ***1.3-1.4; 2.1; 5.3; 6.2; 8.5***

Secondary, or in-law, units can play an important role in supplying needed affordable rental housing for localities. State planning law encourages the production of secondary units as an alternative affordable rental housing option. In May 1983, Daly City adopted an ordinance setting development standards and requirements for the creation of secondary units.

The existence of illegal secondary units reflects a problematic aspect of secondary units. In September 1992, the City created the nationally recognized program, Project HomeSafe, to legalize secondary units and rooms down, the latter generally being living or family rooms. Project HomeSafe gave property owners a window of time to bring their illegal secondary units into compliance with City standards and offered incentives such as reduced fees and more flexible development requirements without the penalty of fines. In January of 1997, the legalization of illegal secondary units component of Project HomeSafe expired. Through Project HomeSafe, the City legalized over 700 secondary units.

While the City's Building, Code Enforcement and Planning staffs continue to address illegal second unit concerns, they also continue to work with homeowners who want to build new secondary units. These homeowners often approach Planning staff first to discuss their proposed plans/specifications. Planning staff can help the homeowners determine if their projects are feasible or not and what requirements their projects need to meet.

To create affordable housing opportunities, the City is considering a policy or ordinance to have all newly constructed or illegal second units made affordable to persons of very low income for a 20 year affordability period. The illegal second units would first have to become legalized in order to be habitable. City staff would annually monitor the units for affordability.

Also falling under this program is an ordinance requiring property owners who have placed renters in units that violate City municipal code (e.g., building and safety) to provide relocation assistance to tenants who must vacate the premises due to code enforcement activity. This program provides some protection to tenants and discourages property owners from renting out units that are unsafe and unhealthy.

8. SHARED HOUSING PROGRAM

Timeframe: ***1999-2006***

Agencies: ***City of Daly City/ECD; Human Investment Project***

Performance Target: ***10 renter households annually***

Policies: ***4.3; 5.3***

Through its Shared Housing Program, the nonprofit social service agency, Human Investment Project (HIP), offers an alternative rental housing option for low and moderate San Mateo renters in small households. HIP places renters with homeowners seeking boarders and renters looking for more affordable rents. The Shared Housing Program, therefore, coordinates and fulfills the needs of both homeowners, such as the fixed income elderly, and renters, who are priced out of the existing rental housing market. Daly City has been allocating CDBG funds to this project since the early 1980s. For FY 2001-02, HIP received $20,000 in CDBG funding. In FY 1999-2000, HIP assisted 21 households: 13 were renters searching for housing and 8 were homeowners wanting tenants.

9. FAIR HOUSING PROGRAM

Timeframe: ***1999-2006***

Agencies: ***City of Daly City/ECD; Project Sentinel***

Performance Target: ***Assist 15 households annually***

Policies: ***5.1; 8.2-8.3***

Each yearthrough the HUD Consolidated Planning process, we certify that the City will affirmatively further fair housing. In order to foster this goal, Daly City works with several non-profit organizations. These organizations include Project Sentinel, La Raza Centro Legal and Legal Aid of San Mateo County. In addition to providing funding to these organizations, the City offers assistance by providing office and consultation space. Whenever possible, the City facilitates fair housing investigations by providing these organizations information from various City departments including Code Enforcement, Building Inspection, Police, Fire and the City Attorney.

Project Sentinel, a nonprofit organization based in Palo Alto, addresses and monitors housing discrimination cases for several San Mateo County cities, including Daly City. Project Sentinel's staff experience and expertise in dealing with housing discrimination complaints are an invaluable asset towards the City's efforts to affirmatively further fair housing. As a CDBG public service subrecipient since the mid-1980s, Project Sentinel directly responds to citizen complaints and concerns about housing discrimination through information and referral and phone consultations.

In situations where complaints become more involved cases, Project Sentinel counsels and has access to a Lawyer Referral Network for litigation purposes or refers their clients to the appropriate government agency. Other types of services that Project Sentinel provides are a hotline for questions and complaints, fair housing education workshops and literature (e.g., apartment leasing staff, social service agencies), mortgage default and delinquency counseling. In FY 1999-2000, Project Sentinel helped 24 Daly City households: 17 were cases and 7 were phone consultations. Over 85% of the 24

households assisted were low income. Project Sentinel typically receives approximately $9,000 annually in Daly City CDBG funds.

La Raza Centro Legal and Legal Aid Society of San Mateo County, which both primarily offer free landlord/tenant legal counseling to eligible Daly City low income households, are also fair housing service providers. (See "Housing Legal Assistance Program" section below for additional descriptions of these two organizations.)

Whenever City staff receives phone calls from the public regarding fair housing issues, staff makes a referral to the appropriate agency. The public is encouraged to report back to the City regarding their satisfaction with the services provided to them. Based on this feedback, City staff continuously work with the fair housing organizations to modify and adapt their activities in order to increase program effectiveness.

Recognizing that housing discrimination is a wide-ranging problem, Daly City has coordinated in recent years with San Mateo County, several other cities in the County, Project Sentinel, and Midpeninsula Citizens for Fair Housing to develop solutions. As previously discussed, several Peninsula cities, including Daly City, and the County contracted with Project Sentinel and Midpeninsula Citizens for Fair Housing to write the "Analysis of Impediments to Fair Housing in San Mateo County, Californian" to address federally mandated fair housing requirements during FY 1995-96. The report outlined barriers to housing and suggested strategies for each city involved and the unincorporated County. Daly City, along with other Peninsula cities and the County, is in the process of updating its joint Analysis of Impediments in coordination with Project Sentinel.

In FY 1999-2000, Daly City met with staff from the cities of San Mateo, Redwood City, and South San Francisco, San Mateo County, Project Sentinel, Midpeninsula Citizens for Fair Housing and La Raza Centro Legal to create and to print user-friendly fair housing brochures for mass public dissemination. The brochures covered the following topics that were of major concern to all governmental entities involved in the project: habitability and housing discrimination. These brochures are made continuously available in several locations around the City including our public libraries, City Hall and the Community Service Center. City staff also brings them along to public meetings when applicable for distribution. Daly City will continue to participate in or initiate regional fair housing initiatives whenever feasible.

To further educate and inform the public about fair housing issues and resources, the City included a "Fair Housing/Housing Discrimination" link on its Housing and Community Development (HCD) Division website. The City's HCD website began operating in Fall of 2003. This fair housing link displays the partnership between Daly City and nonprofits like Project Sentinel, La Raza Centro Legal and Legal Aid Society of San Mateo County in their efforts to prevent or combat housing discrimination, describes their available services, and how City residents can contact them.

10. HOUSING LEGAL ASSISTANCE PROGRAM

Timeframe: ***1999-2006***

Agencies: ***City of Daly City/ECD, La Raza Centro Legal; Legal Aid Society of San Mateo County***

Performance Target: ***Assist 250 Households annually***

Policies: ***5.1; 8.2-8.3***

To offer legal assistance specifically in the area of tenant and landlord disputes, Daly City has been awarding CDBG funding annually to both La Raza Centro Legal and Legal Aid Society of San Mateo County. Both organizations help meet the high demand of low income renters in Daly City and throughout the Peninsula needing free legal advice. Both organizations also aid in preventing homelessness by taking such actions as invalidating illegal evictions, negotiating more time for tenants to find and move into a new apartment, or having landlords make contractually required habitability improvements.

La Raza has office hours in the Daly City Community Service Center twice a week and offers clients advocacy, counseling and representation. In addition to housing or landlord/tenant law, La Raza also addresses employment and immigration law and makes educational outreach efforts to communities. For the current FY 2001-02, the City awarded La Raza $20,000 from CDBG. In FY 1999-2000, La Raza benefited 283 low income Daly City households.

Legal Aid Society of San Mateo County is located in San Mateo. Like La Raza, Legal Aid primarily provides legal counseling and representation in housing law. In recent years, there has been more attention to assisting tenants in apartments whose owners are looking to terminate their participation in the Section 8 program. Legal Aid staff also outreaches to a diversity of groups. In conjunction with the Filipino-American Bar Association, Legal Aid gives annual legal clinics to Daly City Filipino residents. Other areas of law that Legal Aid staff advises on include consumer issues and foreclosures. Legal Aid received $5,500 from CDBG in FY 2001-02. In FY 1999-2000, Legal Aid served 100 Daly City households.

11. DALY CITY COMMUNITY SERVICE CENTER

Timeframe: ***1999-2006***

Agencies: ***City of Daly City***

Performance Target: ***Assist 800 Households annually***

Policies: ***5.5***

Established in 1974, the Daly City Community Service Center serves as one of the core, or primary entry, social service agencies in the County. The Center's mission is to promote a better and improve the quality of life for the residents of Daly City, Colma and Broadmoor through the provision of quality crisis intervention services, either directly or by referral to the appropriate provider, thus empowering individuals and families to achieve self-sufficiency. A vital housing-related service through the Center is the distribution of motel vouchers to families and individuals who need temporary emergency shelter. The Center is financed through the City's General Fund.

12. OTHER CDBG-FUNDED PUBLIC SERVICES

Timeframe: ***1999-2006***

Agencies: ***Bayshore Child Care, Child Care Coordinating Council, Daly City Emergency Food Pantry, Second Harvest Food Bank, Family Service Agency, John's Closet, Daly City Youth Health Center***

Performance Target: ***Assist 1,500 households annually***

Policies: ***5.5: 6.2***

Each year, Daly City allocates CDBG funding to eligible public services beyond those mentioned above that provide essential services for low income households. These services complement housing activities and help to stabilize the lives of lower income residents. The City annually follows public noticing and hearing requirements under its HUD Citizen Participation Plan to receive regular feedback on community needs and CDBG funding allocation priorities.

Public service applicants compete through an open competition for the available CDBG public service dollars, which are federally capped based on a HUD formula. The City uses the competition to determine the service providers who can best address its community service needs. The services offered include childcare, emergency food, crisis counseling, clothing, and health services. The City annually maintains a mailing list of eligible and interested CDBG applicants along with nonprofits and public agencies that were awarded CDBG funds from the previous year. When the CDBG application window starts each December, the City uses this mailing list to outreach to these interested service providers and solicit their public service proposals. Through the City's website and the City Housing and Community Development (HCD) Division's website, the latter which was created in the Winter of 2003, the Internet became another tool to better promote the CDBG program to potential and eligible applicants.
In addition to public services funded through the CDBG program, the City uses a variety of funding sources to support the activities of the Daly City Community Service Center. Located adjacent to City Hall, the Center provides an array of services including needs

assessment, crisis intervention, emergency food, shelter, transportation short-term counseling, advocacy and mediation, outreach, information and referral, translation and employment/training information. The Center offers a wide range of housing assistance including rental assistance payments, assistance with rental move in costs, motel vouchers and access to emergency shelters. The programs of the Community Service Center are marketed through several brochures made available at libraries, schools and social services offices. In addition, the Center is listed in the Pac Bell yellow pages, has a web page and is advertised on local access television.

The various public services offered by the City are continually evaluated and modified to meet the needs of Daly City residents as the political and economic environment changes.

13. INCLUSIONARY HOUSING PROGRAM

Timeframe: ***1999-2006***

Agencies: ***City of Daly City/ECD***

Performance Target: ***30 affordable units***

Policies: ***1.1-1.4; 4.1; 5.3***

Under State Redevelopment law, at least 15% of the total privately developed or rehabilitated housing in a redevelopment area must be available to low to moderate income tenants and a minimum of 6% of the total units must be set-aside for very low income households. In 1993, the DCRA adopted an inclusionary housing policy for the Mission Street/Juniper0 Serra Blvd. Redevelopment Area that requires any new construction or rehabilitation project in the Redevelopment Area to make 15% of the total units available to low to moderate income households and 6% of the total units available to very low income households. The project unit threshold for the policy is 27 or more units and the affordability restriction is the life of the Mission/JS Redevelopment Area.

The Daly City Redevelopment Agency is considering adopting a similar inclusionary housing policy for the newly created Bayshore Redevelopment Project. The City is also considering adoption of a citywide inclusionary housing policy.

14. HOMEBUYER PROGRAMS

Timeframe: ***1999-2006***

Agencies: ***City of Daly City/ECD; San Mateo County, First Home, Inc.***

Performance Target: ***300 individuals trained***

Policies: ***5.6***

During 2001-02, the City implemented a homebuyer education program that includes free workshops followed by one-on-one counseling for prospective low income households. The City's specific role in the program includes curriculum development, provision of meeting space and assistance with program marketing. An experienced homebuyer counseling organization funded with City CDBG funds conducts the trainings and individual counseling.

The goal of the homebuyer education program is to help residents become mortgage-ready and to prepare themselves for the process of purchasing and owning a home. The ultimate success of the program is measured by monitoring the number of participants who actually purchase homes following completion of the education program. The City will continuously evaluate and adapt the program curriculum and content in order to maximize its overall effectiveness.

The homebuyer education program is advertised in local newspapers, on the City's website, on local access television and through direct mailings to targeted neighborhoods and local employers. In addition, the City's Leisure Guide is mailed to every address in the City and includes a large advertisement for the homebuyer education program.

In addition, the City will continue seeking funding sources for the financial assistance component of a Homebuyer Assistance Program targeting first time homebuyers. The City has been involved in the Countywide Home Investment Partnership (CHIP). CHIP is a public (e.g., San Mateo County and cities in the County) and private (e.g., financial institutions, realtors, mortgage brokers) partnership seeking a regional solution to affordable homeownership through the creation of uniform loan documents and pooling of third party funding sources.

The Mortgage Credit Certificate (MCC) Program, administered by the San Mateo County Office of Housing, provides financial assistance to eligible first-time homebuyers looking for a single family home in the County. The MCC Program allows approved homebuyers to earn annual tax credits, or dollar-for-dollar reductions, on federal income taxes based on a percentage of their mortgage interest payments. MCCs can be used with most types of conventional loans. Applications to the program must be made through the County.

15. AIRCRAFT NOISE AND SOUNDPROOFING

Timeframe: ***1999-2006***

Agencies: ***City of Daly City/ECD, Federal Aviation Administration***

Performance Target: ***150 homes annually***

Policies: ***6.1***

Through funding from the Federal Aviation Administration (FAA) and the City of San Francisco, Daly City has been able to provide noise attenuation rehabilitation to owner-occupied residential units in a targeted area within San Francisco International Airport's (SFO) flight path. Presently, San Francisco is covering 100% of the rehabilitation cost. These homes are subject to unacceptable noise levels due to aircraft take-off noise from SFO. The program started in 1990.

16. PRESERVE AT-RISK HOUSING

Timeframe: ***1999-2006***

Agencies: ***San Mateo County Housing Authority; City of Daly City/ECD; nonprofit or private housing development organizations***

Performance Target: ***Maintain affordability at Villa Fontana and Franciscan Mobile Home Park***

Policies: ***8.4***

The City will monitor the status of the affordable housing stock that is at risk for conversion to market rate or substantially higher rents. Two important examples are Villa Fontana and Franciscan Mobile Home Park. A key housing goal for Daly City is the enduring affordability of these properties.

Villa Fontana Apartments is a 120-unit apartment complex in Daly City that was originally financed with a HUD Section 236 mortgage. At one time, the owner of the complex showed an interest in pre-paying the HUD-subsidized mortgage, an action that would have terminated the owner's obligation to restrict rents to affordable levels. Prepayment of the Section 236 mortgage or termination of the project-based Section 8 could result in the loss of 120 affordable elderly housing units. In the interests of preserving affordability, City staff contacted the Villa Fontana property owners at least once a year to discuss any changes in property ownership. In addition, the City is in ongoing discussions with local non-profit housing developers regarding the possibility of a Villa Fontana acquisition. At present, the owners of Villa Fontana do not intend to sell the property or to prepay the Section 236 mortgage.

Since the San Mateo County Housing Authority and HUD, and not Daly City, have purview over Villa Fontana, the City will continue maintaining regular contact with the both of them in order to receive any updates and to coordinate any future efforts to maintain the affordability of these units. If the opportunity arises for Villa Fontana to be transferred to non-profit ownership, the City may evaluate the benefits of providing local jurisdiction funds or tax-exempt financing to facilitate the transfer.

Franciscan Mobile Home Park is the site of 501 mobile homes. Housing costs for residents of the park are among the lowest in Daly City. The park is operated by an organization that leases the underlying land from three different property owners. When

these leases expire over the next 10 years, there is a risk that site rents could increase dramatically. During the last two years, the City has worked to facilitate the transfer of Franciscan Mobile Park to non-profit ownership with LINC Housing, a non-profit housing developer,. In January of2002, the City Council approved the issuance of bonds to finance the transfer. The goal of this activity has been to preserve the affordability of Franciscan Mobile Home Park for existing and future residents. The City is currently working with LINC to establish specific affordability and operating requirements for Franciscan Mobile Home Park as it transitions to non-profit ownership. Final transfer is anticipated to occur by June of 2002.

17. CODE REQUIREMENTS

Timeframe: ***1999-2006***

Agencies: ***City of Daly City/ECD***

Performance Target: ***Close 800 cases per year***

Policies: ***3.1, 3.4***

Many code-enforcement related problems exist in older, lower-income and multi-family areas of Daly City. These problems have a detrimental impact on quality of life from the standpoint of substandard living conditions as well as neighborhood quality. The City will continue to provide proactive code enforcement activities, particularly in older neighborhoods.

The City will also evaluate and revise, as necessary, the development and construction-related codes (e.g., building, fire) that are discovered to be barriers to affordable housing by making construction or rehabilitation costs prohibitive. Especially of concern are local amendments to and interpretations of State or national codes. All local amendments should be evaluated and justified prior to re-adoption for reasonableness and uniformity.

18. EXPAND NON-PROFIT HOUSING DEVELOPMENT CAPACITY

Timeframe: ***August 2005***

Agencies: ***City of Daly City/ECD***

Performance Target: ***Work with nonprofits to gain HUD CHDO Certification***

Policies: ***1.1; 5.7***

Both for-profit and non-profit organizations play an important role in the implementation of affordable housing programs described above. In recent years, it has been difficult to

find or to bring qualified affordable housing development expertise to Daly City to carry out various development and rehabilitation activities. To address this problem, the City will work with existing organizations to increase organizational capacity. In addition, the City may facilitate the creation of a new non-profit organization. The City will assist interested and qualified nonprofits to gain certification as a HUD-approved community housing development organization. Such organizations are eligible to compete for the 15% set-aside reserved for them from the County's annual HOME Consortium grant. The City will become its own HOME participating jurisdiction beginning in FY 2003-04. The City will continue to identify specific non-profit housing development abilities needed and evaluate the capacity of existing non-profits to meet these needs. Based upon this evaluation, the City will evaluate the need for and feasibility of creating a new non-profit organization. During this evaluation, we intend to utilize the technical expertise of organizations such as the Local Initiatives Support Coalition and the U.S. Department of Housing and Urban Development. Upon determination of a viable nonprofit candidate, a specific work plan for expanding non-profit housing development capacity in Daly City will be completed by August 2005.

19. MAINTAIN QUALITY HOUSING DESIGN

Timeframe: ***1999-2006***

Agencies: ***City of Daly City/ECD***

Performance Target: ***All housing construction activity shall comply with applicable City design guidelines***

Policies: ***2.1; 6.1***

The City will continue to ensure that all housing development, rehabilitation or renovation is aesthetically compatible with the surrounding neighborhood and in compliance with all applicable building and zoning requirements. The City has a residential design guideline manual that is available to the public and outlines how to visually integrate new construction, additions and other home improvements into their locations. Housing activity in the City's Mission St/Junipero Serra Blvd. Redevelopment Project Area shall comply with the Mission St. Urban Design Plan, while building activity in the Geneva Avenue Corridor shall comply with criteria established in the Geneva Avenue Urban Design Plan.

20. STREAMLINE PERMITTING PROCESS

Timeframe: ***1999-2006***

Agencies: ***City of Daly City/ECD***

Performance Target: Complete all needed revisions to approval process

Policies: 4.4

To expedite housing construction, the City will continue to evaluate and revise, as needed, its entire development and construction approval process (e.g., computerized database and tracking system, zoning and subdivision review, final map processing, building plan check, and inspection processes). The existing database system will be used as a basis for identifying delays, provide management information for reducing backlogs and verify staffing needs in the process, thereby improving project review efficiency.

In recent years, the City has enhanced the approval process by conducting some permitting via fax or making permitting information available online. The City issues permits, including credit card payments, for building maintenance improvements like roofing, siding and window replacement through the fax. The City also implemented Express Plan Check every Tuesday and Thursday mornings from 8 to 10 am that allows for same day review and approval and brings together all relevant City agencies (i.e. Planning, Building, Engineering, Fire) at once. Express Plan Check is available for smaller building improvement work like single family additions less than 50% of the original gross floor area and residential remodeling. Lastly, the brochures and guides on planning, permitting and general building issues (e.g. secondary units, description of permit procedures, etc.) are meant to better inform property owners, developers and builders about the City's procedures and enhance the likelihood their plans and applications will receive approval.

APPENDIX

Appendix A: Vacant Land Survey

ID	Ownership	Zoning	existing land use
E1	private	C2	vacant
	total acre		**1**
D1	private	C1	
D2	private	C1	
D3	private	C1	
D4	private	C1	
D5	DALY CITY REDEVELOPMENT AGENCY	C1	parking lot
D6	DALY CITY REDEVELOPMENT AGENCY	C1	parking lot
D7	DALY CITY REDEVELOPMENT AGENCY	C1	parking lot
D8	CITY OF DALY CITY	C1	parking lot
D9	CITY OF DALY CITY	C1	parking lot
D10	CITY OF DALY CITY	C1	parking lot
D11	DALY CITY REDEVELOPMENT AGENCY	C1	vacant
D12	DALY CITY REDEVELOPMENT AGENCY	C1	vacant
D13	DALY CITY REDEVELOPMENT AGENCY	C1	vacant
D14	private	C1	vacant
D15	private	C1	
D16	private	C1	
D17	private	C1	
D18	private	C1	
D19	private	C1	
D20	private	C1	
D21	CITY OF DALY CITY	C1	
D22	private	C1	vacant
D23	private	C1	vacant
D24	private	C1	vacant
D25	private	C1	vacant
D26	private	C1	vacant
D27	private	C1	vacant
D28	private	C1	vacant
D29	private	C1	vacant
D30	CITY OF DALY CITY	C1	vacant
D31	private	C1	
D32	private	C1	
	total acres		**22**
G1	private	PD	car lot
G2	private	PD	car lot
G3	private	PD	vacant
G4	private	PD	vacant
G5	private	PD	vacant
G6	private	PD	vacant
G7	private	PD	vacant
G8	private	PD	vacant

G9	private	PD	vacant
	total acres	**10**	

F1	private	PRE-PD	vacant
F2	private	PRE-PD	vacant
F3	private	PRE-PD	vacant
F4	private	PRE-PD	vacant
F5	private	PRE-PD	vacant
F6	private	PRE-PD	vacant
F7	private	PRE-PD	vacant
F8	private	PRE-PD	vacant
F9	private	PRE-PD	vacant
F10	private	PRE-PD	vacant
F11	private	PRE-PD	vacant
F12	private	PRE-PD	vacant
F13	private	PRE-PD	vacant
F14	private	PRE-PD	vacant
F15	private	PRE-PD	vacant
F16	private	PRE-PD	vacant
F17	private	PRE-PD	vacant
F18	private	PRE-PD	vacant
F19	private	PRE-PD	vacant
F20	private	PRE-PD	vacant
F21	private	PRE-PD	vacant
F22	private	PRE-PD	vacant
F23	private	PRE-PD	vacant
F24	private	PRE-PD	vacant
F25	private	PRE-PD	vacant
F26	private	PRE-PD	vacant
F27	private	PRE-PD	vacant
F28	private	PRE-PD	vacant
F29	private	PRE-PD	vacant
F30	private	PRE-PD	vacant
F31	private	PRE-PD	vacant
F32	private	PRE-PD	vacant
F33	private	PRE-PD	vacant
F34	private	PRE-PD	vacant
F35	private	PRE-PD	vacant
F36	private	PRE-PD	vacant
	total acres	**29**	

A1	Francisco B A R T D San		vacant
A2	private	R1A	vacant
A3	private	R1	vacant
A4	private	R1	vacant
A5	private	R1	vacant
A6	private	R1	vacant
A7	private	R1	vacant
A8	private	R1	vacant
A9	private	R1	vacant
A10	private	R1	vacant
A11	private	R1	vacant
A12	private	R1	vacant
A13	private	R1	vacant
A14	private	R1	vacant
A15	private	R1	vacant
A16	private	R1	vacant
A17	private	R1	vacant
A18	private	R1	vacant

A19	private	R1	vacant
A20	private	R1	vacant
A21	private	R1	vacant
A22	private	R1	vacant
A23	private	R1	vacant
A24	private	R1	vacant
A25	private	R1	vacant
A26	private	R1	vacant
A27	private	R1	vacant
A28	private	R1	vacant
A29	private	R1	vacant
A30	private	R1	vacant
A31	private	R1	vacant
A32	private	R1	vacant
A33	private	R1	vacant
A34	private	R1	vacant
A35	private	R1	vacant
A36	private	R1	vacant
A37	private	R1	vacant
A38	private	R1	vacant
A39	private	R1	vacant
A40	private	R1	vacant
A41	private	R1	vacant
A42	private	R1	vacant
A43	private	R1	vacant
A44	private	R1	vacant
A45	private	R1	vacant
A46	private	R1	vacant
A47	private	R1	vacant
A48	private	R1	vacant
A49	private	R1	vacant
A50	private	R1	vacant
A51	private	R1	
A52	private	R1	
A53	private	R1	
A54	private	R1	
A55	private	R1	
A56	private	R1	
A57	private	R1	
A58	private	R1	
A59	CITY OF DALY CITY	R1	
A60	private	R1	
A61	private	R1	
A62	private	R1	
A63	private	R1	
A64	private	R1	
A65	private	R1	
A66	private	R1	
A67	private	R1	
A68	private	R1	
A69	private	R1-B	
A70	private	R1	
A71	private	R1	
A72	private	R1	
A73	private	R1	
A74	private	R1	
A75	private	R1	
A76	private	R1	
A77	private	R1	

	total acres		**13**	
B1	private	R2		
B2	private	R2		Vacant
B3	private	R2		vacant
B4	private	R2		
B5	private	R2		
B6	private	R2		
B7	private	R2		
	total acres		**0.92**	
C1	DALY CITY REDEVELOPMENT AGENCY	R3		parking lot
C2	DALY CITY REDEVELOPMENT AGENCY	R3		parking lot
C3	private	R3		
C4	private	R3		vacant
C5	private	R3		vacant
C6	private	R3		
C7	private	R3		
C8	private	R3		
C9	private	R3		
	total acres		**6**	
GREENHOUSES/NURSERIES				
GR1	private	R3		
GR2	private	R3		
GR3	private	ID		
GR4	private	ID		
GR5	private	ID		
GR6	private	ID		
GR7	private	ID		
GR8	private	C1		
GR9	private	ID		
GR10	private	ID		
GR11	private	ID		
GR12	private	ID		
GR13	private	ID		
GR14	private	ID		
GR15	private	R1		
GR16	private	R1		
GR17	private	ID		
GR18	private	R1		
	total acres		**6**	