



# CITY OF DALY CITY 2023-2031 HOUSING ELEMENT

Adopted - November 12, 2024

CITY OF  
**DALY CITY**  
GATEWAY TO THE PENINSULA





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# CITY OF DALY CITY

## 2023-2031 HOUSING ELEMENT

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Adopted - November 12, 2024



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# CITY OF DALY CITY HCD Submittal Draft Housing Element

RHNA 6 (2023-2031 Planning Period)



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# CITY OF DALY CITY

## HCD Submittal Draft

## Housing Element

RHNA 6 (2023-2031 Planning Period)



## Introduction

From an urban planning perspective, nothing has impacted Daly City more than the construction of housing. Over the years, Daly City has provided new housing opportunities for many thousands of families, many of whom settled in the city at the close of World War II.

Like much of the Bay Area, housing demand has exceeded housing supply in Daly City for many years. While job centers in the Bay Area region have flourished, housing construction has not kept pace with the demand created by a vast influx of households taking advantage of the rich opportunities offered by the region's employers. In bedroom communities like Daly City, these economic forces have led to soaring housing costs, overcrowding, and illegal construction.

Even in the current market downturn, the housing market continues to impact the daily lives of households in Daly City and throughout the region. Steep increases in the cost of for-sale homes at the beginning of the decade have been replaced by scarce credit to construct new housing and a foreclosure crisis not seen since the Great Depression. This climate further challenges the abilities of the State and local governments to ensure equitable access to affordable housing.

### **What is a Housing Element?**

State law requires each city and county to adopt a General Plan containing at least seven elements, including a Housing Element. Unlike the other mandatory General Plan elements, the Housing Element must be updated every eight years, is subject to detailed requirements of State law, and must be reviewed by the California Department of Housing and Community Development (HCD). Housing elements have been mandatory portions of general plans since 1969, reflecting the State recognition that the availability of housing is a matter of statewide importance and that cooperation between government and the private sector is critical to attainment of the State's housing goals. The regulation of the housing supply through planning and zoning powers affects the State's ability to achieve its housing goal of "decent housing and a suitable living environment for every California family" and is critical to the State's long-term economic competitiveness.

This Housing Element provides a comprehensive analysis of the status of housing in Daly City, and sets forth goals, policies, and programs (tasks) to improve the quality of the City's housing stock and increase housing opportunities. Like other parts of this General Plan, the Housing Element has been prepared within the context of urban transformation that will result from an ever-increasing population and mandates from State and regional agencies to build housing near existing transit. The policies contained within the

element are intended to provide a framework for evaluating specific housing proposals; establish a coordinated, realistic course of action for dealing with Daly City's concerns; and be a tool for decision makers when considering the approval of housing construction projects.

## Legal Requirements

Housing element law requires local governments like Daly City to adequately plan to meet their existing and projected housing needs, including their share of the regional housing need. Housing Element law is the State's primary market-based strategy to increase housing supply, choice, and affordability. The law recognizes that for the private sector to adequately address housing needs and demand, local governments must adopt land use plans and regulatory schemes that provide opportunities for, and do not unduly constrain, housing development.

The Housing Element process begins with HCD allocating a region's share of the statewide housing need to Councils of Governments (COG) based on California Department of Finance (DOF) population projections and regional population forecasts used in preparing regional transportation plans. In Daly City, the Association of Bay Area Governments (ABAG) serves as the regional COG in the San Francisco Bay Area. In coordination with local governments, ABAG allocates the region's share of the statewide need to the cities and counties in the Bay Area. This allocation, which is discussed further within this document, is called the Regional Housing Need Allocation (RHNA, pronounced "ree-nuh").

As shown in **Table HE-1**, Daly City must plan for 4,838 units during the 2023-2031 planning period.

**Table HE 1: Regional Housing Need, 2023-2031**

Income Category	Allocation	Percentage
Very Low*	1,336	<b>27%</b>
Low	769	<b>16%</b>
Moderate	762	<b>16%</b>
Above Moderate	1,971	<b>41%</b>
<b>Total</b>	<b>4,838</b>	<b>100%</b>

Source: ABAG 2021

Note: \* It is assumed that 50 percent of the very low- income is allocated to the extremely low-income category.

## Content and Organization

The Housing Element is organized into the following sections and has been structured to comply with state housing element guidelines. The content of the sections is listed below.

**Introduction:** This section provides information on the State of California's requirements, the purpose of the Housing Element, the organization of the document, and General Plan consistency.

**Public Outreach and Engagement:** Describes the opportunities the City provided for public participation during preparation of the updated Housing Element.

**Review of the 2015 Housing Element:** This section contains an evaluation of the prior Housing Element and its accomplishments and analyzes differences between what was projected and what was achieved.

**Daly City Housing Needs:** This section focuses on demographic information, including population trends, ethnicity, age, household composition, income, employment, housing characteristics, housing needs by income, and housing needs for special segments of the population.

**Fair Housing Assessment:** Includes an assessment of fair housing that aims to combat discrimination, overcome patterns of segregation, and foster inclusive communities free from barriers that restrict access to opportunity based on protected characteristics.

**Housing Sites Inventory:** This section describes the City's housing resources as well as the City's existing housing stock and the potential areas for future housing development. This section also discusses opportunities for energy conservation, which can reduce costs to homeowners and infrastructure costs to the City.

**Housing Constraints:** This section analyzes potential governmental and nongovernmental constraints to housing development in Daly City. This includes the City's planning, zoning, and building standards that directly affect residential development patterns as well as influence housing availability and affordability. Potential nongovernmental constraints include the availability and cost of financing, the price of land, and the materials for building homes, as well as natural conditions that affect the cost of preparing and developing land for housing, and the business decisions of individuals and organizations (some examples are home building, finance, real estate, and rental housing that impact housing cost and availability).

**Objectives, Policies, and Tasks:** This section sets forth the City's objectives, policies, and tasks that are designed to address the housing needs in Daly City. Based on the findings of all of the previous sections, the objectives, policies, and tasks section identifies actions the City will take to meet local housing goals, quantified objectives, and address the housing needs in Daly City.

## General Plan Consistency

State law requires that "the general plan and elements and parts thereof comprise an integrated, internally consistent, and compatible statement of policies." The purpose of requiring internal consistency is to avoid policy conflict and provide a clear policy guide for the future maintenance, improvement, and development of housing within the city.

The Housing Element has been reviewed for consistency with the City's other General Plan elements. The Daly City 2030 General Plan was last adopted in 2013. The policies and actions in this Housing Element are consistent with the policy direction contained in other parts of the General Plan. The City will continue to review and revise the Housing Element, as necessary for consistency, when amendments are made to the General Plan.

Per Assembly Bill (AB) 162 (Government Code Section 65302.g.3), upon the next revision of the Housing Element on or after January 1, 2014, the Safety Element shall be reviewed and updated as necessary to address the risk of fire for land classified as state responsibility areas, as defined in Section 4102 of the Public Resources Code, and land classified as Very High Fire Hazard Severity Zones, as defined in Section 51177. Senate Bill (SB) 379 (Government Code Section 65302.g.4) requires that the Safety Element be reviewed and updated as necessary to address climate change adaptation and applicable resiliency strategies. SB 1035 (Government Code Section 65302.g.6) requires that the Safety Element be reviewed and updated as needed upon each revision of the Housing Element or local hazard mitigation plan, but not less than once every eight years. SB 99 (Government Code Section 65302.g.5) requires that on or after January 1, 2020, the Safety Element includes information to identify residential developments in hazard areas that do not have at least two evacuation routes.

The City plans to review and update the current Safety Element incorporating all State law changes, including applicable laws and any additional requirements and General Plan guidelines from the State of California Governor's Office of Planning and Research (OPR).

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# Public Outreach and Engagement

State law requires cities and counties to make a diligent effort to achieve participation from all segments of the community in preparing a Housing Element. Section 65583(c)(6) of the California Government Code specifically requires that “The local government shall make a diligent effort to achieve public participation of all economic segments of the community in the development of the Housing Element, and the program shall describe this effort.”

The diligent effort required means that local jurisdictions must do more than issue the customary public notices and conduct standard public hearings prior to adopting a Housing Element. State law requires cities and counties to take active steps to inform, involve, and solicit input from the public, particularly low-income and racial and ethnic households that might otherwise not participate in the process.

Daly City developed a broad and diverse outreach plan designed to reach as many community members who live and work here as possible. To accomplish such a diverse outreach plan, the City partnered with other San Mateo County jurisdictions through the 21 Elements (<http://www.21elements.com/>) collaboration.

## **Outreach for All**

To ensure that a wide range of residents were able to participate in the outreach process, including renters, workers, young families, youth, people of color, immigrants, refugees, non-English speakers, and people with disabilities, the City completed the following in corporation with 21Elements.

- Ensured foreign language translation and interpretation was included in our meetings and materials.
- Designed a website that was mobile friendly, with accessibility features and in multiple languages. (Lower-income residents, young adults, and people of color are more likely to use their phones to access online information.)
- Formed an Equity Advisory Group consisting of 18 organizations across San Mateo County that provided feedback on outreach and materials, and shared information about the Housing Element update and how to participate in the process with the communities they serve.
- Held meetings in partnership with community organizations (including an introductory meeting in Spanish with English interpretation).

## **Countywide Outreach Efforts**

### **Website and Social Media**

The City helped develop a countywide website available in five languages which was linked to the city webpage detailing our timeline, engagement activities, and resources, videos about the process in several languages, and a social media presence. As of February 2022, the website has been visited more than 17,000 times, with more than 20 percent from mobile devices.

### **Let's Talk Housing – Webinar Series**

As part of outreach and engagement work for the 6th Cycle Housing Element Update, 21 Elements/Let's Talk Housing organized a countywide four-part webinar series to help educate and inform San Mateo County residents and stakeholders on regional and local housing issues.

The four-part series took place on Zoom in fall of 2021, focusing on the following topics and how they intersect with the Bay Area's housing challenges and opportunities:

- Why Affordability Matters
- Housing and Racial Equity
- Housing in a Climate of Change
- Putting it All Together for a Better Future

The series included speaker presentations, audience Q&A, breakout sessions for connection, and debrief discussions. The sessions were advertised and offered in English, Spanish, Mandarin, and Cantonese, though participation in non-English channels was limited. The meetings were well attended and attendees represented a range of age groups and races.

#### **Key Themes of the Webinars:**

- Housing affordability is a public health issue: Where we live impacts our health, economic equity, environmental and racial justice.
- The Three S's: Supply, Stability, and Subsidy: Increase housing supply, protect renters and vulnerable households by providing stability, fill the gaps with subsidies.
- Implement strategies to promote climate-ready housing.
- In addition to the webinar series, Let's Talk Housing also sponsored four "listening sessions" with City and County staff and key stakeholders, that convened more than 30 groups. These stakeholders represented organizations that focused on:
  - Building market-rate or affordable housing
  - Addressing fair housing issues
  - Advocating for affordable housing
  - Providing housing services.

#### **Community Meetings**

The City participated in several meetings and webinars in partnership with 21 Elements, including:

- **Introduction to the Housing Element** – A Housing Element overview with breakout discussion rooms that was part of a series of introductory meetings.
- **All About RHNA Webinar** – An in-depth dive into sites methodology.
- **Stakeholder Listening Sessions** – Four meetings where jurisdictions could listen to and interact with stakeholder groups arranged by topic. More than 30 groups participated.
- **Creating an Affordable Future Webinars** – A four-part series to help educate community members about local housing issues.

#### **Daly City Residents Feedback**

Although few residents attended, meaningful conversation at these community meetings were achieved. The participants reflected on how much they valued the city's racial diversity and the ways that the city's relatively affordable housing allows multiple generations to live nearby. At the same time, some community members were concerned about disappearing affordability and challenges to young families

in buying new homes. Conversation included ideas on how to increase participation, which included working with the Filipino community, and doing direct outreach to elders, including people who use the Serramonte Mall as a community hub.

### **Stakeholder Listening Session Series**

Daly City joined 21 Elements for a facilitated series of listening sessions held between September and November 2021 to hear from various stakeholders who operate countywide or across multiple jurisdictions. The four sessions convened more than 30 groups, including fair housing organizations, housing advocates, builders/developers (affordable and market-rate), and service providers, to provide observations on housing needs and input for policy consideration. Key themes and stakeholder groups included the following.

**Fair Housing:** Concern for the end of the eviction moratorium, the importance of transit-oriented affordable housing and anti-displacement policies, and the need for education around accessibility regulations and tenant protections. Eight stakeholder groups provided this feedback, including the following:

- Center for Independence of Individuals with Disabilities (CID)
- Community Legal Services of East Palo Alto (CLSEPA)
- Housing Equality Law Project
- Legal Aid for San Mateo County
- Project Sentinel
- Housing Choices
- Public Interest Law Project
- Root Policy Research

**Housing Advocates:** Concern for rent increases and the need for ongoing outreach to underserved and diverse communities, workforce housing, deeply affordable and dense infill, and tenant protections for the most vulnerable. Six stakeholder groups provided this feedback, including the following:

- Housing Leadership Council
- Faith in Action
- Greenbelt Alliance
- San Mateo County Central Labor Council
- Peninsula for Everyone
- San Mateo County Association of Realtors

**Builders and Developers:** Local funding, tax credit availability, and concern that appropriate sites limit affordable housing while sites, construction costs, and City processes limit market-rate housing. Twelve stakeholder groups provided this feedback, including the following:

- Affirmed Housing (Affordable)
- BRIDGE Housing (Affordable)

- The Core Companies (Affordable, Market Rate)
- Eden Housing (Affordable)
- Greystar (Market Rate)
- Habitat for Humanity (Affordable)
- HIP Housing (Affordable)
- Mercy Housing (Affordable)
- MidPen Housing (Affordable)
- Sand Hill Property Company (Affordable, Market Rate)
- Sares | Regis (Market Rate)
- Summerhill Apartment Communities (Market Rate)

**Service Providers:** More affordable housing and vouchers or subsidies for market-rate housing are needed, along with on-site services and housing near transit, and jurisdictions should work with providers and people experiencing issues before creating programs. Ten stakeholder groups provided this feedback, including the following:

- Abode Services
- Daly City Partnership
- El Concilio
- HIP Housing
- LifeMoves
- Mental Health Association of San Mateo County
- National Alliance on Mental Illness
- Ombudsman of San Mateo County
- Samaritan House San Mateo
- Youth Leadership Institute

### **Equity Advisory Group**

In alignment with community outreach best practices, it was important to include the guidance of and foster partnerships with community organizations to help ensure everyone's voices were heard during the Housing Element update. In response, an Equity Advisory Group (EAG) was formed consisting of 15 organizations or leaders across the county that are advancing equity and affordable housing. A stipend of \$1,500 was originally provided for meeting four to five times over 12 months to advise on Housing Element outreach and helping get the word out to the communities they work with.

After meeting twice in 2021, it was decided the best use of the EAG moving forward would be to provide more focused support in 2022 based on jurisdiction need and organization expertise. To date, EAG members have facilitated and hosted community meetings in partnership with 21 Elements, collected community housing stories to put a face to housing needs, advised on messaging, and amplified events and activities to their communities. The EAG continue to work collaboratively with jurisdictions and

deepen partnerships, as well as connect community members to the Housing Element update process. All participating organizations are featured on the Let's Talk Housing website (<https://www.letstalkhousing.org/orgs>) and include the following:

- Ayudando Latiions A Soñar (ALAS)
- Community Legal Services
- El Comite de Vecinos del Lado Oeste (El Comite)
- EPACANDO
- Faith in Action
- Housing Choices
- Housing Leadership Council
- Menlo Together
- Nuestra Casa
- One San Mateo
- Peninsula for Everyone
- Puente de la Costa Sur
- San Mateo County Health
- Youth Leadership Institute
- Youth United for Community Action

### **Affirmatively Furthering Fair Housing Survey**

Through the 21 Elements process, an Affirmatively Furthering Fair Housing Survey was conducted that focused on housing issues. While the survey results are not specific to Daly City, they identify important conditions, issues, and needs that impact residents countywide. The survey findings were considered when drafting the fair housing assessment section of the Housing Element.

### **Countywide Key Takeaways**

Below is a summary of key takeaways that emerged throughout the outreach process.

- **Housing is personal:** People often have differing views on housing because it is a very personal issue tied to feelings of safety, belonging, and identity. Often the comments reflected people's current housing situation. Those with safe, stable housing that they can afford were more concerned with change. Those without were more interested in bolder policies and more housing generally. Many people shared meaningful stories of being priced out of their communities or of their children not being able to live in the community where they grew up.
- **The price of housing is a major concern:** Many voiced concerns about the high cost to rent or buy a home today, either for themselves, friends, or family. It is an issue that touches a lot of lives.
- **More housing is needed:** Generally, people believe we need more housing, particularly affordable housing. However, there are diverging views on how to accomplish this, where housing should go, and what it should look like.

- **Single-family neighborhoods are polarizing:** While some people voiced their interest in upzoning single-family neighborhoods or eliminating them altogether, other homeowners want to protect them and in turn, the investment they have made.
- **Affordable housing is a top concern:** Many felt that more needs to be done to promote affordable housing. They also felt that developers should be eligible for incentives and opportunities that make them more competitive.
- **The process is too complicated:** There was significant concern that the development process was too slow and there was too much uncertainty.
- **Better information resources:** People wanted to know how to find affordable housing in their communities and navigate the process of applying for it.
- **Issues are connected:** Transportation, climate change, access to living wage jobs, and education opportunities are all tied to housing and quality of life. These issues are not siloed in people's lives and there is a desire to address them in interconnected ways.
- **Equity is on people's minds:** People want to talk about housing inequities and, even more so, discuss how to solve them. There was interest in ways to create new opportunities for housing and asset building for all that also address past exclusions.
- **Regional input matters but there's more to figure out:** It was valuable to build a broader sense of community and share resources at the countywide level. However, it was challenging to engage nonresident community members on jurisdiction-specific input.
- **Diversity in participation was a challenge:** Despite partnering with organizations to engage with the hardest to reach communities and providing multilingual outreach, achieving diversity in participation was challenging. In the wake of COVID-19, organizations already operating on limited resources were focused on supporting immediate needs, while the added stresses of life coupled with the digital divide added additional barriers for many.

## Housing Element Workshops

The Planning Division held two community workshops on May 19 and June 2, 2022, to provide an overview of the City's 6th Cycle Housing Element and update residents on new State Housing laws that could affect the Housing Element update, e.g., SB9, AFFH, etc. Both meetings were identical in terms of their presentations by City staff, outlining the purpose and objectives of having a Housing Element, an overview of the City's Regional Housing Need Allocation and potential ways for meeting housing construction targets, and the process for updating the Element. Both meetings were held by video conference with notice distributed to approximately 240 community members, community organizations, and housing advocacy groups.

Staff estimates that approximately 10 members of the public attended the meetings, primarily the meeting on June 2. Concerns expressed by residents primarily focused around the desire for existing residents of the Midway Village housing redevelopment project (45 Midway Drive) to be provided preferential access to for-sale townhomes that will be under construction in a later project phase and the City's strategy to meet the City's Regional Housing Need Allocation. A resident also inquired as to how the City could incentivize development under SB 9 and SB 10. He suggested the City could provide low-interest rate loans to homeowners for the purpose of constructing accessory dwelling units. There was overall support for increased residential density in the City provided greater community benefits were incorporated into more-dense development.

## **Public Comments**

The City considered and incorporated public comments throughout the drafting of the Housing Element.

The City received comments in May and June 2023 from the San Francisco International Airport Greenbelt Alliance, California Renters Legal Advocacy and Education Fund, 350 Contra Costa, Community Garden Alliance, Housing Leadership Council, and YIMBY. The comments received included the following themes:

- Policy recommendations to align with Airport Influence Areas and airspace protections policies.
- Suggested policy revisions to promote affordable housing development, including parking concessions, eliminate parcel sizes, evaluate funding sources, increased flexibility for development standards.
- CEQA and entitlement timing for the Serramonte del Rey affordable project.
- Homeowner opportunities are needed.
- Implement a rental registry to track evictions.

The comments were considered, and revisions were made to the programs (tasks), specially, Tasks 4.1, 4.2, 6.7, 6.9, 6.10, 12.2, 13.3, and 15.3. Objectives were also modified to address fair housing opportunities.

## **Noticing of the Draft Housing Element**

Per California Government Code Section 65585, the draft Housing Element was made available for public comment for 30 days, from May 12 to June 11, 2023. Public comment was received, and an additional 10 business days was allowed to consider and incorporate public comments into the draft revision before submitting to HCD on June 26, 2023. The draft was made available on the City's website and was noticed to residents through the same methods as the Planning Commission and City Council meetings. Additional direct noticing was sent to local housing advocate groups.

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# Review of the 2015 Housing Element

Per California Government Code Section 65588, each local government shall review its housing element as frequently as appropriate to evaluate all of the following: (1) The appropriateness of the housing goals, objectives, and policies in contributing to the attainment of the state housing goal; (2) the effectiveness of the housing element in attainment of the community's housing goals and objectives; (3) the progress of the city, county, or city and county in implementation of the housing element; (4) the effectiveness of the housing element goals, policies, and related actions to meet the community's needs, pursuant to paragraph (7) of subdivision (a) of Section 65583.

## Progress Toward Meeting the 2015-2022 Regional Housing Needs Allocation

Each jurisdiction in California is responsible for accommodating its share of the region's housing needs. The process of determining each jurisdiction's share of housing needs is called the Regional Housing Needs Assessment (RHNA). The RHNA projection period for the previous Housing Element was from January 1, 2014, to October 31, 2022. The Housing Element planning period had a slightly different timeframe of January 31, 2015, to January 31, 2023.

The City of Daly City was assigned an RHNA of 1,350 units, divided into four income categories:

- Very Low-Income (less than 50 percent of the Area Median Income)
- Low-Income (50 to 80 percent of the Area Median Income)
- Moderate-Income (81 to 120 percent of the Area Median Income)
- Above Moderate-Income (greater than 120 percent of the Area Median Income)

**Table HE-2** summarizes the City's accomplishments in meeting the RHNA during the previous RHNA projection period. Daly City met its RHNA obligation in all categories except very low income, and still was able to meet 50 percent of that requirement.

**Table HE 2: Units Permitted During 5th Cycle RHNA Projection Period**

Income Category	2015–2023 RHNA	2015	2016	2017	2018	2019	2020	2021	2022	Total Building Permits Issued	Percent Accomplished
Very Low	400	38		21				147		206	52%
Low	188	15	7	183			18		6	218	100%+
Moderate	221	14	17	18	37	34	43	33	23	225	100%+
Above Moderate	541	89	140	17	22	81	215	46	81	691	100%+
<b>Total</b>	<b>1,350</b>	<b>156</b>	<b>164</b>	<b>256</b>	<b>96</b>	<b>152</b>	<b>280</b>	<b>226</b>	<b>110</b>	<b>1440</b>	<b>100%+</b>

Source: City of Daly City, 2023.

## **Efforts to Address Special Housing Needs**

California Government Code Section 65588 requires that local governments review the effectiveness of the housing element goals, policies, and related actions to meet the community's special housing needs. As shown in **Table HE-3, Implementation of 2004 Housing Element Objectives and Policies (2015-2023)**, the City worked diligently to continuously promote housing for special-needs groups in a variety of ways. Some of the accomplishments are highlighted below:

- The City granted parking reductions for projects to help facilitate the development of affordable housing, which includes the 206-unit Brunswick apartments (AMG and Associates), 3001 Geneva Avenue townhouses (Habitat for Humanity), 45 Midway Drive – Midway Village (Mid-Peninsula Housing/County of San Mateo), and 493 Eastmoor Avenue (CORE). To increase affordable options into the local housing stock, the City permitted 360 accessory dwelling units (ADUs). Of these units, 96 were lower-income units.
- Through the Successor Agency, the City provided \$2,420,000 for the Sweeney Lane Apartments on 6800 Mission Street. Additionally, the City provided \$1,494,997 in HOME funds. Of the 51 affordable units, 6 units are for extremely low-income households, 45 are for lower-income households.
- To help increase homeownership opportunities for large families, the City provided \$809,000 in City Housing Trust Funds to Habitat for Humanity Greater San Francisco for the Geneva Habitat Townhomes. The three-bedroom units were all allocated for lower-income households.
- During the planning period the City provided \$750,000 in HOME funds to the Community Service Center/Daly City Partnership to provide tenant-based rental assistance (TBRA) to households affected by COVID-19.
- To ensure housing for lower-income households (60 percent AMI or lower), the City awarded \$2,917,380 in Permanent Local Housing Allocation (PLHA) funds for a proposed 72-unit affordable housing development known as 493 Eastmoor project. The City has conditionally allocated an additional \$2,328,307 in HOME and HOME-ARP funds for this project. As of 2023, the project has been entitled but is still working to secure more funding.
- During the planning period, about 238 households were assisted through home repair programs. This included households assisted through the City's residential rehab program, Rebuilding Together Peninsula, and Center for Independence for Individuals with Disabilities (CIID). Of the 238 households assisted, 152 were special-needs groups (seniors/disabilities).
- The Daly City Partnership/Community Service Center received the following funds for COVID-19 relief activities, including \$1,126,638 for rental assistance, \$750,000 for emergency rental assistance, \$120,00 for mental health services, \$95,000 for food distribution. Mission Asset Fund received \$820,000 for immigrant relief cash assistance.
- To help fund fair housing education and outreach during the COVID-19 pandemic, Legal Aid Society of San Mateo County received \$100,000 in Community Development Block Grant (CDBG)-CV funds to provide eviction assistance, education, and outreach services in Daly City.

## **Progress Towards Meeting Housing Element Programs**

**Table HE-3** summarizes the programs from the 2015-2023 Housing Element. To the degree that such programs are recommended to be continued in the current Housing Element, these programs are reorganized and presented in the Housing Objectives, Policies, and Tasks section.

**Table HE 3: Implementation of 2004 Housing Element Objectives and Policies (2015-2023)**

<b>Housing Element Program</b>	<b>Program Description and Objective</b>	<b>Timeframe in Housing Element</b>	<b>Program Evaluation</b>	<b>Recommendation</b>
<b>Housing Supply</b>				
<b>Policy HE-1:</b> Maintain, and, where possible, create larger housing development sites throughout the City.				
Task 1.1	Increase the minimum property sizes in all commercial zones and R-3 Multiple-Family Residential zone and restrict the ability of existing sites within this zone to subdivide below the established minimum lot size. The minimum parcel shall be established at the time of the Zoning Ordinance update and shall be such that it promotes the construction of mixed-use and/or higher density multifamily development, as determined by the respective zone to which it applies.	Timeframe: 2015.	The City issued a request for proposal (RFP) for this effort in March 2022. PlaceWorks was chosen as the consultant to update the new Community Mixed Use (CMU) zone. The City expects this update to be completed at the end of 2023.	Continue, combine with Task 3.1, 3.2, 3.2, 6.1, 8.1, and 31.1. New Task 1.1
Task 1.2	Incorporate a lot merger incentive allowance into the Zoning Ordinance whereby property owners electing to merge two or more adjacent lots for the purpose of development are provided specific incentives to do so. The incentive program shall establish incentives that are significant enough to promote voluntary lot mergers and shall be commensurate with the size of the parcels being merged and/or created.	Timeframe: 2015.	PlaceWorks was chosen as the consultant to update the new Community Mixed Use (CMU) zone. The update will include a lot merger incentive. As of 2022, no incentives have been requested as a result of this program. The City expects this update to be completed at the end of 2023.	Continue, combine with Task 1.1. New Task 1.2
<b>Policy HE-2:</b> Support infill housing in existing neighborhoods by offering streamlined planning and environmental reviews.				
Task 2.1	Develop a Permit Streamlining Program that identifies specific ways to reduce the processing times of projects that increase the supply of housing. These projects shall include minor subdivisions involving the creation of four or fewer parcels and the construction of duplexes in the R-1/A Single Family/Duplex Residential Zone. The Program shall identify criteria for inclusion in the Zoning Ordinance that establish which project characteristics will qualify a project for streamlining and what method of streamlining will be utilized.	Timeframe: 2015.	No progress has been made on this program.	Delete

Housing Element Program	Program Description and Objective	Timeframe in Housing Element	Program Evaluation	Recommendation
Task 2.2	Continue to exempt infill housing development proposals from the California Environmental Quality Act (CEQA) if the proposal meets all of the requirements of CEQA Guidelines Section 15332.	Timeframe: ongoing.	During the 5th planning period, approximately 15 proposals qualified and were exempted from the CEQA Guidelines Section 15332.	Part of the City's process. Delete.
Task 2.3	Amend the automatic expiration for all discretionary land use approvals (including design review approval) from one year to two years, and amend the expiration provision to indicate that an applicant need only apply for a building permit within the specified two-year timeframe.	Timeframe: 2015.	The Planning Division was unable to complete this program, during the 5th planning period but expects to complete this task in 6th planning cycle. The City Council has however granted 18-time extensions to residential development projects in the planning period and has on occasion granted multiple extensions simultaneously to facilitate project viability.	Continue New Task 2.1
<b>Policy HE-3:</b> Provide regulatory incentives for developers to construct higher-density mixed-use development along Mission Street, Geneva Avenue, and any other locations within close proximity to public transit.				
Task 3.1	Within one year, of the Housing Element adoption, the City shall establish a Commercial Mixed-Use (C-MU) zone for areas targeted for mixed-use development, including, but not limited to the boundaries of the existing C-1 Light Commercial zone presently encompassing Mission Street and Geneva Avenue (approximately 65 acres), and establish development regulations in the Zoning Ordinance specifically for higher-density mixed-use development. The City shall, as a part of this task, explore increased building height within the C-MU zone, as determined sufficient to promote the construction of higher density mixed-use development within the zone.	Timeframe: 2015.	PlaceWorks was chosen as the consultant to update the new Community Mixed Use (CMU) zone. The City expects this update to be completed at the end of 2023.	Continue, combine with Task 1.1, 3.2, 3.2, 6.1, 8.1, and 31.1. New Task 1.1

Housing Element Program	Program Description and Objective	Timeframe in Housing Element	Program Evaluation	Recommendation
Task 3.2	Review the existing design guidelines for mixed-use development to ensure the guidelines adequately address pertinent issues related to the construction of the mixed-use development both within existing neighborhoods and when higher-density development is proposed adjacent to lower-density neighborhoods. Amend these guidelines and augment with development regulations identified in Task HE 3.1 above to incorporate methods for repositioning mixed-use building mass away from lower-density neighborhoods.	Timeframe: 2015.	PlaceWorks was chosen as the consultant to update the new Community Mixed Use (CMU) zone. The approach to update will be form based code. The City expects this update to be completed at the end of 2023.	Continue, combine with Task 1.1, 3.1, 3.3, 6.1, 8.1, and 31.1. New Task 1.3
Task 3.3	Amend the parking regulations to allow for a 30 percent parking reduction for all mixed-use development projects and clarify that the mixed-use parking reduction is allowed for buildings containing residential and retail components and parking available to both uses.	Timeframe: 2015.	PlaceWorks was chosen as the consultant to update the new Community Mixed Use (CMU) zone. The approach to this update will be form based code. The City expects this update to be completed at the end of 2023.	Continue, combine with Task 1.1, 3.1, 3.2, 6.1, 8.1, and 31.1. New Task 1.1
Task 3.4	For larger projects (e.g., 50 units or more), allow further parking reductions for all development projects that provide permanently-funded HOA/POA amenities (e.g., van pools or car sharing programs) to building occupants, are within 0.25 miles of any public bus hub, or are within 0.5 mile distance of a BART station. For the purpose of this task, a bus hub shall be defined as a location where significant numbers of passengers are exchanged from one mechanized mode of transport to another (e.g., bus transfer points, bus "park-n-rides", etc.)	Timeframe: 2015.	The City has continued to allow parking reductions for projects. These include the 206-unit Brunswick apartments, 3001 Geneva Avenue townhouses, 45 Midway Drive, and 493 Eastmoor Avenue, each of which are completely affordable. Additionally, the City has granted numerous reductions for parking to facilitate residential development in general, such as the 323-unit Serramonte Views project, a 75% parking reduction. The area is getting rezoned and is under construction. Of the 323 units, 56 will be for owners and 42 for renters.	New Task 3.1

Housing Element Program	Program Description and Objective	Timeframe in Housing Element	Program Evaluation	Recommendation
Task 3.5	Amend the parking regulations to remove differentiation between single-family, multiple-family, and condominium uses for the purpose of parking regulations, and establish such regulations based on total bedroom count. This requirement shall also apply to residential additions and the provision of additional bedrooms within any existing dwelling.	Timeframe: 2015.	This task was completed in 2015.	Completed. Delete.
Task 3.6	Clarify that no parking reduction incentive (other than incentives allowed for senior affordable units) shall result in less than one parking space per unit. Any housing development that is willing to deed-restrict at least 20 percent of units for extremely low-income households shall be however exempt from the minimum parking requirement identified by this task and instead be subject to providing at least 0.5 parking spaces per unit.	Timeframe: 2015.	The City has defaulted to state law and will remove this program since it contradicts state law.	Delete.
<b>Policy HE-4:</b> Assure that standards for new housing construction comply with appropriate aircraft noise abatement requirements				
Task 4.1	All new housing development within the 65dB CNEL aircraft contour, as shown on the most recent FAA accepted San Francisco International Airport Noise Exposure Map, shall be constructed to achieve an interior noise level of 45 dB CNEL or less based on aircraft noise events.	Timeframe: 2015.	The City continued to all new housing development within the 65dB CNEL aircraft contour.	Continue and combine with Tasks 4.2 and 4.3. New Task 4.1
Task 4.2	For all development proposals with the 65dB CNEL noise contour, the City shall require a noise study that identifies the proposed project's compliance with requirement of Task 4.1 above. If the project qualifies for review under the California Environmental Quality Act (CEQA), the City shall incorporate the noise study and any mitigation measures into the CEQA document and shall adopt findings that the project, as conditioned, complies with the interior noise level requirement.	Timeframe: ongoing.	As projects come forward, the City continued to incorporate noise studies and mitigation measures into the CEQA document.	Continue and combine with Tasks 4.1 and 4.3. New Task 4.1

<b>Housing Element Program</b>	<b>Program Description and Objective</b>	<b>Timeframe in Housing Element</b>	<b>Program Evaluation</b>	<b>Recommendation</b>
Task 4.3	The City shall incorporate compliance with this policy into adopted CEQA compliance guidelines. The guidelines shall identify detailed compliance requirements, such as the methods of acceptable noise mitigation (insulation, windows, etc.).	Timeframe: 2015.	As projects come forward, the City continued to incorporate noise studies and mitigation measures into the CEQA document.	Continue and combine with Tasks 4.1 and 4.2. New Task 4.1
<b>Housing Affordability</b>				
<b>Policy HE-5A:</b> Allow the construction of additional second units throughout the City. (Note: Rename second units as accessory dwelling units)				
Task 5.1	Align the maximum neighborhood density applicable to second units to be consistent with the maximum neighborhood density allowed by the General Plan.	Timeframe: 2017.	The task was completed in 2015.	Completed
Task 5.2	Eliminate the required parking for small second units where the second unit is no larger than 400 square feet, the size of the home in which the unit is proposed is no greater than 1,600 square feet including the garage, and the existing home provides two legal, i.e., full-sized, parking spaces.	Timeframe: 2015.	The City defaults to state law and plans to make Accessory Dwelling Units to (ADU) amendments to ensure compliance with state law in Summer 2023. The City has not required parking for any ADU constructed in the City since January 2018.	Continue.
Task 5.3	Eliminate the requirement for owner-occupancy for second units where the applicant for a non-owner occupied second unit can demonstrate that the entire property is subject to professional property management by means of a written contract supplied to the City.	Timeframe: 2015.	The City defaults to state law and will amend this program to ensure compliance with Government Code 65852.2 (D)(xii)(6). The City has not required owner occupancy for any ADU constructed in the City since January 2020.	Continue and modify. New Task 5.1
Task 5.4	Continue to offer same-day, express plan check permitting for all second units.	Timeframe: ongoing.	The City continued to ensure ADUs were permitted in the city. Between 2015 and 2022, the City permitted 365 ADUs. Of these units, 96 were affordable to lower income households, 190 affordable to moderate income households, and 79 were affordable to above moderate-income households.	Delete.

Housing Element Program	Program Description and Objective	Timeframe in Housing Element	Program Evaluation	Recommendation
Task 5.5	Monitor second unit construction and rental activity on an annual basis and report this information in the City's General Plan Annual Report.	Timeframe: ongoing.	The City continued to ensure ADUs were permitted in the city. Between 2015 and 2022, the City permitted 365 ADUs. Of these units, 96 were affordable to lower income households, 190 affordable to moderate income households, and 79 were affordable to above moderate-income households.	Continue
<b>Policy HE-5B:</b> Reduce or eliminate the impacts of new construction to residents displaced by such construction.				
Task 5.6	The City shall evaluate the potential impacts of displacement and adopt measures, as appropriate, to address the risk of displacement of existing residents. Displacement might be direct, caused by the redevelopment of sites with existing residential properties, or indirect, caused by increased market rents as an area becomes more desirable. If adopted, the City would implement programs as appropriate to address displacement, monitor such programs annually for effectiveness, and adjust as necessary.	Timeframe: 2017.	Although no progress has been made, no displacement has occurred. The City will look into how to address the minimal displacement concerns in the 6th Housing Element.	Continue and modify. New Task 5.2
<b>Vacant and Underutilized Sites</b>				
<b>Policy HE-6:</b> Assure that adequate development sites exist on the Potential Housing Sites Inventory List to ensure compliance with the City's Regional Housing Need Allocation.				
Task 6.1	Remove the use permit requirement for mixed-use projects located in the (future) C-MU Commercial Mixed Use zone that provide a residential component resulting in an overall net density of at least 30 dwelling units per acre and which also contain a first-floor commercial component that occupies a proportion of the total building area identified by the Zoning Ordinance. Proposed development consistent with this density, the Zoning Ordinance, and any applicable design guidelines would be permitted "by-right," without requirement for discretionary approvals.	Timeframe: 2015.	PlaceWorks was chosen as the consultant to update the new Community Mixed Use (CMU) zone. The update will include a lot merger incentive. As of 2022, no incentives have been requested as a result of this program. The City expects this update to be completed at the end of 2023.	Continue, combine with Task 1.1, 3.1, 3.2, 3.3, 8.1, and 31.1. New Task 1.3

Housing Element Program	Program Description and Objective	Timeframe in Housing Element	Program Evaluation	Recommendation
Task 6.2	<p>Amend the BART Station Area Specific Plan to redesignate the 8.7-acre Samtrans park-and-ride lot at 3501 Junipero Serra Boulevard (APNs 008-131-010 through 040 and 008-132-010 and 020) to the Specific Plan's High Density Residential designation. Simultaneously, amend the BART Station Area Specific Plan regulations to require at least 30 dwelling units per acre for new development and amend the development regulations provided within the Plan to comply with the balance of policies provided in this Housing Element.</p>	Timeframe: 2015.	<p>While this effort was not completed as written, the City did rezone/redesignate 7.1 acres of land in 2020 to Planned Development uses, with a General Plan Land Use Designation of Residential High Density, allowing 35.1 to 50 units per acre, and Residential Medium, allowing 20.1 to 35 units per acre. The rezoned sites met all by-right requirements under Government Code section 65583.2, subdivisions (h) and (i), permitting owner-occupied and rental multifamily uses by right, permitting the development of at least 16 units per sites, and ensuring water, sewer, and dry utilities were provided. The rezone provided the City with a capacity of 213 units towards the lower income RHNA. Additionally, a 4-acre residential site, APN 005-330-320, was not included in the 5th cycle sites inventory. This parcel was zoned R-3 (no zone change was needed), allowing 35.1 to 50 units to the acre, which provided a capacity of 120 units at a density to accommodate the City's lower income RHNA. This site developed during the 5<sup>th</sup> cycle with 147 units affordable to lower income households. Based on the three parcels mentioned, the City had a capacity of 344 units, which was sufficient to meet the 5<sup>th</sup> RHNA shortfall of 261 units. Because the City had sufficient capacity by 2020 to meet the RHNA the City does not have an</p>	Delete.

Housing Element Program	Program Description and Objective	Timeframe in Housing Element	Program Evaluation	Recommendation
			unaccommodated need. See Table HE-45.	
Task 6.3	Amend the General Plan designation and Zoning Ordinance for the 1.15-acre property located on Brunswick Street across from Chelsea Court (APN 003-210-260) from Commercial Mixed-Use and C-2 Heavy Commercial, respectively, to Residential High Density and R-3 Multiple Family Residential District, respectively.	Timeframe: 2015.	This is the site of Brunswick Street Apartments. A 206-unit affordable senior housing complex that was constructed during the planning period. This project exceeded the Residential High-Density unit allowance.	Completed
Task 6.4	Work with Caltrans to ensure that access from Hickey Boulevard is achievable so as to allow residential development of the 2.49-acre housing site located at 1050 St. Francis Boulevard. The maximum density at this site shall continue to reflect the permitted General Plan Medium Density designation currently attributable to the site, i.e., 35 dwelling units per acre.	Timeframe: 2015.	During the planning period, the City worked with Caltrans; however, the property was not developed.	Completed
Task 6.5	Amend the Zoning Ordinance to require that, if after adopting the General Plan Land Use Map and Zoning Map, the City redesignates and/or rezones any site(s) included on the Potential Housing Sites Inventory List to a non-residential use or a residential use of less intensity than has been identified on the Potential Housing Sites Inventory List, the City shall replace the redesignated/rezoned site(s) with another site(s). The new site(s) shall allow the same or greater development intensity as the rezoned site(s) and shall be physically capable to providing the development intensity of rezoned sites(s) in terms of environmental restraints, infrastructure capacity, and similar constraints. The Ordinance shall specify that this requirement shall apply only to sites that are necessary to satisfy the City's Regional Housing Need Allocation (RHNA), but that any replacement site shall continue to satisfy the City's RHNA by income category.	Timeframe: 2015.	The City continued to maintain an inventory of sites available and appropriate for residential development at all income levels, and sites suitable for redevelopment and/or reuse. In keeping with state "no net loss" provisions (Government Code Section 65863).	Continue and modify New Task 6.1

Housing Element Program	Program Description and Objective	Timeframe in Housing Element	Program Evaluation	Recommendation
<b>Policy HE-7:</b> Allow development density on all residentially-zones properties consistent with the General Plan Land Use Map and work with utility providers to ensure that adequate water supplies and sewer capacities are available to allow construction at such density, especially for development that includes housing units affordable to lower-income households.				
Task 7.1	Review and amend the Zoning Ordinance, if necessary, to ensure that residential densities identified on the General Plan Land Use Map can be reasonably constructed given property size, accessibility, and topography. For the purpose of calculating densities, the Ordinance shall be amended to describe a method for calculating residential density that is site specific, meaning that the land area calculated as part of the density prescription shall include the site only and no portion of adjacent right-of-way or adjacent public or private property.	Timeframe: 2015.	The City continued to ensure consistency for proposed projects during the planning period.	Delete.
Task 7.2	Upon adoption of the Housing Element, the City will provide a copy of the adopted Housing Element to each of the City's water and sewer providers, advising each of these agencies of the City's intention to comply with Government Code Section 65589.7, which requires these providers to grant priority service allocation to proposed developments that include housing units affordable to lower-income households.	Timeframe: 2015.	This task was completed in 2015.	Delete. Continue as policy.
<b>Policy HE-8:</b> Avoid rezoning properties that are presently designated or zoned for residential uses for non-residential uses.				
Task 8.1	Amend the Zoning Ordinance to identify specific findings for adoption by the Planning Commission and City Council when approving any rezoning or redesignation involving a residentially-zoned or residentially-designated property to any zone or designation other than residential. To this policy, the C-MU (Commercial Mixed-use) zone shall be considered a residential zone. The findings identified by the Zoning Ordinance shall relate to finding that the rezoning or redesignation is necessary to ensure that the City will not be economically impaired, that the City has, since	Timeframe: 2015.	The City hired PlaceWorks in 2022 to create the new Community Mixed Use (CMU) zone. The update will include a lot merger incentive. As of 2022, no incentives have been requested as a result of this program. The City expects this update to be completed by the end of 2023.	Continue, combine with Task 1.1, 3.1, 3.2, 3.3, 6.1, and 31.1. New Task 1.4

Housing Element Program	Program Description and Objective	Timeframe in Housing Element	Program Evaluation	Recommendation
	<p>the Housing Element adoption, met its housing construction target, and that the rezoning or redesignation does not involve a property identified by the Potential Housing Sites Inventory List for which a replacement site has not been identified (see Policy HE-X above).</p> <p><b>Policy HE-9:</b> Expand homeownership opportunities by facilitating condominium construction, while protecting renters from condominium conversions.</p>			
Task 9.1	Encourage a variety of housing types and tenures for all income levels and assure access to housing by all groups of individuals.	Timeframe: Ongoing.	The City continued to ensure a variety of housing types and tenures for all income levels. Between 2018 and 2021, the City constructed 257 ADUs. Of these units, 96 were affordable to lower income households, 190 affordable to moderate income households, and 79 were affordable to above moderate-income households.	Delete, completed
Task 9.2	Amend the condominium regulations to include specific standards for a relocation program necessitated by condominium conversion 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.	Timeframe: 2015.	During the 5th planning period, no condominium conversion were proposed and the City therefore did not need to relocate residents as a result of condominium conversion.	Delete.

<b>Housing Element Program</b>	<b>Program Description and Objective</b>	<b>Timeframe in Housing Element</b>	<b>Program Evaluation</b>	<b>Recommendation</b>
<b>Policy HE-10:</b> Use the financial and other resources available to the City to reduce the cost and increase the amount of affordable housing.				
Task 10.1	When such funds are available, the City shall use and leverage Federal, State and local funds (including Redevelopment Agency set-aside funds), tax credits, tax-exempt bonds, and private sources such as foundations to encourage the production of affordable housing. The City shall strive to leverage such funds, on average, every two years within the planning period.	Timeframe: ongoing.	During the 5th planning period, the City provided \$1,494,997 in HOME funds and, through the Successor Agency, \$2,420,000 for the Sweeney Lane Apartments on 6800 Mission Street. Of the 51 affordable units, 6 units are for extremely low-income households, 45 are for lower-income households. Additionally, the City awarded \$809,000 in City Housing Trust Funds for the Geneva Habitat Townhomes. All of the 6 units are allocated for lower-income households.	Continue and combine with Tasks 10.2 and 10.3  New Task 9.1
Task 10.2	Offer technical assistance to landowners and prospective developers regarding, for instance, regulatory guidelines, development potential, design solutions, and marketing data.	Timeframe: ongoing.	The City continued to work with landowners and developers as they approached the city.	Continue and combine with Tasks 10.2 and 10.3  New Task 9.1
Task 10.3	Continue to routinely monitor, investigate, and utilize available new funding sources.	Timeframe: ongoing.	From 2014-2016, the City was awarded \$743,073 in HOME funds to help fund the 6800 Mission project. From 2017 - 2022, the City was awarded \$3,234,062 in both HOME and American Rescue Plan Program (HOME-ARP) funds. From 2020- 2022, the City was awarded \$2,182,805 in PLHA funds. During the planning period the City provided \$750,000 in HOME funds to the Community Service Center/Daly City Partnership to provide tenant based rental assistance (TBRA) to households affected by COVID-19. Lastly, as part of a proposed 72-unit affordable housing development known as 493	Continue and combine with Tasks 10.2 and 10.3  New Task 9.1

Housing Element Program	Program Description and Objective	Timeframe in Housing Element	Program Evaluation	Recommendation
			Eastmoor project, approximately \$2,917,380 in PLHA funds have been allocated to the project. About \$2,328,307 in HOME and HOME-ARP funds have been conditionally allocated for this project. The proposed projects are targeting households at 60% AMI or lower. As of 2023, the project has been entitled but is still working to secure funding.	
<b>Policy HE-11:</b> Continue to require affordable units in all new housing development and in new condominium conversions.				
Task 11.1	Enforce the requirements of the Inclusionary Zoning Ordinance to the extent that Task HE 11.2 below is addressed.	Timeframe: ongoing.	The City continued to enforce the requirements of the inclusionary zoning ordinance.	Continue and combine as applicable. New Task 10.1
Task 11.2	Provide as part of the General Plan Annual Report an analysis of the effectiveness of the Inclusionary Zoning Ordinance in creating long-term affordable renter- and owner-occupied housing units. The analysis shall identify housing developments subject to the Ordinance for which construction has been completed in the previous year, and shall qualitatively and quantitatively describe the extent to which the ordinance impacted the construction cost of market-rate units within these developments.	Timeframe: annual.	The city annually reports on the inclusionary Zoning Ordinance as a part of the the General Plan Annual Report. As shown in Table HE-1, the city had sufficient housing development in all income categories throughout the 5 <sup>th</sup> cycle planning period and therefore has determined that the Inclusionary Zoning Ordinance is not a constraint but rather an important tool to ensure development for all income levels.	Continue and combine as applicable. New Task 10.1
Task 11.3	Amend the Inclusionary Zoning Ordinance and the condominium regulations to clarify that condominium conversions are subject to the Ordinance.	Timeframe: 2015.	The City amended the Inclusionary Ordinance to include condominium conversion regulations in December 2018.	Completed. Delete
Task 11.4	Through staff training, ensure effective dissemination about the Inclusionary Zoning Ordinance to prospective property purchasers and developers, and prepare paper and electronic brochures to assist these individuals to	Timeframe: ongoing;	The City prepared brochures to inform purchasers and developers about the City's Inclusionary Ordinance.	Continue and combine as applicable. New Task 10.2

Housing Element Program	Program Description and Objective	Timeframe in Housing Element	Program Evaluation	Recommendation
	better understand and determine their obligation under the ordinance.			
Task 11.5	Adopt disclosure requirement about the existence of an inclusionary zoning ordinance in Daly City and that directs property purchasers to the City for additional details. This disclosure would be required for transaction of properties over a certain size and valuation that could be subject to the City's inclusionary zoning ordinance.	Timeframe: 2015.	This task has not yet been completed. The City plans to complete this task by 2026.	Continue and combine as applicable. New Task 10.3
<b>Policy HE-12:</b> Provide regulatory incentives and streamline the permit process for development projects that contain deed-restricted affordable units.				
Task 12.1	Reduce delays in project approval and issuance of building permits by developing a plan check prioritization system that reduces the time required to complete the plan check review process for affordable housing projects, especially those projects which exceed the City's inclusionary zoning ordinance requirements.	Timeframe: 2015.	The City assists developers with the development process as projects come forward. The City has granted the 323-unit Serramonte Views, a 75 percent parking reduction. The area is getting rezoned and is under construction. Of the 323 units, 56 will be for owners and 42 for renters.	Modify. Combine with 12.4. New Task 11.1
Task 12.2	Continue to offer parking reductions offered in the current Zoning Ordinance that serve as an incentive to developers of low-income elderly housing provided a minimum age for residency of such units is established by the Ordinance (e.g., 62 years of age).	Timeframe: ongoing.	During the planning period, the City granted the 323-unit Serramonte Views, a 75 percent parking reduction. The area is getting rezoned and is under construction. Of the 323 units, 56 will be for owners and 42 for renters.	Continue New Task 11.1
Task 12.3	Establish regulations that allow parking reductions for all multiple-family housing developments containing low-income units, commensurate to the proportion of the project devoted to such units (currently a project must be 100 percent affordable to qualify for a parking reduction).	Timeframe: 2015.	The City continued to establish regulations that allowed for parking reductions. The City granted the 323-unit Serramonte Views, a 75 percent parking reduction. The area is getting rezoned and is under construction. Of the 323 units, 56 will be for owners and 42 for renters. In addition to help facilitate the development of housing, the City has waived the state 20 unit requirement and had allowed development at 16 units per acre. The	Delete.

Housing Element Program	Program Description and Objective	Timeframe in Housing Element	Program Evaluation	Recommendation
			City will update code to comply with state law.	
Task 12.4	Continue to offer streamlined environmental review for affordable housing development where authorized by the California Environmental Quality Act (Public Resources Code Sections 21159.20 through 21159.27 – Special Review of Housing Projects).	Timeframe: ongoing.	The City continues to streamline environmental review for affordable housing development.	Modify. Combine with 12.1. New Task 11.1
<b>Policy HE-13:</b> Consider financial incentives to increase the supply of rental housing for all household income groups including extremely low-income households.				
Task 13.1	Give priority expenditure of City housing funds to projects that will provide deed restricted affordable rental housing, especially to development projects that will provide extremely low-income units.	Timeframe: ongoing.	The City provided \$1,494,997 in HOME funds for the development of the 6800 Mission project. The project has units for extremely low-income households.	Continue and combine New Task 12.1
Task 13.2	When funds are available, apply for and/or co-sponsor funding opportunities for the construction of rental housing. The City shall strive to make such applications, on average, every two years within the planning period.	Timeframe: ongoing.	The City provided \$1,494,997 in HOME funds to help fund the 6800 Mission project. From 2017 -2022, the City was awarded \$3,234,062 in both HOME and American Rescue Plan Program (HOME-ARP) funds. From 2020- 2022, the City was awarded \$2,182,805 in PLHA funds. During the planning period, the City awarded \$750,000 in HOME funds to the Community Service Center/Daly City Partnership to provide tenant based rental assistance (TBRA) to households affected by COVID-19. Lastly, as part of a proposed 72-unit affordable housing development known as 493 Eastmoor project, approximately \$2,917,380 in PLHA funds have been allocated to the project. About \$2,328,307 in HOME and HOME-ARP funds have been conditionally allocated for this project. The	New Task 12.1

Housing Element Program	Program Description and Objective	Timeframe in Housing Element	Program Evaluation	Recommendation
			proposed projects are targeting households at 60 percent AMI or lower. As of 2023, the project has been entitled but is still working to secure funding.	
Task 13.3	Give priority expenditure of City housing funds (e.g., HOME, Affordable Housing Trust Fund, etc.) to projects that will occupy sites that have been previously developed.	Timeframe: ongoing.	During the 5th planning period, the City awarded \$1,494,997 in HOME funds and, through the Successor Agency, \$2,420,000 for the Sweeney Lane Apartments on 6800 Mission Street. Of the 51 affordable units, 6 units are for extremely low-income households, 45 are for lower-income households. Additionally, the City provided \$809,000 in City Housing Trust Funds for the Geneva Habitat Townhomes. All of the 6 units are allocated for lower-income households.	Continue and combine New Task 12.1

Housing Element Program	Program Description and Objective	Timeframe in Housing Element	Program Evaluation	Recommendation
			allocated to the project. About \$2,328,307 in HOME and HOME-ARP funds have been conditionally allocated for this project. The proposed projects are targeting households at 60 percent AMI or lower. As of 2023, the project has been entitled but is still working to secure funding.	
<b>Policy HE-14:</b> Assure access to services in Daly City for homeless individuals and families and address the special needs and circumstances of these individuals.				
<b>Policy HE-15:</b> Require adaptability and accessibility of residential units for disabled occupants and ensure that the Zoning Ordinance provides regulations that are sensitive to the needs of disabled occupants.				
Task 15.1	Maintain an active role in expanding accessibility and require all State and local accessibility codes to be met.	Timeframe: ongoing.	The City continued to comply with state law.	Ongoing process. Delete.
Task 15.2	Regularly monitor the implementation of the jurisdiction's ordinances, codes, policies, and procedures to ensure they comply with the "reasonable accommodation" for disabled provisions and all fair housing laws.	Timeframe: ongoing.	The City adopted development regulations for reasonable accommodation in 2014 and has approved 10 reasonable accommodation requests.	Completed. Delete.
Task 15.3	Continue to fund (as funding permits) and support home repair programs that assist residents in paying for various handicapped modifications in and around their homes.	Timeframe: ongoing.	About 238 households were assisted through home repair programs. This includes households assisted through the City's residential rehab program, Rebuilding Together Peninsula, and Center for Independence for Individuals with Disabilities (CIID). Of these, 152 were special-needs groups (elderly/disabled).	Continue New Task 14.3

Housing Element Program	Program Description and Objective	Timeframe in Housing Element	Program Evaluation	Recommendation
<b>Policy HE-16:</b> Prevent housing discrimination based on age, race, religion, sex, ethnic background, or familial status, and work to ensure the safety and availability of Employee Housing.				
Task 16.1	The City shall assist in the implementation and enforcement of State and federal fair housing and civil rights laws and 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.	Timeframe: ongoing.	The City continued to partner with Project Sentinel to assist with Fair Housing complaints. Project Sentinel provides fair housing services, including investigating housing discrimination, tenant and landlords dispute mediation, and house counseling programs.	Continue New Task 15.1
Task 16.2	The City will continue to contract with Project Sentinel to provide fair housing services to its residents and property owners. Services will include:  1. Distributing educational materials to property owners, apartment managers, and tenants every two years; 2. Making public service announcements (PSAs) via different media (e.g., newspaper ads and public service announcements at local radio and television channels) at least two times a year; 3. Conducting fair housing audits and public presentations with different community groups; 4. Responding to complaints of discrimination (i.e., in-taking, investigation of complaints, and resolution); and 5. Referring services to appropriate agencies.	Timeframe: ongoing.	The City continued to partner with Project Sentinel to assist with Fair Housing complaints. Project Sentinel provides fair housing services, including investigating housing discrimination, tenant and landlords dispute mediation, and house counseling programs.	Continue New Task 15.2
Task 16.3	The City shall, to the extent of its jurisdiction, implement all the provisions of the Employee Housing Act (Government Health and Safety Code Sections 17030-17039) and work with the State Department of Housing and Community Development to do the same.	Timeframe: ongoing.	The City is planning to update the municipal code to ensure compliance with Health and Safety Code Sections 17021.5 and 17021.6.	Continue. New Task 15.4

Housing Element Program	Program Description and Objective	Timeframe in Housing Element	Program Evaluation	Recommendation
<b>Policy HE-17: Provide financial assistance to lower income households in emergency situations.</b>				
Task 17.1	Continue to operate and support (as funding permits) 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).	Timeframe: 2015.	<p>The Daly City Partnership/Community Service Center received the following funds for COVID-19 relief-related activities, including:</p> <ul style="list-style-type: none"> <li>• CDBG-CV for emergency rental assistance: \$1,126,638 <ul style="list-style-type: none"> <li>◦ HOME for emergency rental assistance: \$750,000</li> <li>◦ CDBG for mental health services: \$120,000</li> <li>◦ CDBG for food distribution: \$95,000</li> </ul> </li> <li>• Legal Aid Society of San Mateo County received \$100,000 in CDBG-CV funds for eviction assistance, education, and outreach services.</li> <li>• Mission Asset Fund received \$820,000 in CDBG-CV funds for immigrant relief cash assistance.</li> </ul>	Continue. New Task 16.1
<b>Policy HE-18: Support a balanced distribution of quality residential care facilities.</b>				
Task 18.1	Develop location regulations for larger residential care facilities that are not exempt from local zoning restrictions to provide objective standards to persons desiring to establish such facilities, while at the same time dispersing such facilities throughout the City.	Timeframe: 2015.	As a matter of policy the City treats all residential care facilities as residential uses, subject to Fire Department inspections.	Modify. New Task 17.2
<b>Policy HE-19: Address the range of needs and encourage the production of additional housing opportunities for extremely low-income (ELI) households.</b>				
Task 19.1	Provide an exception to the proposed zoning regulation identified in Task HE 3.7, whereby any housing development that is willing to deed-restrict at least 20 percent of units for extremely low-income households would be exempt from the minimum one parking space per unit rule identified by this task (applies to projects	Timeframe: 2015.	During the planning period, the City granted the 323-unit Serramonte Views a 75% parking reduction. The area is getting rezoned and is under construction. Of the 323 units, 56 will be for owners and 42 for renters.	Continue and modify New Task 18.1

Housing Element Program	Program Description and Objective	Timeframe in Housing Element	Program Evaluation	Recommendation
	qualifying for transit-proximate parking reductions) and instead be subject to providing at least 0.5 parking spaces per unit.			
Task 19.2	Revise the Zoning Ordinance to waive the parking requirements altogether for ELI deed-restricted second units that are transit proximate, as described in Task HE 3.5.	Timeframe: 2015.	During the planning period, the City granted the 323-unit Serramonte Views a 75% parking reduction. The area is getting rezoned and is under construction. Of the 323 units, 56 will be for owners and 42 for renters.	Continue and modify New Task 18.1
Task 19.3	For any new housing development utilizing public funding or publicly owned land, the City and project developer shall explore the inclusion of units specifically targeted to and restricted for ELI households.	Timeframe: ongoing.	During the 5th planning period, the City provided \$1,494,997 in HOME funds and \$2,420,000 through the Successor Agency for the Sweeney Lane Apartments on 6800 Mission Street. Of the 51 affordable units, 6 units are for extremely low-income households and 45 are for lower-income households. Additionally, the City awarded \$809,000 in City Housing Trust Funds for the Geneva Habitat Townhomes. All of the 6 units are allocated for lower-income households.	Continue and modify New Task 18.2
<b>Policy HE-20: Support home sharing programs, such as that operated by HIP Housing, as part of a collection of policies, programs and practices for addressing the housing needs of those at the lowest income levels including seniors, those living with disabilities, those at risk of homelessness and female head of households.</b>				
<b>Housing Maintenance</b>				
<b>Policy HE-21: Encourage voluntary housing rehabilitation and reconstruction.</b>				
Task 21.1	Amend the Zoning Ordinance non-conforming building regulations to allow the voluntary reconstruction, restoration, or rebuilding of any multifamily residential building with three or more units. Examples of non-conformity may include unit count, parking provision, and building setback and height. Such reconstruction, restoration, or rebuilding shall be limited for both single-family and multiple-family buildings in the	Timeframe: 2015.	While the City did not amend the Zoning Ordinance, approximately 238 households were assisted through the City's residential rehab program, Rebuilding Together Peninsula, and Center for Independence for Individuals with Disabilities (CIID). Of the 238 households, 152 were special-needs groups (elderly/disabled).	Continue and modify New Task 20.1

Housing Element Program	Program Description and Objective	Timeframe in Housing Element	Program Evaluation	Recommendation
	ways described by California Government Code Section 65852.25.		During the planning period, 20 seniors received residential rehab loans.	
<b>Policy HE-22: Encourage housing reconstruction after fire or other natural disaster.</b>				
Task 22.1	Amend the Zoning Ordinance non-conforming building regulations to allow reconstruction of non-conforming buildings affected by fire or natural disaster subject to the land use regulations in place at the time of the original building construction if present development regulations are determined by the Director of Economic and Community Development to allow fewer total units than were originally permitted. This amendment shall allow such reconstruction provided the total unit count does not increase and the size of each replacement unit is substantially similar to the size of the original unit being replaced. The amendment shall not apply where the General Plan Land Use Map requires a higher minimum density than was provided in the building prior to the fire or natural disaster.	Timeframe: 2015.	While the City did not amend the Zoning Ordinance, the City continued to encourage the development of housing throughout the planning period. The City helped facilitate development through parking reduction and applying for monies such as HOME funds and PLHA funds. For example, as part of a proposed 72-unit affordable housing development known as 493 Eastmoor project, approximately \$2,917,380 in PLHA funds have been allocated to the project. About \$2,328,307 in HOME and HOME-ARP funds have been conditionally allocated for this project. The proposed projects are targeting households at 60% AMI or lower. As of 2023, the project has been entitled but is still working to secure funding.	Continue and modify New Task 21.1
<b>Policy HE-23: Preserve existing low-income housing units that are at risk of being converted to market-rate housing</b>				
Task 23.1	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.	Timeframe: ongoing.	During the planning period, no units were at risk of conversion to market rate.	Continue and modify New Task 22.1

Housing Element Program	Program Description and Objective	Timeframe in Housing Element	Program Evaluation	Recommendation
<b>Energy Efficiency</b>				
<b>Policy HE-24:</b> Gradually increase energy and water efficiency standards for all new and existing housing while minimizing the costs of such standards.				
Task 24.1	Develop enhanced residential energy efficiency standards (Title 24, California Administrative Code) in all new residential construction which exceeds State-mandated requirements by five percent in 2015, ten percent in 2020, and twenty percent in 2030.	Timeframe: ongoing.	Daly City, in accordance with California housing law, establishes certain minimum requirements for residential construction. The City Building Department currently operates under the 2022 California Building Code (CBC), the 1997 Uniform Housing Code, the 2022 California Mechanical Code, the 2022 California Plumbing Code, and the 2022 California Electrical Code.	Delete
Task 24.2	Establish energy and water efficiency upgrade programs that promote energy and water efficiency upgrades in all existing residential buildings. Energy efficiency upgrades promoted as part of this program could include upgrades such as attic insulation, programmable thermostats, heating duct insulation, and water heater insulation. Water efficiency upgrades could include the installation of low-flow shower heads, where feasible, and retrofit of existing toilets to meet low-flush requirements as established by the City. Examples of programs developed as a part of this task could provide financial incentives (e.g., rebates, appliance buy-back, and similar programs) aimed at providing strong incentives to residential building owners to use the programs.	Timeframe: 2015.	Daly City runs the water and sewer services in the city. During the COVID-19 pandemic, the City advertised PG&E's customer protections brochures on the City's website. Additionally, the City advertised Peninsula's Clean Energy services and programs that provide homeowners in San Mateo County and the City of Los Banos interest-free financing and new rebates to install electric water heaters and heating and A/C equipment.	Continue New Task 23.2
<b>Policy HE-25:</b> Mandate the inclusion of green building techniques into most new construction.				
Task 25.1	Adopt amendments to the building code that require all City-funded affordable housing projects reach a Home Energy Rating System (HERS) score above 86 (the minimum Energy Star rating), or equivalent.	Timeframe: 2017.	Daly City, in accordance with California housing law, establishes certain minimum requirements for residential construction. The City Building Department currently	Delete

Housing Element Program	Program Description and Objective	Timeframe in Housing Element	Program Evaluation	Recommendation
			operates under the 2022 California Building Code (CBC), the 1997 Uniform Housing Code, the 2022 California Mechanical Code, the 2022 California Plumbing Code, and the 2022 California Electrical Code.	
<b>Policy HE-26:</b> Provide a greater number of street trees throughout Daly City's neighborhoods.				
Task 26.1	Amend the Zoning Ordinance to require street tree planting as part of the construction of any new home and any remodel to any residential structure exceeding 50 percent valuation of the structure being remodeled. The Ordinance shall require uniform street tree spacing within new neighborhoods of one tree per each 25 linear feet of curb, to the maximum extent practical. All new street trees shall receive irrigation.	Timeframe: 2015.	The City continued to encourage sustainable building practices on a project-to-project basis.	Delete
Task 26.2	Amend the plan check process to ensure compliance with amended Zoning Ordinance provisions related to street tree planting. At a minimum, applicants and developers shall identify street tree placement on all utility plans submitted for City of public utility review and approval.	Timeframe: initially 2014, now ongoing.	The City continued to encourage sustainable building practices on a project-to-project basis.	Delete
<b>Policy HE-27:</b> Through the development of a Stormwater Management Program, ensure that all new development complies with applicable municipal stormwater National Pollutant Discharge Elimination System (NPDES) permits by incorporating controls that reduce water quality impacts over the life of the project.				
Task 27.1	In locations where high-density residential development is prevalent (e.g., east of Interstate 280), consider the use of the public right of way as an appropriate location for privately maintained stormwater treatment mechanisms.	Timeframe: ongoing.	The City continued to encourage sustainable building practices on a project-to-project basis. The 2020 Water Management Water Plan is available on the City's website.	Delete
<b>Policy HE-28:</b> Revise land use policies to meet or exceed the greenhouse gas reduction goals established in Assembly Bill 32 (reducing California's greenhouse gas emissions to 1990 levels by 2020).				
Task 28.1	Create and adopt a Climate Action Strategy Plan that establishes a greenhouse gas reduction goal, based on the baseline established in the respective Plan.	Timeframe: 2016.	The City created and adopted a Climate Action Strategy Plan in 2015.	Completed. Delete.

Housing Element Program	Program Description and Objective	Timeframe in Housing Element	Program Evaluation	Recommendation
Task 28.2	<p>Adopt progressive energy efficiency strategies similar to those adopted by the California Public Utilities Commission:</p> <ol style="list-style-type: none"> <li>1. All new residential construction in California will be zero net energy by 2020;</li> <li>2. All new commercial construction in California will be zero net energy by 2030;</li> <li>3. Heating, Ventilation and Air Conditioning (HVAC) will be transformed to ensure that its energy performance is optimal for California's climate; and</li> <li>4. All eligible low-income customers will be given the opportunity to participate in the low-income energy efficiency program by 2020.</li> </ol>	Timeframe: 2016.	The City created and adopted a Climate Action Strategy Plan in 2015.	Modify New Task 23.1
<b>Policy HE-29(A): Promote alternative sources of energy in all homes.</b>				
Task 29.1	Encourage, incentivize, or require all new major construction projects to pre-plumb for solar hot water and pre-wire for solar electric systems.	Timeframe: 2016.	The City continued to encourage sustainable building practices on a project-to-project basis	Continue and combine with Task 28.2 and 29.2. New Task 23.1
Task 29.2	Develop a funding source to offer loans to residents and developers that invest in solar electric, solar hot water, wind, and/or other clean energy systems.	Timeframe: 2016.	The City continued to encourage sustainable building practices on a project-to-project basis.	Continue and combine with Task 28.2 and 29.1. New Task 23.2
<b>Neighborhood Preservation and Character</b>				
<b>Policy HE-29(B): Ensure that additions of habitable space within existing dwellings are completed safely and in a manner consistent with the City's building and zoning regulations</b>				
<b>Policy HE-30:</b> 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.				
Task 30.1	Require 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.	Timeframe: 2016.	During the 5th planning period, the City did not need to relocate residents as a result of building code violations.	Continue New Task 8.1

Housing Element Program	Program Description and Objective	Timeframe in Housing Element	Program Evaluation	Recommendation
<b>Policy HE-31:</b> Ensure that, in instances where higher density mixed-use development is permitted adjacent to existing neighborhoods, the impacts of building height are decreased to the maximum extent feasible without reducing permitted General Plan density				
Task 31.1	Review the Mixed-Use Design Guidelines and Zoning Ordinance to ensure that the guidelines address impacts created by larger mixed-use buildings proposed adjacent to smaller buildings and amend the Guidelines and Ordinance as needed.	Timeframe: 2015.	The City issued an RFP for this effort in March 2022. PlaceWorks was chosen as the consultant to update the new Community Mixed Use (CMU) zone. The approach to update will be form based code. The CMU zone was adopted in November 2023.	Continue and Combine with Task 1.1, 3.1, 3.2, 3.3, 6.1, and 8.1. New Task 1.3

# Daly City Housing Needs

## General Demographics

Daly City had 102,875 residents in 2022, according to the most recent Department of Finance estimates, making it the second-largest city in San Mateo County, following the City of San Mateo with a population of 103,779. According to the 2015-2019 American Community Survey (ACS), Daly City's population decreased by 6 percent from 2020 to 2022 (**Table HE-4**). The Association of Bay Area Governments (ABAG) projects that Daly City's growth will increase over the next two decades, bringing the population to almost 120,000 by 2030.<sup>1</sup>

From a historical perspective, the population of Daly City increased greatly since 1930, most significantly in the decades immediately following World War II. Between 1950 and 1970, the City's population quadrupled to almost 67,000 people as the residential subdivisions of Westlake and Serramonte dotted Daly City's landscape west of newly constructed Interstate 280.

Daly City consists of a majority (59 percent) Asian population (**Table HE-5**). Approximately 12 percent of Daly City's residents are white, 3 percent are Black or African American, and 3 percent are mixed race or other. Of the total population, 23 percent identifies as Hispanic/Latinx. Latinx or Hispanic is not a separate racial category on the ACS, so all individuals who identify as Latinx or Hispanic also belong to another racial category as well (e.g., black, white, other).

As of 2019, the median age in Daly City was 39.7, which is similar to San Mateo County with a median age of 39.9. Approximately 25 percent of the city's residents are 24 years of age or younger, and 57 percent were between the ages of 25 and 64 (**Table HE-6**). The population 65 and overrepresented 17 percent of the city's population. Daly City, like other cities in San Mateo County, can expect to see a dramatic increase in the number of seniors as the baby boomer population ages.

**Table HE 4: Daly City Population Growth**

Year	Number			Percentage Change	
	Daly City	County	Bay Area	Daly City	County
1990	92,088	649,623	6,020,147	--	--
2000	103,625	707,163	6,784,348	13%	9%
2010	101,072	718,451	7,150,739	-2%	2%
2020	109,142	773,244	7,790,537	8%	8%
2022	102,875	744,662	n/a	-6%	-4%
2030 (Projected)	118,000	801,300	n/a	4%	10%
2040 (Projected)	129,700	862,800	n/a	7%	7%

Sources: ABAG Data Packet, 2021; U.S. Census Bureau, American Community Survey 5-Year Data (2015-2019) and ABAG Projections 2040, Department of Finance E-5 Report, 2022.

<sup>1</sup> Although ABAG provides the most accurate population projects for the area, the projections are based on theoretical models, and often run high.

**Table HE 5: Race and Ethnicity**

	Daly City	Percentage	County
White	22,708	21%	51%
Black or African American	3,677	3%	2%
American Indian or Alaska Native	464	0%	0%
Asian/API	61,936	58%	29%
Native Hawaiian or Other Pacific Islander	1,441	1%	1%
Some Other Race	11,385	11%	11%
Two or More Races	5,066	5%	6%
<b>Total population</b>	<b>106,677</b>	<b>100%</b>	<b>100%</b>
Hispanic or Latino	24,407	23%	24%
Not Hispanic or Latino	82,270	77%	76%

Source: ABAG Data Packet, 2021; U.S. Census Bureau, American Community Survey 5-Year Data (2015-2019)

**Table HE 6: Age of Residents**

	Daly City	Percentage
Under 5	4,752	4%
Age 5-14	9,048	8%
Age 15-24	13,421	13%
Age 25-34	18,271	17%
Age 35-44	14,718	14%
Age 45-54	13,324	12%
Age 55-64	14,921	14%
Age 65-74	10,068	9%
Age 75-84	5,458	5%
Age 85+	2,696	3%
<b>Total</b>	<b>106,677</b>	<b>100.0%</b>

Source: ABAG Data Packet, 2021 -- U.S. Census Bureau, American Community Survey 5-Year Data (2015-2019)

## Housing Stock Characteristics

### Housing Type, Tenure, and Vacancy

According to the 2015-2019 ACS, in 2019, Daly City had 31,796 homes (**Table HE-7**). Most of the households in Daly City (58 percent), the County (60 percent), and the Bay Area (56 percent) own their own homes (**Table HE-8**). A similar trend exists for renter-occupied households where less than half of the households rent in Daly City (42 percent), the County (40 percent), and the Bay Area (44 percent).

Almost half (47 percent) of the homes in Daly City are single-family detached homes, and 15 percent are single-family attached homes (e.g., condos or townhomes). A quarter (25 percent) of the population lives in larger apartment buildings of five units or more, and the remainder (12 percent) live in moderately sized

buildings of two to four units. Mobile homes or other make up only 2 percent of the housing stock. See **Table HE-9** for details on building types in the city, county, and state.

Daly City has low vacancy rates (**Table HE-10**). According to 2022 data from the Department of Finance (DOF), the overall vacancy rate was 3.6 percent. When looking at vacancy rate by tenure, the homeowner vacancy rate was 1.0 and the renter vacancy rate was 1.8 percent. A housing market with a vacancy rate under 5 percent is considered to be a tight market. Tight markets can lead to high housing prices and subsequent higher rates of overcrowding.

**Table HE 7: Total Housing Units**

Daly City		San Mateo County		Bay Area	
Number	Percentage Change	Number	Percentage Change	Number	Percentage Change
2000	33,061	271,140	-	-	-
2019	31,796	263,543	-2.8%	2,731,434	-

Sources: ABAG Data Packet, 2021; U.S. Census Bureau, American Community Survey 5-Year Data (2015-2019)

**Table HE 8: Tenure Type**

	Daly City	San Mateo County	Bay Area
Owner Occupied	18,534	58%	158,543
Renter Occupied	13,262	42%	105,000
<b>Total Occupied Housing Units</b>	<b>31,796</b>	<b>100%</b>	<b>263,543</b>
			<b>100%</b>
			<b>2,731,434</b>
			<b>100%</b>

Sources: ABAG Data Packet, 2021; U.S. Census Bureau, American Community Survey 5-Year Data (2015-2019)

**Table HE 9: Building Type**

	Daly City	Percentage	San Mateo County	State
Single-Family Detached	15,907	47%	55%	57%
Single-Family Attached	4,928	15%	9%	7%
2 to 4 units	4,187	12%	7%	8%
5+	8,354	25%	28%	24%
Mobile Home or Other	557	2%	1%	4%
<b>Total</b>	<b>33,933</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

Source: Department of Finance E-5 City/County Population and Housing Estimates, 2022

**Table HE 10: Type of Vacancy**

	Daly City	San Mateo County	Bay Area
Total Housing Units	32,978	277,773	2,904,094
Total Vacant	1,182	14,230	172,660
Total Vacancy Rate	3.6%	5.1%	5.9%
For rent	298	4,347	41,117
For-sale only	39	1,017	10,057
Rented or sold, not occupied	81	1,649	22,463
For seasonal, recreational, or occasional use	370	3,249	37,301
<b>Other vacant</b>	<b>394</b>	<b>3,968</b>	<b>61,256</b>

Sources: ABAG Data Packet, 2021; U.S. Census Bureau, American Community Survey 5-Year Data (2015-2019)

### **Housing Age and Condition**

In addition to issues with affordability and overcrowding, housing can have physical problems, such as age or lack of facilities. An indication of the quality of the housing stock is its general age. Typically, housing over 30 years old is likely to have rehabilitation needs that may include plumbing, roof repairs, foundation work, and other repairs.

Nearly 70 percent of Daly City's housing stock was built between 1940 and 1980 (**Table HE-11**). Older housing can be more expensive to maintain and renovate. Almost the entire housing stock (approximately 96 percent) was built over 30 years ago, showing a high likelihood that a majority of the housing stock needs some type of rehabilitation. Only 4 percent of the homes have been built in the last quarter century.

The ACS reports other housing problems, including a lack of plumbing and kitchen facilities. Homes in Daly City have a small number of additional housing problems. Approximately 2 percent of renter units lack complete plumbing facilities while 0.4 percent of owner-occupied units lack complete kitchen facilities (**Table HE-12**).

Daly City's Economic and Community Development Department reports that a small number of houses or apartment buildings need major maintenance or repair. The city addresses code compliance on a complaint basis. There were approximately 3,901 code enforcement cases opened between September 2019 and 2022. Of those 435 cases were due to unpermitted construction. These violations concerned construction without permits and did not include violations related to substandard housing issues. There were six cases classified as substandard, and 14 cases identified mold as a concern. The City has identified only a handful of units that are vacant and not habitable. The code enforcement department estimates that about 0.5 percent of the housing stock older than 10 years, which equates to about 50 percent of the housing stock, is in need of major rehabilitation with a few units needing replacement.

**Table HE 11: Year Structure Built**

	<b>Daly City</b>	<b>Percentage</b>
Built 1939 or earlier	2,475	8%
Built in 1940 to 1959	10,195	31%
Built in 1960 to 1979	12,209	37%
Build in 1980 to 1999	6,517	20%
Built in 2000 to 2009	1,128	3%
Built 2010 or Later	454	1%
<b>Total</b>	<b>32,978</b>	<b>100%</b>

Sources: ABAG Data Packet, 2021; U.S. Census Bureau, American Community Survey 5-Year Data (2015-2019)

**Table HE 12: Number of Potential Housing Problems**

	<b>Owner</b>	<b>Renter</b>
Lacking complete plumbing facilities	0.6%	1.6%
Lacking complete kitchen facilities	0.4%	0.1%

Sources: ABAG Data Packet, 2021; U.S. Census Bureau, American Community Survey 5-Year Data (2015-2019)

### **Rehabilitation Program**

#### **Residential Rehabilitation Program**

The City administers a residential rehabilitation program that offers a variety of grants and loans. Grants are available to replace existing security bars on bedroom windows and exit doors. Seniors are eligible for grants of up to \$2,500 for minor home repairs. The program offers low interest rate loans to low-income homeowners for roof replacement, window installation, or exterior painting and offers up to \$1,500 for security bar retrofits. The city also offers complete rehab loan of up to \$75,000 for homeowners. This loan includes a complete home inspection, termite report, cost estimate, work write-up, assistance with contractor selection, and a final inspection. Loans are also available to rehabilitate rental units.

This program is primarily funded with Community Development Block Grant (CDBG) funds, and as a result, is targeted to low-income households. The City is an entitlement jurisdiction and receives CDBG funds directly from the Department of Housing and Urban Development.

#### **Community Development Block Grant Program (CDBG)**

In addition to funding the City's Residential Rehabilitation Program, CDBG funds are used to support and fund several housing and housing-related programs carried out by various nonprofit agencies. More detailed descriptions of the programs administered by the nonprofit agencies can be found in the City's annual HUD Consolidated Plans. CDBG-supported programs serve low to moderate income persons.

#### **Minor Home Repair**

The City provides funding for minor home repair and installation of ramps, smoke detectors and/or grab bars. Minor home repair includes repair of windows, doors and plumbing fixtures. The City provides funding to three nonprofit agencies that assist Daly City residents with minor home repairs.

## Household Characteristics

### Household Size and Type

According to the DOF (Table HE-13), in 2022, Daly City had a relatively large average household size at 3.16, but this size has decreased slightly since 2011 (3.21 persons per household). For comparison, the average persons per household across San Mateo County was 2.7 and 2.81 for the State of California.

Looking at household types, half of all households (50 percent) in Daly City are married-couple family households, with 59 percent owning their own home (**Table HE-14**). Single-headed family households with children made up 23 percent of the population. Of the single-headed family households, 14 percent were female-headed households and 9 percent were male-headed households. Householders living alone made up 18 percent of all households.

**Table HE 13: Household Size**

		Daly City	San Mateo County	State
2011	Average Household Size	3.21	2.7	2.9
2022	Average Household Size	3.16	2.7	2.81

Source: Department of Finance E-5 City/County Population and Housing Estimates, 2022

**Table HE 14: Household Type**

Group	Owner Occupied	Percentage	Renter Occupied	Percentage	Total	Percentage
Married-Couple Family Households	10,843	59%	4,976	38%	15,819	50%
Householders Living Alone	2,923	16%	2,936	22%	5,859	18%
Female-Headed Family Households	2,525	14%	2,077	16%	4,602	14%
Male-Headed Family Households	1,422	8%	1,545	12%	2,967	9%
Other Non-Family Households	821	4%	1,728	13%	2,549	8%
<b>Total</b>	<b>18,534</b>	<b>100%</b>	<b>13,262</b>	<b>100%</b>	<b>31,796</b>	<b>100%</b>

Sources: ABAG Data Packet, 2021; U.S. Census Bureau, American Community Survey 5-Year Data (2015-2019)

### Overcrowding

Limited affordable housing options can result in households living in overcrowded conditions. The U.S. Census defines an “overcrowded” household as 1.01 or more persons per room, excluding bathrooms, porches, balconies, foyers, halls, and half-rooms. “Severe overcrowding” occurs in households with more than 1.5 persons per room.

Daly City has a larger percentage of overcrowded units compared to the county (**Table HE-15**). About 8 percent of units in the city are overcrowded, and 5 percent are severely overcrowded. These percentages are higher than the county at 5 percent and 3 percent, respectively. The 2015-2019 ACS

reports that renters have a much higher rate of overcrowding at 13 percent, and 10 percent are severely overcrowded. The rate of overcrowding for owners (5 percent) is much lower but still high, and 2 percent of owner households are severely overcrowded. Rates of overcrowding are closely linked to instances of overpayment and affordability.

**Table HE 15: Number of Overcrowded Units**

	Daly City	Percentage	San Mateo County	Percentage	Bay Area	Percentage
Not overcrowded	27,403	86%	242,599	92%	2,543,056	93%
Overcrowded	2,660	8%	12,333	5%	115,696	4%
Severely overcrowded	1,733	5%	8,611	3%	72,682	3%
<b>Total Overcrowded</b>	<b>4,393</b>	<b>14%</b>	<b>20,944</b>	<b>8%</b>	<b>188,378</b>	<b>7%</b>

Sources: ABAG Data Packet, 2021; U.S. Census Bureau, American Community Survey 5-Year Data (2015-2019)

### **Household Income**

Housing choices such as tenure (owning versus renting), housing type, and location are dependent on household income. On the other hand, household size and type often affect the proportion of income that can be spent on housing.

The California Department of Housing and Community Development (HCD) publishes annual tables of official federal and state income limits for determining these maximums for a variety of programs, including most of those on the website.

State statutory limits are based on federal limits set and periodically revised by the U.S. Department of Housing and Urban Development (HUD) for the Section 8 Housing Choice Voucher (HCV) program. HUD's limits are based on surveys of local area median income (AMI).

The AMI for a family of four in San Mateo County in 2022 was \$166,000. The commonly used income categories are as follows for a household of four:

- Extremely Low Income: Up to 30 percent of AMI (\$0 to \$55,900)
- Very Low Income: 31 to 50 percent of AMI (\$55,901 to \$93,200)
- Low Income: 51 to 80 percent of AMI (\$93,201 to \$149,100)
- Moderate Income: 81 to 120 percent of AMI (\$149,101 to \$199,200)
- Above Moderate Income: Above 120 percent of AMI (\$199,201 or more)

**Table HE-16** shows the maximum annual income level for each income group adjusted for household size for San Mateo County. The maximum annual income data are used to calculate the maximum affordable housing payments for households with different income levels and their eligibility for federal housing assistance.

**Table HE 16: HCD 2022 Income Limits by Household, San Mateo County**

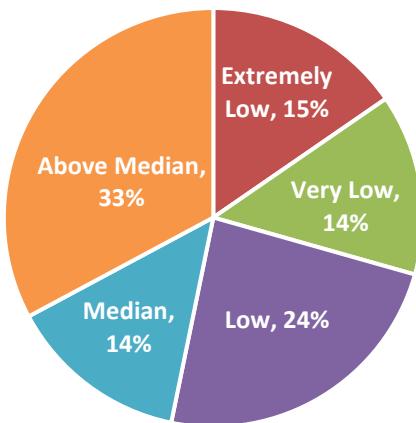
Income Category	1	2	3	4	5
Acutely Low	\$17,450	\$19,900	\$22,400	\$24,900	\$26,900
Extremely Low	\$39,150	\$44,750	\$50,350	\$55,900	\$60,400
Very Low	\$65,250	\$74,600	\$83,900	\$93,200	\$100,700
Low Income	\$104,400	\$119,300	\$134,200	\$149,100	\$161,050
Median Income	\$116,200	\$132,800	\$149,100	<b>\$166,000*</b>	\$179,300
Moderate Income	\$139,450	\$159,350	\$179,300	\$199,200	\$215,150

\* Bolding indicates the AMI for a family of four.

Source: HCD State Income Limits 2022, San Mateo County

Daly City households have lower incomes than households countywide and in the Bay Area as a whole (**Table HE-17**). For Daly City and San Mateo County, this indicates that over half of households earn less than \$166,000. In Daly City, 33 percent of the population earn above the AMI (**Figure HE-1**). At the other end of the spectrum, 53 percent of Daly City households make under \$166,000 annually and are considered low-income households. Looking at tenure, (**Table HE-18**), the majority of renters are lower income households, and moderate and above moderate-income households tend to be owner occupied.

**Figure HE-1: Household by Income Category**



Sources: ABAG Data Packet, 2021; U.S. Department of Housing and Urban Development (HUD), Comprehensive Housing Affordability Strategy (CHAS) ACS tabulation, 2013-2017 release

**Table HE 17: Household Income**

Income Category	Daly City	San Mateo County	Bay Area
Extremely Low	4,823	15%	13%
Very Low	4,380	14%	11%
Low	7,465	24%	16%
Median	4,369	14%	10%
Above Median	10,280	33%	49%
<b>Total</b>	<b>31,317</b>	<b>100%</b>	<b>100%</b>

Sources: ABAG Data Packet, 2021; U.S. Department of Housing and Urban Development (HUD), Comprehensive Housing Affordability Strategy (CHAS) ACS tabulation, 2013-2017 release

**Table HE 18: Households by Income and Tenure**

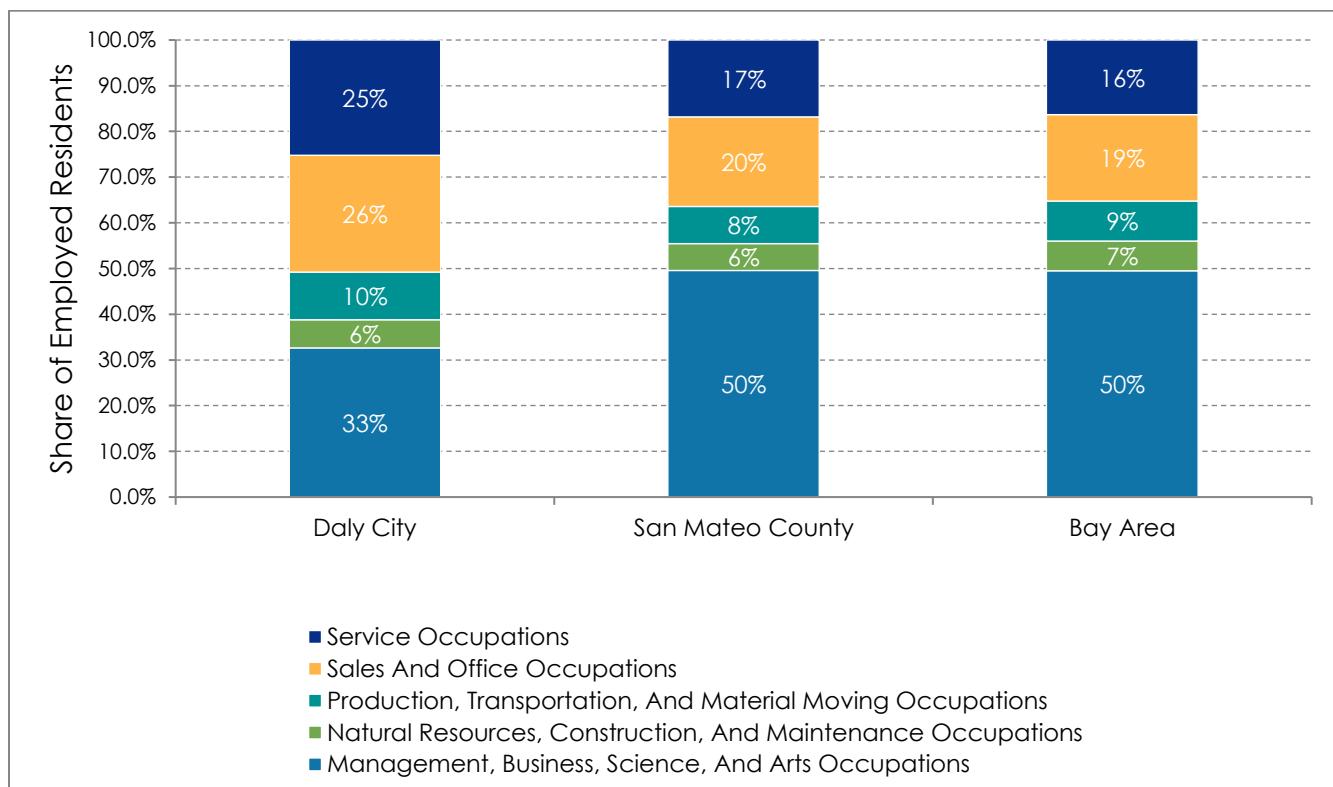
Income Category	Owner	Renter	Total	% Of All Households
Extremely Low	41%	59%	100%	4,823
Very Low	37%	63%	100%	4,380
Low	53%	47%	100%	7,465
Median	63%	37%	100%	4,369
Above Median	72%	28%	100%	10,280

Sources: ABAG Data Packet, 2021; U.S. Department of Housing and Urban Development (HUD), Comprehensive Housing Affordability Strategy (CHAS) ACS tabulation, 2013-2017 release.

## Workforce

Daly City is largely a residential community, and thus almost all Daly City residents leave the city to work. **Figure HE-2** shows the occupations for Daly City residents compared to the county and Bay Area. Additionally, **Table HE-19** shows the median earning for these different occupation groups. Management, Business, Science, and arts made up the highest percentage of occupations in Daly City with 33 percent. This same group also had the highest median earnings at \$72,499. Assuming a household of four, with two working adults in this field, the household would earn, \$144,998, and would fall into the low-income category.

**Figure HE-2: Resident Employment by Occupation**



Source: ABAG Data Packet, 2021 -- U.S. Census Bureau, American Community Survey 5-Year Data (2015-2019)

**Table HE 19: Median Earnings by Occupation, Daly City**

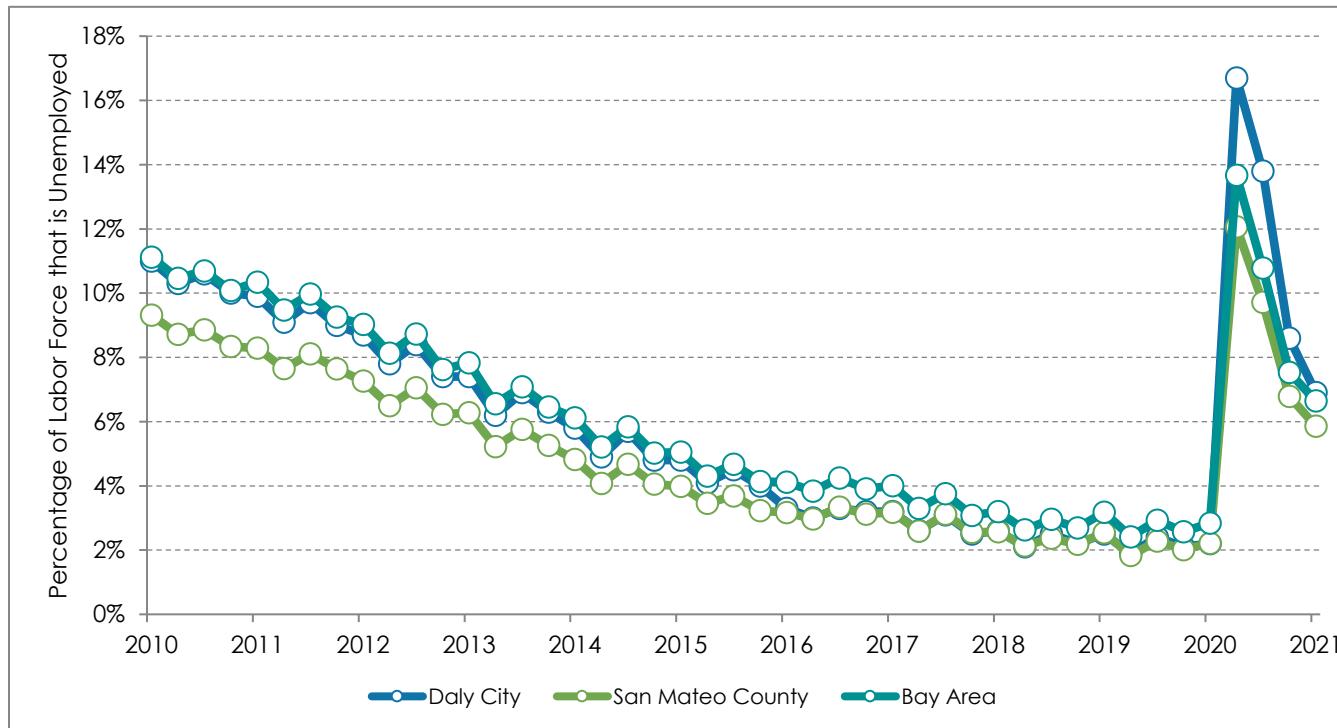
Occupation	Median Earnings	Median Earnings for Male	Median Earnings for Female
Management, business, science, and arts	\$72,499	\$80,621	\$60,856
Service	\$32,415	\$39,334	\$29,549
Sales and office	\$34,328	\$38,370	\$31,868
Natural resources, construction, and maintenance	\$47,160	\$47,065	\$67,000
Production, transportation, and material moving	\$47,965	\$50,667	\$24,304

Source: U.S. Census Bureau, American Community Survey 5-Year Data (2015-2019)

## Unemployment

According to the Employment Development Department, there were approximately 19,000 persons in the labor force in 2019 in Daly City, 416,000 in San Mateo County, and over 4 million in the Bay Area. Generally, the unemployment rate has decreased in the city similarly to the county and the Bay Area since 2010. However, in 2020, the unemployment rate increased exponentially from 2.2 percent in January 2020 to 16.7 percent in April 2020. This increase can most likely be attributed to the COVID-19 pandemic. As of January 2021, the unemployment rate decreased to 6.9 percent (**Figure HE-3**).

**Figure HE-3: Unemployment Rate**



Sources: ABAG Data Packet, 2021; California Employment Development Department, Local Area Unemployment Statistics (LAUS), Sub-county areas monthly updates, 2010-2021.

## Housing Affordability

### Home Prices and Affordability

According to 2020 data from the Zillow Home Value Index, the median home value in Daly City was \$1,092,742 (**Table HE-20**). This is similar to the Bay Area overall but slightly lower than San Mateo County. According to Zillow, home prices in Daly City have increased by more than 55 percent since the start of the last Housing Element update in 2014.

As a result of climbing housing prices, a single person making a moderate income or less cannot afford to buy a home in Daly City. Likewise, a family of four making the median income or higher cannot afford a single-family home (**Table HE-21**). Given that half the housing stock in Daly City is single-family homes, and that more than half the population of Daly City is making less than a lower income, there are significant affordability concerns in terms of homeownership, especially if the market continues to rise.

**Table HE 20: Median Home Values**

Owner-Occupied Units			
	Daly City	County	Bay Area
2013	\$654,104	\$888,354	\$680,668
2014	\$701,596	\$957,191	\$747,763
2015	\$809,618	\$1,110,183	\$831,074
2016	\$859,164	\$1,160,303	\$864,199
2017	\$956,588	\$1,310,332	\$962,725
2018	\$1,027,657	\$1,394,704	\$1,023,382
2019	\$1,035,330	\$1,363,234	\$1,000,107
2020	\$1,092,742	\$1,418,334	\$1,077,233

Sources: ABAG Data Packet, 2021; Zillow, Zillow Home Value Index (ZHVI)

**Table HE 21: Ability to Pay for For-Sale Housing**

	Annual Income	Maximum Affordable Home Price	Median Priced Single-Family Detached Home
<b>Single Person</b>			
Acutely Low Income	\$17,450	\$76,592	
Extremely Low Income	\$39,150	\$171,839	
Very Low Income	\$65,250	\$286,399	
Low Income	\$104,400	\$458,238	
Median Income	\$116,200	\$510,031	
Moderate Income	\$139,450	\$612,081	
<b>Four Person</b>			
Acutely Low Income	\$24,900	\$109,292	\$1,092,742
Extremely Low Income	\$55,900	\$245,359	
Very Low Income	\$93,200	\$409,078	
Low Income	\$149,100	\$654,438	
Median Income	\$161,050	\$706,889	
Moderate Income	\$199,200	\$944,348	

Sources: ABAG Data Packet, 2021; U.S. Census Bureau, American Community Survey 5-Year Data (2015-2019)

Notes:

1. Affordable cost 30 percent of gross household income spent on housing.
2. Affordable housing sales price is based on conventional 30-year loans at 6.00-percent interest and a 5-percent down payment.
3. Average value of homes in Daly City

## Rents and Affordability

Rents in Daly City are comparable to rents in the county as a whole (**Table HE-22**). According to the 2015-2019 ACS, contract rent in Daly City was \$2,116 a month in 2019, approximately a 36 percent increase since 2015. Rental rates in the county were slightly higher at \$2,208 per month but lower when looking at the Bay Area at \$1,849 per month in 2019. When comparing rents between the city, county, and Bay Area, the majority of rents ranged from \$1,500 to \$2,500 per month (**Table HE-23**).

In Daly City, a single-person and four-person household earning below the median income cannot afford the average unit (**Table HE-24**).

**Table HE 22: Median Contract Rent**

	Daly City		San Mateo County		Bay Area	
	Price per Month	Percentage Increase	Price per Month	Percentage Increase	Price per Month	Percentage Increase
2011	\$1,399	-	\$1,435	-	\$1,285	-
2012	\$1,411	1%	\$1,461	2%	\$1,323	3%
2013	\$1,456	3%	\$1,516	4%	\$1,353	2%
2014	\$1,493	3%	\$1,565	3%	\$1,396	3%
2015	\$1,580	6%	\$1,639	5%	\$1,440	3%
2016	\$1,680	6%	\$1,747	7%	\$1,521	6%
2017	\$1,799	7%	\$1,886	8%	\$1,618	6%
2018	\$1,949	8%	\$2,049	9%	\$1,737	7%
2019	\$2,116	9%	\$2,208	8%	\$1,849	6%

Sources: ABAG Data Packet, 2021; U.S. Census Bureau, American Community Survey 5-Year Data (2015-2019)

**Table HE 23: Summary of 2019 Rents**

	Daly City	San Mateo County	Bay Area
Rent less than \$500	1.8%	2.8%	6.1%
Rent \$500-\$1,000	4.6%	4.5%	10.2%
Rent \$1,000-\$1,500	13.4%	12.2%	18.9%
Rent \$1,500-\$2,000	23.7%	22.0%	22.8%
Rent \$2,000-\$2,500	27.8%	20.9%	17.3%
Rent \$2,500-\$3,000	16.4%	15.6%	11.7%
Rent \$3,000 or more	12.3%	22.1%	13.0%

Sources: ABAG Data Packet, 2021; U.S. Census Bureau, American Community Survey 5-Year Data (2015-2019)

**Table HE 24: Ability to Pay for Rental Housing**

	Annual Income	Maximum Affordable Monthly Rent	2022 Market Rent	Affordability Gap
<b>Single Person</b>				
Acutely Low Income	\$ 17,450	\$436	\$2,631	-2,195
Extremely Low Income	\$ 39,150	\$979	\$2,631	-1,652
Very Low Income	\$ 65,250	\$1,631	\$2,631	-1,000
Low Income	\$104,400	\$2,610	\$2,631	-21
Median Income	\$116,200	\$2,905	\$2,631	274
Moderate Income	\$139,450	\$3,486	\$2,631	855
<b>Four Person</b>				
Acutely Low Income	\$ 26,900	\$ 673	\$4,111	-3,439
Extremely Low Income	\$ 60,400	\$1,510	\$4,111	-2,601
Very Low Income	\$100,700	\$2,518	\$4,111	-1,594
Low Income	\$161,050	\$4,026	\$4,111	-85
Median Income	\$179,300	\$4,483	\$4,111	372
Moderate Income	\$215,150	\$5,379	\$4,111	1,268

Sources: ABAG Data Packet, 2021; U.S. Census Bureau, American Community Survey 5-Year Data (2015-2019)

### Overpayment

A household is considered to be overpaying for housing if they spend more than 30 percent of their income on housing costs. Severely overpaying is defined as paying more than 50 percent of monthly household income for housing costs.

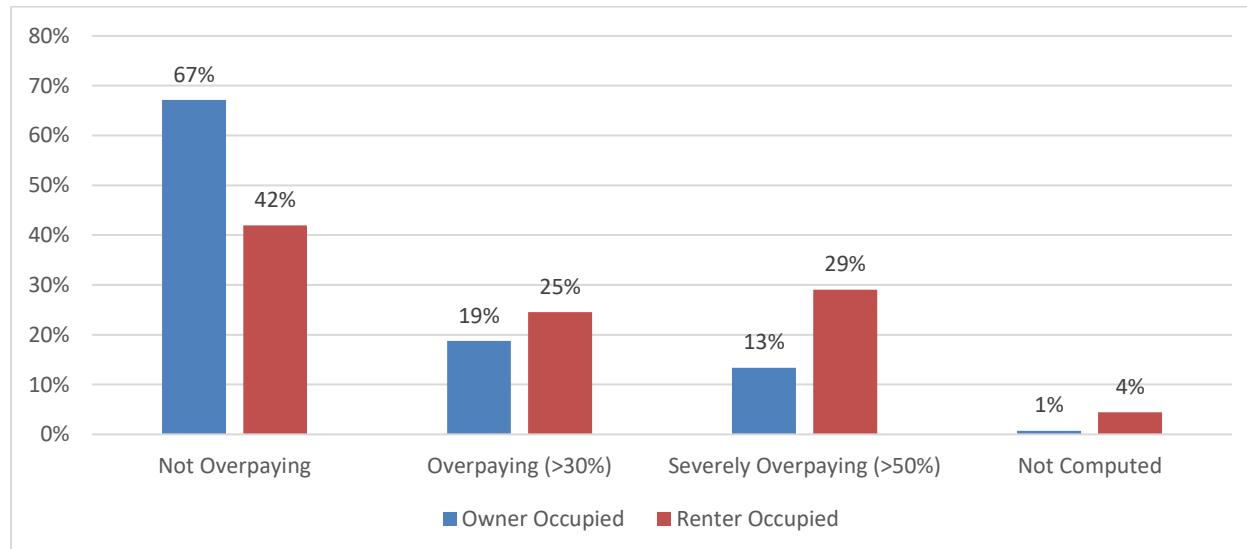
The ACS estimated that 6,734, or 20 percent, of all Daly City households, were overpaying for housing in 2019 (**Table HE-25**). Of those, 19 percent were owner-occupied households and 25 percent were renter-occupied households overpaying for housing (**Figure HE-4**). Overall, renter households had a higher rate of overpayment than owner-occupied households.

If there is not enough affordable housing in Daly City, lower-income people may choose to live elsewhere and commute into the city to work. Those who do live in Daly City may live in overcrowded units and have extremely limited money to dedicate towards other necessities, such as food, transportation, and medical care. Extremely low-income households paying more than 50 percent of their income towards housing are at greater risk for becoming homeless.

**Table HE 25: Households Overpaying for Housing**

Tenure	Income Category	Daly City
Owner-occupied	Not Overpaying	12,445 67%
	Overpaying	3,475 19%
	Severely Overpaying	2,477 13%
	Not Computed	137 1%
<b>Total</b>		<b>18,534 100%</b>
Renter-occupied	Not Overpaying	5,563 35%
	Overpaying	3,259 21%
	Severely Overpaying	6,330 40%
	Not Computed	724 5%
<b>Total</b>		<b>15,876 100%</b>
<b>Total</b>	Not Overpaying	18,008 52%
	Overpaying	6,734 20%
	Severely Overpaying	8,807 26%
	Not Computed	861 3%
<b>Total</b>		<b>34,410 100%</b>

Sources: ABAG Data Packet, 2021; U.S. Census Bureau, American Community Survey 5-Year Data (2015-2019)

**Figure HE-4: Households Overpaying by Tenure**

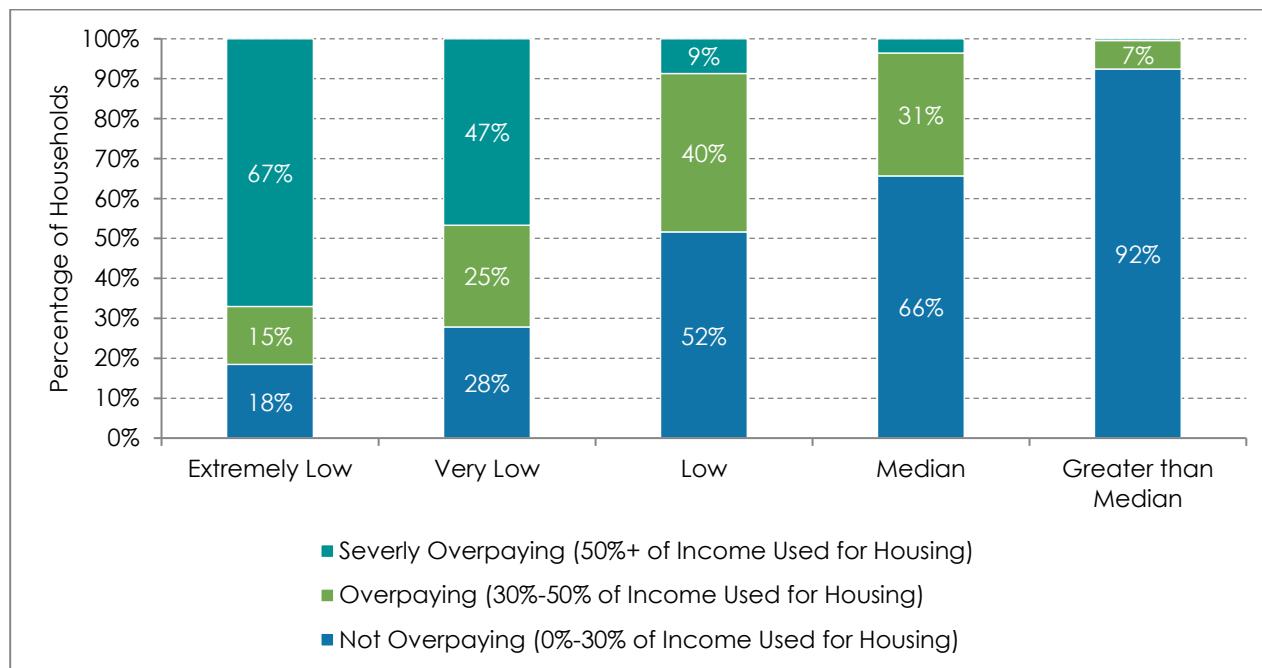
Sources: ABAG Data Packet, 2021; U.S. Census Bureau, American Community Survey 5-Year Data (2015-2019)

### Lower-Income Households Overpaying

Cost burden tends to disproportionately affect lower-income households. **Figure HE-5** shows the relationship between low-income households and the varying degrees of cost burden. Overall, the majority of Daly City's low-income households overpay for housing costs, which include utilities and rent for renting households, and mortgage payments, insurance, real estate taxes, and utilities for home-

owning households. As shown in **Figure HE-5**, the percentage of cost-burdened households increases as annual income decreases. Daly City's extremely low-income households (earning up to 30 percent AMI, or \$24,900 annually) experience the highest rates of cost burden, with 67 percent of households paying over 50 percent of monthly income toward housing costs.

**Figure HE-5: Low-Income Households Overpaying**



Sources: ABAG Data Packet, 2021; 2013-2017 CHAS.

### Inventory of At-Risk Units

As required by California Government Code Section 65583, the Housing Element must analyze the extent to which below-market rate units are at risk of converting to market-rate housing. If there are at-risk units, the element should include programs to encourage preservation of these units or to replace any that are converted to market rate. The units to be considered are any units that were constructed using federal assistance programs, state or local mortgage revenue bonds, redevelopment tax increments, in-lieu fees or an inclusionary housing ordinance, or density bonuses. Housing is considered to be "at risk" if it is eligible to be converted to non-low-income housing due to: (1) the termination of a rental subsidy contract, (2) mortgage prepayment, or (3) the expiration of affordability restrictions. The time period applicable in making this determination is the 10-year period following the last mandated update of the Housing Element, which in the case of Daly City, is 2023 to 2031.

According to California Housing Partnership Corporation (CHPC), as of 2020, there were 673 affordable/assisted units in Daly City. Of those units, 161 units in two projects are at risk of converting to market rate in the next 10 years, by 2031 (**Table HE-26**). However, St Andrews Community that has an expiration of less than ten years is owned by Mercy Housing and is categorized as low risk by CHPC.

This section identifies the low-income units at-risk of converting to market-rate units in Daly City during the next 10 years and evaluates the likelihood of conversion.

**Table HE 26: Assisted Units in Daly City**

Name	Address	Funding Source	# of Units	# of Affordable Units	Affordable Units Expiration	Expiration 10 years or less
6800 Mission Family Housing	6800 Mission St.	LIHTC	52	51	2069	No
Brunswick Street Apartments	4619 Brunswick St.	LIHTC	206	204	2070	No
Hillcrest Gardens	35 Hillcrest Dr.	HUD	40	39	2047	No
Hillside Terrace	1293 Hillside Blvd.	CalHFA	18	4	2072	No
Midway Village Phase 1	47 Midway Dr.	LIHTC	147	145	2074	No
School House Station & Vista Grande (Site A)	99 School St.	LIHTC	71	69	2067	No
St. Andrew Community*	2070 Sullivan Ave.	HCD; HUD	50	49	2032	Yes*
Villa Fontana Apartments*	50 E. Market St.	HUD	120	112	2024	Yes*
<b>Total</b>			<b>704</b>	<b>673</b>		
<b>Total At Risk</b>				<b>161</b>		

\* = Unit at risk of conversion in next 10 years.

Sources: ABAG Data Packet, 2021; California Housing Partnership, 2022.

### **Cost Analysis of Preservation and Replacement**

The following analysis examines the cost of preserving the at-risk units and the cost of producing replacement rental housing comparable in size and rent levels to the units that might convert to market-rate prices. In addition, this analysis will compare the costs between preservation and replacement.

**Acquisition and Preservation Costs.** The factors that must be used to determine the cost of preserving low-income housing include property acquisition, rehabilitation, and financing. Actual acquisition costs depend on several variables, such as condition, size, location, existing financing, and availability of financing (governmental and market). Based on the current market for multifamily buildings throughout San Mateo County, prices ranged from \$450,000 per unit for a 76-unit complex building in Burlingame to \$500,000 per unit for a 12-unit complex in San Mateo. To preserve the 112 affordable units in the Villa Fontana apartments at a comparable per-unit cost, the total cost would likely be between \$50,400,000 and \$56,000,000. For the 49 affordable units in St Andrews Community, the total cost would likely be between \$52,200,000 and \$58,000,000. Additionally, if the property needs significant rehabilitation, or financing is difficult to obtain, the overall cost to preserve the affordable units may increase.

**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 112 at-risk units in the Villa Fontana Apartments and 49 units in St Andrews Community has been estimated using 21 Elements Baird+ Driskell San Mateo and Santa Clara Counties Development Costs. The per-unit replacement cost is estimated to be \$732,500 based on a 10-unit project and \$786,500 per unit for a 100-unit project. Consequently, the replacement cost for the 112-unit Villa Fontana Apartments would range from \$82

million to \$88 million. To replace the 49 affordable units in St Andres Community, the replacement costs would range between \$36 million and \$38 million.

*Rent Subsidy.* Housing affordability can also be preserved by seeking alternative means of subsidizing rents such as Tenant Protection Vouchers, which are a subset of the HCV program. Under HCVs, HUD pays the difference between what tenants can pay (defined as 30 percent of household income) and what HUD estimates as the fair-market rent on the unit. Based on HUD's 2022 fair-market rents and income limits, the subsidy needed to preserve a unit at an affordable rent for a four-person, extremely low-income household would be an estimated \$1,688 per month for a two-bedroom unit, or \$20,256 per year. For 30 years, the subsidy would be approximately \$607,680 and subsidizing all 161 units at risk of converting to market rate at extremely low-income rents would cost approximately \$97,836,480 for 30 years.

The subsidy needed to preserve a unit at an affordable rent for a very low-income household would be an estimated \$681 per month, or \$8,166 per year. For 30 years, the subsidy would be about \$244,980 for a 4-person household. Subsidizing all 116 units at a very low-income rent for 30 years would cost an estimated \$28.4 million.

In San Mateo County, a four-person, low-income household's ability to pay exceeds the fair-market rent for a two-bedroom unit.

### **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 nonprofits, 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, nonprofit 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 California 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 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) 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.

- a. **State Housing and Community Development Funds:** 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. As part of SB2 in 2017, the State established the Permanent Local Housing Allocation (PLHA) program which now provides funds to the city for various housing activities.
- b. **CalHFA Funds:** The California Housing Finance Agency (CalHFA) operates several programs targeting both multifamily and single-family housing. CalHFA's multifamily housing development programs offer a range of loans to assist in the acquisition and development of affordable rental units.
- c. **Tax Credits:** The California Tax Credit Allocation Committee, under the State Treasurer's Office, implements the federal and state low-income housing tax credit (LIHTC) 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 on 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.

## 2) 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 received an average of \$900,000 to \$1 million in annual CDBG funding from HUD which is allocated to various funding categories including housing, capital improvements and public services. CDBG-funded activities include rehabilitation, public services (i.e. homelessness, illiteracy, childcare), plans to develop infant toddler center, economic development – micro enterprise assistance, sidewalk curb ramps, and contracts with local nonprofits for housing rehabilitation.

Over the last four fiscal years, an average of \$1.1 million has been allocated annually towards housing activities. The City allocates its annual CDBG fund to the City's Residential Rehabilitation Program, grants, and low interest loans are available to eligible single-family and multifamily property owners. During the planning period, 238 households were assisted through the home repairs programs, of these households, 152 were special-needs groups (seniors/with disabilities). In response to the COVID-19 pandemic, the City received additional CDBG funds (CDBG-CV) which it used to provide emergency rental assistance for low-income households affected by the pandemic.

## 3) HOME Funds

Daly City, as a Participating Jurisdiction, directly receives Home Investment Partnership Program (HOME) funds from HUD. The City receives an annual allocation of \$350,000 in HOME funds and is allocated towards affordable housing development.

## 4) 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 nonprofit 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 percent of the tenant's monthly income.

## Regional Housing Needs Allocation

The Regional Housing Needs Allocation (RHNA) addresses housing demand across income levels and coordinates housing policy throughout California. Each jurisdiction in the Bay Area (101 cities, 9 counties) is given a share of the anticipated regional housing need. The Bay Area's regional housing need is generally allocated by HCD and finalized through negotiations with ABAG. However, in San Mateo County, jurisdictions formed a sub-regional agreement and divided the countywide need themselves.

According to the RHNA, Daly City will need to ensure there is land available for a total of 4,838 new units between 2023 and 2031 (**Table HE-27**). Approximately 41 percent of those units will be for households making more than moderate income, 16 percent will be for households making moderate income, 16 percent for low-income, and 28 percent for very low-income and extremely low-income households.

**Table HE 27: Regional Housing Needs Allocation 2023 - 2031**

	Very Low Income	Low Income	Moderate Income	Above Moderate Income	Total
Atherton	94	54	56	144	348
Belmont	488	281	283	733	1,785
Brisbane	317	183	303	785	1,588
Burlingame	863	497	529	1,368	3,257
Colma	44	25	37	96	202
<b>Daly City</b>	<b>1,336</b>	<b>769</b>	<b>762</b>	<b>1,971</b>	<b>4,838</b>
East Palo Alto	165	95	159	410	829
Foster City	520	299	300	777	1,896
Half Moon Bay	181	104	54	141	480
Hillsborough	155	89	87	223	554
Menlo Park	740	426	496	1284	2,946
Millbrae	575	331	361	932	2,199
Pacifica	538	310	291	753	1,892
Portola Valley	73	42	39	99	253
Redwood City	1115	643	789	2,041	4,588
San Bruno	704	405	573	1483	3,165
San Carlos	739	425	438	1133	2,735
San Mateo City	1777	1023	1,175	3040	7,015
South San Francisco	871	502	720	1,863	3,956
Woodside	811	468	433	1121	2,833
Unincorporated San Mateo County	90	52	52	134	328
<b>Total</b>	<b>12,196</b>	<b>7,023</b>	<b>7,937</b>	<b>20,531</b>	<b>47,687</b>

Source: Association of Bay Area Governments, Final 2023-2031 Regional Housing Need Allocation by County

## Special Housing Needs

Certain groups have greater difficulty in finding decent, affordable housing because of their special circumstances. Special circumstances may be related to employment and income, family characteristics, disability, and household characteristics.

State Housing Element law states that special-needs groups include the following: senior households, disabled persons, developmentally delayed persons, large households, female-headed households with children, students, homeless persons, and farmworkers. This section provides a discussion of the housing needs facing each group.

### Seniors

Seniors face many housing challenges as they age, including a fixed budget, higher medical costs, and greater likelihood of disabilities.

According to the 2015-2019 ACS, approximately 17 percent (18,222 persons) of the City's population were senior residents (65 years or older). Senior-headed households made up approximately 23 percent (7,295 households) of the households in Daly City (**Table HE-28**). The majority of senior households were owner-occupied households (66 percent) and had incomes less than 80 percent AMI. The majority of renter-occupied households (39 percent) had incomes in the extremely low-income category. Overall, 67 percent of seniors were considered low income.

Seniors in Daly City, like seniors in San Mateo County at large, are significantly more likely to be homeowners than renters. Thus, housing concerns for seniors in Daly City might include retrofits to allow seniors to age in place (stay in their current home as they get older). Often, homeownership means greater housing security.

Seniors with limited incomes may have difficulty finding affordable housing. The San Mateo County Housing Authority implements the Housing Choice Voucher/Section 8 rental assistance for all of San Mateo County. Priority is given to seniors (62 years old or older) and persons with disabilities that meet the income guideline limits established by the federal government. Many Daly City seniors reside in conventional single-family homes. Senior homeowners who housing need maintenance assistance can apply to Rebuilding Together Peninsula's Safe at Home Minor Repair Program or Habitat for Humanity Greater San Francisco's Complete Housing Rehabilitation Loan Program, both of which are funded by the City's CDBG program. These programs provide free home repair and modification to eligible low-income homeowners in Daly City. Additionally, low-income, senior homeowners or renters who need free accessibility modifications can apply to the Center for Independence of Individuals with Disabilities' Housing Accessibility Modification Program.

Daly City has 16 assisted living facilities with the capacity to serve 541 residents. The Veterans Memorial Senior Center also serves as a resource for seniors in the community, providing programs, activities and information to support the population.

As the large baby boomer population ages, Daly City, like the rest of San Mateo County, is expected to see a growing senior population.

To provide assistance to seniors and promote the development of affordable housing for seniors, the city has included the following actions.

- Task 11.2 Continue to offer parking reductions offered in the current Zoning Ordinance that serve as an incentive to developers of low-income elderly housing provided a minimum age for residency of such units is established by the ordinance (e.g., 62 years of age). Task 14.2 Continue

to administer the residential rehabilitation program funded by Community Development Block Grant (CDBG) funds, which offers grants and low-interest loans to eligible low-income homeowners and rental property owners whose units are occupied by 51% or more low-income renters.

- Task 16.1 Refer residents to the County 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).

**Table HE 28: Senior Households by Income Level and Tenure**

	Owner	Percentage	Renter	Percentage	Total	Percentage
Extremely Low (0%-30% of AMI)	1,010	21%	970	39%	<b>1,980</b>	<b>27%</b>
Very Low (31%-50% of AMI)	825	17%	475	19%	<b>1,300</b>	<b>18%</b>
Low (51%-80% of AMI)	1,060	22%	510	21%	<b>1,570</b>	<b>22%</b>
Median (81%-100% of AMI)	545	11%	135	5%	<b>680</b>	<b>9%</b>
Above Median (>100% of AMI)	1,385	29%	380	15%	<b>1,765</b>	<b>24%</b>
<b>Total Seniors</b>	<b>4,825</b>	<b>100%</b>	<b>2,470</b>	<b>100%</b>	<b>7,295</b>	<b>100%</b>

Sources: ABAG Data Packet, 2021; U.S. Census Bureau, American Community Survey 5-Year Data (2015-2019)

### Persons with Disabilities

Persons with disabilities face many challenges when looking for housing. There is a limited supply of handicap-accessible, affordable housing generally, and the supply is especially tight near transit. Being near transit is important because many people with disabilities cannot drive. People with disabilities are also often extremely low income due to the challenge of securing long-term employment, and to higher medical bills. Additionally, because some people with disabilities, particularly developmental disabilities, have lived with their parents, they often do not have rental or credit history. This makes it harder for them to compete for the limited housing that is available. The ACS defines six aspects of disability: hearing, vision, cognitive, ambulatory, self-care, and independent living.

- Hearing difficulty: Deafness or serious difficulty hearing
- Vision difficulty: Blindness or serious difficulty seeing even when wearing glasses
- Cognitive difficulty: Serious difficulty concentrating, remembering, or making decisions due to a physical, mental, or emotional condition
- Ambulatory difficulty: Serious difficulty walking or climbing stairs
- Self-care difficulty: Difficulty dressing or bathing (Activities of Daily Living [ADL])
- Independent living difficulty: Difficulty doing errands alone, such as visiting a doctor's office or shopping due to a physical, mental, or emotional condition

According to the 2015-2019 ACS, 9,680 individuals (19 percent) over age five in the City of Daly City had one or more disability (**Table HE-29**).

In Daly City, more than a third (75 percent) of the senior population has some type of disability. The most common disabilities among seniors in Daly City are ambulatory disabilities (23 percent of the population) and independent living disabilities (19 percent).

**Table HE 29: Type of Disability**

Disability Type	Percentage
Vision Disability	1.4%
Hearing Difficulty	2.6%
Cognitive Disability	2.9%
Ambulatory Disability	5.3%
Self-Care Disability	2.4%
Independent Living Disability	4.4%

Sources: ABAG Data Packet, 2021; U.S. Census Bureau, American Community Survey 5-Year Data (2015-2019)

### **Developmental Disabilities**

California Government Code Section 65583(a)(7) requires the City to include the needs of those with a developmental disability within the community in its analysis of “special needs groups.” According to Section 4512 of the Welfare and Institutions Code, “developmental disability” means a disability that originates before an individual attains 18 years of age; continues, or can be expected to continue, indefinitely; and constitutes a substantial disability for that individual. It includes intellectual disabilities, cerebral palsy, epilepsy, and autism. This term also includes disabling conditions closely related to intellectual disability or requiring similar treatment but does not include other conditions that are solely physical in nature.

Many developmentally disabled persons can live and work independently within a conventional housing environment. More severely disabled persons require a group living environment where supervision is provided. The most severely affected persons may require an institutional environment where medical aid and physical therapy are provided. Because developmental disabilities exist before adulthood, the first issue in supportive housing for the developmentally disabled is the transition from the person’s living situation as a child to an appropriate level of independence as an adult.

The California Department of Developmental Services currently provides community-based services to approximately 360,000 people with developmental disabilities and their families through a statewide system of 21 regional centers, 4 developmental centers, and 2 community-based facilities. The Golden Gate Regional Center is 1 of 21 regional centers in California that provides point-of-entry to services for people with developmental disabilities. The center is a private, nonprofit community agency that contracts with local businesses to offer a wide range of services to individuals with developmental disabilities and their families.

According to the Department of Developmental Services, from 2019-2020, the Golden Gate Regional Center served 41 percent of the age group 0 to 17 and 59 percent for ages 18 and over for developmentally disabled residents in Daly City. **Table HE-30** provides an estimate of the number of developmentally disabled residents by age in Daly City.

Many people with developmental disabilities are unable to secure long-term employment. This results in many people relying on Supplemental Security Income (SSI) and many earn 10-20 percent of the AMI.

People with developmental disabilities have various housing needs and housing situations. Almost all (83 percent) of Daly City residents with disabilities live with a parent or legal guardian (**Table HE-31**). An additional 7 percent live in community care facilities, while 10 percent live in Foster/Family Home, Independent/Supportive Living, Intermediate Care Facility, or “Other.”

**Table HE 30: Age of People with Development Disabilities**

Age 18+	397
Age Under 18	272
<b>Total</b>	<b>669</b>

Sources: ABAG Data Packet, 2021; U.S. Census Bureau, American Community Survey 5-Year Data (2015-2019)

**Table HE 31: Living Arrangements of People with Developmental Disabilities**

Lives with	Number		Percentage
	Daly City		
Home of Parent/Family/Guardian	547		83%
Community Care Facility	49		7%
Foster/Family Home	31		5%
Independent/Supportive Living	9		1%
Intermediate Care Facility	20		3%
All Others	5		1%
<b>Total</b>	<b>661</b>		<b>100%</b>

Sources: ABAG Data Packet, 2021; U.S. Census Bureau, American Community Survey 5-Year Data (2015-2019)

Trends that are affecting the people with developmental disabilities include California's moves to reduce institutionalization, aging family caregivers not being able to continue providing in-house care, and the growing wave of people with autism.

- **Deinstitutionalization** – In 1977, California, passed the Lanterman Developmentally Disabled Services Act, to minimize the institutionalization of developmentally disabled people, help them remain in their communities, and allow them to live their lives as similar to non-disabled people as possible. To accomplish this end, the state has been closing large institutional care facilities, resulting in more people with disabilities being integrated into the community. However, this has increased the demand for community-based independent living options to serve the needs of the developmentally disabled.
- **Aging Baby Boomers Unable to Care for Their Children with Developmental Disabilities** – Almost three quarters of people with developmental disabilities live with a parent or caregiver, and many of these caregivers are baby boomers. As these caregivers age, their ability to continue to care for their developmentally disabled children will decrease to the point where it is no longer possible. This trend is also going to be a factor in the increased need for community-based independent living options for the developmentally disabled. Many service delivery systems and communities are not prepared to meet the increasing need.

- **Increasing Numbers of People with Autism** – There is a large number of people with developmental disabilities that have autism. They have been brought up as independent members of the community and want to remain independent and involved in the community. There is a coming need to supply community-based independent living options for these individuals.

### **Disability Policy Recommendations**

The three major needs for people with disabilities are low cost (subsidized) rents, handicapped accessible homes, and buildings near public transportation. These needs are very similar to the desires of other segments of the population. Policies that promote affordable housing generally are also good for the disabled community. Specific recommendations from the Golden Gate Regional Center include (and the City of Daly City's provision of each):

- Jurisdictions assisting with site identification for low-income developments – the City Housing Manager provides this information
- Policies to promote accessible homes – the City has adopted a Reasonable Accommodation Ordinance
- Inclusionary zoning – the City has adopted an inclusionary zoning law
- Second units – the City has adopted a flexible second ordinance
- Mixed-use zoning – the City allows mixed-use development in a number of zones

Additionally, some people with development disabilities need supportive housing that is affordable and near public transit. In supportive housing, additional services are provided at the home.

Some of the agencies in or near Daly City that provide other types of support services to disabled persons include:

- The Center for Independence of Individuals with Disabilities (CID) is a private, nonprofit corporation located in San Mateo, California. CID is one of 29 Independent Living Centers in the State of California. Its services include Housing Accessibility Modification (HAM), which involves installing grab bars, rails, ramps, hand-held showers, etc. for low-income San Mateo County residents.
- The California Department of Developmental Services (DDS) currently provides community-based services to approximately 350,000 persons with developmental disabilities and their families through a statewide system of 21 regional centers. The Golden Gate Regional Center is 1 of 21 regional centers in California that provide point of entry to services for people with developmental disabilities. The center is a private, nonprofit community agency that contracts with businesses to offer services to individuals with developmental disabilities and their families.

To address the housing needs for those with disabilities, the City has included **Tasks 14.1** and **14.2**, which will require adaptability and accessibility of residential units for disabled occupants and ensure that the Zoning Ordinance provides regulations that are sensitive to the needs of disabled occupants. The City has included **Task 16.1**, which will refer residents to the County Housing Assistance Program, and **Task 17.2**, which will amend the Zoning Code to allow residential care facilities for six or fewer persons in accordance with Health and Safety Code Section 1568.0831, and allow residential care facilities, regardless of size, in all zones that permit residential uses of the same type, in accordance with the City's definition of family.

## Single-Headed Households

Households headed by a single parent can have special needs due to the economic limitation of earning only one income, and the challenges of childcare without a partner. Although gender equality has made strides over the past 50 years, women continue to earn lower incomes than men. Therefore, female-headed households in particular have specific housing needs that must be addressed. Female-headed households can have special needs that include low-cost housing suitable for children and located near schools and childcare facilities. Innovative, shared-living arrangements, including congregate cooking and childcare, could also be appropriate.

Of total single-headed households, female-headed households make up 8 percent and male single-headed households made-up 4 percent in Daly City. The most vulnerable female-headed households can be those where women are living with children without a partner. According to the 2015-2019 ACS, Daly City has 4,602 such households (**Table HE-32**). Of total households, single-headed households represent 15 percent, of such households, 8 percent are owners and 7 percent are renters. Female-headed households are more likely to be living under the poverty line than other households: 8 percent of female-headed households in Daly City are under the poverty line. An additional approximately 2,967 households are headed by males.

**Table HE 32: Single-Headed Family Households**

Tenure	Female-Headed Family Households		Male-Headed Family Households		Total Single-Headed Family Households out of All households <sup>1</sup>	
	Number	Percentage	Number	Percentage	Number	Percentage
Owner	2,525	8%	1,422	4%	3,947	21%
Renter	2,077	7%	1,545	5%	3,622	27%
Total Single Headed Households	4,602	15%	2,967	-	7,569	24%
Female Households Below Poverty Level	364	8%	-	-		

Sources: ABAG Data Packet, 2021; U.S. Census Bureau, American Community Survey 5-Year Data (2015-2019)

1. Totals calculated using 2015-2019 households count of 31,796, of which, 18,534 are owner occupied, and 13,626 are renter occupied.

Nationwide, housing trends such as co-housing are increasingly being implemented that specifically allow groups such as single-parent households, extremely low income households, seniors, and families to help support one another. Co-housing typically advocates affordable shared housing with community resources available such as group dining facilities, shared maintenance, and day care. To date, there are one co-housing communities near Daly City.

Some of the agencies in or near Daly that provide other types of support services to single-parent-headed households include:

- The Samaritan House operates 3 centers in San Mateo County, offering rental assistance, housing placement and stabilization, coordinate entry system services, and a Safe Harbor Shelter with a maximum capacity of 90 beds.
- Daly City Community Service Center connects residents, primarily from Daly City to emergency shelter, food, clothing, diapers, home goods, and urgent utility and housing assistance program.

- Cal-Learn is a statewide, mandated program for pregnant and parenting teens, whose parent(s) receive California Work Opportunity and Responsibility to Kids (CalWORKs/TANF) benefits. Cal-Learn rewards good school performance; up to \$100.00 per report card period can be earned and added to a family's grant if a teen receives and submits good grades. In addition, a \$500 bonus is provided to teens if they graduate from high school while enrolled in the Cal-Learn Program.

### **Large Households**

Large households are defined as households with five or more members living in the same home. Large households are a special-needs group because of the difficulty in finding adequate and affordable housing. Many jurisdictions have few large homes, and often these larger homes are significantly more expensive than smaller ones.

According to the 2015-2019 ACS, large households made up 17 percent of all household in the city in 2019 (**Table HE-33**). Of those large households, 19 percent were renters and 17 percent owned their home. Approximately 51 percent of large family households in Daly City were classified as either very low- or low-income households, while the remaining 49 percent fell into the moderate- or above moderate-income category.

When looking at the available housing stock, a majority of the city's rental housing stock consists of individual single-family homes and apartment buildings for rent with multifamily only comprising 37 percent of the housing stock in Daly City (**Table HE-34**). According to Table HE-33, about 73 percent of the City's housing stock with three or more bedrooms were owner occupied, while less than one third were renter-occupied. The City recognizes that lower-income large families are most likely in need of rentals with a greater number of bedrooms. There were approximately 16,881 dwelling units with three or more bedrooms in Daly City, an amount that exceeds the current estimated needs (5,564 households) for large families.

**Table HE 33: The San Mateo County Housing Authority implements the Housing Choice Voucher/Section 8 rental assistance on behalf of Daly City. Given that the population of large households within Daly City is less than the existing housing stock for large units, the existing supply of housing units with three or more bedrooms may be adequate to support this group. However, support services may be necessary to address existing overcrowding due to an inability to afford larger unit sizes. Households of Five or More by Tenure**

	Owner	Percentage	Renter	Percentage	Total	Percentage
1-person household	2,923	16%	2,936	22%	5,859	18%
2-person household	5,458	29%	3,261	25%	8,719	27%
3-person household	3,501	19%	2,334	18%	5,835	18%
4-person household	3,571	19%	2,248	17%	5,819	18%
5- or more person household	3,081	17%	2,483	19%	5,564	17%
<b>Total</b>	<b>18,534</b>	<b>100%</b>	<b>13,262</b>	<b>100%</b>	<b>31,796</b>	<b>100%</b>

Sources: ABAG Data Packet, 2021; U.S. Census Bureau, American Community Survey 5-Year Data (2015-2019)

**Table HE 34: Housing Units by Bedroom Size**

	Owner	Percentage	Renter	Percentage	Total	Percentage
No bedroom	270	1%	1,675	13%	1,945	6%
1 bedroom	537	3%	4,250	32%	4,787	15%
2 bedrooms	4,125	22%	4,058	31%	8,183	26%
3-4 bedrooms	12,654	68%	2,965	22%	15,619	49%
5 or more bedrooms	948	5%	314	2%	1,262	4%
<b>Total</b>	<b>18,534</b>	<b>100%</b>	<b>13,262</b>	<b>100%</b>	<b>31,796</b>	<b>100%</b>

Sources: ABAG Data Packet, 2021; U.S. Census Bureau, American Community Survey 5-Year Data (2015-2019)

Additionally, **Task 6.7** calls for amending the R-1/A to allow duplexes by right, a housing typology suitable for large families. **Task 13.5** also requires the City to amend the Zoning Code to allow mobile and manufactured homes (another housing typology suitable for large families) in any residential zone that permits single-family residential units, with no greater zoning restrictions than residential uses in the same zone.

### **Extremely Low-Income Households**

Extremely low-income (ELI) households are those with an income of 30 percent or less of the AMI, adjusted for family size. In 2022, a family of four making \$55,900 or less would be classified as ELI. This income equates to a wage of about \$26.88 per hour for a single wage earner. An ELI family of four could afford a monthly housing cost of approximately \$1,510 a month (see **Table HE-24**). With the average monthly rent being \$2,116, ELI households cannot afford current rental rates and therefore will need to rely on housing assistance, including housing cost subsidies and social services. San Mateo County operates the Housing Choice Voucher program for the cities of Redwood City, Daly City, Palo Alto, Belmont, Burlingame, South San Francisco, and many other cities.

**Table 3-35** illustrates ELI households by tenure. Approximately 21 percent of renter households fall into the extremely low-income category, representing approximately 9.1 percent of the total Daly City households. ELI homeowner households made up 11.1 percent of all Daly City owner occupied households. Many individuals that fall into the ELI income category are minimum-wage workers.

When looking at overpayment, as shown in **Table 3-35**, many ELI households (15.3 percent) spend more than 30 percent of their income to housing costs. Approximately 66.8 percent of ELI renter-occupied households were overpaying for housing, and approximately 81.9 percent of renters were overpaying for housing. Additionally, 71.1 percent of ELI renters were severely overpaid (paying more than 50 percent of income to housing costs).

**Table HE 35: Extremely Low-Income Households**

Total Household Characteristics	Number	Percentage
<b>Total Occupied units (households)</b>	<b>31,320</b>	<b>100.00%</b>
<b>Total Renter households</b>	<b>13,500</b>	<b>43.1%</b>
<b>Total Owner Households</b>	<b>17,815</b>	<b>56.9%</b>
Total Extremely low-income households – renters	2,840	21.0%
Total Extremely low-income households – owners	1,975	11.1%
Extremely low-income Renter households overpaying	2,325	81.9%
Extremely low-income Owner households overpaying	1,320	66.8%
Extremely low-income Renter households severely overpaying	2,020	71.1%
Extremely low-income Owner households severely overpaying	980	49.6%

Sources: ABAG Data Packet, 2021; U.S. Department of Housing and Urban Development (HUD), Comprehensive Housing Affordability Strategy (CHAS) ACS tabulation, 2013-2017 release.

Agencies that provide services to extremely low-income households in Daly City include:

- The Daly City Community Service Center, one of eight core agencies in San Mateo County that address the needs of homeless community members and others needing safety-net services. The Community Service Center serves residents of Daly City, Broadmoor, and Colma. Case workers at the Center connect community members to emergency shelter, food, clothing, diapers, home goods, and urgent utility and housing assistance programs. Annually over 1,500 households and 3,000 individuals are served.
- Second Harvest of Silicon Valley provides free groceries for low-income members at various locations in Santa Clara and San Mateo Counties. This program helps people with income at or below 275% of federal poverty guidelines.
- Faith in Action provides advocacy to prevent eviction by providing a community response line.

Additionally, the City has included **Tasks 12.1** and **12.2**, which call on the City to explore financial incentives for extremely low-income households. The City has also included **Tasks 13.1** and **13.2**, which will facilitate the operation and construction of low barrier navigation centers and emergency shelters. Finally, **Task 18.1** will reduce the required parking on one parking space per unit to 0.5 parking spaces per unit for any housing development that provides at least 20 percent of units for extremely low-income households. **Task 18.2** calls on the City to explore the inclusion of units targeted to extremely low-income residents for any housing development using public funding or on publicly owned land, and **Task 18.3** will permit single-room occupancy units, a housing typology suited for extremely low-income residents.

## **Persons Experiencing Homelessness**

### **Homelessness in San Mateo County**

The San Mateo County Continuum of Care announced in October 2022 that to end homelessness they will be focusing on prevention by moving homeless people into permanent housing instead of shelters by increasing the stock of affordable housing and launching a new local voucher program. The voucher program will launch in 2023 and will help fill in the gap between rent paid by formerly homeless individuals and families with extremely low incomes and the actual rent to avoid evictions. Funding for the program will be subject to future approvals by the Board of Supervisors. Additionally, the County began the construction of its first Low-Barrier Navigation Center. The center includes 240 units. On these units, 168

units are 200 square feet and include an in-unit bathroom. Of the 240 units, 72 units are 100 square feet, and the residents of these units will have access to community bathrooms. The total capacity is for 260 residents.

According to a 2022 countywide homeless survey, there are 1,092 homeless people living in San Mateo County (**Table HE-36**). About 84 percent of the homeless population was living in San Mateo County when they became homeless.

The homeless population in San Mateo County are both sheltered, meaning they live in emergency shelters, transitional housing, treatment centers, or other similar institutions; and unsheltered, meaning they live on the street, in encampments, or in a vehicle.

The number of homeless individuals living on the street in San Mateo County has increased since 2013, while the number living in a recreational vehicle (RV) has risen to 26 percent and those living in a car has decreased by 40 percent. The number of people living in an encampment has risen dramatically from 1 percent in 2013 to 16 percent in 2022. The remaining 34 percent are living on the street, safe parking, or "other" place.

The vast majority of homeless people are single adults (who may be living with another adult, but no children). However, 109 households (8.7 percent) were families experiencing homelessness. Of the 109 families, 88 (81 percent) were staying in emergency shelters or transitional housing and 14 percent were staying in safe parking programs. Only 5 families (5 percent) were living in vehicles outside of safe parking programs and 1 family (1 percent) was observed living on the street. Most of the unsheltered population were White (62 percent) and male (74 percent). Notably, 22 percent of the unsheltered homeless population has an alcohol and drug problem, while 25 percent of the sheltered population has a similar problem. **Table HE-37** contains demographics of the county's homeless population and **Table HE-38** shows the location where homelessness first occurred. **Table HE-39** lists the county's homeless population by location as of 2022.

### **Homelessness in Daly City**

As of the 2022 San Mateo Homeless Census, 49 unsheltered homeless people lived in Daly City. The number of unsheltered homeless people has declined over the past five years from a high of 66 in 2019.

**Table HE 36: Homeless Count**

Year	Daly City		County		Total
	Unsheltered	Unsheltered	Sheltered		
2017	17	637	616		1,253
2019	66	901	611		1,512
2022	49	1,092	716		1,808
2017-2022	32	455	100		555
2017-2022	65%	42%	14%		31%

Source: 2022 One Day Homeless Count and Survey

**Table HE 37: Demographics of Homeless Population**

	County				
	Emergency Shelter	Transitional Housing	Unsheltered	Total	
	582	134	1,092	1,808	
<b>Demographics by sleeping location</b>					
<b>Age</b>					
Under 18	20%	51%	6	3%	12%
18-24 years old	3%	13%		3%	4%
25+ years old	77%	35%		94%	84%
<b>Gender</b>					
Female	41%	52%		25%	32%
Male	59%	47%		74%	67%
Transgender	0%	1%		1%	0%
Not Singularly Female or Male	<1%	0%		0%	0%
Questioning	0%	0%		0%	0%
<b>Ethnicity</b>					
Non-Hispanic/Non-Latin (a) (o)(x)	67%	37%		47%	53%
Hispanic/Latin (a) (o) (x)	33%	63%		53%	47%
<b>Race</b>					
White	59%	60%		62%	61%
Black, African American, or African	19%	12%		20%	19%
Asian, or Asian American	5%	1%		7%	6%
American Indian, Alaska Native, or Indigenous	4%	4%		6%	5%
Native Hawaiian or Pacific Islander	7%	16		0%	3%
Multiple Races	6%	7%		5%	5%
<b>Other Characteristics</b>					
Chronically Homeless	43%	-		42%	39%

Source: 2022 San Mateo County Homeless Census and Survey, prepared by the San Mateo Human Services Agency, Center on Homelessness.

**Table HE 38: Location when Homelessness Occurred**

	County
Living in San Mateo County when became homeless	84
Other County in California	12%
Other State	3%
Refused	1%

Source: 2022 San Mateo County Homeless Census and Survey, prepared by the San Mateo Human Services Agency, Center on Homelessness

**Table HE 39: County Homeless Population Location 2013-2022**

	2013	2022	Change
Street	15%	16%	7%
Car/Van	41%	30%	-27%
Safe Parking	11%	16%	45%
Tent/Encampment	1%	16%	1500%
RV	19%	26%	37%
Other	12%	2%	-83%
<b>Total</b>	<b>2,281</b>	<b>1,092</b>	<b>-1,189</b>

Source: 2022 San Mateo County Homeless Census and Survey, prepared by the San Mateo Human Services Agency, Center on Homelessness

### **Homelessness Assistance**

The City provides funding to one agency that operates homeless shelters in the County. LifeMoves (formerly Shelter Network) operates Family Crossroads, a transitional shelter for families located in Daly City. This shelter also provides supportive services to help connect their clients to other services that they may need.

The Daly City Community Service Center, operated by Daly City Partnership, serves as one of the core, or primary entry, social service agencies in the county. The Center's mission is to promote 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. A vital housing-related service through the Center is the distribution of motel vouchers to families and individuals who need temporary emergency shelter. Also, the Center offers a comprehensive needs assessment and is able to provide housing-related information and referrals. The City provides in-kind support for the Center. The Center is located in a City building that is provided to Daly City Partnership rent-free. During COVID, the City provided funding to the Center to fund an emergency rental assistance program.

**Table-HE 40** summarizes the total available beds by facility type in San Mateo County located near Daly City. There are a total of 197 units, of which 175 are for permanent housing, and 22 are for transitional housing. in addition, there are approximately 206 beds available in San Mateo County across the four facility types: emergency shelters (seasonal), transitional housing, and permanent supportive housing. Permanent housing provides the bulk of the county's available beds and units.

**Table HE 40: San Mateo Homeless Facility by Type**

Name of Facility	Number of Units	Number of Beds
Family Crossroads (LifeMoves)	15	
Spring Shelter	-	15
Spring Street Transitional Housing	7	-
Young Adult Independent Living	-	6
Belmont Apartment	25	-
Cedar Street Apartment	15	-
Waverly Place Apartments	15	-
Safe Harbor	-	90
Casa Esperanza	100	-
Shores Landing	-	95
Colma Ridge	20	-
<b>Total</b>	<b>197</b>	<b>206</b>

Source: County of San Mateo, 2023.

Other emergency shelters and short-term transitional housing facilities in San Mateo County include First Step for Families, Haven Family House, Maple Street Shelter, LifeMoves' Overflow Shelter Program, and Redwood Family House, all run by LifeMoves. The San Bruno House is run by Catholic Worker Hospitality House, and Samaritan House runs El Camino House, Pacific Shelter, and Safe Harbor shelter. Project WeHOPE runs WeHOPE Shelter and StarVista runs the Daybreak youth shelter. Emergency shelter for survivors of domestic violence is available at CORA Emergency shelter. Safe Parking resources are available in Pacifica and East Palo Alto.

In addition to emergency shelters, there are rapid rehousing programs provided throughout San Mateo County, including for Transitional-Age Youth, managed by Abode Services, LifeMoves, StarVista, Nation's Finest, and CORA. Supportive Housing Voucher programs place homeless community members in housing such as Waverly Place, Shores Landing, Belmont Apartments, Cedar Street Apartments, and Casa Esperanza, all listed in **Table HE-40**. Farmworkers

Farmworkers are traditionally defined as persons whose primary incomes are earned through seasonal agricultural labor. Farmworkers typically have special housing needs because of their relatively low income and the unstable nature of their job (i.e., having to move throughout the year from one harvest to the next).

According to the California Department of Education, California Longitudinal Pupil Achievement Data System (CALPADS), since 2016, there have not been migrant worker students in Daly City. The 2002-2018 U.S. Census Bureau, Longitudinal Employer-Household Dynamics, Residence Area Characteristics reports that there were 258 job holders in Daly City classified as Agriculture and Natural Resources, making up 0.4 percent of the total job industry. According to the U.S. Department of Agriculture, Census of Farmworkers, hired permanent farmworkers (those working more than 150 days) in San Mateo County has decreased by 56 percent and seasonal (working less than 150 days) have decreased by 57 percent.

Housing resources for farmworkers include:

- Puentes de la Costa Sur fosters wellness and prosperity in the San Mateo County South Coast communities of Pescadero, La Honda, Loma Mar, and San Gregorio by promoting and advocating for equitable access to education, health, and economic security.
- Ayudando Latinos a Soñar, provides services such as grocery and water delivery, lunch on Friday's to local farmworkers and maintains the "farmworker crisis fund" to assist farmworkers and their families in emergency cases and specific needs, such as medical bills or rent payments.
- Coastside Hope provides necessities in the form of food, housing assistance, online applications for government benefits, referrals, and other support when neighbors need it most. Additionally, opportunities in the form of free citizenship classes, free tax preparation services, and connections to programs and services of other organizations so that neighbors have the chance to achieve more.

Additionally, **Task 13.4**, provides that the City shall, to the extent of its jurisdiction, implement all of the provisions of the Employee Housing Act (Government Health and Safety Code Sections 17030-17039) and work with HCD to do the same.

# Fair Housing Assessment

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

The section includes the following:

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

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

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

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

**Other Relevant Factors** analyzes the local and regional context that may influence access to fair housing.

**Sites Inventory Analysis** examines the distribution of sites, unit capacity, and affordability to meet the RHNA with the lens of affirmatively furthering fair housing.

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

## Fair Housing Enforcement and Outreach Capacity

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

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

The California Department of Fair Employment in Housing (DFEH) was established in 1980 and is now the **largest civil rights agency in the United States**. According to its website, the DFEH's mission is “to protect the people of California from unlawful discrimination in employment, housing and public accommodations (businesses) and from hate violence and human trafficking in accordance with the Fair Employment and Housing Act (FEHA), Unruh Civil Rights Act, Disabled Persons Act, and Ralph Civil Rights Act.”<sup>2</sup>

DFEH receives, evaluates, and investigates fair housing complaints. It plays a particularly significant role in investigating fair housing complaints against protected classes that are not included in federal legislation and therefore not investigated by HUD. DFEH's website provides detailed instructions for filing a complaint,

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<sup>2</sup> <https://www.dfeh.ca.gov/aboutdfeh/>

the complaint process, appealing a decision, and other frequently asked questions.<sup>3</sup> Fair housing complaints can also be submitted to HUD for investigation.

Additionally, San Mateo County has a number of local enforcement organizations, including Project Sentinel, the Legal Aid Society of San Mateo County, Bay Area Legal Aid, and Community Legal Services of East Palo Alto. These organizations receive funding from the county and local jurisdictions to support fair housing enforcement and outreach and education in the county.

From 2013 to 2021, **135 fair housing complaints in San Mateo County were filed with HUD, and 8.9 percent (8 complaints) were in Daly City (see Table HE-39)**, although complaints may include more than one issue. Countywide, most complaints cited disability status as the bias (52.6 percent), followed by familial status (19.6 percent) and race (16.3 percent). In Daly City, the most common bases for complaints were familial status (87.5 percent) and race and disability (37.5 percent each). The issues associated with these complaints included refusal to rent, refusal to negotiate for a rental, and failure to make reasonable accommodation.

Countywide, 64 cases were closed following a “no cause” determination; 50 were closed following successful conciliation or settlement; 16 complaints were withdrawn by the complainant after resolution; and 5 complaints were withdrawn by the complainant without resolution. The majority of fair housing inquiries in 2020 were submitted by residents of the cities of San Mateo, Redwood City, Daly City, Pacifica, East Palo Alto, and Menlo Park.

**Table HE 41: Fair Housing Complaints by Basis**

Basis	San Mateo County		Daly City	
	Number	Percentage	Number	Percentage
Disability	71	52.6%	3	37.5%
Race	22	16.3%	3	37.5%
National Origin	21	15.6%	1	12.5%
Familial Status	40	29.6%	7	87.5%
Sex	6	4.4%	0	0
Retaliation	11	8.1%	0	0
Religion	4	3.0%	0	0
<b>Total Cases*</b>	<b>135</b>		<b>8</b>	

Source: HUD, 2021

\*Note: Each case may cite multiple bases of discrimination, so the total number of bases may exceed the total number of cases.

In addition to formal complaints, 147 inquiries were made during the same time. Of these, 25.9 percent had no valid issues, 39.5 percent of claimants failed to respond to HUD, 17.0 percent had no valid basis, 6.8 percent decided not to pursue further, 4.1 percent had other dispositions, and the remainder of claimants did not file in a timely manner. While the majority of the cases filed during this period did not have cause, that does not necessarily mean there is no discrimination occurring. Therefore, the City has identified **Tasks 15.1 and Task 15.2** to ensure residents and housing providers are aware of fair housing laws, rights, and requirements as well as resources available to residents should they experience

<sup>3</sup> <https://www.dfeh.ca.gov/complaintprocess/>

discrimination. Further, the City will work with local and regional fair housing providers to facilitate trainings for housing providers to prevent discriminatory actions and behaviors.

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

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

- First, fair lending cases referred to the Department of Justice from federal banking regulators have been declining, indicating that state and local government entities may want to play a larger role in examining fair lending barriers to homeownership.
- Second, NFHA identified a significant increase in the number of complaints of harassment—1,071 complaints in 2020 compared to 761 in 2019.

Finally, NFHA found that 73 percent of all fair housing complaints in 2020 were processed by private fair housing organizations rather than state, local, and federal government agencies—reinforcing the need for local, active fair housing organizations and increased funding for such organizations.<sup>4</sup>

**Outreach and capacity.** The City’s website provides a link to the Regional Assessment of Fair Housing—approved by HUD in November 2017.<sup>5</sup> Housing resources are also available on the City’s website, but not specific information about the Fair Housing Act or resources for residents experiencing discrimination in housing.<sup>6</sup> The City has included **Tasks 15.1 and 15.2** to improve the accessibility of fair housing information on the website and in public buildings for residents experiencing housing discrimination. This could include consolidating all applicable fair housing information on one web page by providing contact information for local fair housing organizations and legal assistance as well as general information about the Fair Housing Act and discrimination.

In compliance with Government Code Section 11135 et seq., the City offers translation services by request for all public meetings and offers accessibility accommodations to ensure equal access to all programs and activities operated, administered, or funded with financial assistance from the state, regardless of membership or perceived membership in a protected class.

**Compliance with State law.** The City of Daly City enforces fair housing and complies with fair housing laws and regulations through a twofold process: review of local policies and codes for compliance with State law, and referral of fair housing complaints to appropriate agencies. The following identify how the City complies with fair housing laws:

- Density Bonus Law (Government Code Section 65915). The City has included **Task 11.5** to amend the density bonus ordinance to allow up to a 50.0 percent increase in project density depending on the proportion of units that are dedicated as affordable, and up to 80.0 percent for projects that are completely affordable, in compliance with State law.

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<sup>4</sup> <https://nationalfairhousing.org/2021/07/29/annual-fair-housing-report-shows-increase-in-housing-harassment/>

<sup>5</sup> <https://www.dalycity.org/352/Reports>

<sup>6</sup> <https://www.dalycity.org/BusinessDirectoryll.aspx?lnqBusinessCategoryID=47>

- No-Net-Loss (Government Code Section 65863). The City has identified a surplus of sites available to meet the Regional Housing Needs Assessment allocation. In total, the City's surplus unit capacity is 256, consisting of 34 lower-income units, 134 moderate-income units, and 87 above moderate-income units.
- Housing Accountability Act (Government Code Section 65589.5). The City does not condition the approval of housing development projects for very low-, low-, or moderate-income households or emergency shelters unless specified written findings are made.
- Senate Bill 35 (Government Code Section 65913.4). The City will comply with SB 35 by establishing a written policy or procedure, as well as other guidance as appropriate, to streamline the approval process and standards for eligible projects by June 2025 (**Task HE 11.4**).
- Senate Bill 330 (Government Code Section 65589.5). The City complies with SB 330, relying on regulations for processing preliminary application for housing development projects, conducting no more than five hearings for housing projects that comply with objective general plan and development standards, and making a decision on a residential project within 90 days after certification of an environmental impact report or 60 days after adoption of a mitigated negative declaration or an environmental report for an affordable housing project. However, the City has also included **Task HE 11.4** to establish a formal application process compliant with SB 330.
- California Fair Employment and Housing Act and Federal Fair Housing Act. The City provides protections to residents through referrals to legal assistance organizations, such as Legal Aid Society of San Mateo County, and has included **Tasks HE 15.1 and 15.2** to provide information to tenants and landlords about fair housing rights and responsibilities as well as to refer cases to fair housing services providers.
- Review Processes (Government Code Section 65008). The City reviews affordable development projects in the same way as market-rate developments except in cases where affordable housing projects are eligible for preferential treatment, including but not limited to residential sites subject to AB 1397.
- Assembly Bill 686 (Government Code Section 8899.50). The City has completed this Assessment of Fair Housing and identified programs to address identified fair housing issues in Section VII, Contributing Factors and Fair Housing Action Plan.
- Equal Access (Government Code Section 11135 et seq.). The City provides translation services for all public meetings and materials and offers accessibility accommodations to ensure equal access to all programs and activities operated, administered, or funded with financial assistance from the State, regardless of membership or perceived membership in a protected class.

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

**Local policies in place to encourage housing development.**

- Reduced parking requirements
- Condominium conversion
- Inclusionary housing ordinance
- In-lieu fees (inclusionary zoning)
- Homeowner repair or rehabilitation programs
- By-right development
- Surplus Public Lands Act
- Acquisition or rehabilitation conversion
- Housing development impact fee
- Home-sharing programs
- Density bonus ordinance

**Local barriers to affordable housing development.**

- Extremely high land cost/value
- Non-existence of vacant land in general
- Lack of land zoned for multifamily development
- Height limits on multifamily developments
- Difficult parcel consolidation due to multiple (different) property owners
- Minimum lot sizes
- Excessive parking requirements

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

- Rent stabilization
- Parking reduction
- Fee incentives for parcel mergers
- Commercial linkage fees
- Parcel merge / significantly increased minimum lot sizes

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

- Condominium conversion regulations
- Inclusionary zoning
- Promoting streamlined processing of ADUs
- Fair housing legal services

According to the California Department of Housing and Community Development AFFH Data Viewer (HCD data viewer), Daly City does not have any public housing buildings. However, the city does have seven census tracts with a moderate share of household units using housing vouchers (5 percent to 15 percent) and one area of the city with substantial (30 percent to 60 percent) housing voucher utilization.

Compared to nearby Brisbane and Pacifica, **Daly City appears to be accommodating to renters with housing vouchers** because the city has a greater share of voucher holders compared to the surrounding communities. The presence of housing voucher users indicates available rental supply to house these residents.

## Integration and Segregation

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

## Integration and Segregation

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

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

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

**Race and ethnicity.** Generally, the demographic characteristics of Daly City are consistent with the overall characteristics of San Mateo County. However, Daly City has a much larger proportion of Asian/Asian Pacific Islander (API) residents than San Mateo County (59 percent compared to 30 percent countywide) and a much smaller non-Hispanic White population (12 percent compared to 39 percent countywide). Daly City's populations of Hispanics (23 percent), Other/Multiple Races (3 percent), and Black or African Americans (3 percent) are similar to the county's population distribution.<sup>7</sup> Older residents are less diverse, with 29 percent of the population older than 65 years identifying as White compared to only 18 percent of the population for children less than 18 years old, **which may indicate increasing diversity in Daly City**, and conversely, a declining share of White residents.

**Racial and ethnic minority populations generally have higher rates of poverty and lower household incomes compared to the non-Hispanic White population throughout the Bay Area.** In Daly City, however, though Black or African American households and other or multiple races have the highest rates of poverty—13.3 and 10.3 percent, respectively—Asian (6.5 percent) and Hispanic (8.2 percent) households have lower rates of poverty than non-Hispanic White (8.4 percent) households.

Geospatially, all of Daly City's census tracts<sup>8</sup> are majority Asian, with varying degrees of concentration. Five of the city's census tracts are predominantly Asian, in which the Asian population is more than 50.0 percent higher than the next most populous racial and/or ethnic group.

**Dissimilarity and isolation indices.** Segregation is the separation of demographic groups into different geographic locations or communities, resulting in uneven distribution across geographic space. The ABAG MTC AFFH Segregation Report (March 2022) analyzes neighborhood-level segregation in a local jurisdiction as well as segregation between jurisdictions in the Bay Area. Historically, racial segregation stemmed from explicit discrimination against people of color, such as restrictive covenants, redlining, discrimination in mortgage lending, and land use decisions that influenced housing choices. The map of Daly City in **Figure HE-6** offers a visual representation of the spatial distribution of racial groups within the jurisdiction, showing the percent of the population of each census tract that is non-white.

The Dissimilarity Index, or DI, is a common tool that measures segregation in a community. The DI measures the degree to which two distinct groups are evenly distributed across a geographic area. The DI represents the percentage of a group's population that would have to move for each area in the county to have the same percentage of that group as the county overall. DI values range from 0 to 1—where 0 is perfect integration and 1 is complete segregation. DI values between 0 and 0.39 generally indicate low segregation, values between 0.40 and 0.54 generally indicate moderate segregation, and values

<sup>7</sup> The share of the population that identifies as American Indian or Alaska Native is less than 1 percent.

<sup>8</sup> Majority census tracts show the predominant racial or ethnic group by tract compared to the next most populous.

between 0.55 and 1 generally indicate a high level of segregation. In Daly City, the DI for People of Color/White is 0.19, indicating a fairly low level of segregation for People of Color. Further, this index score has decreased since 2000 from 0.24. The highest segregation (0.32) is between Latinx and White residents, meaning that 32.0 percent of Latinx residents would need to move to a different neighborhood to create perfect integration between Latinx residents and White residents. However, this index has also decreased from 0.37 in 2000, reflecting ongoing integration in Daly City.

African Americans are the only racial group facing consistently high segregation in San Mateo County, although African American residents in Daly City have what is considered a low segregation index compared to most other jurisdictions in the county and the ABAG region as a whole. Only the jurisdictions of Belmont, Burlingame, Colma, and Foster City have lower segregation values than Daly City. African American/White segregation, as measured by the dissimilarity index, has decreased over time in Daly City, from 0.27 in 2000 to 0.20 in 2020, reflecting increasing integration. In contrast, Hispanic and Asian residents are more segregated (relative to White, non-Hispanic residents) today than in 1990. These groups have also experienced the strongest growth in the county. Residential settlement patterns of these two groups during the past 25 years appear to have influenced segregation.

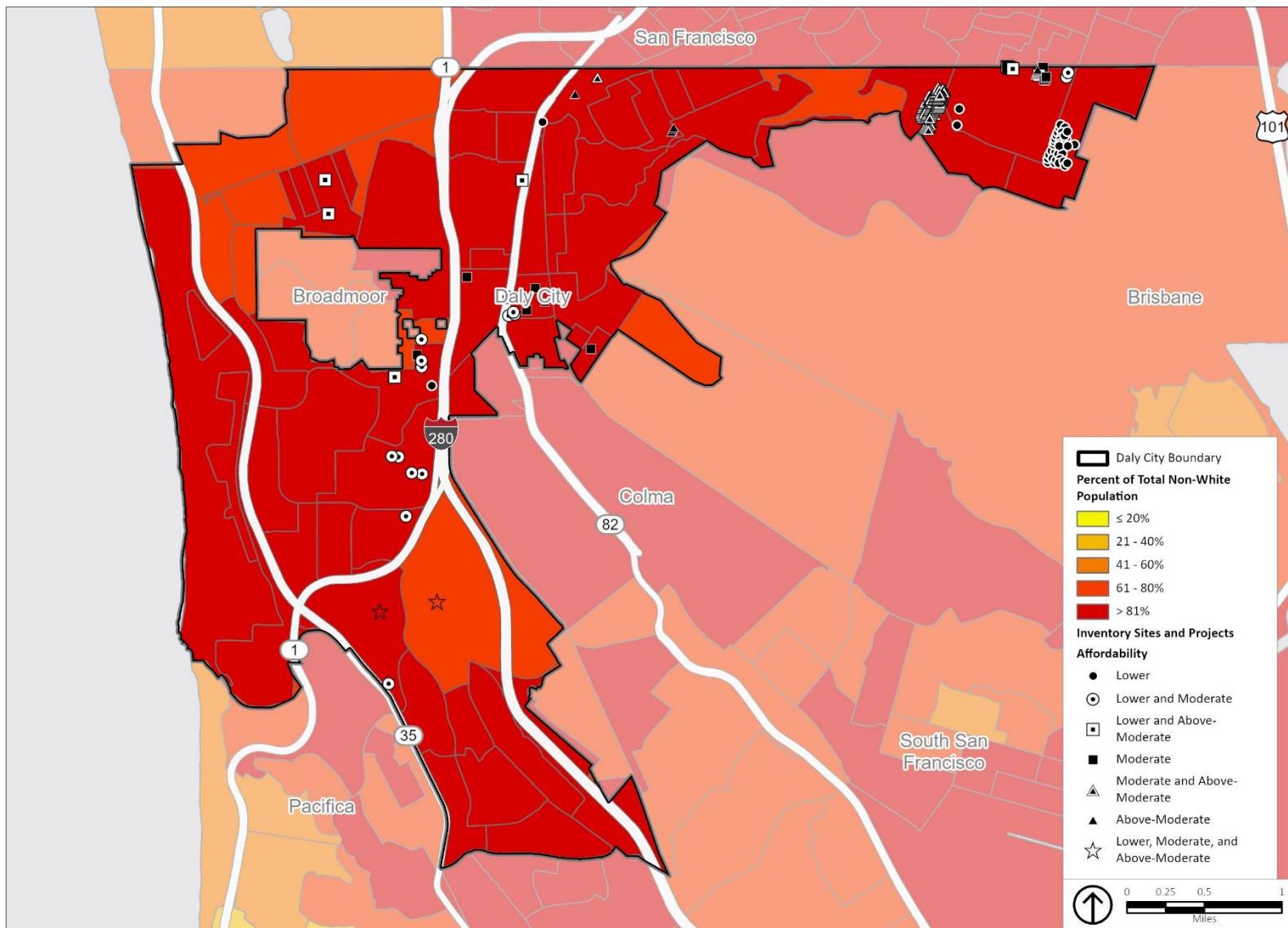
The Isolation Index is interpreted as the probability that a randomly drawn minority resident shares an area with a member of the same minority. It ranges from 0 to 100 and, as with the DI, higher values tend to indicate higher levels of segregation. In Daly City, the most isolated racial group is Asian residents, meaning that the average Asian resident lives in a neighborhood that is predominantly Asian. Other racial groups are less isolated, meaning they may be more likely to encounter other racial groups in their neighborhoods. Among all racial groups in this jurisdiction, the Isolation Index for White residents has changed the most over time, becoming less segregated from other racial groups, from a score of 0.23 in 2000 to 0.14 in 2020. Although the Black/African American population makes up only a small proportion of the city's population, their Isolation Index has also changed significantly over time, from 0.05 in 2000 to 0.03 in 2020, as Asian/Pacific Islander and Latinx populations become more predominant.

In Daly City, 59.0 percent of residents identify as Asian, 23.0 percent as Hispanic or Latinx, 12.0 percent as White non-Hispanic, and 3.0 percent each as Black and Other. In comparison, in San Mateo County as a whole, 30.0 percent of residents identify as Asian, 24.0 percent as Hispanic or Latinx, 2.0 percent as Black, and 39.0 percent as White non-Hispanic. Since 2010, the Asian population in Daly City has increased from 53.0 percent, the White non-Hispanic population has decreased from 18.0 percent, and the Black population has decreased from 5.0 percent. The proportion of Hispanic or Latinx residents in Daly City has remained the same since 2010.

In Daly City, census tracts with the lowest proportions of non-White populations (60.0 to 80.0 percent) are found in the northwest quadrant in the vicinity of Serramonte Center, with the remainder of the city above 80.0 percent non-White. Overall, the distribution of communities of color has not changed significantly over the past decade. The two centrally located census tracts, south of Eastmoor Avenue and north of Cabrillo Highway/Southgate Avenue, have the highest proportion of Asian residents, between 65.9 to 73.9 percent of the population, and also had the highest representation of Asian residents in 2010, from 66.2 to 72.6 percent of the population. Further, census tracts at the southern end of the city have high proportions of Asian residents, above 68.0 percent, with a similar proportion in 2010.

ABAG's assessed measures of segregation above highlighted the concentration of Asian-identifying residents in Daly City, with the proportion of this population increasing over time.

Figure HE-6: Percentage of Population Non-White



Source: ESRI, 2018

**Disability status.** Persons with disabilities typically have special housing needs due to physical or developmental capabilities, fixed or limited incomes, and higher health costs. Seniors typically experience disabilities at higher rates. **The share of the population living with at least one disability is 9 percent in Daly City** compared to 8 percent in San Mateo County. Five census tracts in the city have a disability rate between 10 percent and 20 percent of the population, and two of these tracts are along the northern edge of the city (**Figure HE-7**). In the Hillcrest neighborhood east of Junipero Serra Boulevard, the disability rate is 12.5 percent. Although only 16.8 percent of the population in the tract are seniors, 60.2 percent of persons with disabilities are elderly, likely supporting the slightly elevated disability rate overall. In the upper Westlake neighborhood, north of John Daly Boulevard, 11.2 percent of the population experience a disability. Seniors comprise 25.1 percent of the population, and 69.7 percent of the population experiencing a disability are seniors.

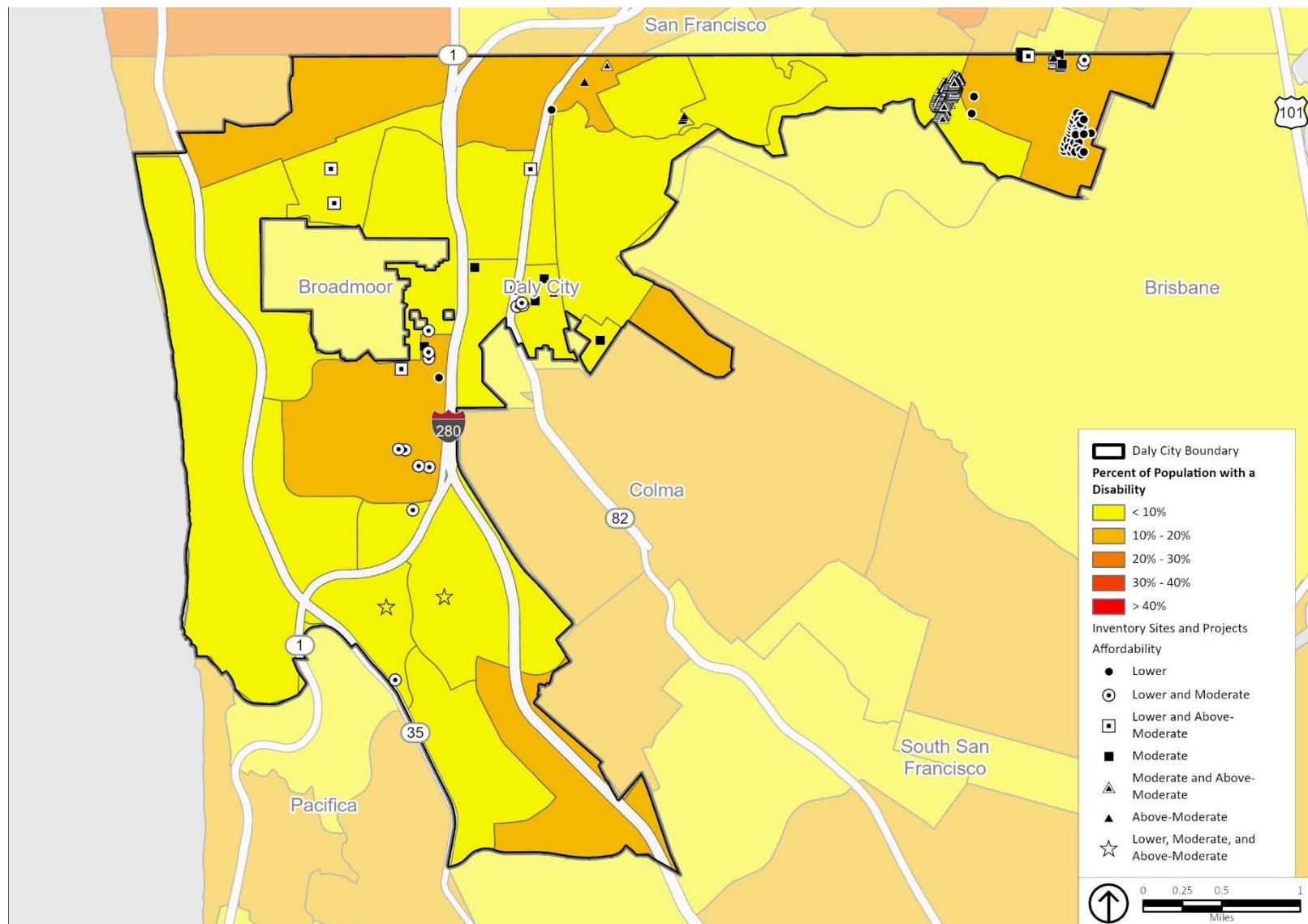
Higher rates of disability (12.5 percent) are found in the central portion of the city in the St. Francis neighborhood. Of the population with a disability in this tract, 77.1 percent are seniors, though seniors comprise only 9.7 percent of the tract population. An affordable age-restricted multifamily complex is in this tract, as are two nursing home facilities and the Seton Medical Center. In the southeastern Gellert Boulevard neighborhood, the rate of disability is 11.2 percent, of whom 34.2 percent are elderly, a lower proportion than in the other three tracts, and a slightly higher share of White non-Hispanic residents than the citywide average. Geographic concentrations of people living with a disability may indicate increased access to services, amenities, and transportation that support this population.

The areas with disability rates over 10 percent have changed over time, shifting from the two upper Westlake neighborhood census tracts in 2010 to the two census tracts north of John Daly Road. Senior populations in the two upper Westlake tracts were 11.8 percent and 17.4 percent in 2010, compared to 6.3 percent and 17.2 percent in 2019. This shift also correlates with a decrease in the proportion of non-White population and a fairly significant increase in median income.

To meet the needs of residents with disabilities throughout the city, there are 12 licensed adult residential care facilities with capacity for 68 residents and 17 elderly assisted living facilities with a combined capacity for 503 residents. The San Mateo Transit District's (SAMTRANS) Redi-Wheels (bay side) and Redicoast (coast side) Paratransit services are also available to residents and visitors in Daly City and throughout the San Mateo service area. Redi-Wheels and Redicoast are available to riders who cannot use conventional accessible bus transit services due to physical, visual, or cognitive disabilities. However, all SAMTRANS buses and light rail services (connections to BART and Caltrain stations) are also accessible for persons using wheelchairs and include announcements of key destinations for persons with visual disabilities. Persons with disabilities may ride all Bay Area public transit systems at a discount if they hold a Regional Transit Connection Discount Card, Medicare card, or Department of Motor Vehicles Disabled Placard Identification Card. There are also multiple private medical transportation providers offering services in Daly City.

The City has included **Task 14.2** to encourage the development of ADUs that are accessible to persons with a disability and has included **Tasks 14.1 and 14.2** to provide reasonable administrative accommodations where needed to ensure the availability of housing to persons with disabilities.

**Figure HE-7: Percentage of Population with a Disability**



Source: ACS, 2015-2019

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

Daly City's households are mostly made up of 2-person households (27.4 percent) and 3- to 4-person households (36.6 percent). Single-person households and large families (5 or more persons) make up a similar proportion of households in the city, at 18.4 percent and 17.5 percent, respectively. Married-couple households make up a majority of Daly City households (49.8 percent), compared to 18.4 percent of householders living alone, 14.5 percent headed by single females, and 9.3 percent headed by single males. The remainder of households (8.0 percent) consist of other household compositions. Approximately 30.0 percent of all households have at least one child under the age of 18.

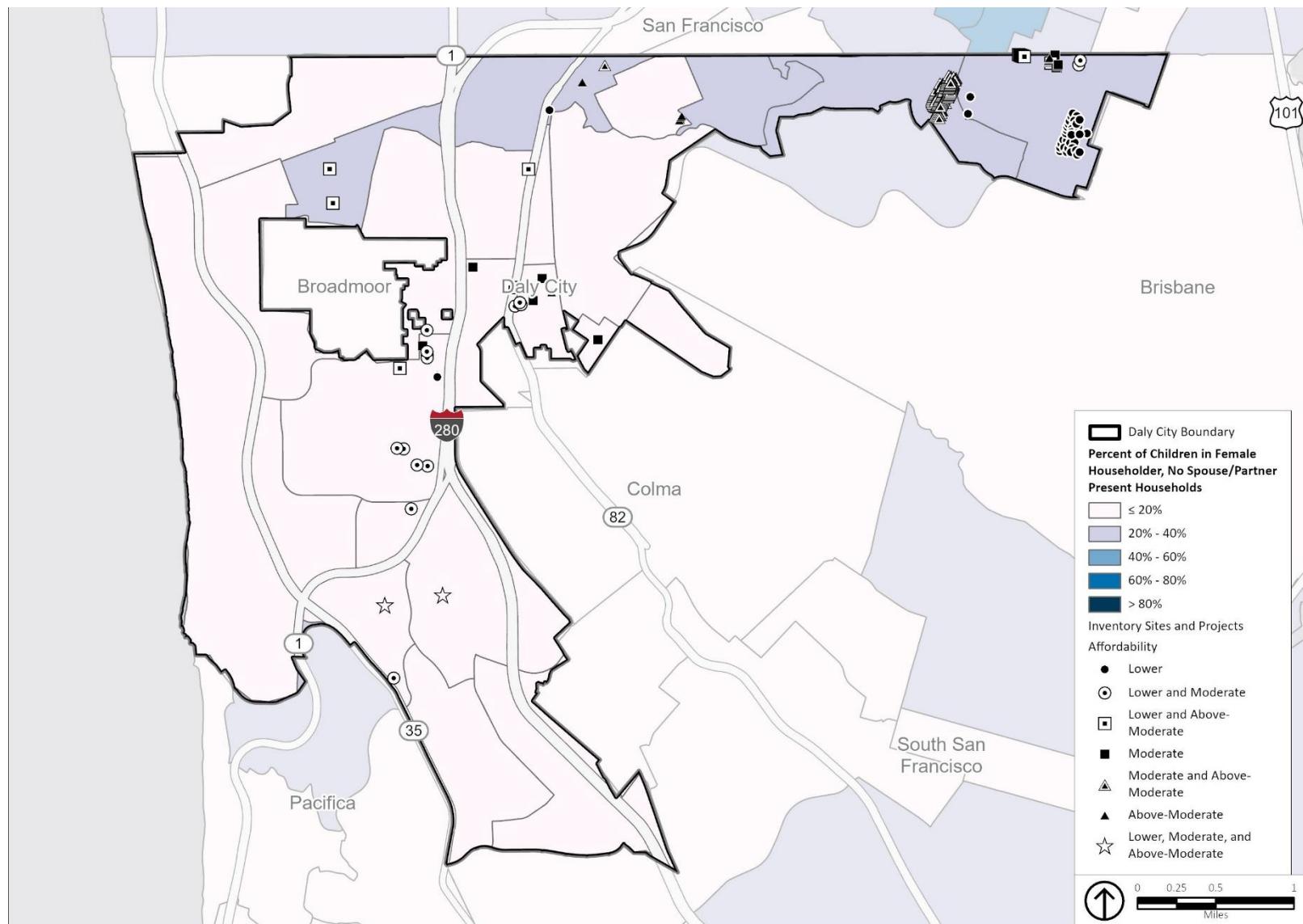
Compared to the county and larger Bay Area, Daly City has a slightly smaller proportion of married-couple households (49.8 percent, compared to 55.2 percent and 51.2 percent, respectively) and a higher proportion of single-parent households (23.8 percent compared to 14.9 percent and 15.2 percent). In addition, Daly City has a lower proportion of single-person households (18.4 percent compared to 22.3 percent in the county and 24.7 percent in the region) and a higher proportion of large-family households (17.5 percent compared to 10.9 percent and 10.8 percent).

While there are no spatial concentrations of single-person households in the city, there are two census tracts in the northern part of the city where the proportion of children in single-parent, female-headed households exceeds 20.0 percent, as shown in **Figure HE-8**. These tracts are in the upper Westlake neighborhood west of Interstate (I-) 280 and the Hillside/Vista Grande neighborhood east of I-280, where two deed-restricted multifamily complexes are located. These neighborhoods are accessible to commercial, service, and recreation amenities as well as the BART/SAMTRANS transfer center transit opportunities.

The majority of married-couple households live in owner-occupied housing (68.5 percent), as do the majority of female-headed family households (54.9 percent), and persons living alone reside in owner- and renter-occupied housing in equal proportions. The number of housing units available by number of bedrooms and tenure is generally consistent with the familial status of the households that live in Daly City. Compared to the county, Daly City's larger proportion of family households and smaller proportion of single-person households is reflected in the number of bedrooms and tenure of the housing stock in the city.

To encourage the development of affordable housing and promote housing mobility for families of all types, the City has included Tasks 1.1 through 1.5 which will create new opportunities for housing development in the C-MU zone and will amend the zoning code such that two commercial zones will permit mixed-use development by-right. As part of Task 3.1, the City will allow reductions in parking requirements for large housing projects near transit, which can lower the cost of construction and cost of living for residents. The City will also encourage the development of ADUs through Task 5.1, which can be an affordable housing type for lower-income households.

**Figure HE-8: Percentage of Children in Female-Headed Households**



**Household income.** The household income distribution by percentage of area median income (AMI) in Daly City differs from the county. The share of households making greater than 100.0 percent AMI is significantly less (32.8 percent) than in the whole county (48.9 percent), and the proportion of households with incomes below 80 percent of the AMI is greater (53.2 percent) than countywide (40.9 percent). As shown in **Figure HE-9, Median Household Income**, the highest median incomes are in the northwest corner, along Skyline Boulevard at the western edge of the city in the Westlake Northwest neighborhood (east of Skyline Boulevard in vicinity of Westridge Avenue), and in the southern portion of the Serramonte neighborhood between Skyline Drive and I-280. Additionally, two census tracts in the northeastern section of the city in the Crocker and Southern Hills neighborhoods have median incomes above \$125,000; as do several neighborhoods along the east side of Hillside Boulevard from Brunswick Street to the lower Hillside neighborhoods north and south of East Market Street in the southeastern corner of the city.

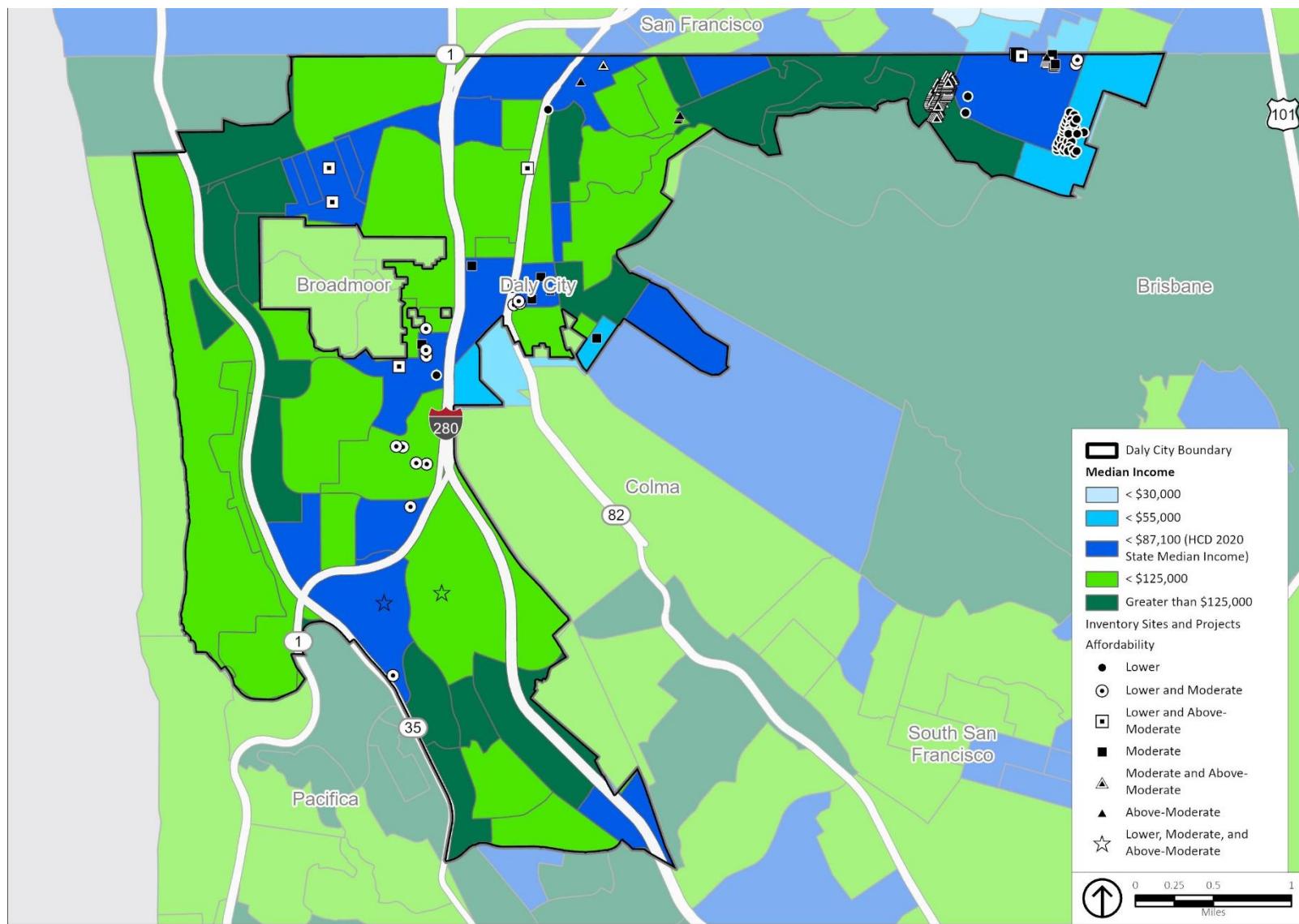
A large proportion of census tracts in the city have median incomes between the state median and \$125,000. These are found in the northern portion of the city in the Westlake Park area; the eastern Hillside and Lincoln Park neighborhoods; the Original Daly City neighborhood adjacent to the Lake Merced Golf Course, which includes 51 deed-restricted multifamily units; west of Skyline Boulevard; the two central St. Francis and Serramonte neighborhoods; and the eastern portion of the Broadmoor neighborhood adjacent to I-280. There is also a small neighborhood east of the Colma BART Station and bounded by Market Street to the north, A Street to the south, and Hillside/Chester Streets to the east that has a median income of \$109,326 and includes 112 units of deed-restricted multifamily housing.

Conversely, the lowest-income neighborhoods are found in the central area of the city at the convergence of I-280 and State Route (SR-) 82 (Mission Street) on the west side of the Colma BART Station, with a median income of \$42,087, and in the Bayshore neighborhood to the east of the Cow Palace, including a 145-unit deed-restricted multifamily complex. The majority of this tract consists of an unincorporated island, within which are three deed-restricted multifamily complexes (providing 209 affordable units), which likely influences the low median income in the tract, because the incorporated city portion of this tract is developed primarily with light industrial and nonresidential uses. The remainder of the city has median incomes between \$55,000 and the state median and contains many multifamily and duplex housing complexes. These are found in the Eastmoor neighborhood west of the Colma BART Station; the Franciscan Park neighborhood at the southeast tip of the city; the Plymouth Circle neighborhood at the southern boundary of the city, which is predominantly duplex housing types; the Fairmont neighborhood west of the Serramonte Center commercial area, which includes several higher density apartment complexes; the older neighborhoods north and southwest of Merced Extension Triangle area at the confluence of I-280 and Junipero Serra Boulevard; and the Outer Mission neighborhood at the northern edge of the city. While rents and home prices in Daly City are high throughout the city, higher density products may be marginally more affordable and attractive to households earning slightly lower incomes, thus resulting in a slightly lower median income.

In 2014, the lowest median income in the city was in the Westlake Shopping Center neighborhood (\$48,929), which now ranges from \$57,275 to \$75,021. The central area surrounding the Colma BART Station was also in the lower-income category (\$53,505). In 2019, the median income in the area southwest of the Station fell to \$46,087 while the areas to the north and east had increased to \$69,261 and \$109,327, respectively. Additionally, the Fairmont neighborhoods west of Serramonte Center have increased from \$53,941 in 2014 to a range in the three block groups between \$70,050 to \$82,115 in 2019. The remainder of the city has maintained similar median income distribution patterns, although incomes rose in all census tracts between 2014 and 2019. However, it is important to note that the available data in 2014 was at the tract level, and data in 2019 was at the block group level, providing a more specific perspective on income patterns. Considering these changes in data, the relatively small changes in median income in each of these notable neighborhoods do not appear to reflect exclusionary income patterns over time.

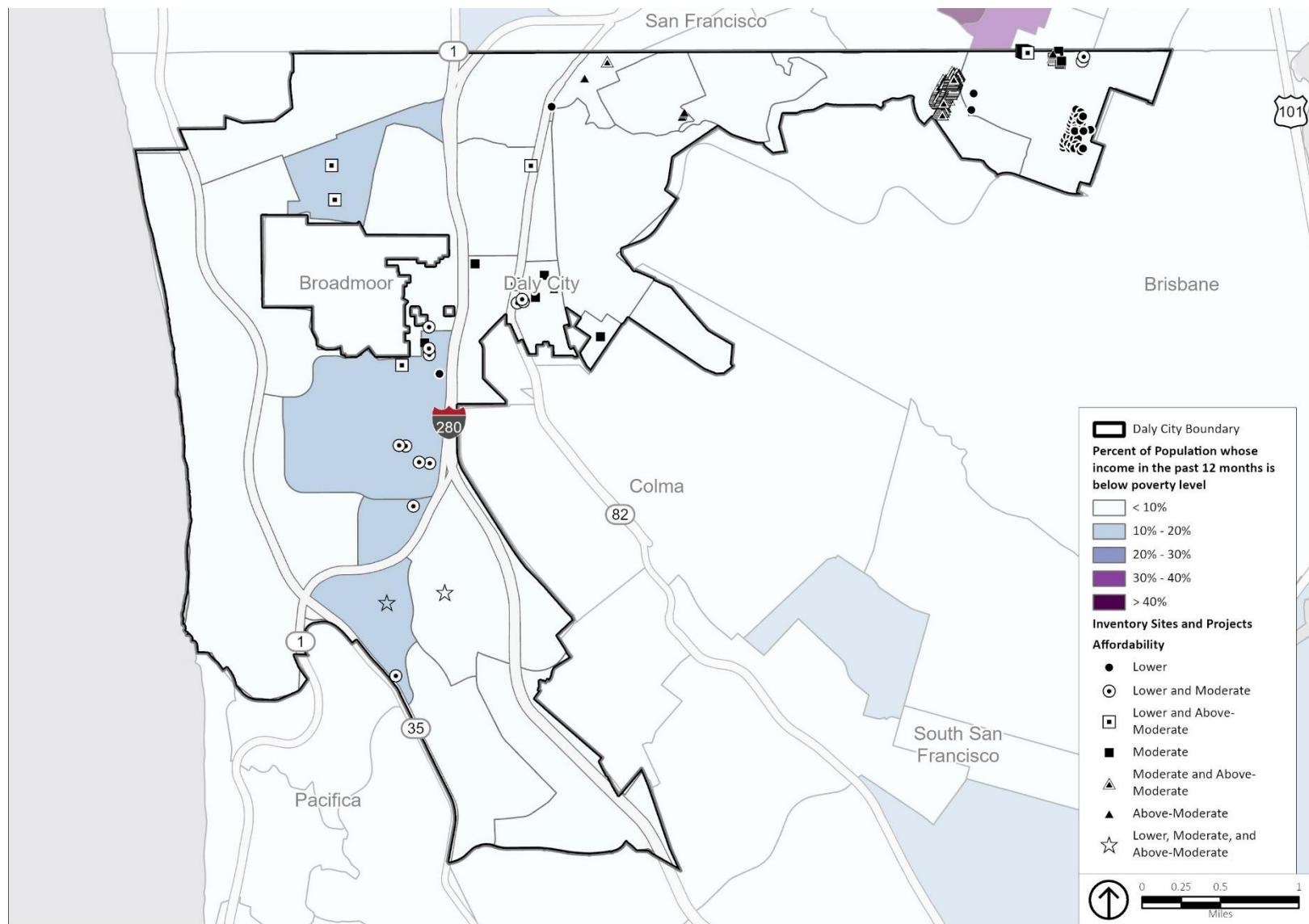
The poverty rate in the city is approximately 7.8 percent, compared to 6.4 percent in San Mateo County. As shown in **Figure HE-10, Percentage of Population with Incomes Below the Poverty Level**, the majority of the city has poverty rates below 10 percent, with a concentration of tracts with rates above 10 percent in the central portion of the city west of I-280. These are primarily residential neighborhoods in the vicinity of larger commercial centers with a mix of higher-density residential products and older single-family neighborhoods. The central Westmoor neighborhood has a poverty rate of 11.4 percent, reflecting a negligible change from 11.5 percent in 2014. The poverty rate in the St. Francis neighborhood west of Serramonte Center (10.4 percent) decreased significantly from 19.5 percent in 2014, with a concurrent increase in median income from \$53,924 to \$71,196. The highest rate of poverty (19.3 percent) is in the Westlake Shopping Center tract, encompassing several higher density multifamily complexes. In 2014, this area had a poverty rate of 16.4 percent. In contrast to the rising poverty in this tract, the median income in this area has increased by 14.6 percent, as discussed above, although other areas of the city have experienced increases of over 25.0 percent. This increase in poverty rate, reflecting a greater share of extremely low-income households, may suggest growing income discrepancies in this area of the city as the median income increases at a higher rate throughout most of the city and a larger share of higher income households citywide. **Higher poverty rates between 10 percent and 20 percent are concentrated in census tracts west of I-280.**

Figure HE-9: Median Household Income



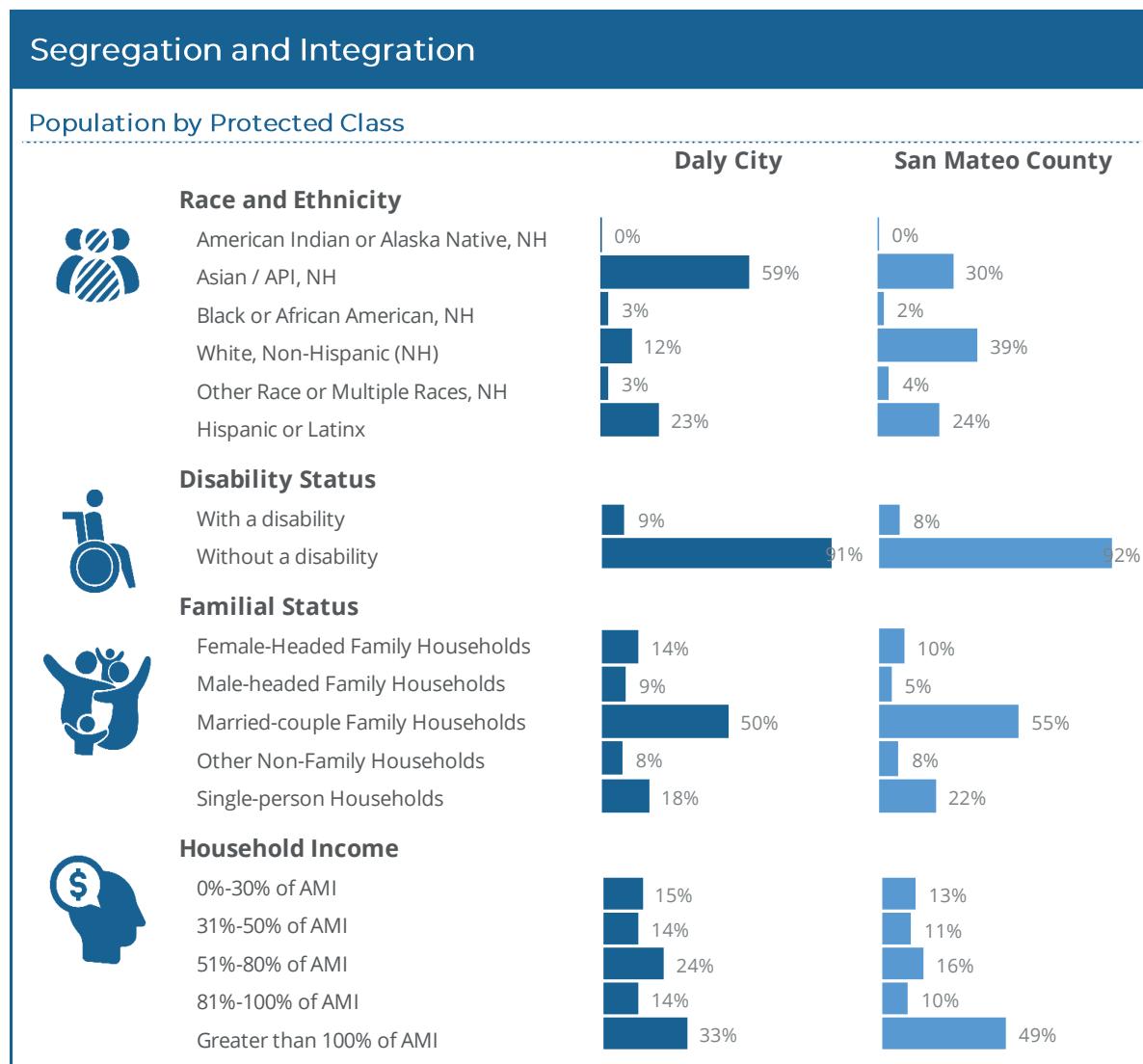
Source: ACS, 2015-2019

**Figure HE-10: Percentage of Population with Incomes Below the Poverty Level**



Source: ACS, 2015-2019

**Figure HE-11: Segregation and Integration by Protected Class**



**Racially or ethnically concentrated areas of poverty and affluence.** A Racially or Ethnically Concentrated Area of Poverty (R/ECAP) and a Racially Concentrated Area of Affluence (RCAA) represent opposing ends of the segregation spectrum—from racially or ethnically segregated areas with high poverty rates to affluent, predominantly White neighborhoods. Historically, HUD has paid particular attention to R/ECAPs as a focus of policy and obligations to AFFH. Recent research out of the University of Minnesota Humphrey School of Public Affairs argues for the inclusion of RCAs to acknowledge current and past policies that created and perpetuate these areas of high opportunity and exclusion.<sup>9</sup>

It is important to note that R/ECAPs and RCAs are not areas of focus because of racial and ethnic concentrations alone. This study recognizes that racial and ethnic clusters can be a part of fair housing choice if they occur in a nondiscriminatory market. Rather, R/ECAPs are meant to identify areas where

<sup>9</sup> Goetz, E. G., Damiano, A., and Williams, R. A. (2019). "Racially Concentrated Areas of Affluence: A Preliminary Investigation." *Cityscape: A Journal of Policy Development and Research*, 21(1), 99–124.

residents may have historically faced discrimination and continue to be challenged by limited economic opportunity; conversely, RCAs are meant to identify areas of particular advantage and exclusion.

## R/ECAPs

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

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

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

As described previously, the population throughout Daly City is predominantly non-White. Therefore, for this study, the poverty threshold used to qualify a tract as an R/ECAP was three times the average census tract poverty rate countywide—or 19.1 percent. In addition to R/ECAPs that meet the HUD threshold, this study includes edge or emerging R/ECAPs that hit two-thirds of the HUD-defined threshold for poverty—emerging R/ECAPs in San Mateo County have two times the average tract poverty rate for the county (12.8 percent).

In 2010 there were three census tracts that qualified as R/ECAPs (19.4 percent poverty rate) in the county and 11 that qualified as edge R/ECAPs (13 percent poverty rate). **Two of the 2010 edge R/ECAPs were in Daly City**—which means they are majority minority and have a poverty rate two times higher than the countywide census tract average. One of the tracts is east of the convergence of SR-35 and the Pacific Coast Highway—west of the Serramonte Center. The other edge R/ECAP is in the far eastern part of the city, in the Bayshore neighborhood near the Cow Palace Arena and Event Center.

Neither of these tracts has indicators that meet the edge R/ECAP definition in 2019, but they are areas with higher rates of poverty and may be considered areas of concentrated poverty relative to the city. In 2019 there were two census tracts that qualified as R/ECAPs (19.1 percent poverty rate) in the county and 14 that qualified as edge R/ECAPs (12.8 percent poverty rate). **One of the 2019 R/ECAPs was in Daly City**—which means it is a majority minority tract and has a poverty rate three times higher (19.3 percent) than the countywide census tract average. This tract is near the Westlake Shopping Center—just north of Broadmoor and west of the Lake Merced Golf Club.

The demographic characteristics of this R/ECAP include:

- 52.9 percent of residents report being Asian, and 21.8 percent are of Hispanic origin, compared to 59 percent and 23 percent, respectively, for the city overall; 30 percent and 24 percent for the county; and 27 and 24 percent for the Bay Area. The edge R/ECAP area has a moderate segregation rating for Asian and Hispanic residents based on the HCD segregation index map and a diversity index between the 73rd and 78th percentile.
- The non-White population has increased since 2010, from 75.3 percent to 88.6 percent in 2019, with the greatest increase in the Asian population.
- Persons with disabilities in the edge R/ECAP area are represented at a lower rate (5.4 percent) than in the city overall (9.1 percent).

- 19.3 percent of residents in this area live below the poverty level as of 2019, an increase from 16.4 percent in 2010.
- Median household income is in the very low-income category, with median incomes between \$57,275 and \$75,021, compared to the San Mateo County median income of \$143,100. This census tract is adjacent to the BART-Daly City Station, which also has median incomes in the very low-income category, although higher than the Westlake Shopping Center neighborhood.
- 21.6 percent of households in the tract are married couples, lower than in the majority of the city. Approximately 10.6 percent of adults live alone, and 24.4 percent reside in “nonfamily” households (e.g., living with roommates) and 17.8 percent in other family living arrangements. Between 20.0 and 40.0 percent of children in this tract live in a single-female-headed household.
- 95.0 percent of the housing units in the R/ECAP are rented, compared with 49.6 percent in the city overall.
- Housing development surrounding the shopping center and in the northeastern corner of the tract are multifamily housing types, which make up 93.3 percent of the housing units in the R/ECAP, offering more housing diversity compared to predominantly owner-occupied tracts in the northwestern section of the city. However, because 95 percent of the households are renters, it is likely that the majority of single-family housing units in the R/ECAP have been converted to rental properties. The predominance of high density development and rental tenure may contribute to the area’s relative affordability, higher proportion of unmarried-couple household configurations, and lower median incomes.
- The presence of housing units that are occupied by Housing Choice Voucher holders is less than 1 percent in the R/ECAP, lower than or similar to surrounding areas west of I-280.
- The R/ECAP has one of the highest rates of renter cost burden in the city—63.0 percent of renters—and 32.1 percent of owners are cost burdened. This level of cost burden is not unique to this tract, however, with similar rates in the Bayshore, St. Francis, and Westmoor neighborhoods. However, according to the Location Affordability Index, the R/ECAP offers better affordability than many areas of the city, and proximity to the Daly City BART (27.6 percent of commuters use public transit) and Westlake Shopping Center provide access to resources.
- Approximately 14.5 percent of households live in overcrowded conditions, which is similar to other lower-income tracts but higher than immediately surrounding tracts.

Given the above demographics in this census tract, potential edge R/ECAP status appears to be driven in part by the availability of relatively affordable rental units, although almost two-thirds of households overpay for rental housing—with access to the BART transit station, shopping and services, positive educational attainment scores, and an increasing proportion of non-White populations with lower-median incomes in the context of the region.

To increase housing mobility for lower-income households, the City has included **Tasks 1.1 through 1.4** which will create new opportunities for housing development in the C-MU zone. As part of **Task HE 3.1**, the City will allow reductions in parking requirements for large housing projects near transit, which can lower the cost of construction and cost of living for residents, and in **Task 18.1** the City will reduce the required parking for projects that include at least 20 percent of units for extremely low-income households. The City will define and permit single-room occupancy units, which can be more affordable to extremely low income households, as part of **Task HE 18.3**. Through **Task HE 1.5**, the City will amend the zoning code such that two commercial zones will permit mixed-use development by-right. The City will also encourage the development of ADUs through **Task HE 5.1**, which can be an affordable housing type for lower-income households.

## RCAAs

HCD's definition of a Racially Concentrated Area of Affluence is:

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

Source: California Department of Housing and Community, 2022.

RCAAs are generally understood to be neighborhoods in which there are both high concentrations of non-Hispanic White households and high household income rates. Similar to the importance of identifying R/ECAP areas, which helps to identify areas that are segregated by race/ethnicity and poverty, it is also necessary to identify racially concentrated areas of wealth to further compare these patterns.

Using 2015-2019 data from the American Community Survey, HCD developed a mapping tool that demonstrates the "location quotient" (LQ) for each California census tract; this quotient represents the percentage of total White population for each census tract compared to that of the average percentage in the council of governments (COG) region. In order to determine the RCAAs, HCD takes the census tracts with a LQ of more than 1.25 and a median income that is 1.5 times higher than the COG region (or 1.5 times the State AMI, whichever is lower). The tracts that meet these criteria are assigned a numeric score of 1, which indicates that they have an accumulation of high incomes and a White population, i.e., a Racially or Ethnically Concentrated Area of Affluence. RCAAs are the inverse of R/ECAPs in that they illustrate where self-segregated and/or exclusive wealthy White neighborhoods are potentially located.

By the definition of RCAAs, there are no racially concentrated areas of affluence in Daly City. However, for this study, the threshold used to qualify as a potential concentration of affluence is a median income two times higher than the COG AMI, or \$241,680. There are no census tracts in the city that have median incomes at this level—the highest income in the city is \$193,523 in the northwest corner of the city in the vicinity of Thornton State Beach.

## **Access to Opportunity**

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

### Access to Opportunity

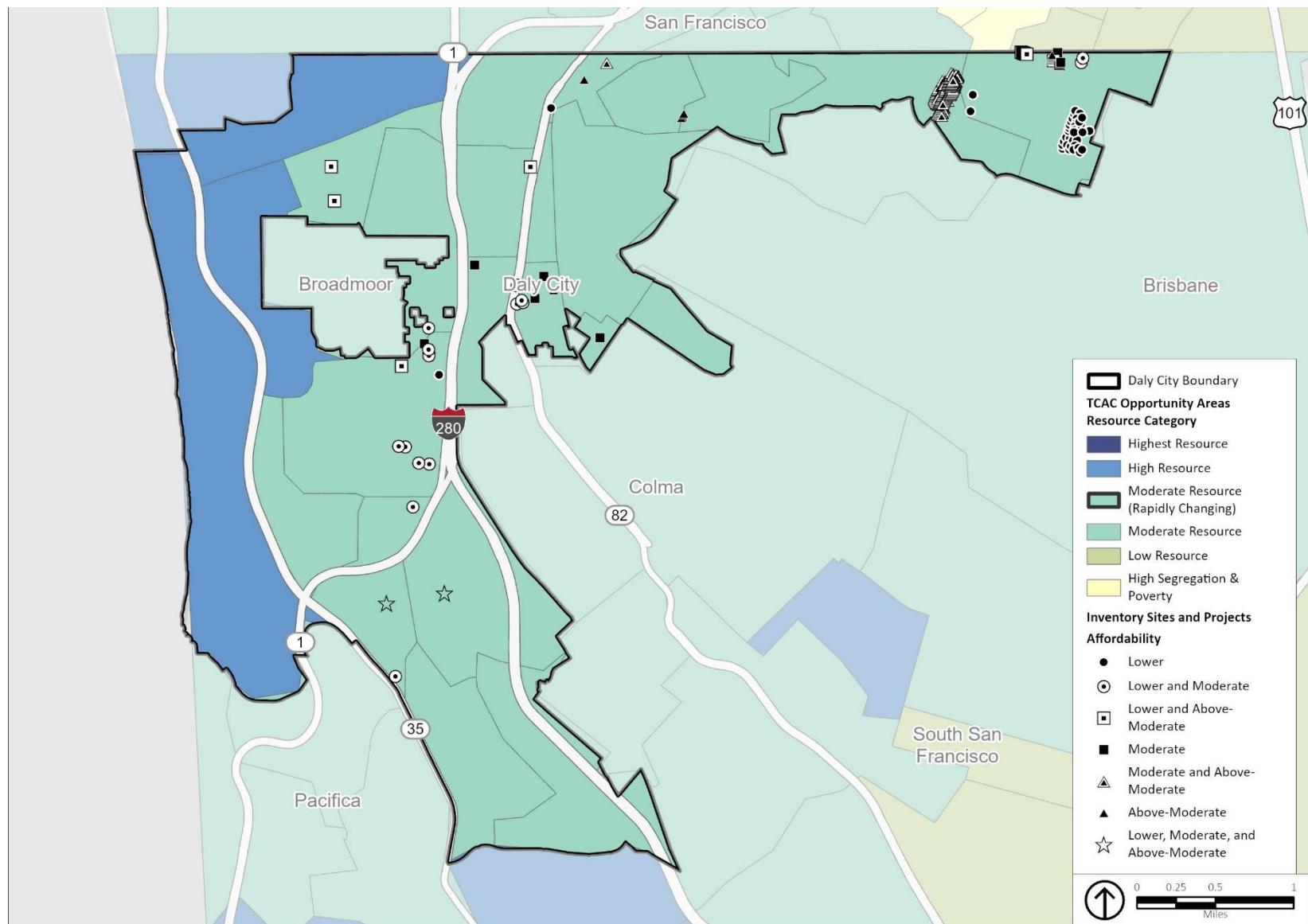
**Access to opportunity** is a concept to approximate place-based characteristics linked to critical life outcomes. Access to opportunity oftentimes means both improving the quality of life for residents of low-income communities, as well as supporting mobility and access to 'high resource' neighborhoods.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

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

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

The opportunity maps highlight areas of highest resource, high resource, moderate resource, moderate resource (rapidly changing), low resource and high segregation and poverty. TCAC provides opportunity maps for access to opportunity in quality education, employment, transportation, and environment. Opportunity scores are presented on a scale from zero to one and the higher the number, the more positive the outcomes. The Opportunity Area designations for Daly City are shown in **Figure HE-12**.

**Figure HE-12: TCAC Opportunity Areas**



Source: TCAC, 2021

**Education.** TCAC's education score is based on math proficiency, reading proficiency, high school graduation rates, and the student poverty rate. According to TCAC's educational opportunity map, shown in **Figure HE-13**, most census tracts in Daly City score between the 25th and 75th percentile; opportunity scores are presented on a scale from zero to one and the higher the number, the more positive the outcomes. In Daly City, **census tracts with the best educational outcomes, in the 50th to 75th percentiles, are west of I-280, with two tracts along Cabrillo Highway (Route 1) east of Skyline Boulevard scoring in the 49th percentile**. With the exception of the Bayshore neighborhood at the northeastern corner of the city, which has educational domain outcome scores below the 25th percentile, the remainder of the city has educational opportunity scores between the 25th and 50th percentiles. The Bayshore area also has a high concentration of populations with low- to moderate-income compared to the rest of the city, high rates of children in female-headed households, a 96.9 percent non-White population, and an affordable multifamily complex with 145 deed-restricted units, which may contribute to the score. This neighborhood has its own school district which contains one elementary school.

Daly City is served by three school districts—Jefferson Union High School District, South San Francisco Unified School District, Bayshore Elementary School District, and the Jefferson Elementary School District. All three school districts experienced decreases in enrollment from 2010 to 2020—South San Francisco saw a 12.0 percent decrease in enrollment while Jefferson Union and Jefferson Elementary both experienced a 5.0 percent decrease in enrollment. **All three districts lost students during the COVID-19 pandemic.**

All three school districts' enrollment by race and ethnicity are similar to the countywide distribution. However, each school district has a higher proportion of Filipino students (Jefferson Union 29.0 percent, Jefferson Elementary 25.0 percent, South San Francisco 23.0 percent compared to 8.0 percent countywide) and a smaller proportion of White students (Jefferson Union 14.0 percent, Jefferson Elementary 11.0 percent, South San Francisco 6.0 percent compared to 26.0 percent countywide). Jefferson Union and Jefferson Elementary have a smaller proportion of Hispanic students compared to the county (31.0 percent and 36.0 percent compared to 38.0 percent countywide), while South San Francisco Unified has a greater proportion (48.0 percent compared to 38.0 percent countywide).

Jefferson Union has a higher share of English learners (36.0 percent compared to 20.0 percent countywide) and students who qualify for reduced lunch (44.0 percent compared to 29.0 percent countywide) than the county, while Jefferson Elementary has a smaller share (14.0 percent and 27.0 percent, respectively). South San Francisco Unified also had slightly higher shares of English learners and students who qualify for reduced lunch (21.0 percent and 34.0 percent) than the county. Jefferson Elementary and South San Francisco Unified also have 1 percent of their respective students experiencing homelessness.

Many high schoolers in the county met admission standards for a University of California (UC) or California State University (CSU) school. While Jefferson Union had one of the lower rates of graduates who met such admission standards (48.0 percent) among high school districts in San Mateo County, the school has seen a significant increase in the percentage of students who meet these benchmarks over the last five years (from 21.0 percent in 2016-17). **Black and Hispanic students in Jefferson Union High School District were less likely to meet the admission standards with rates of 23.0 percent and 32.0 percent, respectively.** Census tracts with the highest proportion of Hispanic/Latinx residents above the citywide average of 23.0 percent of the total tract population include the neighborhoods between I-280 and Mission Street from the northern boundary to the unincorporated Colma community, including the neighborhoods surrounding the Colma BART Station and the downtown, and encompassing seven affordable multifamily housing complexes; the Outer Mission neighborhoods; the Franciscan Park neighborhood; and the Bayshore Heights/Cow Palace neighborhoods, all within portions of the city with lower anticipated educational domain opportunities. The 2015 to 2019 ACS data indicates that Black households (72.0 percent of total household with incomes below 80 percent of AMI) and Hispanic or Latinx households (62.0 percent of total household with incomes below 80.0 percent of AMI) have lower incomes compared

to Asian and White non-Hispanic households, which is a factor often contributing to lower educational outcomes. As well, these neighborhoods reflect the highest rates of children in single female-headed households, which often contributes to economic challenges. Based on above statistics for English learners and disadvantaged students, these concentrations of students are likely to be experiencing lower educational outcome opportunities.

Conversely, South San Francisco Unified, which has the lowest rate among all high school districts in the county (41.0 percent), has seen their rate of graduates who met such admission standards significantly decline over the last five years (57.0 percent in 2016-17). However, 73.0 percent of Asian students meet those standards—a 32.0 percentage point gap. **Hispanic and White students in South San Francisco Unified School District were less likely to meet the admission standards with rates of 27.0 percent and 44.0 percent, respectively**, although only a very small proportion of the city south of Hickey Boulevard falls within this district.

Jefferson Elementary school district had a 17.0 percentage point gap between their overall chronic absenteeism rate (12.0 percent) and their chronic absenteeism rate among Black students (28.0 percent). However, while this is an important indicator of need, the overall representation of Black population under the age of 18 in the city is 3.0 percent, which would not contribute to large concentrations of chronic absenteeism. South San Francisco Unified also had an 18.0 percentage point gap between their overall chronic absenteeism rate (13.0 percent) and their chronic absenteeism rate among Pacific Islander students (31.0 percent).

**While Jefferson Union has the lowest dropout rates in the county—just 3.0 percent of students—the highest dropout rates were found among Black (7.0 percent) and Hispanic students (6.0 percent)**, suggesting that factors of lower median income, access to resources, high rates of children in single female-headed households, language barriers for Hispanic or Latinx students, and higher rates of poverty likely contribute to lower educational outcomes and high school dropouts. South San Francisco Unified had one of the highest dropout rates in the county at 9.0 percent, with White (12.0 percent) and Hispanic (11.0 percent) students accounting for the highest rates.

**Transportation.** The San Mateo County Transit District (SamTrans) acts as the administrative body for transit and transportation programs in the county, including SamTrans and the Caltrain commuter rail, with rapid transit access to San Francisco from the Daly City and Colma BART stations. SamTrans provides bus services in San Mateo County, including Redi-Wheels paratransit service, discussed in Section II. SamTrans provides a range of route selections depending on origin location, service area, express, multicity, and San Francisco commuter services. Routes that originate at the Daly City BART Station include: 110, 120, 121, 130, 131B, and the ECR. Routes with stops at the Serramonte Center include: 112, 120, 121, 122, 130, 130B, and 38 school connector to South City High. Routes with stops at the Colma BART Station include: 112, 120, 122, 130, and ECR with connections to San Francisco on BART.

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

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

While some comments related to the use of car share, transportation network companies (TNCs), or autonomous vehicles as potential solutions, other comments called for the increased accessibility and affordability of these services in the meantime.<sup>10</sup>

**Transit improvements recommended particularly for Daly City** included: "More bus shelters at the Daly City Kaiser Permanente are needed."

A partnership between the World Institute on Disability and the MTC created the research and community engagement project TRACS (Transportation Resilience, Accessibility & Climate Sustainability). The project's overall goal is to "stimulate connection and communication between the community of seniors and people with disabilities together with the transportation system—the agencies in the region local to the San Francisco Bay, served by MTC."<sup>11</sup> TRACS highlights that improving accessibility requires engagement with the community because there are no "watch-dog" systems in place to hold agencies accountable.

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

The San Mateo County Transit District updated its "Mobility Plan for Older Adults and People with Disabilities" in 2018. According to the district, the **county's senior population is expected to grow more than 70 percent over the next 20 years, and the district is experiencing unprecedented increases in paratransit ridership**. Additionally, Daly City "contains many of the census tracts with the highest concentrations of older adults [in the county] (above 1,500 per square mile), followed by San Mateo."<sup>12</sup> The plan is targeted at developing effective mobility programs for residents with disabilities and older adults, including viable alternatives to paratransit, partnerships, and leveraging funding sources.<sup>13</sup>

MTC also launched Clipper START in 2020—an 18-month pilot project that provides fare discounts on single transit rides for riders whose household income is no more than double the federal poverty level.<sup>14</sup>

AllTransit is a transit and connectivity analytic tool developed by the Center for Neighborhood Technology (CNT) that is used for the advancement of equitable communities and urban sustainability. The tool analyzes the transit frequency, routes, and access to determine an overall transit score at the city, county, and regional levels. Based on these factors, Daly City has a performance score of 8.4 out of 10, meaning there is an excellent combination of trips per week and number of jobs accessible, enabling numerous people to take transit to work. This score is higher than San Mateo County as a whole (with a score of 6.1). The data also indicates that 99.8 percent of all jobs in the city are within one-half of a mile of transit, and 99.6 percent of the city's workers live within one-half of a mile of one of the transit routes. The rate of commuters who use transit is high, with 20.5 percent traveling by public transit.

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<sup>10</sup> [https://mtc.ca.gov/sites/default/files/MTC\\_Coordinated\\_Plan.pdf](https://mtc.ca.gov/sites/default/files/MTC_Coordinated_Plan.pdf)

<sup>11</sup> <https://wid.org/transportation-accessibility/>

<sup>12</sup> [https://www.samtrans.com/Planning/Planning\\_and\\_Research/Mobility\\_Plan\\_for\\_Older\\_Adults\\_and\\_People\\_with\\_Disabilities.html](https://www.samtrans.com/Planning/Planning_and_Research/Mobility_Plan_for_Older_Adults_and_People_with_Disabilities.html)

<sup>13</sup> Ibid

<sup>14</sup> <https://mtc.ca.gov/planning/transportation/access-equity-mobility/clipper-startsm>

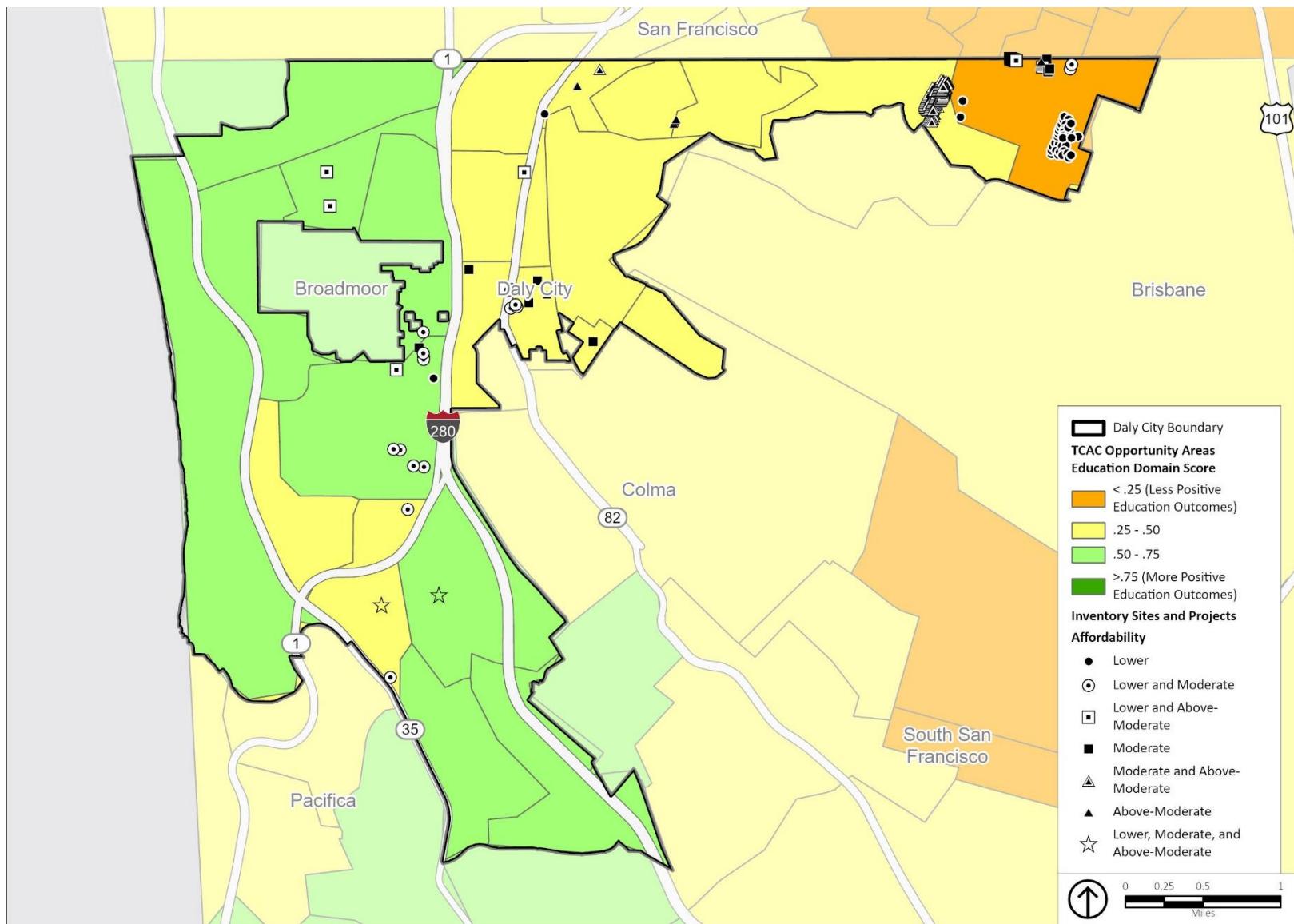
**Employment.** The top three industries by number of jobs in Daly City include **health and educational services, arts and recreation services, and retail**. Daly City has a lower job-to-household ratio when compared to the county (0.59 and 1.59, respectively), **indicating a shortage of jobs for the number of households that live in the city**. The city also has a higher unemployment rate—6.9 percent compared to the county's 5.9 percent.

TCAC's economic opportunity score comprises poverty, adult educational attainment, employment, job proximity, and median home value. Overall, nearly all of Daly City scores between 0.5 and 0.75, reflecting relatively positive economic outcomes. Only two tracts, one directly north of Broadmoor in the Westlake Center tract, the other entirely west of Skyline Boulevard, have **low to moderate economic opportunity scores** in the city.

Conversely, HUD's job proximity index, shown in **Figure HE-14**, shows **Daly City has the furthest proximity to jobs** in the entire county, with almost the entire city scoring below the 20th percentile on a scale from zero to 100, where 100 is the closest proximity to jobs. However, it is likely that this ranking is based on the assumptions that employment hub opportunities are the City and County of San Francisco and the San Francisco Airport.

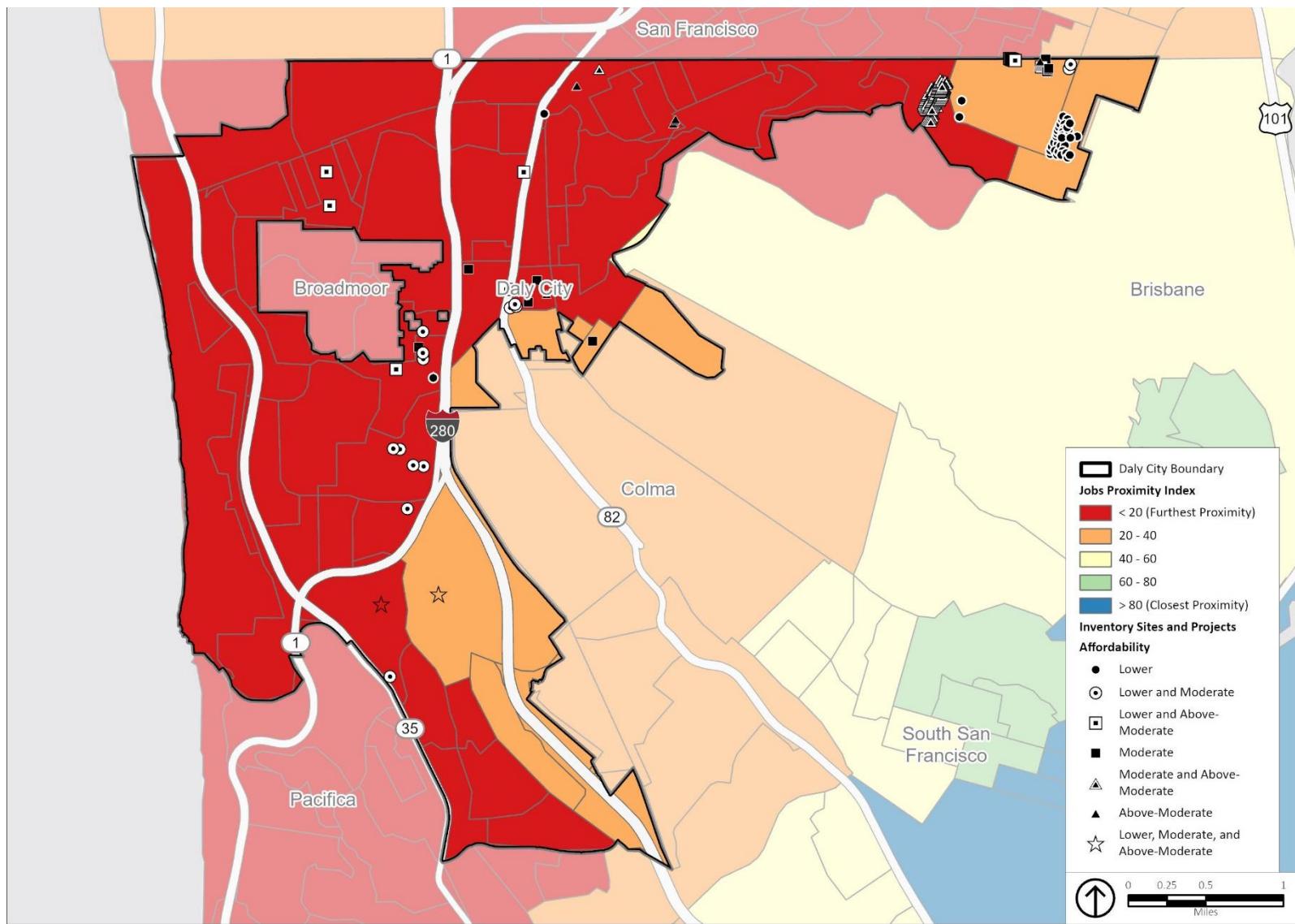
Through **Tasks 1.1 through 1.4**, the City will establish a Commercial Mixed-Use zone, and will remove the conditional use permit requirement for mixed-use development in the C-1 and C-2 zones as part of **Task 1.5**. Mixed-use development can create new job opportunities in close proximity to housing, potentially reducing the length of required commutes.

**Figure HE-13: TCAC Education Score**



Source: TCAC, 2021

**Figure HE-14: HUD Jobs Proximity Index**



Source: HUD, 2014-2017

**Environment.** Daly City is an urbanized area with predominantly residential and commercial uses. However, proximity to major roadways and I-280 may contribute to adverse environmental conditions.

A disadvantaged community or environmental justice community ("EJ Community") is designated by the California Environmental Protection Agency (CalEPA) as areas that fall in the 25 highest scoring census tracts for environmental pollution and other hazards, and may or may not have a concentration of low-income households, high unemployment rates, low homeownership rates, overpayment for housing, or other indicators of disproportionate housing need.<sup>15</sup> In February 2021, the California Office for Environmental Health Hazard Assessment released the fourth version of CalEnviroScreen, a tool that uses environmental, health, and socioeconomic indicators to map and compare communities' environmental scores. In the CalEnviroScreen tool, communities that have a cumulative score in the 75th percentile or above (25 percent highest score census tracts) are designated disadvantaged communities under SB 535.<sup>16</sup> CalEnviroScreen percentiles in Daly City are shown in **Figure HE-15**. The cumulative score for each census tract includes an exposure score, with a low score being a positive outcome, for each of the following:

- Ozone concentrations
- PM<sub>2.5</sub> concentrations
- Diesel particulate matter emissions
- Drinking water contaminants
- Children's lead risk from housing for children
- Use of certain high-hazard, high-volatility pesticides
- Toxic releases from facilities
- Traffic impacts<sup>17</sup>

Communities that are identified as disadvantaged communities based on their cumulative pollution exposure score are targeted for investment through the State cap-and-trade program. However, the condition of these communities poses fair housing concerns due to disproportionate exposure to unhealthy living conditions. Overall, Daly City scores relatively well on environmental outcome, with an average score in the 47.6th percentile, indicating that there are no areas that meet the criteria of a disadvantaged community or are disproportionately exposed to high levels of pollutants compared to other census tracts in the state. These scores reflect generally positive environmental conditions for residents of Daly City.

The primary indicators leading to higher scores in the city, as reported by OEHHA's CalEnviroScreen 4.0, are, in order of significance: low birth rate, linguistic isolation, diesel particulate matter (PM), lead in older homes, traffic, asthma, groundwater threats, hazardous waste, and education, all at or above the 49th percentile. In Daly City, the northern portion of the city, including the Pointe Pacific, Franciscan Park, Westlake/Westlake Northwest, Westlake South of Westmoor, and the Serramonte Center neighborhoods, and adjacent tracts to the south along I-280 to the central boundary of the city, see more positive

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<sup>15</sup> California Health and Safety Code § 39711

<sup>16</sup> California Office of Environmental Health Hazard Assessment. SB 535 Disadvantaged Communities, June 2017. <https://oehha.ca.gov/calenviroscreen/sb535>

<sup>17</sup> California Environmental Protection Agency, California Office of Environmental Health Hazard Assessments. *Update to the California Communities Environmental Health Screening Tool: CalEnviroScreen 4.0 Public Review Draft*, February 2021.

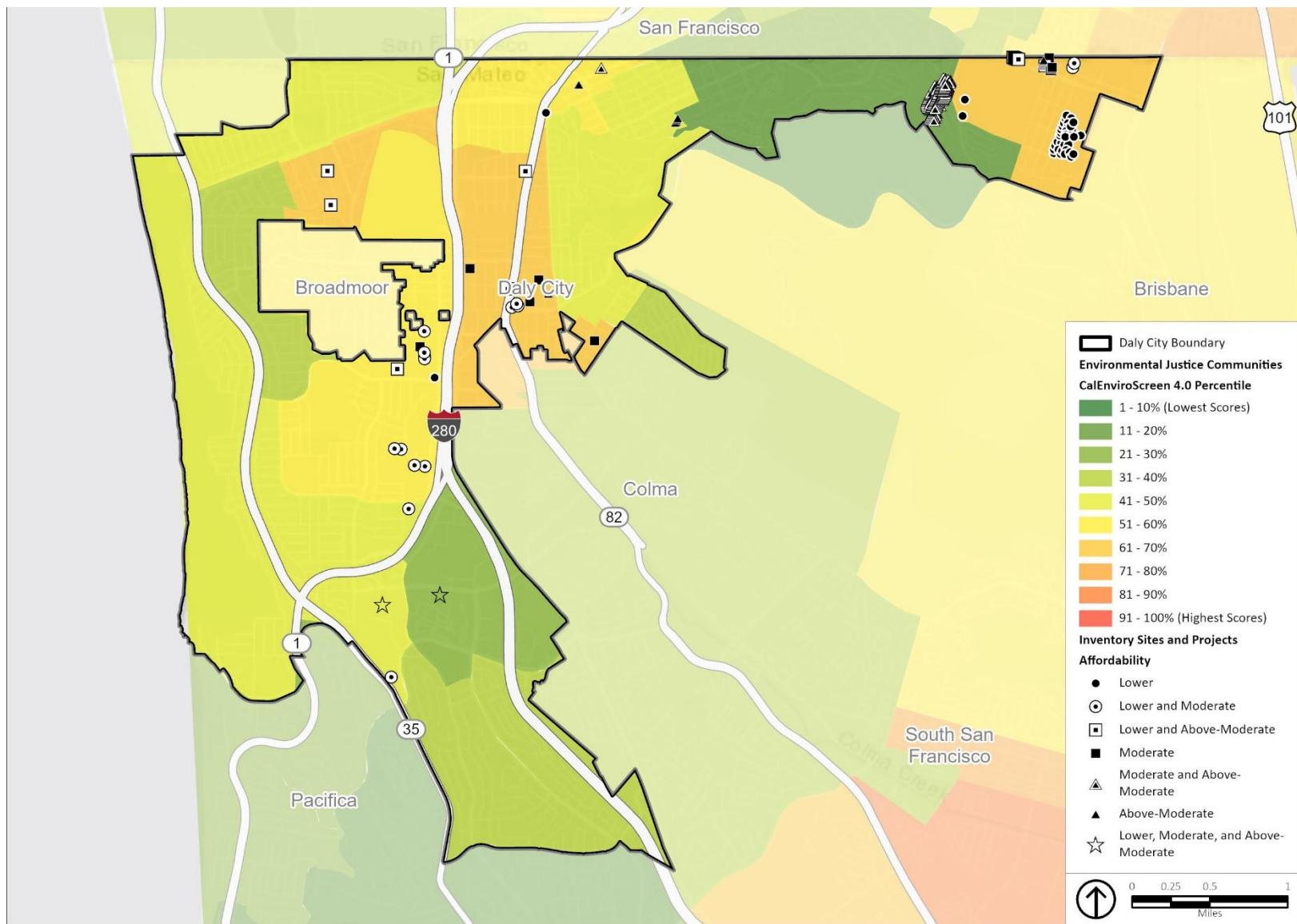
<https://oehha.ca.gov/media/downloads/calenviroscreen/document/calenviroscreen40reportd12021.pdf>.

environmental conditions compared to central areas. The most adverse environmental conditions are found in the central areas along I-280; north, east, and west of Broadmoor; in the original downtown; Westmoor and St. Franciscan neighborhoods; and the Bayshore and Cow Palace neighborhoods. The siting of affordable multifamily rental complexes largely coincides with census tracts with scores above the 50th percentile.

While Daly City is not considered an area of potential concern regarding fair housing in relation to disproportionate exposure to environmental hazards and a concentration of vulnerable populations by SB 535, I-280 runs through the center of the city, Highway 35 runs north to south through the western portion of the city, and Highway 82 parallels I-280. The locations of these major transportation corridors pose a potential environmental concern for adjacent residential areas, which may face increased exposure to traffic emissions and particulate matter. CalEnviroScreen reports that the pollution burden for diesel PM is above the 67th percentile, and traffic in these areas exceeds the 86th percentile. Further, the higher scores in these tracts are also attributed to socioeconomic factors, which generally fall above the 68th percentile, particularly cost burden, health factors, and linguistic isolation.

In San Mateo County, cumulative pollution exposure scores are relatively consistent among similarly situated suburban and urban communities. Scores increase in higher industrial areas, such as in the vicinity of the San Francisco Airport.

Figure HE-15: CalEnviroScreen 4.0 Percentile



**Disparities in access to opportunity.** Data show that racial and ethnic minorities are more likely to live in low and moderate resource areas compared to non-Hispanic White residents. However, with the exception of Hispanic residents, the distribution of racial and ethnic residents in Daly City is relatively similar for those living in low, moderate, and high resource areas. While non-Hispanic White residents are more likely to live in high-resource areas, **Hispanic residents are more likely to live in low- and moderate-resource areas.**

TCAC's composite opportunity score for Daly City shows that census tracts in the northwest area of the city fall within high-resource areas while the rest of the city is in moderate-resource areas. The Social Vulnerability Index (SVI) provided by the CDC—which ranks census tracts based on their ability to respond to a disaster—includes socioeconomic status, household composition, race or ethnicity, and housing and transportation. **The central area of the city, bordered by I-280 to the west and Hillside Boulevard to the east, is most vulnerable according to the SVI.**

Daly City does not have any disadvantaged communities as defined under SB 535, where “disadvantaged communities are defined as the top 25.0 percent scoring areas from CalEnviroScreen along with other areas with high amounts of pollution and low-income populations.”<sup>18</sup>

**Disparities specific to the population living with a disability.** Nine percent of the population in Daly City are living with at least one disability, compared to 8 percent in the county. The most common disabilities in the city are ambulatory (5.3 percent), independent living (4.4 percent), and cognitive (2.9 percent). The spatial distribution of Daly City residents with a disability is shown earlier in **Figure HE-7.**

#### Disability

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

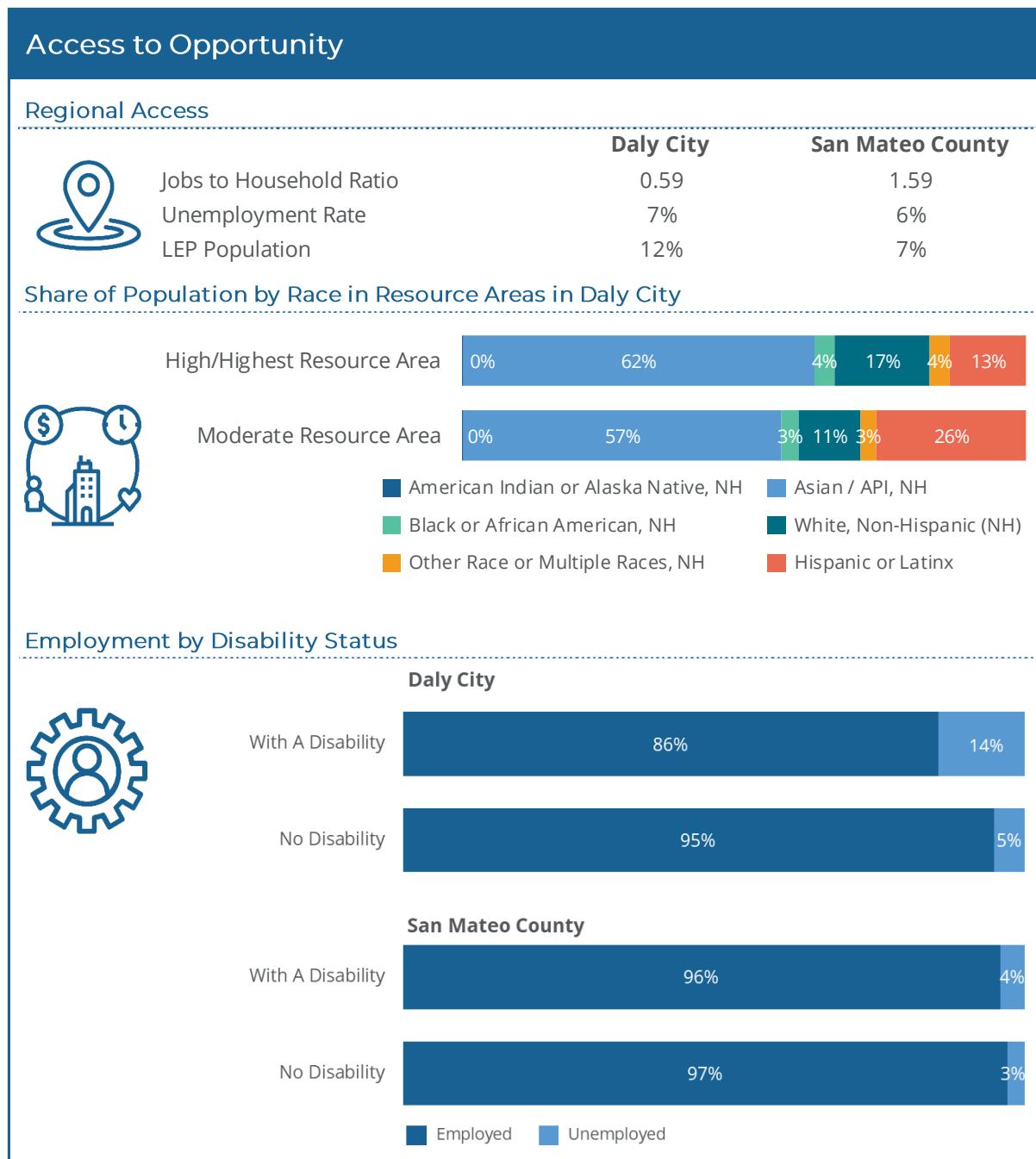
**For the population 65 and over, the share of the population with an ambulatory or independent living difficulty increases.** As mentioned above under access to transportation, San Mateo County is rapidly aging, therefore this population with a disability is likely to increase.

**Unemployment is disproportionately high among residents living with a disability—14.0 percent compared to 5.0 percent for residents without a disability in Daly City—particularly when compared to the county where the disparity is not as high. Countywide, the unemployment rate for residents with a disability is 4.0 percent, compared to 3.0 percent for residents without a disability.** High unemployment rates among this population point to a need for increased services and resources to connect this population with employment opportunities.

Residents living with a disability are primarily concentrated geographically along the I-280 corridor. This is likely due to increased transportation access and access to support services.

<sup>18</sup> <https://oehha.ca.gov/calenviroscreen/sb535>

**Figure HE-16: Access to Opportunity**



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

### Disparate Housing Needs

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

## Disproportionate Housing Needs

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

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

**Housing needs.** Since 2000, population growth in Daly City has generally aligned with the Bay Area but lagged behind the county. Daly City experienced its most significant loss in population during the Great Recession. **Population growth slowed again from 2019 to 2020, likely due to the emergence of the COVID-19 pandemic.**

Since 2015, **the housing that has received permits to accommodate growth has largely been priced for above moderate-income households**, with 359 units permitted for above moderate-income households. **However, the city has also issued nearly 300 permits for low-income housing.** Additionally, the city has permitted 132 permits for moderate-income housing and 59 permits for very low-income housing. The Housing Needs Data Report for Daly City indicates new construction has not kept pace with demand throughout the Bay Area, “resulting in longer commutes, increasing prices, and exacerbating issues of displacement and homelessness.”<sup>19</sup>

The variety of housing types available in the city in 2020 are predominantly single family (62.0 percent) and medium- or large-scale multifamily (24.0 percent). From 2010 to 2020, the multifamily inventory increased more than single family, and the city has a greater share of multifamily housing compared to other communities in the region.<sup>20</sup>

Nearly 70.0 percent of the housing inventory in Daly City was constructed from 1940 to 1979. As such, the city's units are older, lack energy efficiency, could be costly to adapt for disability accessibility, and may have deferred maintenance if households cannot afford to make improvements.

Compared to San Mateo County, the city's owner-occupied housing market has a smaller share of units priced between \$1 and \$1.5 million—14.0 percent of units in the city fall within this price range compared to 23.0 percent in the county. Similarly, units priced above \$2 million make up less than 1.0 percent of the city's housing stock compared to 19.0 percent in the county. According to the Zillow home value index, home prices have experienced significant increases in the county.

Rents have increased at a slower pace compared to the for-sale market—however, median rents increased more rapidly from 2017 to 2019. Rent increases have likely been dampened by the COVID-19 pandemic. Compared to the county, **Daly City has fewer luxury rental units**—12.0 percent of units rent for more than \$3,000 in the city compared to 22.0 percent in the county.

**Cost burden and severe cost burden.** **Close to half of all renter households in Daly City are cost burdened**, spending more than 30.0 percent of their gross income on housing costs, and one in five are extremely cost burdened, spending more than 50.0 percent of their gross income on housing costs. Cost burdened

<sup>19</sup> Housing Needs Data Report: Daly City, ABAG/MTC Staff and Baird + Driskell Community Planning, 2021.

<sup>20</sup> Housing Needs Data Report: Daly City, ABAG/MTC Staff and Baird + Driskell Community Planning, 2021.

households have less money to spend on other essentials like groceries, transportation, education, healthcare, and childcare. Extremely cost burdened households are considered at risk for homelessness.

A greater portion of households in Daly City (42.0 percent) struggle with cost burden compared to the county (37.0 percent). Lower-income households are more likely to experience housing cost burden. Two-thirds of households earning less than 30.0 percent AMI—considered extremely low-income households—are severely cost burdened, compared to less than 1.0 percent of households earning more than 100.0 percent of AMI.

There are **disparities in housing cost burden in Daly City by race and ethnicity and family size**. Black or African American (54.0 percent) and Hispanic households (49.0 percent) experience the highest rates of cost burden in the city. Non-Hispanic White (36.0 percent cost burdened) and both Asian and other/multiple race households (39.0 percent) experience the lowest cost burden.

Large family households—considered households with five or more persons—experience less cost burden, at a rate of 36.0 percent compared to all other households at 42.0 percent. Cost burdened renter households are primarily concentrated west of I-280 and in the northeast part of the city, just north of San Bruno Mountain State Park.

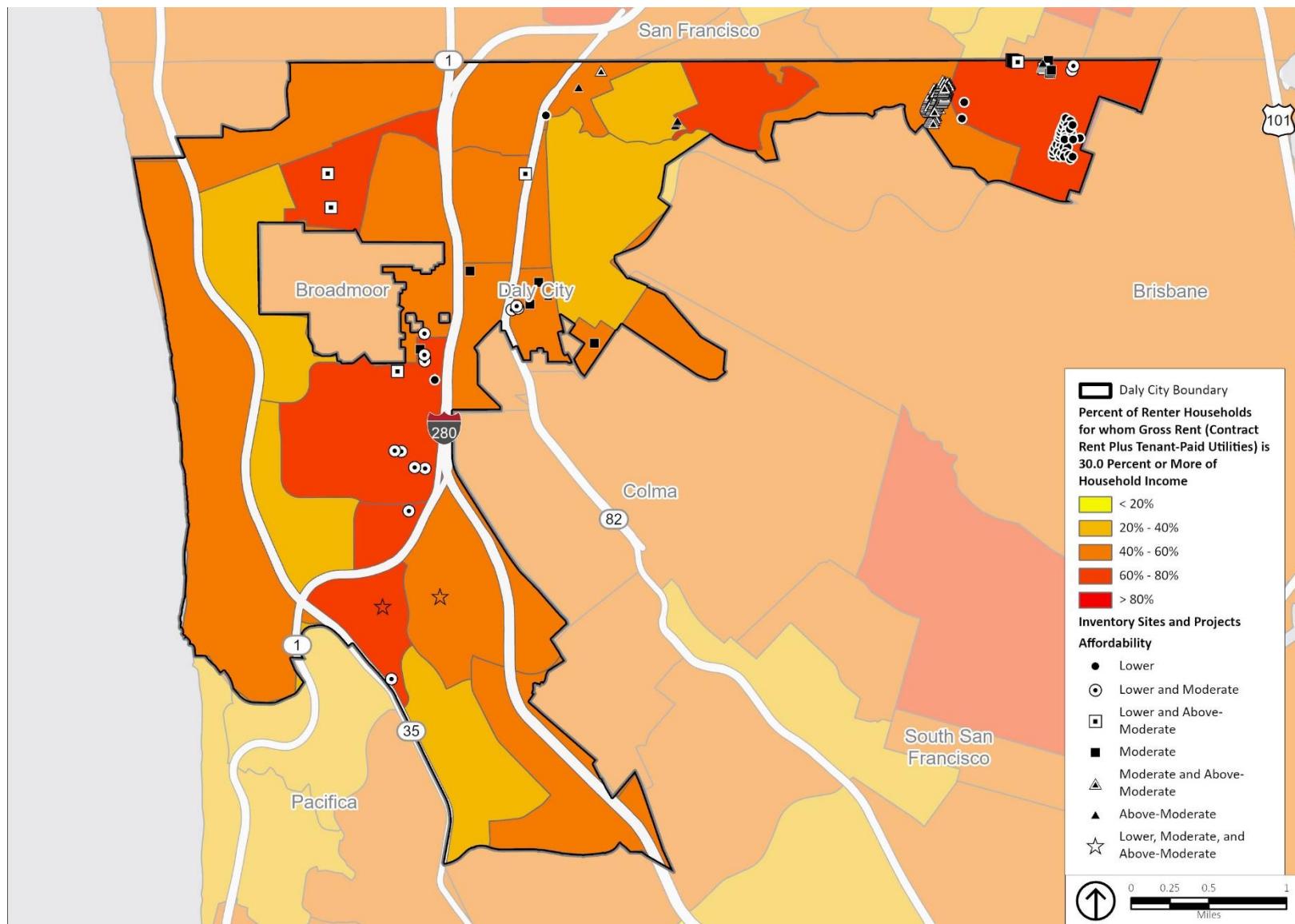
**Figure HE-17** demonstrates the distribution of overpayment by renters for tracts throughout Daly City. While renters throughout the city experience housing cost burden, overpayment by renters is more severe in the Westlake Center (63.0 percent) and Campus Drive Serramonte (66.2 percent) neighborhoods, which correspond to the highest proportion of renter-occupied units in the city (at 95.0 and 82.9 percent of households respectively) as well as the highest rates of poverty and very low median incomes, between \$57,275 and \$71,186. In the Original Daly City and Hillside neighborhoods, 74.6 percent of households are renters and 55.4 percent are cost burdened, with median incomes in the very low-income range between \$69,261 and \$80,284. Additionally, although a lower proportion of households in the Westmoor Park and St. Francis neighborhoods are renters (39.2 percent), 61.6 percent pay more than 30 percent of their income toward housing costs. Median incomes range between very low in the neighborhood between Southgate Avenue and Cabrillo Highway (SR-1) adjacent to Serramonte Center, to low in the St. Francis neighborhood, with between 10.4 percent and 11.6 percent of the population earning incomes below the poverty level.

Similar overpayment conditions are found in the Bayshore Heights neighborhood, where 44.9 percent of households are renters, the median income is considered very low, and 66.3 percent of renters overpay for housing. Within the Southern Hills neighborhood, only a small proportion of households (17.0 percent) are renters and, although the median income is in the moderate category (\$130,625), the majority of renters (65.8 percent) are cost burdened. In addition, in the west Hillside/Citrus Avenue and Merced Extension Triangle neighborhoods, where renters comprise between 44.0 and 50.7 percent of the households, an average of 46.0 percent of renters are cost burdened. These areas with high renter overpayment generally coincide with rates of overcrowding above 15.0 percent, with the exception of the Mission Hills neighborhood, which has a very low rate of overcrowding. Compared to neighboring cities in the county, renter occupants in Daly City experience housing cost burden at similar rates.

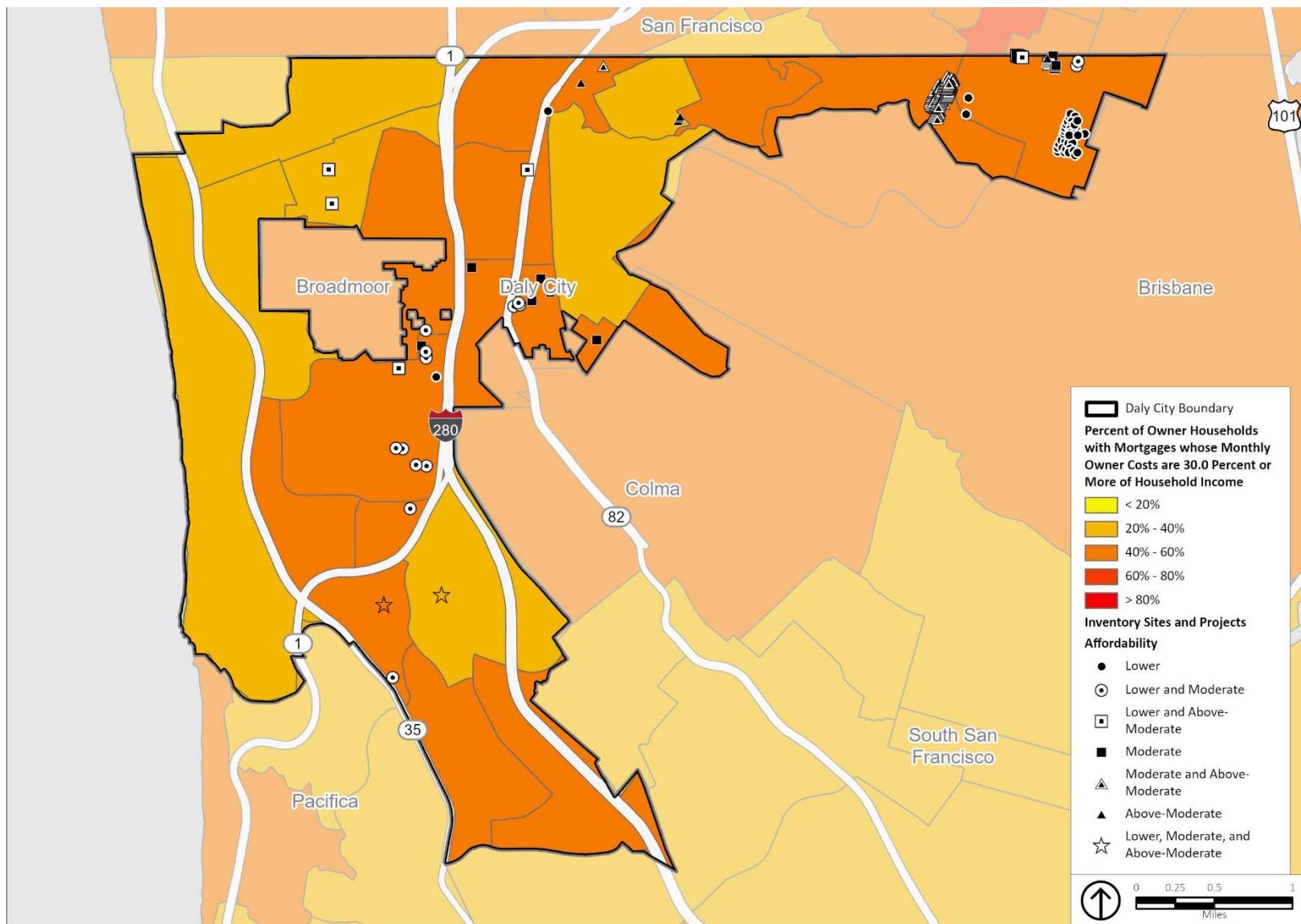
**Figure HE-18** shows the distribution of homeowners in Daly City paying more than 30 percent of their income on housing. The intensity of housing cost burdens for homeowners is comparable to that of renters, with the majority of the city seeing homeowner overpayment rates between 40.0 and 60.0 percent. However, within the neighborhoods west of Skyline Boulevard, and north of John Daly Boulevard from the coast to the junction of SR 1 and I-280, homeowner cost burden is below 40.0 percent, correlating with predominantly single-family development, homeowner rates above 70.0 percent, moderate to above moderate median incomes, and the highest concentration of White non-Hispanic residents in the city. This area also has poverty rates between 15.0 percent and 30.0 percent, and although homeowner

overpayment is relatively low, 50.0 percent of the small proportion of renters in these neighborhoods are cost burdened. Homeowner overpayment below 40.0 percent is also found in the Hillside Park neighborhood and the Crocker neighborhood in the vicinity of Lincoln Park, with moderate incomes and a larger proportion of Asian residents. Renters, while comprising less than 30 percent of the households in these neighborhoods, experience overpayment at similar rates. However, unlike the western area of the city, between 15.0 to 16.5 percent of households in these neighborhoods are overcrowded, which could indicate that families or household members are doubling up in order to afford their housing. Cost burden by homeownership is slightly more apparent in Daly City compared to neighboring cities such as San Carlos, Menlo Park, Redwood City, and East Palo Alto. It should also be mentioned that even in areas previously identified as being of higher income levels (upwards of \$125,000), residents throughout the city still experience cost burdens regardless of occupancy type and income.

Figure HE-17: Renter Overpayment



**Figure HE-18: Owner Overpayment**



Source: ACS, 2015-2019

**Overcrowding.** In response to a disparity between household income and housing costs in a community, some households may not be able to buy or rent housing that provides a reasonable level of privacy and space. According to both California and federal standards, a housing unit is considered overcrowded if it is occupied by more than one person per room (excluding kitchens, bathrooms, and halls).

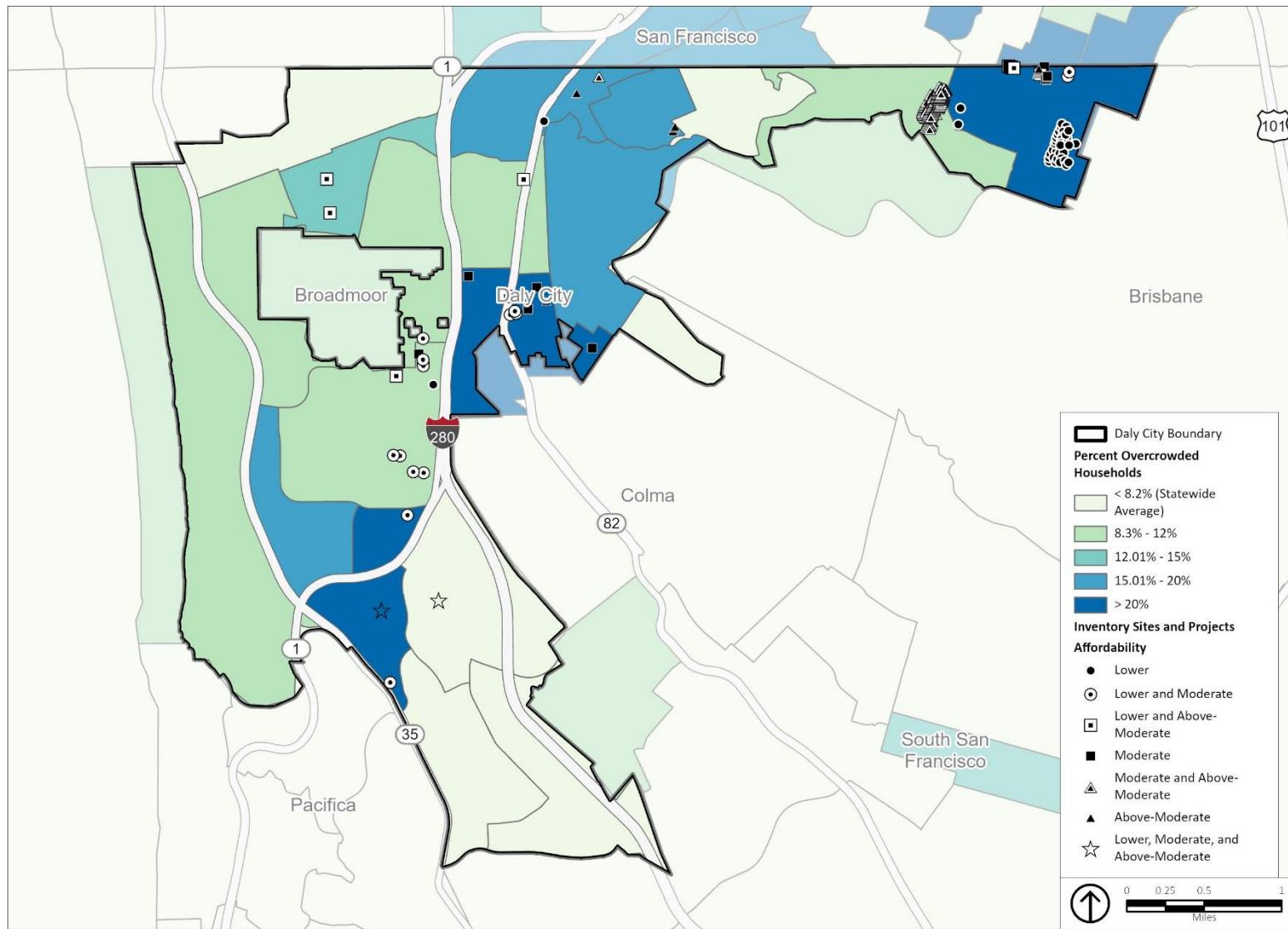
Fourteen percent of households in Daly City are overcrowded, compared with only 8.0 percent in the county. However, renter households are more likely to be overcrowded, with nearly 22.0 percent of households with more than one occupant per room compared to 8.0 percent of owner households.

As demonstrated in **Figure HE-19**, overcrowded households in Daly City are concentrated in the Westlake Shopping Center neighborhood (14.5 percent), southern St. Francis/Campus Drive and Serramonte (each at 27.9 percent), a portion of the Westmont neighborhood south of Westmoor Avenue and west of Skyline Boulevard (16.8 percent), northern Crocker (16.5 percent), Daly City BART (15.6 percent), Hillside/Pacific Pointe (15.1 percent), and Original Daly City (22.4 percent) neighborhoods. The majority of these areas have lower median incomes (**Figure HE-9, Median Household Income**) and are predominantly non-White with an Asian majority and an average of 30.0 percent Hispanic residents (**Figure HE-6, Percentage of Population Non-White**). These areas also experience higher levels of housing cost burden (**Figure HE-18, Overpayment by Homeowners**, and **Figure HE-17, Overpayment by Renters**) for both homeowners and renters, and in the northern and Westlake neighborhoods, a higher incidence of children in single female-headed households. It is likely that residents live in these areas due to the low cost of housing compared to other parts of the region or, conversely, as a result of a shortage of units to accommodate households at appropriate sizes and within their price range.

Regionally, Daly City, as well as other cities such as San Mateo, Redwood City, and East Palo Alto, has a relatively high percentage of overcrowded households in comparison to the county as a whole.

**Racial and ethnic minorities are more likely than non-Hispanic White households to experience overcrowding.** Hispanic (21 percent), Other/Multiple race (20 percent), and Asian (16 percent) households experience the highest rates of overcrowding. Low- and moderate-income households are also more likely to be overcrowded.

**Figure HE-19: Rate of Overcrowding**



**Displacement.** Owner households generally enjoy greater housing stability than renter households, which are more mobile. In Daly City, **21 percent of income-assisted rental units are at high or very high risk for conversion to market rate**, a total of 112 out of 528 total units in the city. In San Mateo County, 417 units are at risk—8 percent of the total assisted housing units in the county. Source: <https://www.sensitivecommunities.org/>.

### **Displacement Sensitive Communities**

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

- “They currently have populations vulnerable to displacement in the event of increased redevelopment and drastic shifts in housing cost. Vulnerability is defined as:
  - “Share of very low-income residents is above 20 percent

AND

- “The tract meets two of the following criteria:
  - “Share of renters is above 40 percent
  - “Share of people of color is above 50 percent
  - “Share of very low-income households (50 percent AMI or below) that are severely rent burdened households is above the county median
  - “They or areas in close proximity have been experiencing displacement pressures. Displacement pressure is defined as:
    - “Percent change in rent above county median for rent increases, 2014-2020

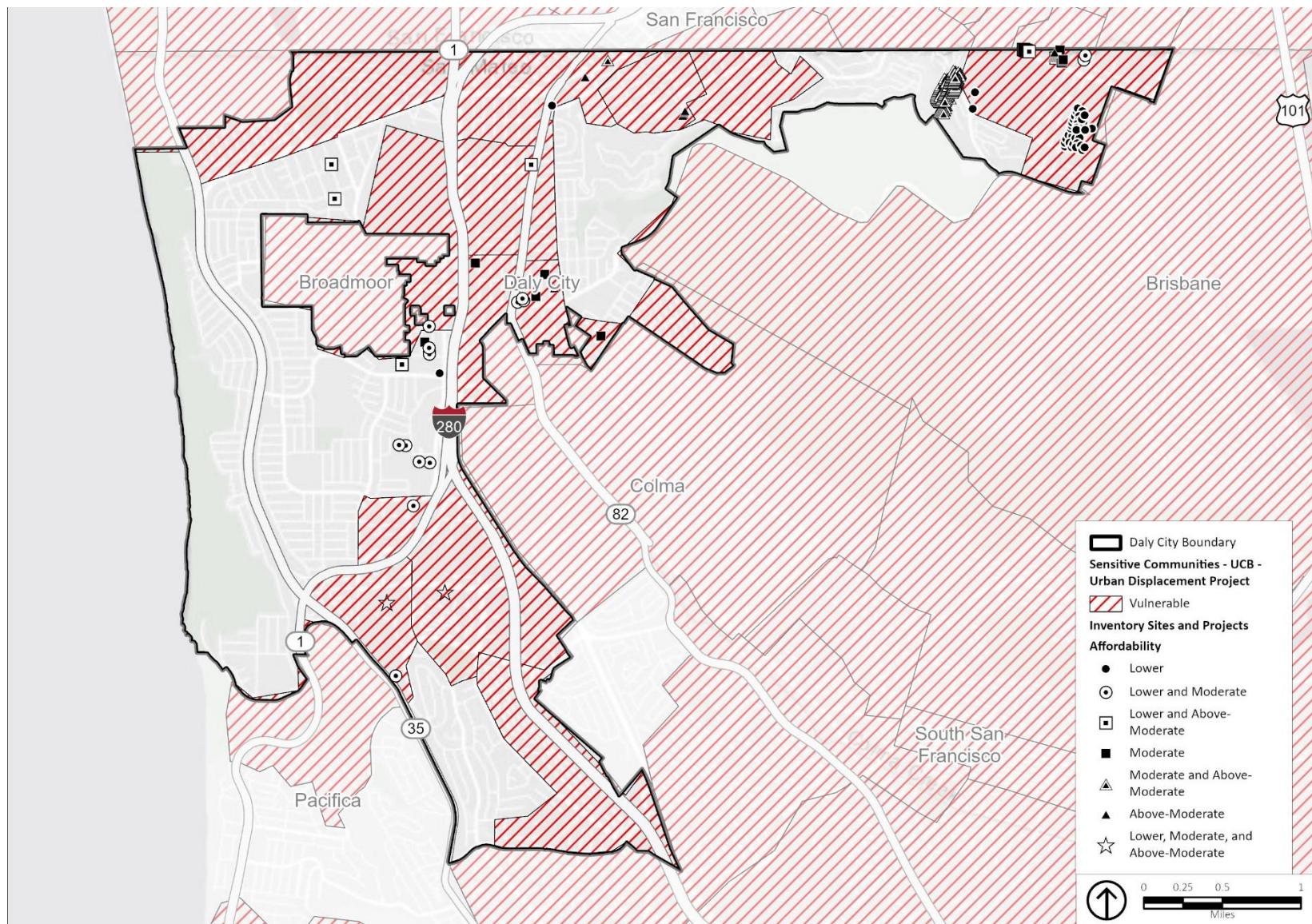
“OR

- “Difference between tract median rent and median rent for surrounding tracts above median for all tracts in county (rent gap)”

Residents of 11 census tracts in the city are vulnerable to displacement—these same tracts generally have higher shares of renter households (**Figure HE-20**). Displacement risk is not attributed to flood hazard; outside of minimal areas adjacent to the Pacific Ocean and the BART Colma Station, **there are no areas in Daly City that are included in the Special Flood Hazard Areas determined by the Federal Emergency Management Agency (FEMA) as having a 1.0 percent chance of flooding annually**.

To address various potential causes for displacement, the Housing Element includes **Task 8.1** which will protect renters from displacement caused by condominium conversions using federal, state, and local funds as available. The City will also leverage available funding to encourage the production of affordable housing and will provide technical assistance as part of **Task 9.1**. The City will continue to provide fair housing services and education to tenants and landowners to prevent housing discrimination as part of **Tasks 15.1 and 15.2**. The City will also continue to operate and support the Housing Assistance Program as part of **Task 16.1** to provide emergency financial assistance grants to eligible lower-income families, seniors, and persons with disabilities to cover housing-related emergencies.

**Figure HE-20: Communities Vulnerable to Displacement**



Source: UCB Urban Displacement Project, 2021

**Substandard housing.** Substandard housing is housing that poses a risk to the health, safety, and/or physical well-being of residents. When looking at the age of the housing stock, particularly for rental units that often require larger investment to maintain, the oldest units are located in the northern portion of the city, in the Southern Hills, Daly City BART, and Westlake Park neighborhoods. Of these neighborhoods, Daly City BART has the lowest median income (\$76,413 to \$ 96,691) and the highest percentage of rental units built prior to 1949. Therefore, the City has identified **Task HE 14.3** to provide rehabilitation assistance loans and target outreach regarding rehabilitation assistance in this neighborhood, and any others where there is identified rehabilitation need.

Additional data on housing condition is very limited, with the most consistent data available across jurisdictions found in the American Community Survey (ACS)—which captures units in substandard condition as self-reported in census surveys. In Daly City, renter households are more likely to have substandard kitchen and plumbing facilities compared to owner households. Generally, a low share of households are lacking kitchen or plumbing. For renters, 1.6 percent are lacking kitchen facilities while less than 1 percent are lacking plumbing. For owners, less than 1 percent are lacking either kitchen or plumbing facilities.

Through **Task 14.3** the City will continue to provide CDBG-funded residential rehabilitation loans to eligible low-income homeowners and rental property owners. Additionally, as part of **Task 23.2** the City will develop a funding source to offer loans to residents and developers that invest in solar electric, solar hot water, wind, and/or other clean energy systems.

**Homelessness.** In 2022, 1,808 people were experiencing homelessness in the county, an increase of 191 persons from 2019—39.6 percent of people were in emergency or transitional shelter and the remaining 60.4 percent were unsheltered. The majority of unsheltered people experiencing homelessness were in households without children (91.2 percent). Of the households with children, 82.0 percent were residing in an emergency shelter or transitional housing; the remainder were unsheltered persons living in safe parking areas or in their vehicle.

The majority of people in adult-only households were unsheltered (72.0 percent), aged 25 or older (96.0 percent), male (73.0 percent), non-Hispanic/non-Latin (56.0 percent), White (63.0 percent), and were not considered chronic homeless (55.0 percent). **Populations that were overrepresented in the homeless population compared to the general population include residents that identify as American Indian or Alaskan Native (5.0 percent of the homeless population compared to less than 1.0 percent of general population), Black (19.0 percent of homeless, 3.0 percent of total population), White (61.0 percent of homeless, 54.0 percent of total population), and Hispanic (47.0 percent of homeless percent, 25.0 percent of population).** People struggling with chronic substance abuse (18.9 percent), severe mental illness (28.0 percent), and domestic violence (6.7 percent) represented a substantial share of the homeless population in 2022.

To better understand the impacts of the COVID-19 pandemic on homelessness, the survey administered to people experiencing unsheltered homelessness were asked whether the COVID-19 pandemic was the cause of homelessness and about their vaccination status. Among those surveyed, 15.0 percent reported that the COVID-19 pandemic caused them to become homeless. Of this subset of the population, the most common causes were loss of job (44.0 percent), eviction (10.0 percent), having their rent raised (5.0 percent), and having their work hours reduced (5.0 percent).

In Daly City in 2022, 49 unsheltered persons were counted, a decrease from 66 in 2019. The total number of sheltered homeless residents from Daly City is not included in the 2022 Point in Time count. While Daly City's population represents 14 percent of the total county, only 4.0 percent of the unsheltered population were present in the city. Demographic information is not available at the city level; however, it is reasonable to conclude that persons experiencing homelessness share similar demographics with those

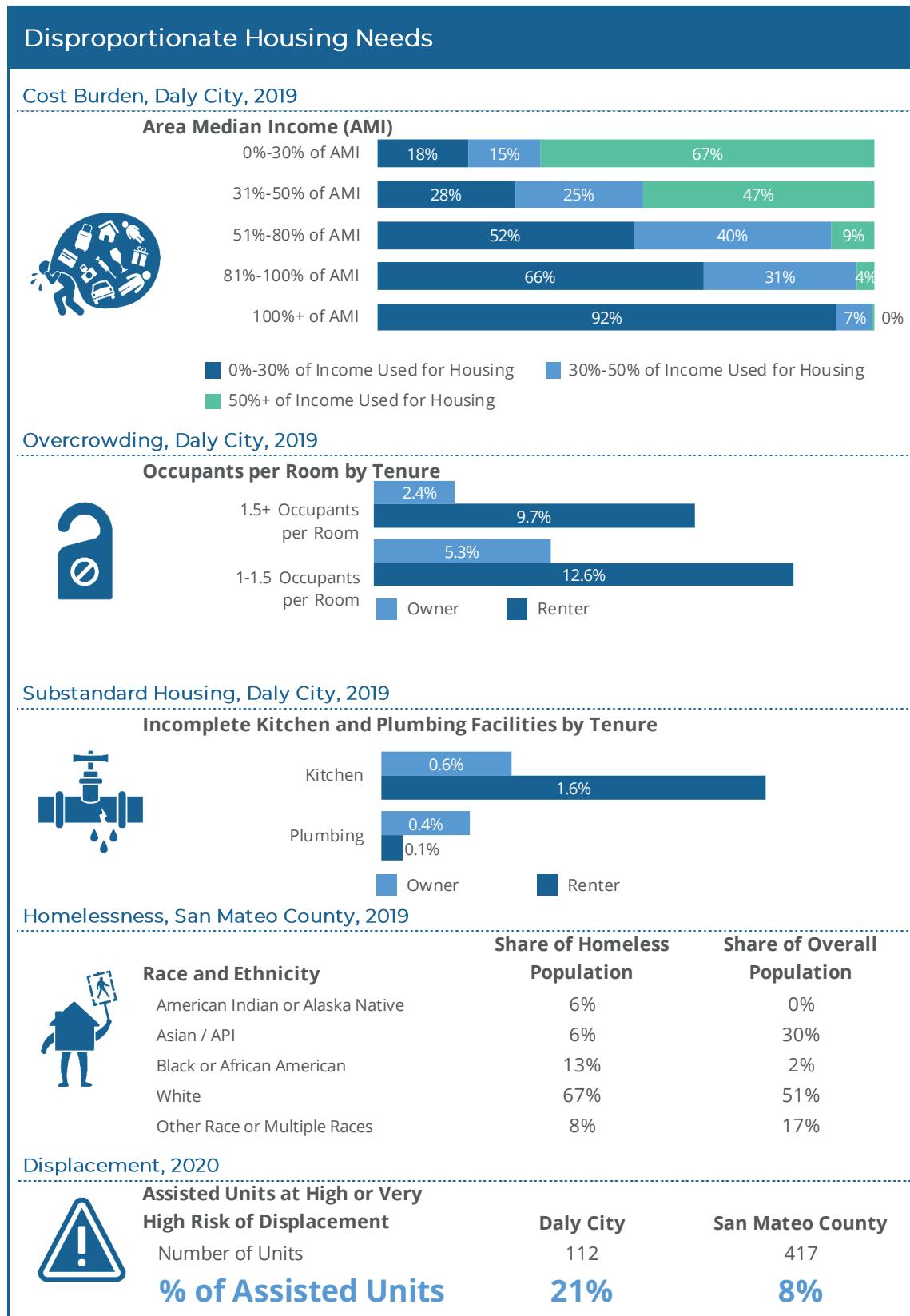
who are living in poverty and/or face severe cost burden. In Daly City, the highest rates of poverty were among Black residents (13.3 percent), American Indian residents (10.8 percent), and Other or Multiple races, including Hispanic and non-Hispanic (10.3 percent).

In Daly City, areas where homeless community members are frequently noticed are generally concentrated around Mission Plaza, Westlake Shopping Center, in front of the Walgreens on San Pedro Road, and around the bus turnaround at Top-of-the-Hill (Mission Street and John Daly Boulevard). Each of these locations is within easy walking access to transit, connecting homeless residents to services and resources they may need throughout the city and the Bay Area. Services in Daly City for homeless residents include Family Crossroads and the Daly City Community Service Center. Family Crossroads is operated by LifeMoves, a nonprofit organization aiding homeless individuals transition to stable housing. The facility is located in the Daly City BART neighborhood and provides interim housing for 15 families experiencing homelessness. The Daly City Community Service Center is located in the Broadmoor neighborhood and is one of eight core San Mateo County agencies that addresses homelessness and provides services for the population. The Center offers case management and safety net services, including rent and utility assistance, food pantry and distribution, shelter referrals, Diaper Club Program, clothing, toiletries, and household items support. All services provided by the Center are available in English, Spanish, Tagalog, Cantonese, and Mandarin.

The City will continue **Policy 19** and make referrals to home-sharing programs which can provide essential housing to those at risk of homelessness. The City will also adopt management standards for emergency shelters as part of **Task 13.1**. To ensure sufficient local shelter for those experiencing homelessness, the City will revise its zoning code to permit Transitional and Supportive Housing in compliance with State Law through **Task 13.3** and will additionally define and permit the development of low-barrier navigation centers in **Task 13.2**.

**Access to mortgage loans. Disparities by race and ethnicity are also prevalent for home mortgage applications, particularly in denial rates. Hispanic (38 percent denial rate) and Black or African American (36 percent) had the highest denial rates for mortgage loan applications in 2018 and 2019. Conversely, non-Hispanic White (22 percent) and both American Indian or Alaska Native and Asian (25 percent) households have the lowest denial rates during the same time.**

**Figure HE-21: Disproportionate Housing Needs**



## Other Relevant Factors

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

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

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

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

Daly City is notable for its relatively small lot sizes—spurred by the development of affordable homes to accommodate demand in the post-World War II housing boom. As such, the city has been accommodating “missing middle” housing demand for many decades and continues to serve as a provider of missing-middle ownership housing for the greater region.<sup>21</sup>

Still, while Daly City was unique in providing homes to returning vets, public- and private-sector regulations and actions prevented purchases of those homes by buyers of color, including returning veterans. Daly City's Westlake neighborhood was financed with Federal Housing Administration guarantees that carried covenants that prevented homes from being sold to non-Whites. Recorded deeds specified that only “members of the Caucasian or White race shall be permitted” to occupy sold homes—the exception being “domestics ... employ[ed] on the premises.”<sup>22</sup> Daly City neighborhoods that did not carry such covenants were racially and ethnically diverse, and sales were made to persons of color to

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

<sup>21</sup> <https://www.kqed.org/news/11882379/how-daly-city-became-one-of-the-most-densely-populated-cities-in-the-country>

<sup>22</sup> Rothstein, Richard, *The Color of Law: A Forgotten History of How Our Government Segregated America*, 2017.

accommodate workforce needs.<sup>23</sup> This history explains Daly City's relative diversity, which has been maintained over time, as discussed previously.

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

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

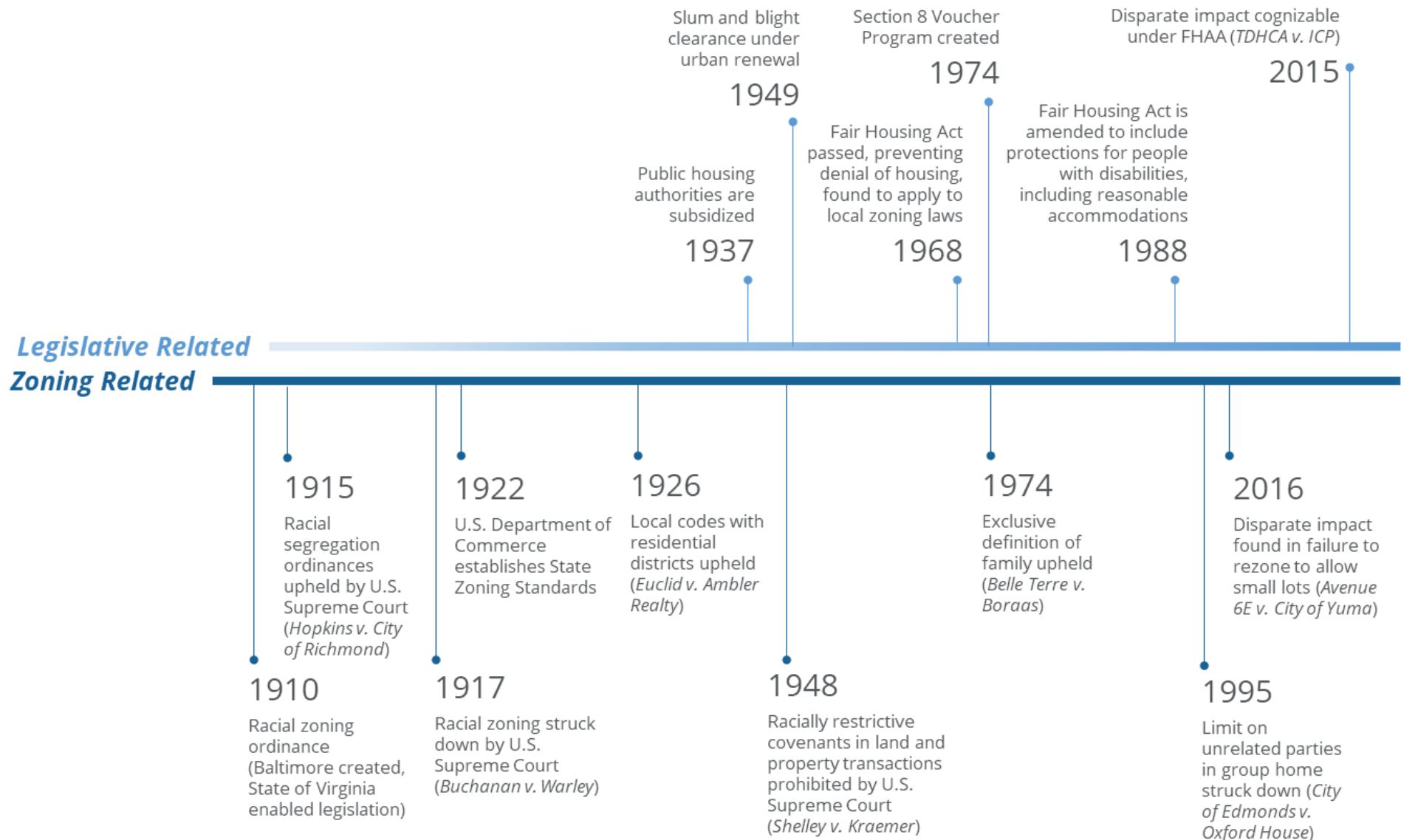
The following timeline displays major federal acts and court decisions related to fair housing choice and zoning and land use (**Figure HE-22**). As shown in the timeline, exclusive zoning practices were common in the early 1900s. Courts struck down only the most discriminatory and allowed those that would be considered today to have a "disparate impact" on classes protected by the Fair Housing Act. For example, the 1926 case *Village of Euclid v. Amber Realty Co.* (272 U.S. 365) supported the segregation of residential, business, and industrial uses, justifying separation by characterizing apartment buildings as "mere parasite(s)" with the potential to "utterly destroy" the character and desirability of neighborhoods. At that time, multifamily apartments were the only housing options for people of color, including immigrants.

The Federal Fair Housing Act was not enacted until 1968, nearly 60 years after the first racial zoning ordinances appeared in U.S. cities. This coincided with a shift away from federal control over low-income housing toward locally tailored approaches (block grants) and market-oriented choice (Section 8 subsidies)—the latter of which is only effective when adequate affordable rental units are available.

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<sup>23</sup> <https://www.kqed.org/news/11883382/in-daly-city-the-bayanihan-spirit-is-alive-and-well>

**Figure HE-22: Major Public and Legal Actions That Influence Fair Access to Housing**



**Zoning and land use.** Though exclusive and discriminatory zoning is no longer legal, current land use and zoning patterns influence neighborhood demographics, access to opportunities, and more.

The Othering & Belonging Institute, a UC Berkeley research center, published a report in 2020 analyzing the characteristics of communities in the Bay Area in relation to the proportion of single-family zoning. The research findings identified that in San Mateo County and across the Bay Area regionally, residents of cities with high levels of single-family zoning have greater access to resources, resulting in positive life outcomes. Predominance of single-family zoning aligned with higher median incomes, higher home values, more-proficient schools, and other factors that are similarly associated with the highest-resource designation in the TCAC/HCD opportunity maps. Single-family zoning predominates residential areas in the Bay Area; the average proportion of residential land zoned exclusively for single-family housing in Bay Area jurisdictions was found to be 85.0 percent. Only in two jurisdictions of the 101 surveyed (Benicia and Suisun City) did single-family zoning make up less than 40.0 percent of the jurisdiction's land area. However, access to high quality resources was greatest in jurisdictions with at least 90.0 percent of the land area designated to single-family zoning.

During the study, it was assessed that 89 percent of residentially zoned land in Daly City was zoned exclusively for single-family housing, putting it in the top 30.0 percent of jurisdictions in the Bay Area based on percentage of exclusively single-family land. All jurisdictions that had 80.0 to 89.0 percent of their land designated for single-family housing were considered moderately exclusive. In 2020, approximately 62.3 percent of Daly City's housing stock consisted of single-family homes. Of the remaining units, 24.4 percent were multifamily units in structures with five or more units, 11.6 percent were in duplex to fourplex structures, and 1.6 percent were mobile homes. While single-family zoning can create highly desirable places to live, higher entry costs associated with this housing type can pose a barrier to access for low- and moderate-income households, restricting access to economic, educational, and other opportunities that are available in higher-resource communities.

In Daly City, the R-3, R-4, and BMR zones permit higher density multifamily housing and are scattered throughout the city, though with concentrations along Mission Street and Highway 1/ Cabrillo and surrounding the Westlake Shopping Center and Serramonte Center. As described throughout this Assessment of Fair Housing, these areas tend to have more indicators of fair housing concerns, such as lower median incomes, higher rates of poverty, higher rates of overcrowding, and more. While multifamily offers valuable housing opportunities for lower- and moderate-income households, the limited and concentrated supply of suitably zoned land may result in patterns of income segregation. To combat this potential fair housing issue, the City has identified **Tasks 1.1 through 1.4** which will create new opportunities for dense housing development in the C-MU zone. As part of **Task 3.1**, the City will allow reductions in parking requirements for large housing projects near transit, which can lower the cost of construction and cost of living for residents. The City will define and permit single-room occupancy units, which can be more affordable to extremely low income households, as part of **Task 18.3**. Through **Task 1.5**, the City will amend the zoning code such that two commercial zones will permit mixed-use development by-right. The City will also encourage the development of ADUs through **Task 5.1**, which can be an affordable housing type for lower-income households.

### **Public Investment Patterns**

Public and private investment typically includes construction, maintenance, and improvements to public facilities, including infrastructure, acquisition of land, and major equipment. Historically, investment in the City of Daly City has been prioritized based on need and available funding, which has prevented disinvestment in any particular area of the city. However, any infrastructure or facilities in need of improvement are identified for investment in the City's 5-year Capital Improvement Plan (CIP). The CIP is funded from a variety of sources that can each be used for specific purposes. These funds are allocated to improve roadways and other transportation infrastructure, public utility infrastructure, complete

downtown projects, support affordable development, maintain parks, and other projects. Recent and upcoming projects include, but are not limited to:

- Affordable Housing:
  - 493 Eastmoor: 71-unit affordable housing project in pre-development (2023).
  - 3001 Geneva: 6 affordable townhomes developed by Habitat for Humanity. Construction completed in Spring 2022.
- Park improvements in the Bayshore neighborhood, including Bayshore Park, Bayshore Heights Park, and Linda Vista Retention Basin. This is a lower-income neighborhood with a moderate to high rate of children in single-parent, female-headed households.
- Street improvements including crosswalk and streetlight enhancements citywide to promote pedestrian safety and accessibility for all residents and visitors.

Priority is based on projects that will result in the greatest community benefit, mitigate existing issues, and address public demand and need, focusing on creating more public facilities, public safety, and recreational amenities for residents of the city. While there has not been any disproportionate investment to date, or conversely, disinvestment in any particular area of the city; the Community Development Department prioritizes use of CDBG funding for lower-income census tracts to facilitate place-based revitalization and equitable access to city amenities.

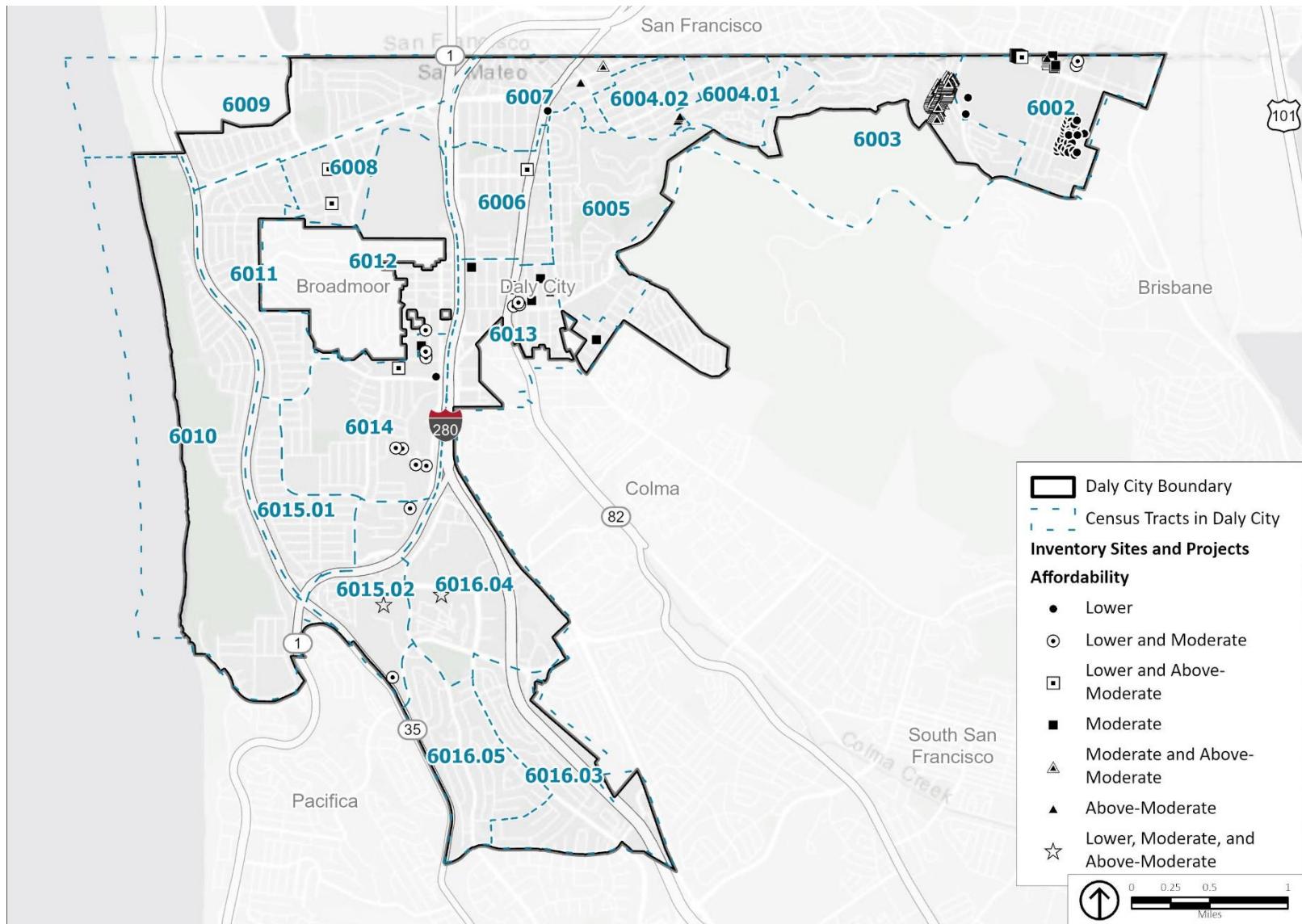
## Site Inventory Analysis

Assembly Bill (AB) 686 requires that all housing elements due on or after January 1, 2021, contain an Assessment of Fair Housing (AFH) consistent with the core elements of the analysis required by the federal Affirmatively Furthering Fair Housing (AFFH) Final Rule of July 16, 2015. Under California law, AFFH means “taking meaningful actions, in addition to combating discrimination, that overcome patterns of segregation and foster inclusive communities free from barriers that restrict access to opportunity based on protected characteristics.”

This section includes an analysis of the Housing Element's sites inventory as compared with fair housing factors. The location of housing in relation to resources and opportunities is integral to addressing disparities in housing needs and opportunity and to fostering inclusive communities where all residents have access to opportunity. This is particularly important for lower-income households. AB 686 added a new requirement for housing elements to analyze the distribution of projected units by income category and access to high resource areas and other fair housing indicators compared to citywide patterns to understand how the projected locations of units will affirmatively further fair housing. These demographic patterns will be analyzed at the census-tract level; **Figure HE-23** shows Daly City's census tracts along with the RHNA sites inventory organized by the income levels accommodated by each site.

It is worth noting that while these factors are discussed in terms of the expected income level that each unit is expected to accommodate, many projects and sites in the inventory are expected to develop with mixed-income housing, which will help to mitigate any potential over-concentration of lower-income sites within any one area of the city.

Figure HE-23: Daly City Census Tracts



Source: US Census (2010 Decennial)

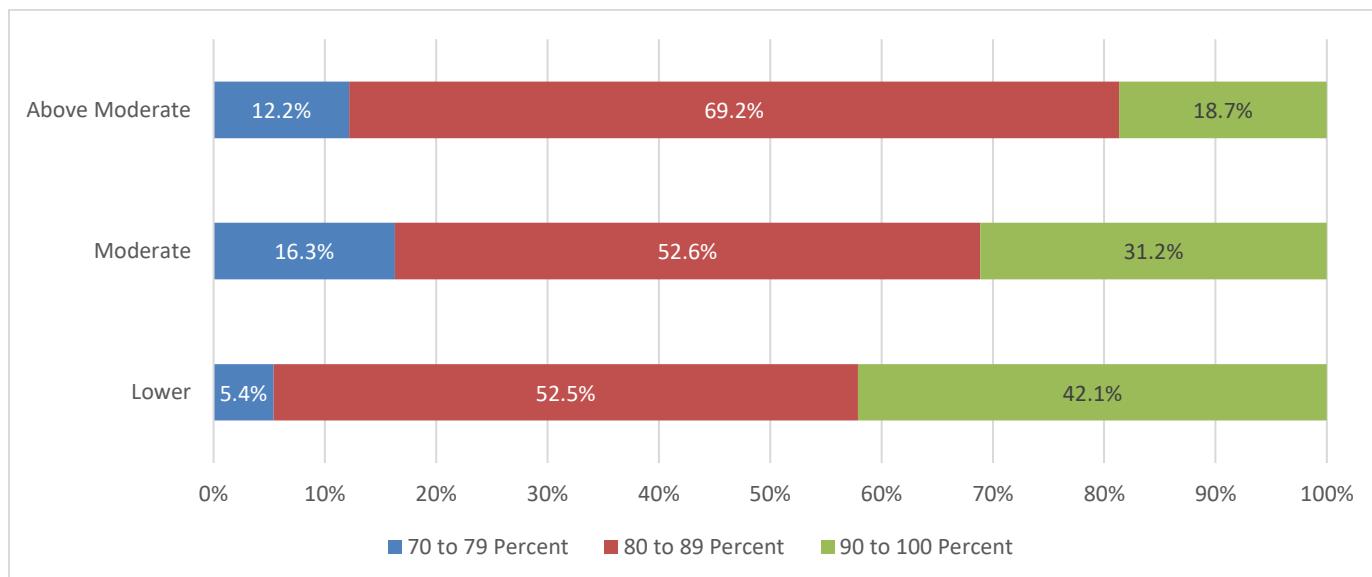
## Race and Ethnicity

As is shown in **Figure HE-24**, all of the RHNA inventory sites are within census tracts where the population is at least 75 percent non-white. However, this is not reflective of segregation within the inventory sites, but instead of a higher concentration of non-white residents in the city overall. As shown in **Figure HE-24**, distribution of non-white residents is fairly even throughout the city.

Among lower-income inventory units, the second-highest percentage (42.1 percent) are in areas of the city where 90 percent or more of the population is non-white. The majority of lower-income units (52.5 percent) are within census tracts where 80 to 90 percent of the population is non-white. By comparison, while only 18.7 of the above moderate-income inventory units are expected to develop in areas where 90 percent of the population or more identify as non-white, 69.2 percent of above moderate-income units are expected to develop in areas where 80 to 89 percent of the population identifies as non-white. For the remaining inventory units, a lower percentage of the lower-income units than above moderate-income units are in areas with lower concentrations of non-white residents (5.4 percent and 12.2 percent of units, respectively). While higher-income units are better-represented in the areas with the lowest concentration of non-white community members, this is not the predominant location for above moderate-income units.

Just over half of moderate-income units in the inventory are estimated to develop in areas where 80 to 89 percent of the population is non-white. The smallest percentage of moderate-income units, 16.3 percent, are inventoried in areas where 70 to 79 percent of the population is non-white, and the remaining 31.2 percent are inventoried in areas where 90 or more percent of the population is non-white.

**Figure HE-24: Percentage of the Population Non-White**



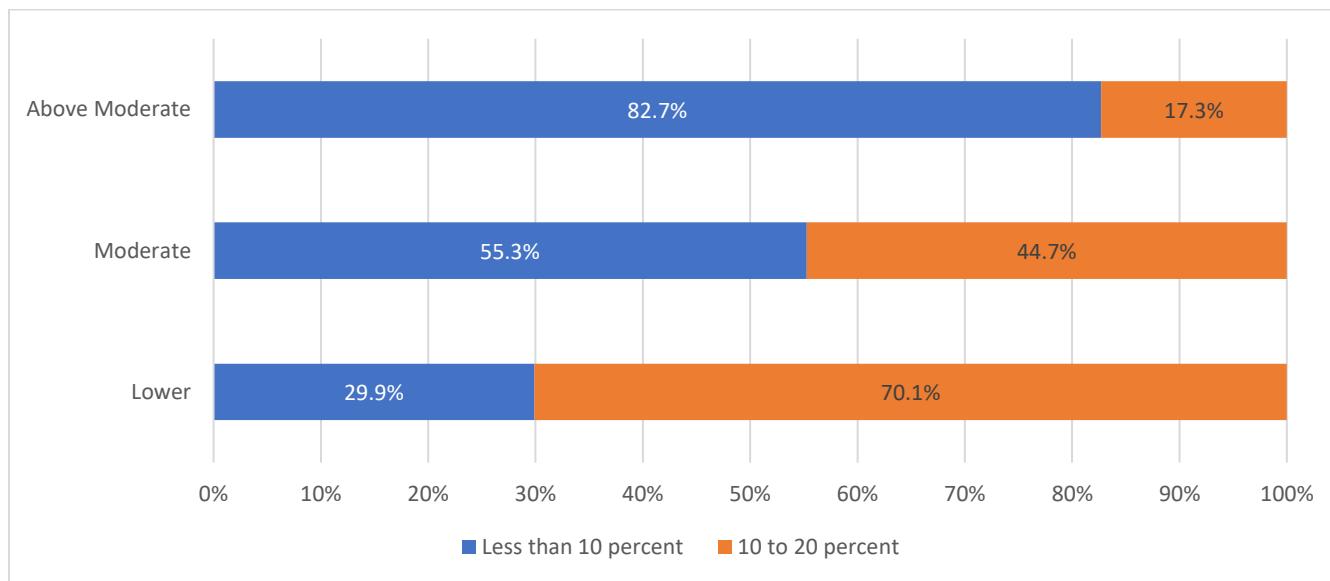
Source: ACS, 2015-2019.

## Disability Status

As is shown in **Figure HE-25**, the majority of both above moderate- and moderate-income units in the RHNA inventory are expected to develop in areas where 10 percent or less of the residents report having a disability (82.7 percent of above moderate-income units and 55.3 percent of moderate-income units in these areas). In contrast, just under one-third of lower-income units (29.9 percent) are expected to develop in these areas. However, in the two census tracts with the highest percentage of residents with

a disability, only 12.5 percent of residents in each tract report a disability, so the difference between the two groups of census tracts is not significant. Additionally, as shown in Figure 1-2, several of the sites in these areas with higher levels of residents with disabilities are sites that are either currently developing as mixed-income projects or are expected to develop as mixed-income in the future.

**Figure HE-25: Percentage of Inventory by Income Level, by Percentage of Residents with a Disability**



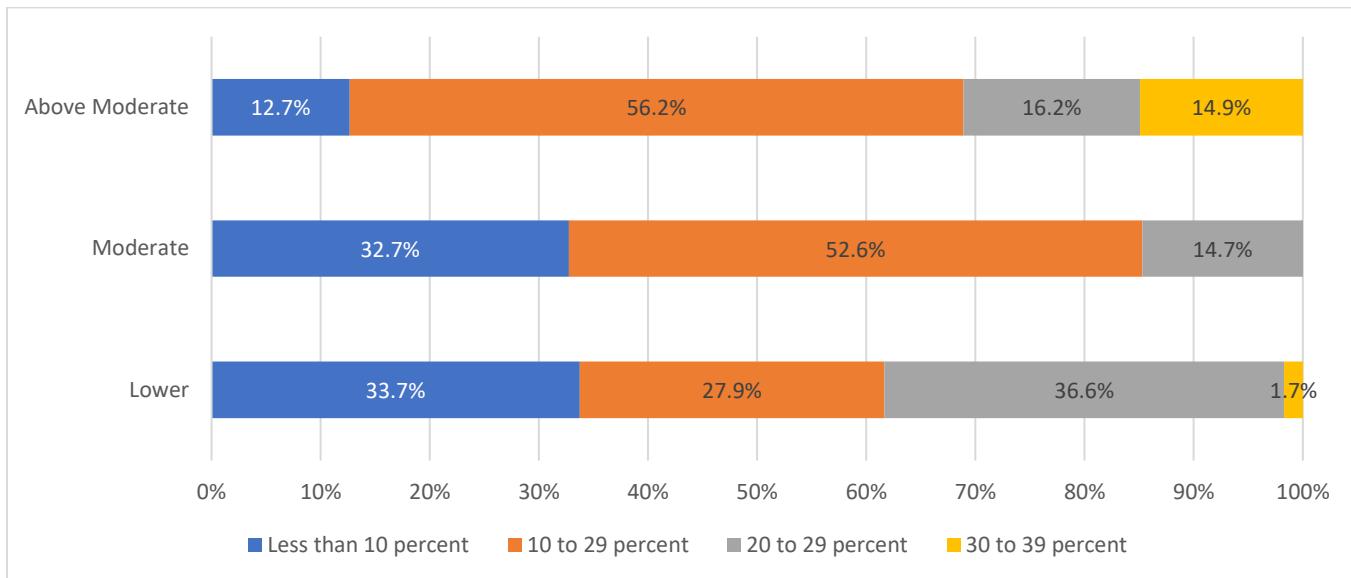
Source: ACS, 2015-2019.

### **Family Status**

The majority of census tracts in Daly City do not have a significant population of children living within households with a single female head of household. As shown in **Figure HE-26**, areas of the city with the highest percentages of the population with this family status are in the northern parts of the city, adjacent to San Francisco. Sites in these areas include a few projects with lower-income units, such as a large affordable housing development at Midway Village, and some sites that are expected to develop for both lower- and above moderate-income households. However, there are also a large number of units in these tracts that are developing as single-family housing for above moderate- and moderate-income households.

The result of this mix of income levels within the areas with higher percentages of children in female-headed households is that 14.9 percent of above moderate-income units are expected to develop in tracts where between 30 and 39 percent of children live in female-headed households, compared to just 1.7 percent of lower-income units (see Figure 1-17). In contrast, 33.7 percent of lower-income and 32.7 percent of moderate-income units are expected to develop in areas where less than 10 percent of children live in female-headed households, compared to 12.7 percent of above moderate-income unit capacity to meet RHNA. Because female-headed households have a higher likelihood of being lower-income, this distribution can help to prevent reinforcement of any historic overconcentration of lower-income households that may exist.

**Figure HE-26: Percentage of RHNA Inventory by Income Level, by Percentage of Children in Households with Single Female Householder**



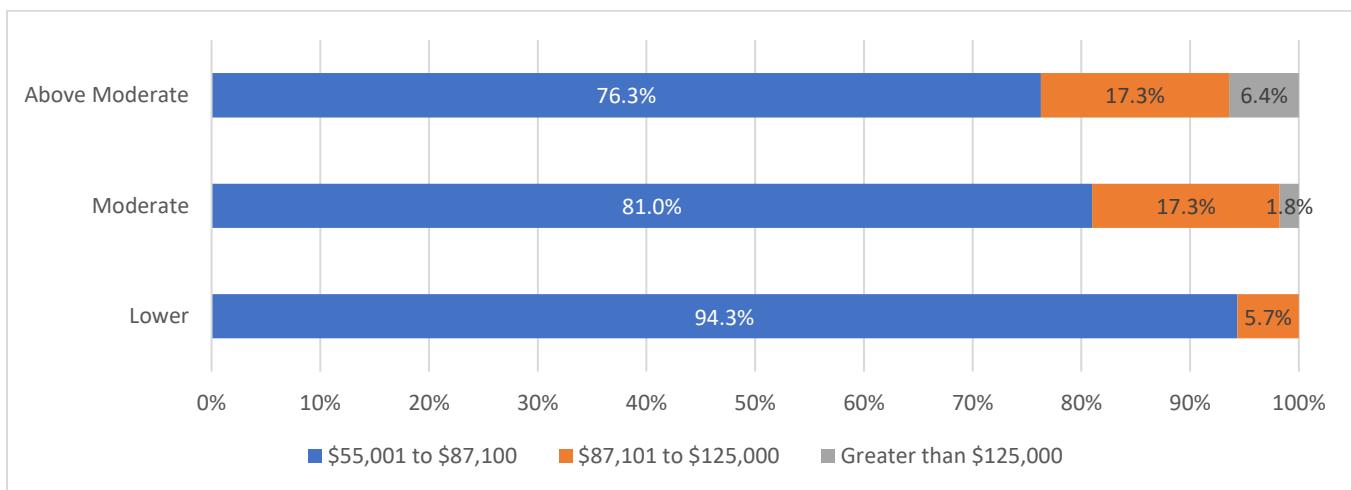
Source: ACS, 2015-2019.

### Median Income

As shown in **Figure HE-27**, at the block group level, there are a few block groups with median annual incomes below \$55,000. These are at three points on the eastern edge of the city. One of these block groups includes Midway Village, an all-affordable housing project, and another includes an all moderate-income project. Another set of block groups along the northern edge of the city has a median income of greater than \$125,000 per year. Within this cluster of block groups is a single-family housing project that will include both moderate- and above moderate-income houses.

At the census-tract level, as shown in Figure-18, the city's RHNA inventory does not include any tracts with median incomes below \$55,000 per year. This indicates that lower-income and higher-income areas of the city are relatively close together, such that they would be included in the same census tract but not the same block group. Accordingly, the majority of all units in the RHNA inventory are in census tracts with incomes between \$55,000 and \$87,100, the state median income. Just over three-quarters percent of above moderate-income units (76.3 percent) and 94.3 percent of lower-income units are expected to develop in these areas, along with 81.0 percent of moderate-income units. Just over ten percent of moderate-income units (17.3 percent) are inventoried within census tracts with median incomes just above the state median, along with 5.7 percent of lower-income units and 17.3 percent of above moderate-income units. The small number of remaining sites, containing 6.6.4 percent of above moderate-income inventory units and 1.8 percent of moderate-income units, are in census tracts with median incomes above \$125,000. This indicates that the majority of units across all income levels are expected to develop in the areas with the lowest incomes in the city, which can increase the overall amount of housing available to lower-income households without displacing them to other areas of the city.

**Figure HE-27: Percentage of RHNAs Inventory by Median Income Level**



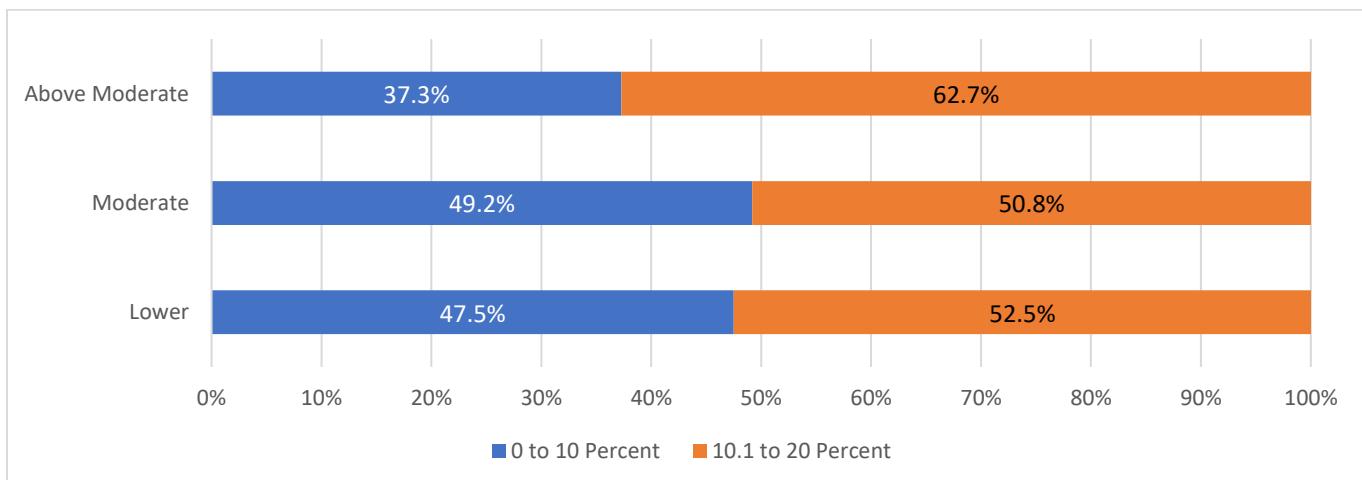
Source: ACS, 2015-2019.

### Poverty Level

Daly City has relatively low levels of poverty in most of the city, as is shown in **Figure HE-28**. Most census tracts have less than 10 percent of their population living below the poverty level. Between 10 and 20 percent of the populations of three census tracts in the city have incomes below the poverty level. These are in the central part of the city. The majority of sites and projects in the RHNAs inventory are mixed-income sites, so are not expected to increase the concentration of poverty in any of these tracts.

As is shown in Figure 1-19, more than two thirds of above moderate-income units in the sites inventory (62.7 percent) are in census tracts where between 10.1 and 20 percent of the population has an income below the poverty level. This will help to prevent over-concentration of lower-income households within the city. The siting of 47.5 percent of lower-income units and 49.2 percent of moderate-income inventory units within census tracts where less than 10 percent of residents live below the poverty level is also expected to create more housing mobility for lower-income households in the community.

**Figure HE-28: Percentage of RHNAs Inventory by Income Level, by Percentage of Population with Incomes Below the Poverty Level**



Source: ACS, 2015-2019.

One Daly City census tract, 6002.00, is where 42.6 percent of the City's Housing Choice Voucher (HCV) recipients reside. This is in the Bayshore area of the city. Several mixed- and moderate-income inventory sites are within this census tract, as is the large lower-income housing project known as Midway Village. Though this project will concentrate a lot of lower-income housing units within one census tract, it is anticipated that this project will provide significantly more housing opportunities for lower-income households within their existing neighborhood as well as childcare facilities, recreation facilities, and a community center. Of the remaining census tracts where inventory sites are located, none contain more than 8 percent of voucher-holding households.

### **Racially or Ethnically Concentrated Areas of Poverty**

As of 2019, there was one R/ECAP in Daly City, near the Westlake Shopping Center, just north of Broadmoor and west of the Lake Merced Golf Club. There are two pending projects in this area, and both are predominantly above moderate-income with a small number of lower-income units within each project. It is not expected that the development of these units will exacerbate existing concentrations of racial segregation of poverty.

### **Opportunity Areas**

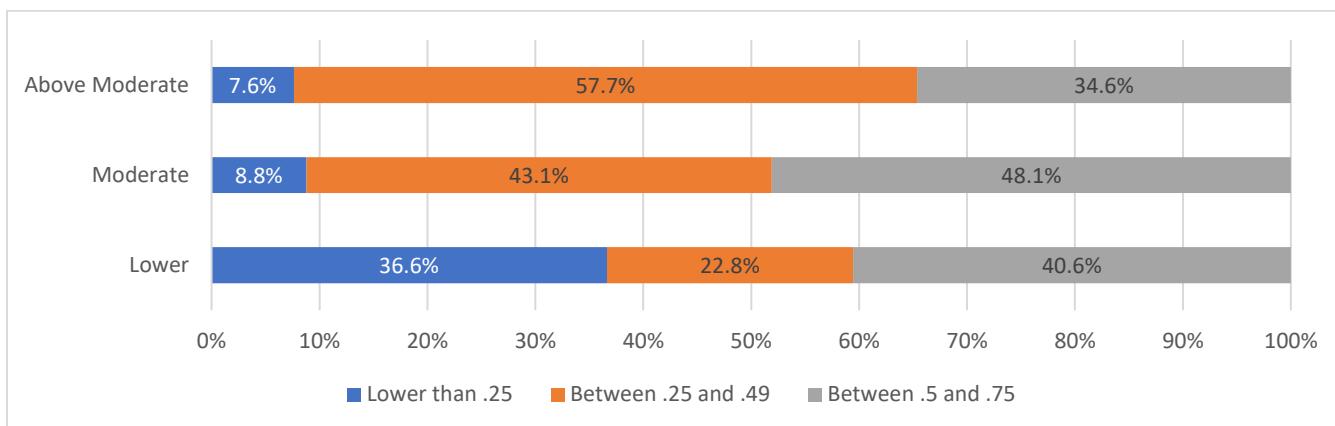
As shown in Figure 1-6, all of the sites in the RHNA inventory are in moderate-resource areas within the city per the 2021 TCAC Opportunity Areas designation. Census tracts in the inland part of Daly City are all designated moderate-resource areas, while the coastal areas are considered high-resource areas. Accordingly, no individual project is considered to over-concentrate lower-income units in lower-resource areas, nor will households in any of the lower-income inventory units be afforded notably increased access to resources as compared to other sites in the inventory.

### **Educational Attainment**

According to the 2021 TCAC Education Domain Score, shown in **Figure HE-29**, the majority of the city has educational domain scores within the two middle quartiles of educational outcomes. However, one section of the northeast side of the city, in the Bayshore Heights area, was ranked in the lowest quartile of education outcomes statewide. The areas with the highest educational domain scores tended to be on the west side of the city, which is loosely correlated with some higher-income areas.

Because many of the sites in the RHNA inventory are in the center of the city, the majority of units in the inventory are within either the 25th to 49th percentile range or the 50th to 75th percentile range. However, there is a cluster of housing at all income levels within the Bayshore Heights neighborhood that has lower than 25th percentile educational attainment levels. Because Midway Village is in this area, a significant percentage of lower-income units in the inventory are located here; in total, 36.6 percent of all lower-income units are in this area. However, it is hoped that the childcare services provided as part of the project will improve early childhood education attainment levels. Additionally, 8.8 percent of above moderate-income units and 7.6 percent of moderate-income inventory units are sited in this area.

**Figure HE-29: Percentage of RHNA Inventory by Income Level, by Educational Attainment Score**



Source: TCAC, 2021.

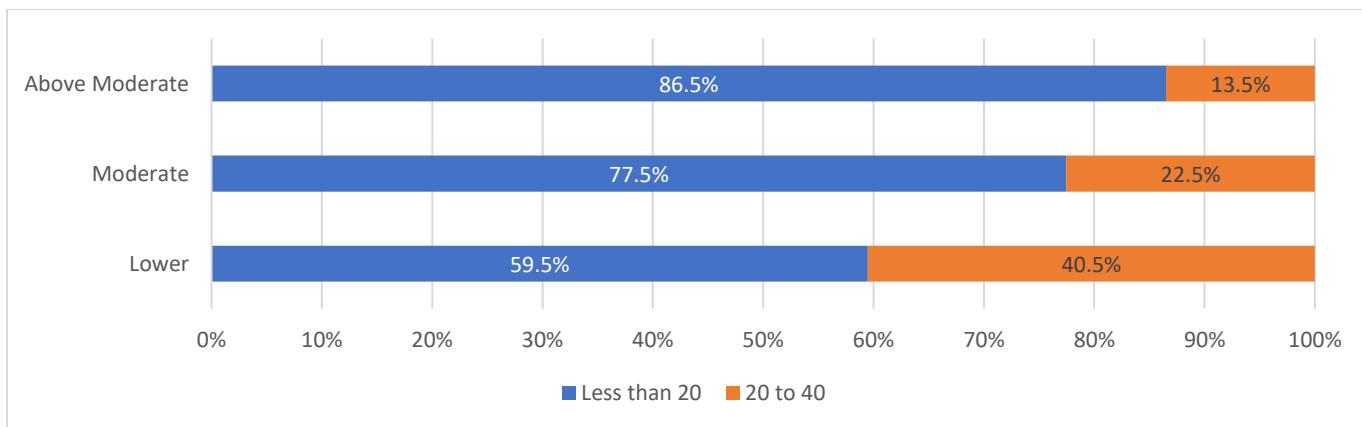
### Transit Access

The majority of Daly City is within half a mile of what Caltrans classifies as a "High-Quality Transit Stop." This includes all units within the sites inventory at all income levels. These stops represent well-serviced transit routes and routes with service at least every 15 minutes during the peak period.

### Jobs Proximity

Though the Bay Area is home to many large corporations that provide significant high-earning job opportunities, to access these jobs, residents of Daly City must travel significant distances. As is shown in **Figure HE-30**, HUD's jobs proximity index indicates that nearly all of the city has a proximity score of less than 20, indicating a far distance to jobs. Small areas on the eastern edges of the city, including the Bayshore Heights neighborhood, fall within the 20 to 40 score range, indicating closer proximity to job centers in the region. Just under half of the lower-income units in the sites inventory (40.5 percent) fall within this low-moderate score range of 20 to 40, primarily because of the cluster of lower-income units associated with Midway Village. Many of the remaining sites in these closer-proximity areas are mixed-income or moderate-income. As such, 22.5 percent of moderate-income units and 13.5 percent of above moderate-income units fall within this area. The present low rate of jobs proximity in the rest of the city may be improved through the development of future mixed-use projects or residential projects within mixed-use zones, of which there are many in the sites inventory.

**Figure HE-30: Percentage of RHNA Inventory by Income Level, by Jobs Proximity Index**

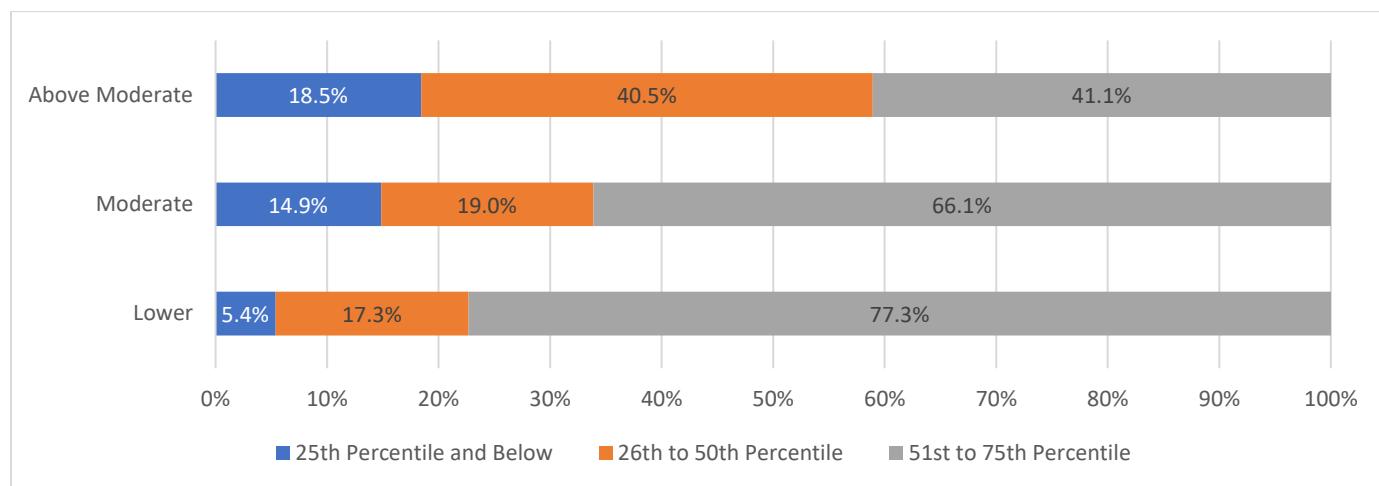


Source: HUD, 2014-2017.

## Environmental

None of the census tracts in Daly City are considered disadvantaged or environmental justice communities, as designated by CalEPA under SB 535. As is shown in Figure HE-31, Daly City has moderate levels of environmental challenges throughout most of the city with some areas near the north and east sides of the city having better environmental pollution ratings. There is some clustering of lower-income sites within areas that are between the 51st and 75th percentile (Figure 1-22), in part because the Midway Village project is within an area with a score in this range. Though a number of pollution and demographic factors are considered as part of the CalEnviroScreen index, within Daly City census tracts around the SR-82 corridor and adjacent to the I-280 corridor tend to have higher scores; many mixed-income projects are located in these areas. As such, 77.3 percent of lower-income units in the sites inventory and 66.1 percent of moderate-income units are in areas with CalEnviroScreen scores in the 51st to 75th percentile, compared to 41.1 percent of above moderate-income units. This can create a challenging balance, as proximity to the highway can be a benefit for households that need to commute longer distances to their jobs by car. Projects farther from the highway tend to have better CalEnviroScreen scores, which includes 5.4 percent of lower income units, 14.9 percent of moderate-income units, and 18.5 percent of above moderate-income units that are in areas with CalEnviroScreen scores in the 25th percentile or better.

**Figure HE-31: Percentage of RHNA Inventory by Income Level, by CalEnviroScreen Percentile**

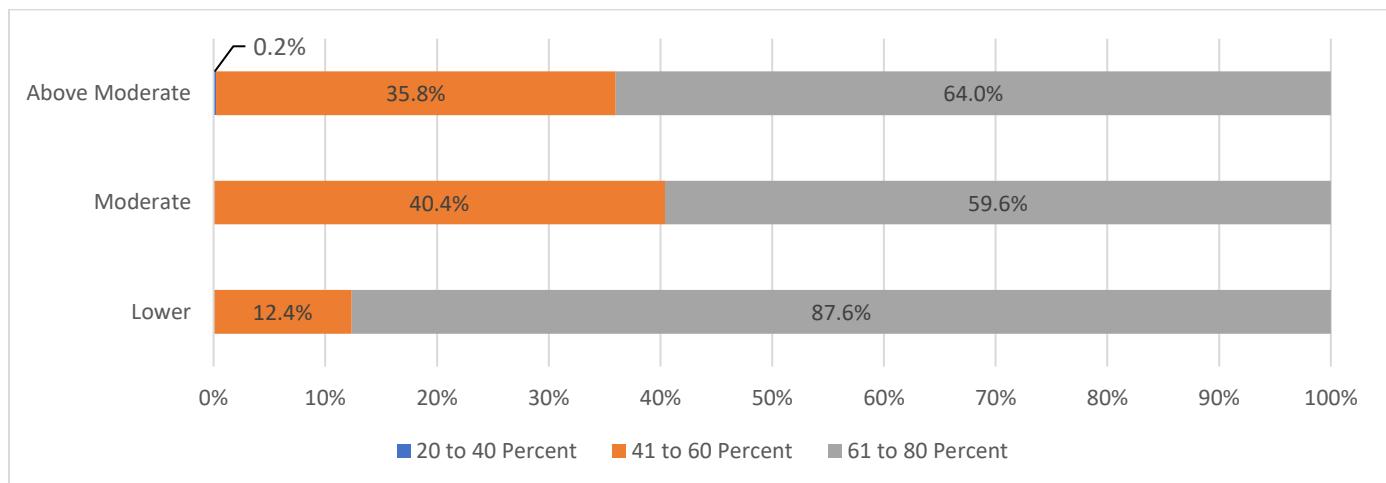


Source: CalEnviroScreen 4.0, 2021

## Overpayment

Rates of overpayment among renter households across the city, as shown in **Figure HE-32**, indicate relatively high rates of overpayment throughout much of the city. The majority of both lower- and above moderate-income units in the sites inventory (87.6 and 59.6 percent, respectively) are within areas where between 61 and 80 percent of renters currently overpay for housing (see Figure 1-23). The development of lower-income housing in these areas may provide greater opportunities for renter households overpaying for housing to seek more affordable housing opportunities within their current neighborhood. Just over one third of moderate-income units in the sites inventory (35.8 percent) are in areas where between 41 and 60 percent of renters overpay for housing. Though these areas have lower rates of overpayment as compared to the areas where most lower- and above moderate-income inventory units are sited, this is not indicative of an area of over-concentration of moderate-income housing that is related to a city-level fair housing issue. Instead, it is indicative of the overall high cost of rental housing throughout the region.

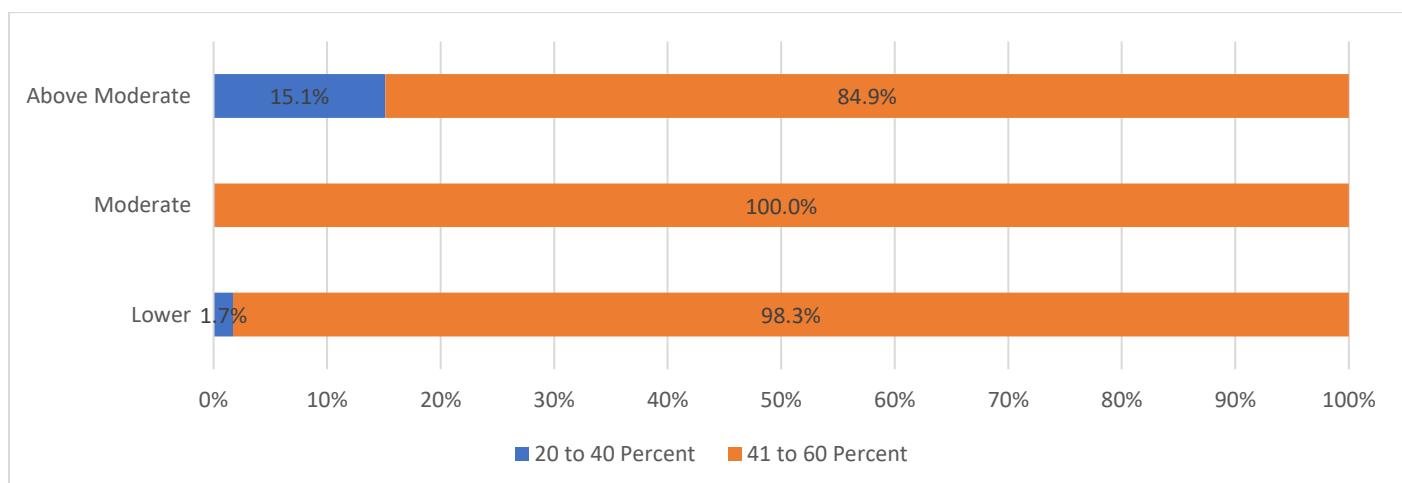
**Figure HE-32: Percentage of RHNA Inventory by Income Level, by Percentage of Renter Households Overpaying for Housing**



Source: ACS, 2015-2019.

The majority of new housing development within the city over the current Housing Element period is expected to occur within census tracts where 41 to 60 percent of homeowner households pay at least 30 percent of their monthly income toward housing costs (Figure HE-33). A small number of units, mostly in the above moderate-income affordability category are expected to develop in areas where only 20 to 40 percent of homeowners overpay for housing. These projects represent 15.1 percent of above moderate-income units and 1.7 percent of lower-income inventory units. This does not necessarily represent over-concentration that indicates a fair housing concern, as these areas of higher overpayment are also close to resources such as commercial areas and schools that are less proximate in areas with lower overpayment rates.

**Figure HE-33: Percentage of RHNA Inventory by Income Level, by Percentage of Homeowner Households Overpaying for Housing**



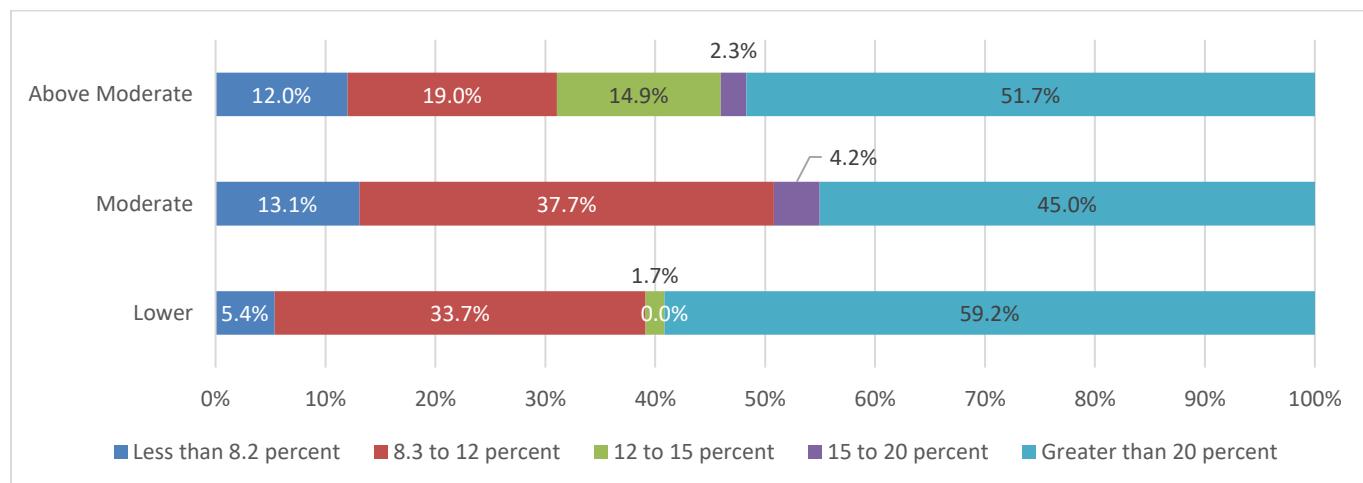
Source: ACS, 2015-2019.

### Overcrowding

The rate of overcrowding within the city is higher than that of the county, with particular concentrations in neighborhoods with lower incomes such as the Original Daly City neighborhood, southern St.

Francis/Campus Drive and Serramonte areas, Hillside/Pacific Pointe, part of the Westmont neighborhood, the Westlake Shopping Center neighborhood, the northern Crocker area, and the neighborhood surrounding the Daly City BART station (**Figure HE-19**). As shown in **Figure HE-34**, more than half of lower and above-moderate income units in the inventory (59.2 percent of lower-income units and 51.7 percent of above moderate-income units) are within areas of the city where more than 20 percent of households are experiencing overcrowding, and just under half of moderate-income units (45.0 percent) are within the same area. The number of inventory sites and projects within areas of above-average overcrowding rates is not indicative of disproportionate clustering in low-income areas but is related to the overall high cost of housing throughout the Bay Area. Because there are a large number of mixed-income sites and projects within the inventory, the small number of inventory sites that are in areas with a lower-than-average rate of overcrowding (i.e., lower than 8.2 percent of households) include units in multiple income levels. This includes 12.0 percent of above moderate-income units, 13.1 percent of moderate-income units, and 5.4 percent of lower-income units.

**Figure HE-34: Percentage of RHNA Inventory by Income Level, by Percentage of Households Overcrowded**



Source: CHHS, 2020.

### Vulnerability to Displacement

As is shown in **Figure HE-20**, much of the central and eastern sides of the city have been designated as communities sensitive to displacement. These areas include 64.3 percent of the lower-income units, 65.9 percent of moderate-income units, and 69.2 percent of above moderate-income units in the inventory. By encouraging the development of more housing, the City hopes to lessen the risk of displacement in these areas.

## Contributing Factors and Fair Housing Action Plan

### Primary Findings

*This section summarizes the primary findings from the Fair Housing Assessment for Daly City regarding fair housing enforcement, outreach feedback-, integration and segregation, access to opportunity, disparate housing needs, contributing factors, and the City's fair housing action plan.*

- **14.0 percent of fair housing complaints filed in San Mateo County from 2017 to 2021 were in Daly City—proportionate to the city's share of the county's population.** The most common issues cited in the city were refusal to rent and refusal to negotiate for a rental. Most complaints in the city were on the basis of familial status (4 complaints) and disability status (3 complaints).
- **Racial and ethnic minority populations generally have higher rates of poverty and lower household incomes and are disproportionately impacted by overcrowding and homelessness** compared to the non-Hispanic White population in Daly City. Additionally, racial and ethnic minorities are more likely **to live in low- and moderate-resource areas and be denied a home mortgage loan.**
  - Racial and ethnic minority populations generally have higher rates of poverty (Figure I-5) and lower household incomes (Figure I-4) compared to the non-Hispanic White population in Daly City.
  - Racial and ethnic minorities are more likely than non-Hispanic White households to experience overcrowding (Figure I-12). Low- and moderate-income households are also more likely to be overcrowded.
  - People who identify as American Indian or Alaskan Native, Black, White, and Hispanic are overrepresented in the homeless population compared to their share of the general population .
  - Hispanic households are more likely to live in low- and moderate-resource areas than in high-resource areas (Figure I-6).
  - **Hispanic and Black or African American households have the highest denial rates for mortgage loan applications in 2018 and 2019.**
- Geospatially, **different outcomes are experienced in different parts of the city.** Areas west of I-280 are disproportionately impacted by high poverty and concentrations of cost burdened households; socially vulnerable areas are clustered around I-280 north into San Francisco; and the area east of I-280 experiences lower educational opportunity than areas west of the interstate. Collectively, the city experiences relatively positive economic and environmental outcomes and moderate resources scores, with overcrowded households distributed across the city.
  - Census tracts with higher poverty rates, between 10.0 percent and 20.0 percent, are all west of I-280 (Figure II-28).
  - Education opportunity scores are between 0.5 and 0.75 west of I-280—meaning this area has higher education scores compared to the rest of the city (Figure 1-7).
  - The city has moderate to high economic opportunity scores, between 0.5 and 0.75.
  - The city has moderately positive environmental scores, which account for PM<sub>2.5</sub>, diesel PM, pesticides, toxic release, traffic, cleanup sites, groundwater threats, hazardous waste, impaired water bodies, and solid waste sites (Figure I-9).

- Geospatially, the majority of Daly City falls within moderate-resource areas. (Figure I-6).
- The Social Vulnerability Index (SVI) provided by the CDC ranks census tracts based on their ability to respond to a disaster. The areas adjacent to I-280 are the most vulnerable in Daly City according to the SVI.
- **Concentration (60.0 percent to 80.0 percent of households) of cost burdened households are west of I-280 and in the eastern portion of the city (Figure 1-10 and 1-11).**
- Overcrowded households (Figure 1-12) and census tracts with populations vulnerable to displacement (Figure 1-13) are distributed throughout the city.
- **Daly City has a slightly higher share of residents with disabilities (9 percent) compared to the county (Figure 1-2). Residents living with a disability in the city are more likely to be unemployed and are largely concentrated in areas around I-280. Finally, the aging population is putting a strain on paratransit access countywide.**
  - **Unemployment is disproportionately high among residents living with a disability—14.0 percent compared to 5.0 percent for residents without a disability in Daly City**—particularly when compared to the county .
- Hispanic and Black/African American students in Daly City—served by Jefferson Union High School District, South San Francisco Unified School District, Bayshore Elementary School District, and Jefferson Elementary School District—**experience poor educational outcomes compared to other students**. Many high schoolers in the county met admission standards for a University of California (UC) or California State University (CSU) school. However, **Black and Hispanic students in the Jefferson Union High School District were less likely to meet the admission standards, as were Hispanic and White students in the South San Francisco Unified District**.
- While Jefferson Union has the lowest dropout rates in the county—just 3.0 percent of students—**the highest dropout rates were still found among Black (7.0 percent) and Hispanic students (6.0 percent)**. South San Francisco Unified had one of the highest dropout rates in the county at 9.0 percent, with **White (12.0 percent) and Hispanic (11.0 percent) students accounting for the highest rates**.
- More than **half of all renter households in Daly City are cost burdened**, spending more than 30.0 percent of their gross income on housing costs; one in three are extremely cost burdened, spending more than 50.0 percent of their gross income on housing costs (Figure 1-10). There are **disparities in housing cost burden in Daly City by race and ethnicity**.
- In Daly City, **21.0 percent of income-assisted rental units are at high or very high risk of conversion** to market rate, a total of 112 out of 528 total units in the city. Loss of these units would have a significant impact on affordability for very low-income renters.

Compared to the county and Bay Area, Daly City offers better access to homeownership due to the city's relatively large share of homes valued between \$500,000 and \$1 million (71.0 percent in the city versus 37.0 percent in the county and 40.0 percent in the Bay area). The city's rent distribution (Figure IV-6) is more closely aligned with the county, and Daly City has a smaller share of affordable rentals than the Bay Area overall (20.0 percent of Daly City's rental units rent for \$1,500 and less per month compared to 35.0 percent in the Bay Area).

## **Contributing Factors**

Through discussions with stakeholders, fair housing advocates, and this assessment of fair housing issues, the City identified factors that contribute to fair housing issues, as shown in **Table HE-42, Factors Contributing to Fair Housing Issues**. While the City has identified several strategies to address the fair housing issues, the most pressing issues are the:

- Presence of R/ECAP conditions and characteristics.
- Disproportionate housing needs of renters.
- Concentration of cost burdened households west of I-280 and in northeastern neighborhoods.
- Concentrations of lower-income households.
- Potential conversion of affordable housing to market rate and displacement of residents.
- Disproportionate housing needs among populations of color, especially among Hispanic and Black and African American households.

The combination of these factors presents challenges to housing and economic mobility in the short and near term for many households, particularly lower-income households. Prioritized contributing factors are **bolded** in **Table HE-42**, and associated actions to meaningfully affirmatively further fair housing related to these factors are **bold and italicized**. Additional programs to affirmatively further fair housing are included in **Chapter 5, Goals, Policies, and Tasks**.

**Table HE 42: Factors Contributing to Fair Housing Issues**

Identified Fair Housing Issues	Contributing Factors	Meaningful Actions
Presence of potential R/ECAP in city	Concentration of poverty in Westlake Shopping Center neighborhood	Task 5.1 Task 6.2, 6.3
	89 percent of units in Westlake Shopping Center neighborhood are multifamily	Task 9.1 Task 11.1
	95 percent of households in Westlake Shopping Center neighborhood are renter households	Task 12.1 and 12.2 Task 15.3 Task 18.1, 18.2, 18.3
Increased displacement risk for lower-income households	Over half of renters are cost burdened  Low production of affordable rental housing limits housing choices of all low-income households and has a disproportionate impact on populations of color  Shortage of affordable rental housing	Task 5.1 Task 6.2, 6.3 Task 9.1 Task 11.1 Task 12.1 and 12.2 Task 15.3 Task 18.1, 18.2, 18.3
<b>Concentration of cost burdened households west of I-280 and in northeastern neighborhoods</b>	<b>High rates of renter-occupied housing</b>  <b>High rates of female-headed households with children</b>  <b>Less positive environmental scores</b>  <b>Higher proportion of multifamily units</b>  <b>Shortage of affordable rental housing</b>	Task 5.1 Task 6.2, 6.3 Task 9.1 Task 11.1 Task 12.1 and 12.2 Task 15.3 Task 18.1, 18.2, 18.3
<b>Concentrations of lower-income households</b>	<b>High correlation of lower-income households in vicinity of Daly City and Colma BART stations</b>  <b>Location of deed-restricted units</b>  <b>Clustered zoning for higher density multifamily housing opportunities</b>  <b>More naturally affordable housing in the Franciscan Mobile Home Park and older Original Daly City neighborhoods</b>  <b>Lack of affordable housing in high-resource areas</b>	Task 5.1 Task 6.2, 6.3 Task 9.1 Task 11.1 Task 12.1 and 12.2 Task 15.3 Task 18.1, 18.2, 18.3
<b>Potential conversion of affordable housing to market rate and displacement of residents</b>	<b>Affordability covenants identified to expire in 15.9 percent of deed-restricted units in planning period</b>  <b>Limited affordable rental housing</b>	Task 22.1
<b>Disproportionate housing needs among populations of color, especially Hispanic and Black and African American households</b>	Historical actions that limited economic opportunity and homeownership  Limited affordable housing  High housing costs relative to wages	Task 5.1 Task 6.2, 6.3 Task 9.1 Task 11.1 Task 12.1 and 12.2 Task 15.3 Task 18.1, 18.2, 18.3

# Housing Sites Analysis

State law requires that a local Housing Element include a projection of the housing units by income category for the forthcoming planning period and 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. 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." Within San Mateo County, ABAG acknowledged the formation of the subregion for the purpose of developing the Regional Housing Needs Allocation (RHNA) in 2006. Daly City, together with 20 other jurisdictions within the county, participated in the development of the RHNA identified within this section.

## Regional Housing Needs Allocation

The RHNA is the State of California-required process that seeks to ensure cities and counties are planning for enough housing to accommodate all economic segments of the community. The process is split into the following three steps.

**1. Regional Determination:** The California Department of Housing and Community Development (HCD) provides each region with a Regional Determination of housing need, which includes a total number of units split into four income categories. Daly City is within the region covered by ABAG. HCD provided ABAG with a Regional Determination of 441,176 units for the 6th Cycle RHNA (2023-2031). This is the total number of units that the cities and counties in the ABAG region must collectively plan to accommodate.

**2. RHNA Methodology:** Councils of Governments (COG), including ABAG, are responsible for developing an RHNA Methodology for allocating the Regional Determination to each city and county in the COG's region. This methodology must further specific state objectives, including, but not limited to, promoting infill, equity, and environmental protection; ensuring jobs-housing balance; and affirmatively furthering fair housing.

**3. Housing Element Updates:** Each city and county must then adopt a housing element that demonstrates how the jurisdiction can accommodate its assigned RHNA through its zoning. HCD reviews each jurisdiction's housing element for compliance with state law.

The City of Daly City's share of the regional housing need was determined by a methodology prepared by ABAG as part of the Regional Housing Needs Plan, adopted in December 2021. In accordance with ABAG's Regional Housing Needs Plan, the City must plan to accommodate a total of 4,838 housing units between June 30, 2022, and December 15, 2030. **Table HE-43** shows the City's RHNA by income category. Of the 4,838 total units, the City must plan to accommodate 1,336 units for very low-income households, 769 units for low-income households, 762 units for moderate-income households, and 1,971 units for above moderate-income households.

**Table HE 43: Regional Housing Needs Allocation, 2023–2031**

Income Category	Allocation	Percentage
Very Low*	1,336	27%
Low	769	16%
Moderate	762	16%
Above Moderate	1,971	41%
<b>Total</b>	<b>4,838</b>	<b>100%</b>

Source: ABAG, 2021.

Note: It is assumed that 50 percent of the very low-income category (668 units) is allocated to the extremely low-income category.

## Unaccommodated Regional Housing Need Allocation from the 5th Cycle

**Task 6.2** in the 2015-2023 Housing Element stated that the City planned to amend the Bay Area Rapid Transit (BART) Station Area Specific Plan to redesignate the 8.7-acre Samtrans park-and-ride lot at 3501 Junipero Serra Boulevard to the Specific Plan's High Density Residential designation, and to simultaneously amend the BART Station Area Specific Plan regulations to require at least 30 dwelling units per acre for new development. This would have given the City an additional capacity of approximately 261 units that would allow for 30 units per acre and therefore be appropriate to meet a portion of the lower-income RHNA.

The City was not able to meet the rezone/redesignation deadline of 2015. However, as is described in **Table HE-44**, two alternative sites were rezoned to zones that allow at least 30 dwelling units per acre as part of projects that generated 197 units on 7.1 acres. Both sites were rezoned to Planned Development uses, one site has a General Plan Land Use Designation of Residential High Density, allowing 35.1 to 50 units per acre, and one site has a General Plan Land Use Designation of Residential Medium, allowing 20.1 to 35 units per acre. These rezoned sites met all by-right requirements under Government Code Sections 65583.2(h) and (i), having a site capacity of at least 16 units, permitting rental and owner multifamily development without discretionary review at minimum densities of 20 dwelling units per acre, and that at least at least 50 percent of the very low and low-income housing need shall be accommodated on sites designated for exclusive residential uses.

The Jefferson Union High School District Staff Housing site was rezoned in January 2020 and the planned development zone permitted for an all-residential development. The Hub was rezoned in January 2019 and allowed for a vertical mixed-use planned development with residential uses occupying at least 50 percent of the project's total floor area. Both projects were rezoned prior to the beginning of the current planning period (January 1, 2023) and have since been built and occupied. Additionally, a 4-acre residential site, APN 005-330-320, was not included in the 5<sup>th</sup> Cycle Sites Inventory. This parcel was zoned R-3 (no zone change was needed), allowing 35.1 to 50 units to the acre, which is appropriate to accommodate the City's lower income RHNA. With a minimum density of 35 units per acre, the site had a minimum capacity of 140 units. Building permits were pulled in September 2021, and the site developed with 147 units affordable to lower income households.

Based on the available capacity of these three sites (334 units), the City was able to meet the identified shortfall of 261 units within the 5<sup>th</sup> cycle planning period, and therefore does not have an unaccommodated need.

**Table HE 44: Alternatives to 5th Cycle Rezone to Meet Unaccommodated Need**

Project	Units	Acres	General Plan Designation	Zoning	New General Plan Designation	New Zoning
<b>Site not included in the 5th Cycle RHNA Inventory</b>						
Midway Village Phase I	147	4.0	Residential – High Density (R-H)	R-3 Multiple Family Residential District	N/A	N/A
<b>Rezoned Sites</b>						
Jefferson Union High School District (JUHSD) Staff Housing	122	3.9	Commercial – Office (C-O)	Planned Development (PD-31)	Residential – High Density (R-H)	Planned Development (PD-31A)
Serra Station Townhouses (The Hub)	75	3.2	Commercial Mixed-Use (C-MU)	BC - BART Commercial	Residential – Medium Density (R-M)	PD-72
<b>Total</b>	<b>344</b>	<b>11.1</b>				

Source: City of Daly City, 2023.

## Projects Under Construction

The City may credit units built after the start of the planning period towards the RHNA, which was June 30, 2022 for the 6th cycle Housing Element. **Table HE 45** shows projects currently under construction, which include six units for lower-income households and 57 units for above moderate-income households.

**Table HE 45: Projects Under Construction**

Site Number	Assessor's Parcel Number (APN)	Site Address/Intersection	General Plan Designation	Zoning Designation	Parcel Size (Acres)	Total Project Capacity per Plan/Application	Lower-Income Units	Moderate-Income Units	Above Moderate-Income Units	Source of Affordability	Project Status
P-2	008-082-160	305 Eastmoor Avenue	Residential Medium-Low Density	Sullivan Corridor – Residential High Density (SC – R-H)	2.38	56	6	0	50	Inclusionary Housing Ordinance (IHO)	All units under construction and nearing completion. Building permits issued July 22, 2022.
P-15	005-064-290		Commercial - Retail and Office	Planned Development							
P-15	005-064-300		Commercial - Retail and Office	Planned Development							
P-15	005-064-310		Commercial - Retail and Office	Planned Development							
P-15	005-064-320	55 Calgary Street	Commercial - Retail and Office	Planned Development	0.34		0	0	7		Under construction.
P-15	005-064-330		Commercial - Retail and Office	Planned Development							
P-15	005-064-340		Commercial - Retail and Office	Planned Development							
P-15	005-064-350		Commercial - Retail and Office	Planned Development							
<b>Total</b>						<b>63</b>	<b>6</b>	<b>0</b>	<b>57</b>		

Source: City of Daly City, November 2023

## Planned and Approved Projects

Daly City has a significant number of development projects that are seeking entitlements or that have been approved. **Table HE-46** summarizes the inventory of residential and mixed-use projects that are pending approval or that have current active entitlements. Figure HE-1 provides a map of all approved and pending projects along with the vacant and underutilized sites that will be used to meet the RHNA. Sites in this map are designated by the RHNA affordability levels that are expected to be accommodated by the site.

As of March 2024, there were an estimated 3,093 housing units in the pipeline that could meet a portion of the City's RHNA. While the City believes all projects have the potential to build out, if market conditions allow, the City has taken a conservative approach and is assuming a 20 percent reduction on projects over 150 units (projects P-8, P-9, P-10, P-11, P-13, and P-18), which brings the assumed pipeline project capacity to 2,638 units. This is reflected in **Table HE-47**. Of these assumed units, 873 are affordable to lower-income households, 134 affordable to moderate-income households, and 1,630 are assumed to be market rate. Affordability for lower- and moderate-income units are based on different sources, including the City's Inclusionary Zoning program, Housing Authority of San Mateo County requirements, the State Density Bonus, and public subsidies, such as HOME funds, Permanent Local Housing Allocation (PLHA), Section 8, Low Income Housing Tax Credits (LIHTC), and local Housing Trust funds.

## Project Approval Rates

When looking at project approval rates from the 5<sup>th</sup> cycle planning period (2015- 2023) 56 percent of projects submitted moved forward towards development (39 percent of projects submitted for approval were constructed or are under construction and 17 percent of projects are pending approval awaiting on the developer at varying stages and listed).

The Planning Division continually maintains a database of all project entitlement timelines and completion rates. **Table HE-71** provides an overview of these timelines for all applications containing residential development deemed complete since 2015. As identified by the table, of the 18 projects processed by the Planning Division, the Planning Commission and City Council have approved 100 percent of the applications and of these approximately 39 percent have either been constructed or are under construction, and an additional 17 percent are in plan check. Processing times for these applications are varied due to a number of factors, including applicant timelines for completeness resubmittal and more complicated CEQA document development. Almost three-quarters of the applications processed since 2015 have involved either legislative-type approval (e.g., rezoning or General Plan amendments). The City Council has also approved 100 percent of all time extension requests.

Of the six projects that were constructed during this period or that are currently under construction, three were larger than 100 units and an additional two were between 70 and 100 units, with only one project in this group having fewer than 70 total units. The largest project, which is currently under construction, is a multi-phase affordable project of 555 total units, indicating that large project size and affordable units are not barriers to construction. The projects include a variety of unit types, including two detached home projects, two townhome projects and two apartment building projects. Three projects have included phasing. The largest project, Midway Village Redevelopment, has a total of four phases, starting with the first phase of 150 units that has been fully constructed. The Point Martin development has a total of two phases. The JUHSD school district housing project, which is a workforce housing project for school district staff, is one phase of a three-phase project to develop additional market rate and affordable housing.

Among phased projects either built or under construction in the 2015-2023 period, phases typically included between 100 and 150 units. Therefore, current pipeline projects with fewer than 150 units are assumed to not require phasing. Of the 20 pipeline projects, only 7 have a total number of units greater than 150. Of these, the 2 largest projects have phasing proposed. The phasing plan on the three remaining Midway Project phases is in line with recent trends in phase sizing (128, 140, and 140 units). Phase 1 of the project was submitted in 2019, approved in 2020, and completed in 2023. Building permits for phase 2

were pulled in are estimated to be pulled in summer 2024. Because project phases can be developed simultaneously, as is occurring in the Point Martin project, it is not assumed that each additional phase will take three years, but that the remaining four phases can be completed by 2028, as the developer has committed to. Similarly, it is estimated that 890 of the 699 Serramonte Boulevard site's 1,113 units can be developed within the planning period in overlapping phases of a similar size to those of recent trends.

**Table HE 46: Summary of Projects Under Construction or Constructed, 2015-2023**

Project	Status	Project Type	Number of Units	Affordability	Phasing
Robertson Intermediate Redevelopment (Toll Brothers)	Constructed	Detached Homes	71	Market Rate	Single phase
Point Martin	Under Construction	Detached Homes	Total: 133 Phase 1: 16 Phase 2: 117	Market Rate	Two Phases
Serra Station (The Hub)	Constructed	Attached Townhomes	75	Market Rate	One phase
JUHSD Faculty and Staff Housing (Serramonte del Rey)	Constructed	Apartment Building	122	Workforce Housing (Affordable to District Staff)	One phase of a larger, three-phase master plan
Habitat for Humanity Multifamily (Habitat - Geneva)	Constructed	Attached Townhomes	6	Affordable	One phase
Midway Village Redevelopment	Phase 1: Built Phase 2 building permits assumed to be pulled summer 2024.	Apartment Buildings	Total: 555 Phase 1: 147 Phase 2: 128 Phase 3: 140 Phase 4: 140	Affordable	Four phases. First phase complete.

While the City only has control over the approval processes and cannot force builders to construct, the City has included as part of **Task 6.9**, the City will establish a proactive, annual outreach and coordination program to contact developers of projects that are approved or in the plan check process but that have not yet pulled building permit on an annual basis to identify any barriers to construction. As appropriate, the program will also identify ways the City can support applications for funding for housing to accommodate lower-income households or otherwise connect developers with necessary resources or partnerships to complete construction. The City will also track the average time between project approval and pulling building permits and identify ways to decrease this time if possible.

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**Table HE 47: Planned and Approved Projects**

Site Number	Assessor's Parcel Number (APN)	Site Address/Intersection	General Plan Designation	Zoning Designation	Parcel Size (Acres)	Total Project Capacity per Plan/Application	Lower-Income Units	Moderate-Income Units	Above Moderate-Income Units	Source of Affordability
P-1	005-041-280		Residential Low Density	Planned Development	18 (Total P-1 Site Area)	133 (Total P-1 Capacity)	1			
P-1	005-570-010		Residential Low Density	Planned Development			1			
P-1	005-570-020		Residential Low Density	Planned Development			1			
P-1	005-570-030		Residential Low Density	Planned Development			1			
P-1	005-570-040		Residential Low Density	Planned Development			1			
P-1	005-570-050		Residential Low Density	Planned Development			1			
P-1	005-570-060		Residential Low Density	Planned Development			1			
P-1	005-570-070		Residential Low Density	Planned Development			1			
P-1	005-570-080		Residential Low Density	Planned Development			1			
P-1	005-570-090		Residential Low Density	Planned Development			1			
P-1	005-570-100		Residential Low Density	Planned Development			1			
P-1	005-570-110		Residential Low Density	Planned Development			1			
P-1	005-570-120		Residential Low Density	Planned Development			1			
P-1	005-570-130		Residential Low Density	Planned Development			1			
P-1	005-570-140		Residential Low Density	Planned Development			1			
P-1	005-570-150		Residential Low Density	Planned Development			1			
P-1	005-570-160		Residential Low Density	Planned Development			1			
P-1	005-580-010		Residential Low Density	Planned Development			1			
P-1	005-580-020	Carter Street, Steve	Residential Low Density	Planned Development			1			
P-1	005-580-030	Courter Way and Martin	Residential Low Density	Planned Development			1			
P-1	005-580-040	St (Multiple Addresses in P-1 Project)	Residential Low Density	Planned Development			1			
P-1	005-580-050		Residential Low Density	Planned Development			1			
P-1	005-580-060		Residential Low Density	Planned Development			1			
P-1	005-580-070		Residential Low Density	Planned Development			1			
P-1	005-580-080		Residential Low Density	Planned Development			1			
P-1	005-580-090		Residential Low Density	Planned Development			1			
P-1	005-580-100		Residential Low Density	Planned Development			1			
P-1	005-580-110		Residential Low Density	Planned Development			1			
P-1	005-580-120		Residential Low Density	Planned Development			1			
P-1	005-580-130		Residential Low Density	Planned Development			1			
P-1	005-580-140		Residential Low Density	Planned Development			1			
P-1	005-580-150		Residential Low Density	Planned Development			1			
P-1	005-580-160		Residential Low Density	Planned Development			1			
P-1	005-580-170		Residential Low Density	Planned Development			1			
P-1	005-580-180		Residential Low Density	Planned Development			1			
P-1	005-580-190		Residential Low Density	Planned Development			1			
P-1	005-580-200		Residential Low Density	Planned Development			1			
P-1	005-580-210		Residential Low Density	Planned Development			1			
P-1	005-580-220		Residential Low Density	Planned Development			1			
P-1	005-580-230		Residential Low Density	Planned Development			1			
P-1	005-580-240		Residential Low Density	Planned Development			1			

Site Number	Assessor's Parcel Number (APN)	Site Address/Intersection	General Plan Designation	Zoning Designation	Parcel Size (Acres)	Total Project Capacity per Plan/Application	Lower-Income Units	Moderate-Income Units	Above Moderate-Income Units	Source of Affordability
P-1	005-580-250		Residential Low Density	Planned Development			1			
P-1	005-580-260		Residential Low Density	Planned Development			1			
P-1	005-580-270		Residential Low Density	Planned Development			1			
P-1	005-580-280		Residential Low Density	Planned Development			1			
P-1	005-580-290		Residential Low Density	Planned Development			1			
P-1	005-580-300		Residential Low Density	Planned Development			1			
P-1	005-580-310		Residential Low Density	Planned Development			1			
P-1	005-580-320		Residential Low Density	Planned Development			1			
P-1	005-580-330		Residential Low Density	Planned Development			1			
P-1	005-580-340		Residential Low Density	Planned Development			1			
P-1	005-580-350		Residential Low Density	Planned Development			1			
P-1	005-580-360		Residential Low Density	Planned Development			1			
P-1	005-580-370		Residential Low Density	Planned Development			1			
P-1	005-580-380		Residential Low Density	Planned Development			1			
P-1	005-580-390		Residential Low Density	Planned Development			1			
P-1	005-580-400		Residential Low Density	Planned Development			1			
P-1	005-580-410		Residential Low Density	Planned Development			1			
P-1	005-580-420		Residential Low Density	Planned Development			1			
P-1	005-580-430		Residential Low Density	Planned Development			1			
P-1	005-580-440		Residential Low Density	Planned Development			1			
P-1	005-580-450		Residential Low Density	Planned Development			1			
P-1	005-580-460		Residential Low Density	Planned Development			1			
P-1	005-580-470		Residential Low Density	Planned Development			1			
P-1	005-580-480		Residential Low Density	Planned Development			1			
P-1	005-580-490		Residential Low Density	Planned Development			1			
P-1	005-580-500		Residential Low Density	Planned Development			1			
P-1	005-580-510		Residential Low Density	Planned Development			1			
P-1	005-580-520		Residential Low Density	Planned Development			1			
P-1	005-580-530		Residential Low Density	Planned Development			1			
P-1	005-580-540		Residential Low Density	Planned Development			1			
P-1	005-580-550		Residential Low Density	Planned Development			1			
P-1	005-580-560		Residential Low Density	Planned Development			1			
P-1	005-580-570		Residential Low Density	Planned Development			1			
P-1	005-580-580		Residential Low Density	Planned Development			1			
P-1	005-580-590		Residential Low Density	Planned Development			1			
P-1	005-580-600		Residential Low Density	Planned Development			1			
P-1	005-580-610		Residential Low Density	Planned Development			1			
P-1	005-580-620		Residential Low Density	Planned Development			1			
P-1	005-580-630		Residential Low Density	Planned Development			1			
P-1	005-580-640		Residential Low Density	Planned Development			1			
P-1	005-580-650		Residential Low Density	Planned Development			1			
P-1	005-580-660		Residential Low Density	Planned Development			1			
P-1	005-580-670		Residential Low Density	Planned Development			1			
P-1	005-590-010		Residential Low Density	Planned Development			1			

Site Number	Assessor's Parcel Number (APN)	Site Address/Intersection	General Plan Designation	Zoning Designation	Parcel Size (Acres)	Total Project Capacity per Plan/Application	Lower-Income Units	Moderate-Income Units	Above Moderate-Income Units	Source of Affordability
P-1	005-590-020		Residential Low Density	Planned Development			1			
P-1	005-590-030		Residential Low Density	Planned Development			1			
P-1	005-590-040		Residential Low Density	Planned Development			1			
P-1	005-590-050		Residential Low Density	Planned Development			1			
P-1	005-590-060		Residential Low Density	Planned Development			1			
P-1	005-590-070		Residential Low Density	Planned Development			1			
P-1	005-590-080		Residential Low Density	Planned Development			1			
P-1	005-590-090		Residential Low Density	Planned Development			1			
P-1	005-590-100		Residential Low Density	Planned Development			1			
P-1	005-590-110		Residential Low Density	Planned Development			1			
P-1	005-590-120		Residential Low Density	Planned Development			1			
P-1	005-590-130		Residential Low Density	Planned Development			1			
P-1	005-590-140		Residential Low Density	Planned Development			1			
P-1	005-590-150		Residential Low Density	Planned Development			1			
P-1	005-590-160		Residential Low Density	Planned Development			1			
P-1	005-590-170		Residential Low Density	Planned Development			1			
P-1	005-590-180		Residential Low Density	Planned Development			1			
P-1	005-590-190		Residential Low Density	Planned Development			1			
P-1	005-590-200		Residential Low Density	Planned Development			1			
P-1	005-590-210		Residential Low Density	Planned Development			1			
P-1	005-590-220		Residential Low Density	Planned Development			1			
P-1	005-590-230		Residential Low Density	Planned Development			1			
P-1	005-590-250		Residential Low Density	Planned Development			1			
P-1	005-590-260		Residential Low Density	Planned Development			1			
P-1	005-590-270		Residential Low Density	Planned Development			1			
P-1	005-590-280		Residential Low Density	Planned Development			1			
P-1	005-590-290		Residential Low Density	Planned Development			1			
P-1	005-590-300		Residential Low Density	Planned Development			1			
P-1	005-590-310		Residential Low Density	Planned Development			1			
P-1	005-590-320		Residential Low Density	Planned Development			1			
P-1	005-590-330		Residential Low Density	Planned Development			1			
P-1	005-590-340		Residential Low Density	Planned Development			1			
P-1	005-590-350		Residential Low Density	Planned Development			1			
P-1	005-590-360		Residential Low Density	Planned Development			1			
P-1	005-590-370		Residential Low Density	Planned Development			1			
P-1	005-590-380		Residential Low Density	Planned Development			1			
P-1	005-590-390		Residential Low Density	Planned Development			1			
P-1	005-590-400		Residential Low Density	Planned Development			1			
P-1	005-590-410		Residential Low Density	Planned Development			1			
P-1	005-590-420		Residential Low Density	Planned Development			1			
P-1	005-590-430		Residential Low Density	Planned Development			1			
P-1	005-590-440		Residential Low Density	Planned Development			1			
P-1	005-590-450		Residential Low Density	Planned Development			1			
P-1	005-590-460		Residential Low Density	Planned Development			1			

Site Number	Assessor's Parcel Number (APN)	Site Address/Intersection	General Plan Designation	Zoning Designation	Parcel Size (Acres)	Total Project Capacity per Plan/Application	Lower-Income Units	Moderate-Income Units	Above Moderate-Income Units	Source of Affordability
P-1	005-590-470		Residential Low Density	Planned Development				1		
P-1	005-590-480		Residential Low Density	Planned Development				1		
P-1	005-590-490		Residential Low Density	Planned Development				1		
P-1	005-590-500		Residential Low Density	Planned Development				1		
P-3	006-254-030	141 Third Avenue	Residential Medium Density	R-3 Multiple-Family Residential	0.71	15	0	0	15	
P-4	004-243-130		Residential - Low Density	R-1 Single-Family Residential	0.36	4	0	0	4	
P-4	004-243-160		Residential - Low Density	R-1 Single-Family Residential						
P-4	004-243-170	717 Templeton Avenue	Residential - Low Density	R-1 Single-Family Residential						
P-4	004-243-140		Residential - Low Density	R-1 Single-Family Residential						
P-5	008-082-180	1784 Sullivan Avenue	Commercial - Service	Commercial - Service		14	0	0	14	
P-6	008-082-200	493 Eastmoor Avenue	Commercial Mixed-Use	Commercial - Service	0.37	72	72	0	0	Seven due to Affordable Housing Ordinance (AHO) requirements. All because of HOME-R, PLHA, Project-based Section 8, Tax Credits, and the City Housing Trust Fund
P-7	004031260	6098 Mission Street	Commercial Mixed-Use	C-1 Light Commercial	0.25	36	0	7	29	IHO - Ownership
P-8	005-050-240	1 Carter Street	Commercial Mixed-Use	C-1 Light Commercial	12.5	262	262	0	0	IHO and housing site, stated in pre-app. Bridge Housing project.
P-8	005-380-020	1 Carter Street	Commercial Mixed-Use	C-1 Light Commercial						
P-9	005-061-010		Commercial Mixed-Use	C-1 Light Commercial	0.48	185	34	0	151	
P-9	005-061-020		Commercial Mixed-Use	C-1 Light Commercial						
P-9	005-061-030		Commercial Mixed-Use	C-1 Light Commercial						
P-9	005-061-040	2321 Geneva Avenue	Commercial Mixed-Use	C-1 Light Commercial						
P-9	005-061-050		Commercial Mixed-Use	C-1 Light Commercial						
P-9	005-061-060		Commercial Mixed-Use	C-1 Light Commercial						
P-9	005-061-070		Commercial Mixed-Use	C-1 Light Commercial						
P-10	002170230 (Portion)	10 Park Plaza Drive	Commercial Mixed-Use	Planned Development	1.95	179	18	0	161	
P-11	002-201-140	99 Southgate Avenue	Commercial Mixed-Use	Planned Development	1.93	214	21	0	193	IHO
P-12	005-064-250	2665 Geneva Avenue	Commercial Mixed-Use	Planned Development	1	9	1	0	8	IHO
P-13	091-211-230	699 Serramonte Boulevard	Commercial - Office	Planned Development	18.1	1113	150	72	890	Proposed development agreement, IHO
P-14	005-330-020		Residential - High Density	R-3 Multiple-Family Residential	15	405	405	0	0	
P-14	005-330-030		Residential - High Density	R-3 Multiple-Family Residential						
P-14	005-330-040		Residential - High Density	R-3 Multiple-Family Residential						
P-14	005-330-050	45 Midway Drive	Residential - High Density	R-3 Multiple-Family Residential						
P-14	005-330-060		Residential - High Density	R-3 Multiple-Family Residential						
P-14	005-330-070		Residential - High Density	R-3 Multiple-Family Residential						

Site Number	Assessor's Parcel Number (APN)	Site Address/Intersection	General Plan Designation	Zoning Designation	Parcel Size (Acres)	Total Project Capacity per Plan/Application	Lower-Income Units	Moderate-Income Units	Above Moderate-Income Units	Source of Affordability
P-14	005-330-080		Residential - High Density	R-3 Multiple-Family Residential						
P-14	005-330-090		Residential - High Density	R-3 Multiple-Family Residential						
P-14	005-330-100		Residential - High Density	R-3 Multiple-Family Residential						
P-14	005-330-110		Residential - High Density	R-3 Multiple-Family Residential						
P-14	005-330-120		Residential - High Density	R-3 Multiple-Family Residential						
P-14	005-330-130		Residential - High Density	R-3 Multiple-Family Residential						
P-14	005-330-140		Residential - High Density	R-3 Multiple-Family Residential						
P-14	005-330-150		Residential - High Density	R-3 Multiple-Family Residential						
P-14	005-330-160		Residential - High Density	R-3 Multiple-Family Residential						
P-14	005-330-190		Residential - High Density	R-3 Multiple-Family Residential						
P-14	005-330-200		Residential - High Density	R-3 Multiple-Family Residential						
P-14	005-330-210		Residential - High Density	R-3 Multiple-Family Residential						
P-14	005-330-220		Residential - High Density	R-3 Multiple-Family Residential						
P-14	005-330-230		Residential - High Density	R-3 Multiple-Family Residential						
P-14	005-330-240		Residential - High Density	R-3 Multiple-Family Residential						
P-14	005-330-250		Residential - High Density	R-3 Multiple-Family Residential						
P-14	005-330-260		Residential - High Density	R-3 Multiple-Family Residential						
P-14	005-330-270		Residential - High Density	R-3 Multiple-Family Residential						
P-14	005-330-280		Residential - High Density	R-3 Multiple-Family Residential						
P-14	005-330-290		Residential - High Density	R-3 Multiple-Family Residential						
P-14	005-330-300		Residential - High Density	R-3 Multiple-Family Residential						
P-14	005-330-310		Residential - High Density	R-3 Multiple-Family Residential						
P-14	005-330-340		Residential - High Density	R-3 Multiple-Family Residential						
P-14	005-330-350		Residential - High Density	R-3 Multiple-Family Residential						
P-14	005-330-360		Residential - High Density	R-3 Multiple-Family Residential						
P-14	005-330-420		Residential - High Density	R-3 Multiple-Family Residential						
P-14	005-330-430		Residential - High Density	R-3 Multiple-Family Residential						
P-16	004-050-200		Commercial Mixed-Use	C-1 Light Commercial	8	0	0	8		
P-16	004-050-190	6225 Mission Street	Commercial Mixed-Use	C-1 Light Commercial						
P-17	006-244-080	7310 Mission Street	Commercial Mixed-Use	C-1 Light Commercial	17	2	0	15	IHO	
P-18	091-247-080	525 Serramonte Boulevard	Residential - High Density	R-3 Multiple-Family Residential	4.67	323	0	65	258	
P-19	003-180-590	6774-6782 Mission St	Commercial Mixed-Use	C-1 Light Commercial	0.12	42	3	0	37	IHO
P-20	003-180-350, 003-180-360	6740 Mission St				62		6	56	
<b>TOTALS</b>					<b>3093</b>	<b>970</b>	<b>155</b>	<b>1967</b>		

Source: City of Daly City, May 2023

Note: Sites with multiple parcels include site unit totals within the first parcel row. In Site P-1, 11 of the site's 133 units will be designated as affordable to moderate-income households; however, these may be different parcels within the site than the parcels indicated in this table.

**Table HE 48: Planned and Approved Project Details, with Reduced Capacity**

Site Number	Site Address/Intersection	Parcel Size (Acres)	Total Units in Project	Total Units in Project - Reduced	Lower	Moderate	Above Moderate	Next Steps	Phasing	Infrastructure Plans	Entitlements Expire
P-1	Carter Street, Steve Counter Way and Martin St	18	133	133	0	11	122	This project is currently under rough grading in its entirety. Model home complex is the first vertical pending building permit approval now. With pre-sales occurring throughout the summer, construction should be under way late 23 early 24. This project is currently under rough grading in its entirety. Model home complex is the first vertical pending building permit approval now. With pre-sales occurring throughout the summer, construction should be under way late 23 early 24.	No. None required or proposed.	Yes, they are approved.	Entitlements do not expire
P-3	141 Third Avenue	0.71	15	15	0	0	15	Approved April 24, 2023. The developer is currently working with the City to establish the various fees that will be paid. Next step is application for building permits. The City expects that building permit applications will be submitted in April/May 2024.	No. None required or proposed.	No significant off-site infrastructure required.	April 2025
P-4	717 Templeton Avenue	0.36	4	4	0	0	4	Approved. Building permit application submitted. The City spoke with the developer in 2022. The lots are developable with all land use entitlements in place for by-right construction.	No. None required or proposed.	No significant off-site infrastructure required.	Entitlements do not expire
P-5	1784 Sullivan Avenue		14	14	0	0	14	Approved March 2023 (AB 2097 used). Staff has spoken with the developer recently and the City expects to receive building permit applications in approximately Q1 of 2024.	No. None required or proposed.	No significant off-site infrastructure required.	Use permit has no expiration; expired design review will occur by ODS
P-6	493 Eastmoor Avenue	0.37	72	72	72	0	0	Entitled. This project is currently in building permit plan check. Assuming funding availability, construction is likely to commence Q1 2024.	No. None required or proposed.	Off-site infrastructure currently in plan check	February 2026
P-7	6098 Mission Street	0.25	36	36	0	7	29	Approved. Project has building permits ready to issue. A two-year extension was granted for the project until April 2025, as the COVID-19 pandemic impacted the project schedule. The applicant has communicated to staff that a senior housing developer is anticipated to purchase the project. The City will work with developer to facilitate and market the sale of this project to ensure additional steps are completed.	No. None required or proposed.	No significant off-site infrastructure required.	April 2025
P-8	1 Carter Street	12.5	262	210	210	0	0	Pre-Application. Site plan in process. Bridge Housing project. The County of San Mateo has provided pre-development funding and work on entitlements is expected to continue	Not entitled yet, but no phasing likely.	No significant off-site infrastructure required.	Not entitled yet.
P-9	2321 Geneva Avenue	0.48	185	148	27	0	121	Application withdrawn and replaced by C-MU zoning by-right zoning allowance and adopted Objective Design Standards.	No. None required or proposed.	No significant off-site infrastructure required.	Project allowed by-right.
P-10	10 Park Plaza Drive	1.95	179	143	14	0	129	Approved. Initial project approval pre-dates Affordable Housing Ordinance, but 10% affordable to low income. Applicant has communicated that he expects the project to be constructed in the next eight years.	No. None required or proposed.	No significant off-site infrastructure required.	Entitlements do not expire
P-11	99 Southgate Avenue	1.93	214	171	17	0	154	This project was approved in April 2017. No building permit submittal yet. Construction drawings are under preparation and are expected to be submitted to the Building Division for plan check in Q1 of 2024. The developer expects the project to be under construction within the next 18 months.	No. None required or proposed.	No significant off-site infrastructure required.	Entitlements do not expire
P-12	2665 Geneva Avenue	1	9	9	1	0	8	This project was approved in September 2022. The applicant applied for a building permit in September 2023.	No. None required or proposed.	No significant off-site infrastructure required.	May 2025
P-13	699 Serramonte Boulevard	18.1	1113	890	120	58	712	Development agreement, general plan amendment, and rezoning approved February 2024. Phased project. The sequence and timeline of development will ultimately depend on market conditions. The pace of development will fluctuate with the regional economy, capital expectations and availability, costs for development and the conditions of the Daly City housing market.	Phasing is proposed but not required. Development of any lot can happen concurrently. Parcels are assumed to develop in the following order: Parcel B – 201 units Parcel C – 100 units Parcel D – 240 units Parcel E – 290 units Parcel F – 282 units	Yes, plan for on- and off-site infrastructure approved February 2024.	Entitlements do not expire

Site Number	Site Address/Intersection	Parcel Size (Acres)	Total Units in Project	Total Units in Project - Reduced	Lower	Moderate	Above Moderate	Next Steps	Phasing	Infrastructure Plans	Entitlements Expire
P-14	45 Midway Drive	15	405	405	405	0	0	Midway Village currently provides 150 affordable homes and is owned and managed by the Housing Authority of the County of San Mateo. MidPen Housing, in close collaboration with the County of San Mateo is developing the site. This includes replacing the 150 affordable units and developing an additional 405 units and relocating families to the newly built units. The project includes 555 units over 4 phases. Phase 1 which included 147 units were constructed in 2023 and Phase 2 is estimated to pull building permits in summer 2024. Design review is needed for the remaining two phases, but all are approved. Commitment has been made by the County of San Mateo Department of Housing that all units will be built prior to the end of the planning period.	Project is phased (four phase) for build-out by 2028. Phase 2 includes 128 units and will be in plan check summer 2024. Phase 3 includes 140 units and Phase 4 includes 140 units.	Significant on-site infrastructure installed or to be installed.	Entitlements do not expire
P-16	6225 Mission Street	8	8	0	0	8	0	Project allowed without discretionary review pending final Housing Element adoption.	No. None required or proposed.	No significant off-site infrastructure required.	No entitlements required. Application converted to C-MU 'by-right' allowances
P-17	7310 Mission Street	17	17	2	0	15	0	Entitled (approved May 2022). Building permit application submitted in September 2023, construction expected to commence Q1 of 2024.	No. None required or proposed.	No significant off-site infrastructure required.	No expiration. Use permit and design review approvals converted to C-MU 'by-right' allowances.
P-18	525 Serramonte Boulevard	4.67	323	258	0	52	206	This project was approved in November 2018. No building permit submittal yet. The applicant has been in contact with the City and stated that the project is moving forward and will be advanced by the rezoning of the hotel parcel.	No. None required or proposed.	No significant off-site infrastructure required.	Entitlements do not expire
P-19	6774-6782 Mission St	0.12	42	42	5	0	37	Application submitted October 6 <sup>th</sup> , awaiting completeness determination. The developer has elected to move forward with a use permit rather than waiting for C-MU rezoning to be completed.	No. None required or proposed.	No significant off-site infrastructure required.	Not entitled yet. Project next steps is to submit for building permits, assumed for Fall 2024.
P-20	6740 Mission St	62	62	6	56	0	0	The project is allowed by right, subject to only Objective Design Standards. The next step is a building permit. Pre application meeting was in March 2024.	No. None required or proposed.		No entitlements required.
<b>Total</b>		<b>3,093</b>	<b>2,637</b>	<b>873</b>	<b>134</b>	<b>1,630</b>					

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## **Sites Inventory and Analysis**

State law requires each jurisdiction to demonstrate that sufficient land is zoned to provide housing capacity that is adequate to meet the RHNA for each income level. To determine housing capacity, City staff conducted a comprehensive inventory in March 2023 of all vacant and nonvacant developable land within the city limits that is zoned to allow for housing and available to develop within the Housing Element planning period. This section describes the methodology used to calculate the housing capacity on developable housing sites.

**Figure HE-35** maps each site in Daly City's sites inventory that could accommodate a portion of the RHNA. **Table HE-51, HE-52, and HE-53** include a parcel-by-parcel listing of the vacant and underutilized sites that can accommodate portions of the RHNA. All sites are served by or planned to be served by infrastructure, with no constraints identified that would reduce capacity.

### **Sites Identified in Previous Housing Element**

Pursuant to California Government Code Section 65583.2(c), a non-vacant site identified in the previous planning period and a vacant site that has been included in two or more previous consecutive planning periods cannot be used to accommodate the lower-income RHNA. An exception is if the site is subject to an action in the Housing Element requiring rezoning within three years of the beginning of the planning period to allow residential use by right for housing developments in which at least 20 percent of the units are affordable to lower-income households.

Sites 3, 4, and 7 have been included in the past two Housing Element cycles and are subject to California Government Code Section 65583.2(c). Sites 12, 14, and 15 are underutilized and were included in the last Housing Element cycle. The City has included Housing Element **Task 6.3**, which commits the City to allowing residential use by right on sites consistent with Government Code Section 65583.2(c), for housing developments in which at least 20 percent of the units are affordable to lower-income households.

### **Sites Appropriate for Lower-Income Housing**

Housing element law requires jurisdictions to provide a requisite analysis showing that zones identified for lower-income households are sufficient to encourage such development. The law provides two options for preparing the analysis: (1) describe market demand and trends, financial feasibility, and recent development experience; or (2) use default density standards deemed adequate to meet the appropriate zoning test. According to state law (California Government Code Section 65583.2(c)(3)(B)), the default density standard for Daly City is 30 dwelling units per acre. Default densities are established using population-based criteria, as detailed here:

- Incorporated cities within non-metropolitan/rural counties and non-metropolitan counties with micropolitan areas (15 units or more per acre)
- Unincorporated areas in all non-metropolitan counties (10 units or more per acre)
- Suburban jurisdiction (20 units or more per acre)
- Metropolitan jurisdictions (30 units or more per acre).

The City of Daly City falls into the Metropolitan Jurisdiction category, and is relying on the R-2 and R-3 zones to meet the lower-income RHNA. All of these zones permit densities of 30 or more units to the acre.

### **Small Sites**

Sites smaller than a half-acre in size are typically not considered appropriate to accommodate housing for lower-income households unless it is demonstrated, with sufficient evidence, that sites are suitable to

accommodate housing for lower-income households. However, developing affordable projects on small sites, as shown in **Table HE- 48**, is typical in Daly City. The City is only assuming that 11 percent of the lower income RHNA will be met on sites smaller than a half-acre.

Additionally, Site 8, located at 6401 Mission Street, is smaller than 0.5 acres and has therefore been inventoried in the moderate and above-moderate income category. However, the site does have an active proposal to develop 150 units that are affordable to lower-income households.

### **Parcel Consolidation**

The sites inventory, as shown in **Table HE-50, 51, and 52**, includes several sites that include multiple parcels that the city is assuming will develop jointly, however developing jointly is not required. No parcels smaller than 0.5 acres are assumed to accommodate lower-income unit capacity toward the RHNA, even when part of a consolidated site. Factors that support the likelihood on each site are discussed below:

- Site 1: Four parcels (sizes 0.05 acres, 0.12 acres, 0.06 acres, and 0.11 acres). The parcels are owned by the same owner and are currently cleared and fenced as one area rather than distinct parcels, so it is estimated that these will develop jointly.
- Site 9: A total of five parcels (sizes 1.75 acres, 1.12 acres, 3.04 acres, 2.10 acres, and 3.38 acres). All five are owned by a common owner that has expressed an interest in developing all five parcels together on a project with three phases. A mix of lower and moderate-income capacity is assumed on this site due to the intention expressed by the site's current owner and the density permitted on the site.
- Site 3: Two parcels, one 0.57 acres, the other 0.46 acres. Both are owned by the same owner and currently have a use that extends to both parcels.
- Site 11: Three parcels on the site, with sizes of 1.08 acres, 0.2 acres, and 0.43 acres. All three parcels are owned by the same owner, and the owner has expressed an interest in developing the whole site.
- Site 13: Three parcels on the site, with sizes of 0.34 acres, 0.21 acres, and 0.13 acres. The first two parcels have common ownership, and so are the most likely to develop jointly. However, because of its close proximity to the other two parcels, the configuration of the lots, and the age of the buildings on the site, it is possible that the three parcels will develop jointly.

Additionally, the city has expanded **program 1.6** to assist with lot consolidation when affordable units are proposed.

### **AB 725**

Under Gov. Code, § 65583.2, subd. (c)(4), jurisdictions that are considered Metropolitan, including Daly City, must identify at least 25 percent of the moderate and above-moderate RHNA on sites that allow at least four units of housing. All of the sites in the inventory that were identified to meet the moderate and above-moderate RHNA allow at least four units of housing.

### **Commercial Mixed-Use Zone**

As a part of a separate effort, the City rezoned a number of parcels in the Mission Street and Geneva Avenue corridors as part of the process of implementing its newly-developed Commercial Mixed-Use zone (**Task 1.1**). The rezones occurred in November 2023, prior to adoption of the Housing Element. While

this rezone will provide for more opportunity in the C-MU zone, implementation of strategies 1.1, 1.2, 1.3, 1.4, 1.5), was not needed to meet the City's RHNA.

### ***Realistic Development Capacity Assumptions***

This Housing Element uses the following assumptions regarding the realistic development capacity of vacant and underutilized sites identified in **Tables HE-51, HE-52, and HE-53**.

#### **Vacant Sites Zoned for Exclusively Residential Uses**

Of the vacant housing sites identified in **Table HE-51**, three sites are subject to zoning regulations that allow exclusively residential uses. The anticipated density on these sites ranges from 50 to 120 dwelling units per acre, largely reflecting the maximum permissible General Plan density currently attributable to each of these sites along with a planned change to the maximum permitted density in High-Density Residential/R-3 Zoning and Medium-Density Residential/R-2 Zoning as part of **Task 6.6**. The City has assumed that development will occur at approximately 90 percent of the maximum permissible density because recent development trends in Daly City have been close to this ratio (82 percent average on non-Planned Development sites), and the City assumes that by increasing the maximum permitted density in the High and Very High Density Residential land use designations, higher density projects will be encouraged to develop in these areas. Of the pipeline housing projects in traditional residential land use areas, the majority of multifamily housing development has maximized the density allowed by the General Plan Land Use Map through implementation of the planned development zone at the time of the project's development. Calculating a specific ratio of project units to maximum units permitted is therefore not possible on these sites, as the unit maximum is defined by the project. **Table HE-49** shows all multifamily projects that were submitted for entitlement approval since 2015 and the capacity at which they were developed. Both were developed in zones with no maximum density but show that both high-density and moderate-density projects above 30 dwelling units to the acre are able to develop in Daly City. Since 1998, every residential project that has been submitted for entitlement has been approved by City Council.

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**Table HE 49: Recent Development Examples, Multifamily**

Residential	Status	Approval Date	Zoning	Site Size	Units Approved	Maximum Density Permitted by Land Use (du/ac)	Maximum Units Permitted by Land Use	Units as a Percent of Maximum (if Applicable)	What was/is the existing use on the site?	Did Lot Consolidation Occur?
Calgary Subdivision (Baldini)	Under Construction	8/14/2015	Planned Development	0.28	7	N/A	N/A	N/A	Public middle school - demolished	Yes
Point Martin One Residential Subdivision	Under Construction	9/14/2015	Planned Development	1.84	16	N/A	N/A	N/A	Vacant land	No
Second Avenue Condominiums	Plan Check	12/14/2015	R-3 Multiple Family	0.45	20	55	25	81%	Vacant land	Yes
Roberton Intermediate Redevelopment (Toll Brothers)	Constructed	4/25/2016	Planned Development	6.96	71	N/A	N/A	N/A	Vacant land	Yes
Point Martin Two Residential Subdivision	Under construction	5/22/2017	Planned Development	18	117	N/A	N/A	N/A	Existing retail space converted to condos	No
Station Avenue Apartments (Uniacke)	Approved	11/14/2018	R-3 Multiple Family	0.23	15	55	13	118%	Vacant land	Yes
Serramonte Views Residential Condominiums	Approved	11/26/2018	Planned Development	4.76	323	N/A	N/A	N/A	Bowling alley - demolished	No
Serra Station (The Hub)	Constructed	1/14/2019	Planned Development	3.2	75	N/A	N/A	N/A	Retail and office building proposed for demolition	No
Habitat for Humanity Multifamily (Habitat - Geneva)	Constructed	5/28/2019	R-3 Multiple Family	0.14	6	55	8	78%	Vacant land	No
Templeton Homes	Approved	5/28/2019	R-1 Single Family	0.36	4	12	4	93%	Vacant land	No
JUHSD Faculty and Staff Housing	Constructed	1/13/2020	Planned Development	3.3	122	N/A	N/A	N/A	Closed high school proposed for demolition	No
Midway Village Redevelopment	Under Construction	6/8/2020	R-3 Multiple Family	11.25	555	55	619	90%	Vacant land/car dealership storage	No
Third Avenue Townhouses	Approved	4/24/2023	R-3 Multiple Family	0.72	14	55	40	35%	Closed fire station demolished	Yes
<b>Average</b>								<b>82%</b>		

Source: City of Daly City, 2023. Note: du/ac = dwelling units per acre

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### **Vacant: Mixed-Use Sites**

Of the vacant housing sites identified in **Table HE-50** two sites are subject to zoning regulations that allow residential uses as part of a mixed-use project. The City will remove the requirement for a conditional use permit for residential uses in the C-1 and C-2 zones as part of **Task 2.2**. As with sites zoned for residential uses, the City has assumed that development will occur at approximately 85 percent of the maximum permissible density because development trends in Daly City have historically supported this assumption. Since 1998, every mixed-use project that has been submitted for approval has been approved by City Council. Additionally, to permit primarily residential projects in commercially zoned areas that permit mixed-use, the City has historically been willing to consider a building's amenities as the non-residential portion of the mixed-use in order to permit additional residential development. **Table HE-4** 50 shows recent examples of all mixed-use projects that were approved from December 2014 to the present and the capacity at which they developed. Because the C-1 and C-2 zones do not have a maximum density required by the corresponding land use designation, it is not possible to calculate a percentage of the maximum for purposes of comparison. Similarly, because many mixed-use projects are developed with Planned Development projects, the maximum density is defined by the proposed project and therefore all projects maximize the permitted density. However, the projects below have an average project density of 121 dwelling units per acre, which is indicative of the density that is feasible in the current development market. An average project density of 121 dwelling units per acre represents 83.4 percent of the maximum density permitted in these zones based on the minimum lot area per dwelling unit. It is estimated that the removal of the conditional use permit will encourage development at increased densities, so the City has estimated a realistic development capacity of 85 percent of the maximum.

While the C-1, C-2, and CMU zones allow for 100 percent non-residential uses, they also permit 100 percent residential projects. Based on trends, 100 percent commercial is not what develops in Daly City. To ensure commercial uses do not exceed the 15 percent assumed in the realistic capacity assumptions, as well as to ensure that residential uses do not develop at less than 85 percent of the maximum permitted capacity, the City has included Task 6.10 to monitor projects throughout the planning period to ensure 85 percent residential targets are being met and perform a mid-year review of mixed use developments to determine if 85 percent realistic capacity is still appropriate. Over the last 10-15 years the City has not received applications for 100 percent commercial projects. Projects in commercial zones are typically developed with 100 percent residential, or mixed-use projects with residential being the primary use. This shows that the City can assume this trend will continue moving forward.

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**Table HE 50: Recent Development Examples, Mixed-Use**

Mixed Use	Status	Approval Date	Current Zoning	Site Size	Units Approved	Density of Final Development (du/ac)	Use prior to Approval or Development
<b>Brunswick Street Senior Apartments</b>	Constructed	12/14/2014	C2 - Heavy Commercial	1.15	206	179	Vacant
<b>Pacific Place Retail Conversion</b>	Plan Check	4/24/2017	Planned Development	1	7	7	The site currently has a 72-unit apartment building that is approximately 16 years old. This structure was not removed, but the building's retail space was replaced with housing units. As of 2017, the ILV of the site was 2.8.
<b>Mission Street/Goethe Street Mixed-Use Building</b>	Plan Check	9/11/2017	C-1 Light Commercial	0.25	36	144	This site previously included a gas station, but had been vacant for at least 25 years prior to development.
<b>Westlake Shopping Center Mixed-Use Building</b>	Approved	9/10/2018	Planned Development	1.95	179	92	Prior to redevelopment, the site had been a retail and medical office space that was constructed in the 1950s. As of 2018, the ILV was 1.1.
<b>Eastmoor Residential Mixed-Use (CORE)</b>	Plan Check	2/24/2020	C-S Commercial- Service	0.37	72	195	This site previously included a gas station, but had been vacant for at least 25 years prior to development.
<b>Mission Street Mixed Use Building (Antonaris)</b>	Approved	6/8/2020	C-1 Light Commercial	0.12	17	142	The site is the parking lot for a used car business and has an ILV of 0.0.
<b>Old Burlington Site Mixed-Use Redevelopment</b>	Approved	9/12/2022	Planned Development	1.95	179	92	Prior to redevelopment, the site had a retail building. The ILV as of 2022 was 0.7.
<b>Average</b>						<b>121 du/acre</b>	

Source: City of Daly City, 2023. Note: du/ac = dwelling units per acre

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### **Vacant Sites Requiring Rezoning**

The Seton Hospital site, Site 9, is not presently zoned for residential uses. However, as part of the development process, the site will be rezoned to R-3 with a General Plan land use designation of Residential- High (**Table HE-51**). These parcels are currently within the grounds of a large hospital campus and there is active interest on the part of the property owner in adding residential uses to these sections of the campus.

Additionally, the Planned Development zone at 525 Serramonte Boulevard (Site 7) and at 169 First Avenue (Site 8) will be adjusted to permit residential uses instead of hotel and office uses.

Both the Mission Street and Geneva Avenue corridors are presently zoned C-1 Light Commercial and are identified for rezoning to a newly developed C-MU Commercial Mixed Use in **Tasks 1.1 through 1.5** primarily as a means to promote housing construction with ground-floor retail uses through a more streamlined development review process than currently exists. Neither the existing General Plan Land Use Element nor the Zoning Ordinance identifies a maximum residential density in the Retail and Office General Plan designation or C-1 Light Commercial zone designation for these areas. Based on recent development projects in the corridor, it is estimated that these will develop at a density of 75 units to the acre.

### ***Non-Vacant Housing Sites***

Of the sites identified in **Table HE-52**, seven sites are occupied by existing structures or parking lots. Of these seven sites, four sites are occupied by existing greenhouses, nurseries, and other agricultural land uses that have an improvement-to-land value ratio of less than 1.0, supporting the notion that redevelopment of these properties is feasible and even likely, given the history of sites with agricultural uses being converted to residential uses in Daly City. In many cases, property owners have either expressed an interest in redeveloping their properties or have previously obtained land use entitlements to do so. Properties with existing structures that are poorly maintained or older than 50 years or that have improvement-to-land value ratios of less than 1.0 were considered to be appropriate for redevelopment, though not all conditions were required to be met in order to be considered for the inventory.

Historically, all but one residential development project in Daly City that has been constructed within the past ten years has been completed on non-vacant sites, including on challenging sites that required environmental remediation, such as former gas stations. The only completely vacant property that was developed during this time period was 4619 Brunswick Street. This property was a rock outcropping, and so while the property was technically vacant, it also had a challenging physical condition that needed to be remediated prior to development. Therefore, the presence of buildings or other structures on a site, particularly older structures such as those on Sites 10, 11, 12, 13, 14, and 15, are not considered to be a constraint to development.

To further show that non vacant sites are appropriate to accommodate the RHNA, the City reviewed sites that have been approved for the development of housing with similar characteristics, i.e. aging commercial buildings, existing retail space, and older residential units. **Table HE-49** provides a list of multifamily project examples where the proposed projects were developed or will be developed on sites that had/have existing uses. Where data on improvement values prior to redevelopment is available, improvement-land value ratios at the time of project approval for the mixed-use project examples in Table HE-50 that were developed on non-vacant sites were between 0.70 and 2.84, indicating that high improvement values are not a barrier to redevelopment. Approximately 50 percent of the projects approved since 2015 were on non-vacant sites, including on sites with active retail or medical office building uses. This further justifies that underutilized sites develop with residential units and that the sites assumed are similar to the approved projects making the underutilized sites more than appropriate to accommodate the City's RHNA.

## ***Environmental Constraints***

With the exception of a narrow stretch of coastal area, the majority of the city falls within the Federal Emergency Management Agency (FEMA) flood hazard designation X, an area of moderate flood risk that is lower risk than the 1 percent floodplain. All of the RHNA inventory is within this moderate flood risk area. No areas of the city are considered to have a heightened risk of wildfire, though the San Bruno Mountain State Park just outside the city is within a high fire hazard severity zone.

**Table HE 51: Vacant Sites, Residential Permitted**

Site Number	Assessor's Parcel Number	Site Address/Intersection	General Plan Designation (Current)	Zoning Designation (Current)	Maximum Density (du/acre)	Parcel Size (Acres)	Total Capacity	Realistic Capacity (85%)	Lower-Income Units	Moderate-Income Units	Above Moderate-Income Units
12	005-065-120	Geneva/Rio Verde NE Corner	Commercial Mixed-Use	C-1 Light Commercial	75	0.10	8	6		5	1
	005-065-130	Geneva/Rio Verde NE Corner	Commercial Mixed-Use	C-1 Light Commercial		0.12	8	7		5	2
	005-065-140	Geneva/Rio Verde NE Corner	Commercial Mixed-Use	C-1 Light Commercial		0.06	5	4		3	1
	005-065-190	Geneva/Rio Verde NE Corner	Commercial Mixed-Use	C-1 Light Commercial		0.11	8	7		6	1
2	006-221-190	130 Station Avenue	Residential High Density	R-3 Multiple-Family Residential	120	0.23	28	23		20	3
4	091-211-340	1050 St. Francis Boulevard	Residential Medium Density	R-2 Two-Family Residential	60	2.49	149	127	76	25	25
5	006-234-030	89 Second Avenue	Residential High Density	R-3 Multiple-Family Residential	120	0.46	55	47		37	10
6	006-345-070	1590 Bryant Street	Retail and Office Commercial (C-R/O)	Retail and Office Commercial (C-R/O)	57	0.34	27	23		20	3
<b>Total Vacant Site Capacity</b>							<b>288</b>	<b>245</b>	<b>76</b>	<b>121</b>	<b>47</b>

Notes: Sites with multiple parcels include site unit totals within the first parcel of the site.

The sites included do not have any environmental constraints or constraints related to contaminants, easements, site shape or size, compatibility with designated uses, or other physical conditions that would constrain development. Further, all sites have sufficient capacity for sewer, water, and dry utilities.

1 Site subject to the Inclusionary Housing Ordinance, requiring at least 10 percent of units to be rented at rates affordable to lower-income households for projects of 20 units or more.

2. Allowed density was in place prior to the start of the planning period.

**Table HE 52: Vacant Sites – Proposed Rezone or Planned Development Update**

Site Number	Assessor's Parcel Number	Site Address/Intersection	General Plan Designation (Current)	Zoning Designation (Current)	General Plan Designation (Proposed)	Zoning Designation (Proposed)	Maximum Density (du/acre)	Parcel Size (Acres)	Total Capacity	Realistic Capacity (85%)	Lower-Income Units	Moderate-Income Units	Above Moderate-Income Units
7	091-247-080	525 Serramonte Boulevard	Commercial – Retail and Office	Planned Development	Residential Very High Density	Planned Development (Permitting Residential)	136	1.30 (Portion)	176	149	97	30	22
8	003-224-100	6401 Mission Street	Commercial Mixed-Use	Planned Development (Permitting Office)	Commercial Mixed-Use	Planned Development (Permitting Residential)	136	0.35	26		22	19	3
	008-521-110	Seton Hospital - Southgate	Office (C-O)	Office Commercial (C-O)	Residential- High (R-H)	R-3		120	1.75	210	179	116	36
	008-104-110	Seton Hospital - West	Public Facilities (PF)	HOSP	Residential- High (R-H)	R-3		120	2.08	250	212	138	42
9	008-104-120	Seton Hospital - West	Public Facilities (PF)	HOSP	Residential- High (R-H)	R-3			1.49	179	152	99	30
	008-520-180	Seton Hospital - East	Public Facilities (PF)	HOSP	Residential- High (R-H)	R-3		120	2.74	329	279	182	56
	008-520-190	Seton Hospital - East	Public Facilities (PF)	HOSP	Residential- High (R-H)	R-3			1.69	203	172	112	34
<b>Total Vacant Rezone Capacity</b>									<b>1372</b>	<b>1166</b>	<b>743</b>	<b>248</b>	<b>175</b>

Notes: Maximum density on Site 7 is based on the planned development density of project P-18, with which Site 7 is co-sited. Realistic capacity on Site 8 is based on previous/pending rezone application project capacity. Site 9 is divided into three sub-sections for site totals. Though Site 9 is listed as one site number due to common ownership (Seton Hospital), development is expected to be developed as three sub-sections (Southgate, West, and East) rather than one combined parcel.

The sites included do not have any environmental constraints or constraints related to contaminants, easements, site shape or size, compatibility with designated uses, or other physical conditions that would constrain development. Further, all sites have sufficient capacity for sewer, water, and dry utilities. Where applicable, steep slopes are accounted for with decreased acreage.

Table HE 53: Underutilized Sites

Site Number	APN	Site Address/Intersection	General Plan Designation (Current)	Zoning Designation (Current)	General Plan Designation (Proposed)	Zoning Designation (Proposed)	Maximum Density (du/acre)	Parcel Size (Acres)	Total Capacity	Realistic Capacity (85%)	Lower-Income Units	Moderate-Income Units	Above Moderate-Income Units	Existing Use
<b>Underutilized, Residential Permitted</b>														
3	005-067-210	51 Oriente Street	Residential Medium Density	R-2 Two-Family Residential	N/A	N/A	50	0.57	34	29	17	6	6	This privately-owned site is currently in use as a parking lot. Both parcels are owned by the same owner. It is believed that this site will redevelop during the planning period as it is not well maintained, and the majority of the space is unused parking. The property has an improvement-to-land value ratio of 4.18. However, due to the property's low level of maintenance, this ILV is not considered to be a constraint to redevelopment.
	005-067-220	51 Oriente Street	Residential Medium Density	R-2 Two-Family Residential	N/A	N/A	50	0.46	28	23	20	3	3	
10	006-453-020	640 Lisbon Street	Residential Medium-Low Density	R-1 Single-Family Residential	N/A	N/A	20	0.27	9	8	4	4	4	The site is currently a wholesale nursery. The current use has been in place for approximately 75 years. Uses on adjacent parcels are residential. The property has an improvement-to-land value ratio of 0.27, indicating that redevelopment is highly feasible.
11	006-251-230	E. Market between Mission Street and First Street	Neighborhood Commercial Residential Above	C-1 Light Commercial (BART overlay)	N/A	N/A	40	1.08	43	37	24	7	6	This privately owned site is populated by a bank, a strip mall, retail and parking lots and is partially vacant. All three parcels are owned by the same owner. Current uses on the site are between approximately 50 and 75 years old. It is believed that this site will redevelop during the planning period as developers have expressed an ongoing interest in the site on an annual basis, though no plans have been submitted at present. The property has an improvement-to-land value ratio of 0.69, indicating that redevelopment is feasible.
	006-251-210		Neighborhood Commercial Residential Above	C-1 Light Commercial (BART overlay)	N/A	N/A	40	0.2	8	7	6	1	1	
	006-251-220		Neighborhood Commercial Residential Above	C-1 Light Commercial (BART overlay)	N/A	N/A	40	0.43	17	15	13	2	2	
12	006-346-170	1645 Edgeworth Avenue	Commercial Mixed-Use	Residential Retail Commercial (C-R/R)	N/A	N/A	75	0.17	13	11	9	2	2	This privately-owned site is currently occupied by a vacant greenhouse that is approximately 75 years old and has exceeded its useful life. As of October 2023, an application was submitted to redevelop this site. The property has an improvement-to-land value ratio of 0.06, indicating that redevelopment is highly feasible.
13	006-346-280	1680 and 1698 Bryant Street	C-R/O Retail and Office Commercial	C-R/O Residential and Office Commercial	N/A	N/A	57	0.34	19	16	14	2	2	This 1.38-acre privately owned site is currently occupied by an operational auto repair garage that has previously been considered by a nonprofit housing developer for the construction of 48 apartments. The condition of the building, constructed in the 1950s, is average. The development capacity is based on the 57 units per acre density of the recently developed residential property across the street. The property has an improvement-to-land value ratio of 0.69, indicating that redevelopment is feasible. APNs 006-346-280 and -130 have common ownership. However, there is potential for all three to develop together based on the configuration of the lots.
13	006-346-130		C-R/O Retail and Office Commercial	C-R/O Residential and Office Commercial	N/A	N/A	57	0.21	12	10	9	1	1	
13	006-346-140		C-R/O Retail and Office Commercial	C-R/O Residential and Office Commercial	N/A	N/A	57	0.13	7	6	5	1	1	
14	005-065-210	Rio Verde Street	Residential Medium-Low Density	R-1 Single-Family Residential	N/A	N/A	20	0.40	14	12	10	2	2	This privately-owned 0.40-acre site is currently occupied by a greenhouse. The greenhouse is estimated to be older than 75 years and to have exceeded its useful life. The owner has expressed an interest in redeveloping the property. The property has an improvement-to-land value ratio of 1.0, indicating that redevelopment is feasible.

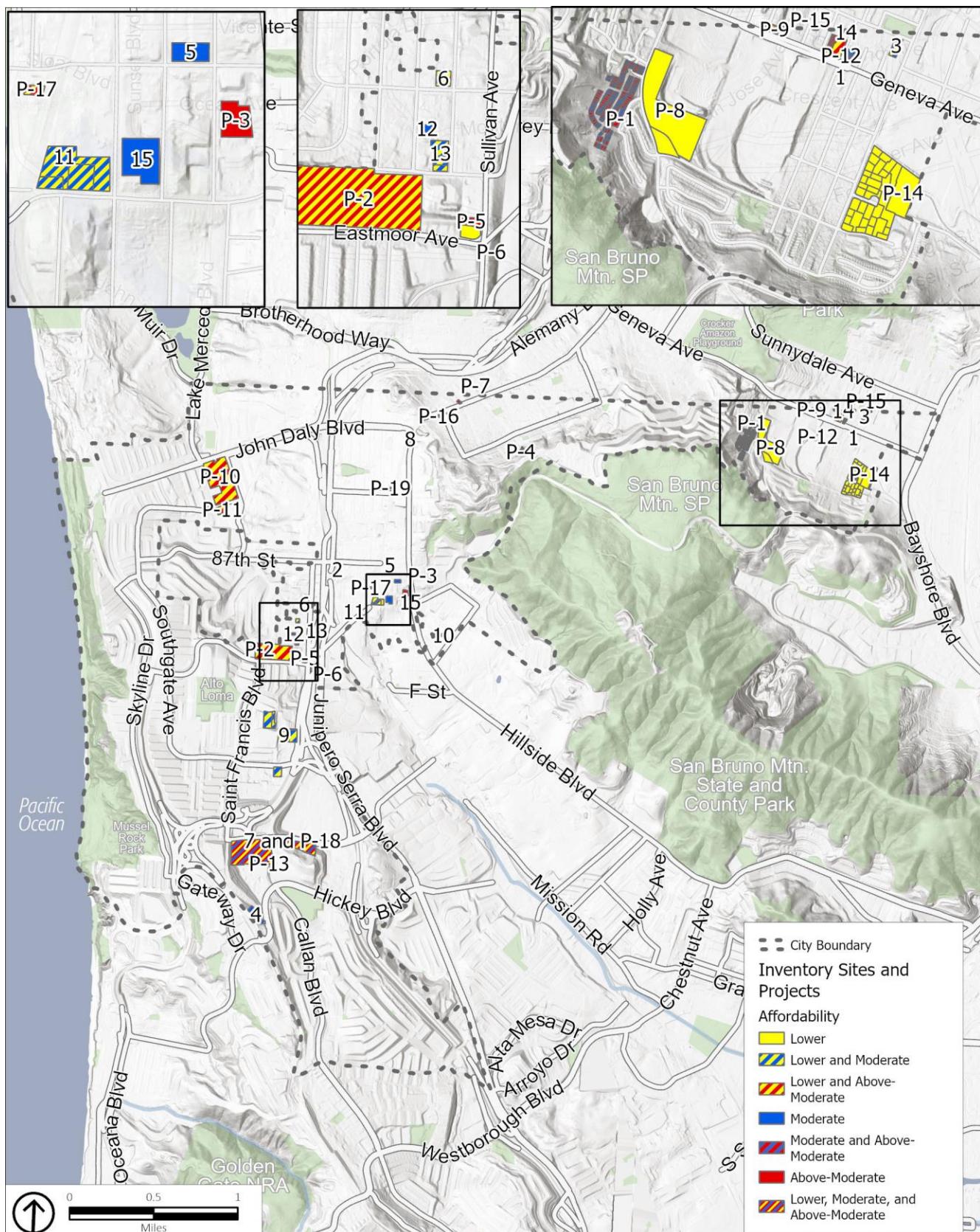
Site Number	APN	Site Address/Intersection	General Plan Designation (Current)	Zoning Designation (Current)	General Plan Designation (Proposed)	Zoning Designation (Proposed)	Maximum Density (du/acre)	Parcel Size (Acres)	Total Capacity	Realistic Capacity (85%)	Lower-Income Units	Moderate-Income Units	Above Moderate-Income Units	Existing Use
<b>Underutilized, Rezone Required</b>														
15	006-252-080	169 First Avenue	Residential Medium Low Density	R-3	Residential High Density	R-3	100	1.02	122	104	68	21	16	This privately-owned site is currently occupied by two wholesale nurseries and one single-family detached home. The buildings are older than 75 years and are estimated to have exceeded their useful life. The owner has been in recent contact with the City to express interest in redeveloping the site. The property has an improvement-to-land value ratio of 0.12, indicating that redevelopment is highly feasible.
<b>Total Underutilized Site Capacity</b>														

Notes: Sites with multiple parcels include site unit totals within the first parcel of the site.

The sites included do not have any environmental constraints or constraints related to contaminants, easements, site shape or size, compatibility with designated uses, or other physical conditions that would constrain development. Further, all sites have sufficient capacity for sewer, water, and dry utilities.

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**Figure HE-35: Location of Projects and Sites to Meet the RHNA**



## ***Additional Capacity Potential***

### **Rezoning and Change of General Plan Land Use Designation**

The City of Daly City is obligated by State law to ensure that appropriately zoned land exists in the city that would allow construction of all units in the RHNA. As part of **Task 6.5**, the City will make the following changes to its Zoning Code and General Plan Land Use Element:

- Increasing the permitted density in the Residential – Medium Low Density General Plan Land Use Designation from 14.6 to 20 dwelling units per acre to 14.6 to 35 dwelling units per acre.
- Increasing the permitted density in the Residential – Medium Density General Plan Land Use Designation from 20.1 to 35 dwelling units per acre to 35.1 to 60 dwelling units per acre.
- Increasing the permitted density in the Residential High Density General Plan Land Use Designation from 35.1 to 60 dwelling units per acre to 60.1 to 120 dwelling units per acre.
- Increasing the permitted density in the Residential – Very High Density General Plan Land Use Designation to a minimum of 120.1 dwelling units per acre.
- Removing the conditional use permit requirement for residential uses in the C-1 and C-2 zones

Additionally, through **Task 6.6**, the City will ensure that zoning development standards are updated as needed to ensure consistency between zones and the Land Use Element.

### **SamTrans Park and Ride Lot**

The SamTrans Park and Ride Lot (3501 Junipero Serra Boulevard) is owned by the San Mateo County Transit District and consists of an existing parking lot that provides daily paid parking for use by patrons to the Colma BART Station. The District has re-initiated a conversation with City for the site and received a letter of support from the City Council for potentially developing the entire 8.7-acre site in a mixed-use format. The City has long-been supportive of redeveloping the site and has provided policy guidance in the Land Use Element and previous Housing Element intended to allow for broader mix of land uses in a more intensive format than is currently provided by the BART Station Area Specific Plan. To this end, the Housing Element proposes a redesignation of the lot to the Specific Plan's Residential High Density designation and amending the designation language to require at least 30 dwelling units per acre. This designation change allows for the mixed-use building type sought by SamTrans, while permitting residential densities necessary to achieve the affordability levels sought by the City. Because the parameters and constraints associated with developing this property are unknown, this City is currently assuming a 261-unit yield (30 dwelling units per acre). However, these units are not being counted toward the RHNA total due to the unknown timeline for permitting and construction.

### **Accessory Dwelling Units**

California Government Code Section 65583.1(a) states that a town, city, or county may identify sites for accessory dwelling units (ADUs) based on the number of ADUs developed in the prior Housing Element planning period, whether the units are permitted by right, the need for ADUs in the community, the resources or incentives available for their development, and any other relevant factors. Based on recent changes in state law reducing the time to review and approve ADU applications, requiring ADUs that meet requirements to be allowed by right, eliminating discretionary review for most ADUs, and removing other restrictions on ADUs, it is anticipated that the production of ADUs will increase in the 6<sup>th</sup> Cycle Housing Element planning period.

The City issued the following ADU building permits over the last four years:

- 2018 – 74 ADUs received building permits
- 2019 – 68 ADUs received building permits
- 2020 – 74 ADUs received building permits
- 2021 – 48 ADUs received building permits
- 2022 – 51 ADUs received building permits

On average, there are about 63 applications for ADUs approved each year. To promote ADUs, the City has included **Task 5.1** to promote the construction of affordable ADUs through several actions.

To determine assumptions on ADU affordability in the ABAG region, ABAG conducted a regional analysis of existing ADU rents and prepared a draft report in September 2021. The analysis resulted in affordability assumptions that allocate 30 percent of ADUs to very low income, 30 percent to low-income households, 30 percent to moderate-income households, and 10 percent to above moderate-income households. Affordability of ADUs projected to be built in the city during the planning period were based on the ABAG analysis.

### **Summary of Capacity to Accommodate the RHNA**

**Table HE-54a** compares the City's RHNA to the current site capacity. This comparison identified a short fall of 806 lower income units, and 252 moderate income units and 157 above moderate income units.. **Table HE-54b** identifies the rezone capacity to meet the identified shortfall, leaving the City with a surplus of 5 units in the lower-income (including extremely low-, very low-, and low-income) category, a 16-unit surplus in the moderate-income category, and a 33-unit surplus in the above moderate-income category. This capacity does not include the SamTrans Park and Ride Lot site, which could provide an additional 261 units.

**Table HE 54a: Current Capacity Compared to the 6th Cycle RHNA by Income Category**

RHNA Category	2023-2031 RHNA	Projects Under Construction	Proposed/Approved Projects	Vacant Site Capacity	Underutilized Capacity	Projected ADUs	Total Capacity	(Shortfall) /Surplus
Very Low	1,336	6	873	76	41	302	1,299	(806)
Low	769							
Moderate	762	0	134	121	103	151	510	(252)
Above Moderate	1,971	57	1,630	47	30	50	1,814	(157)
<b>Total</b>	<b>4,838</b>	<b>63</b>	<b>2,637</b>	<b>245</b>	<b>258</b>	<b>503</b>	<b>3,622</b>	<b>(1,216)</b>

Source: ABAG 2021, City of Daly City, May 2023

**Table HE 54b: Rezone Capacity Compared to the 6th Cycle RHNA by Income Category**

RHNA Category	Remaining RHNA	Rezone - Vacant Site Capacity	Rezone - Underutilized Capacity	Total Capacity	Surplus
Very Low	806	743	68	811	5
Low					
Moderate	252	248	21	269	16
Above Moderate	157	175	16	190	33
<b>Total</b>	<b>1,216</b>	<b>1,166</b>	<b>104</b>	<b>1,270</b>	<b>54</b>

Source: ABAG 2021, City of Daly City, May 2023

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# Constraints to Housing Production

Constraints to the maintenance, improvement, and construction of housing can generally be divided into two categories—governmental and nongovernmental. 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 consideration of these other goals should be examined to make certain the constraint is not unnecessarily severe.

## Governmental Constraints to Housing Production

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 (EIR) 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 in the form of the General Plan, specific plans, and zoning; building codes; fees and dedications; site improvements; permit processing procedures; and infrastructure constraints. Each of these potential constraints is discussed below.

Consistent with transparency requirements pursuant to Government Code Section 65940.1, subsections (a)(1)(A) and (a)(1)(B), all zoning and development standards, and fees are available on the City's website.

## General Plan Land Use Designations

Daly City's 2013 General Plan contains five residential land use designations that communicate the City's policies related to residential development densities. These designations and their respective densities are identified in **Table HE-55**. However, **Task 6.5** has been included to increase the allowable densities in several land use designations.

**Table HE 55: 2013 General Plan Land Use Designations**

Land Use Designation	Density Limitations
Open Space Residential	0 to 2 dwelling units per acre
Low Density Residential	2 to 14.5 dwelling units per acre
Medium-Low Density Residential	14.6 to 20 dwelling units per acre
Medium Density Residential	20.1 to 35 dwelling units per acre
High Density Residential	35.1 to 50 dwelling units per acre
Very High Density Residential	Over 50 dwelling units per acre

Source: City of Daly City, 2013.

### Specific Plan Designations

Subsequent to the adoption of the 1987 General Plan, the City adopted the BART Station Area (1993) Specific Plan and Sullivan Corridor Specific Plan (1998). Both of these specific plans contain land use designations and development regulations that replaced the land use designations and zoning regulations in these areas. Below is a short synopsis of each plan and its relevant residential designations.

**BART Station Area Specific Plan.** Prepared in conjunction with the San Mateo County Transit District, the BART Station Specific Plan was prepared in anticipation of the construction of the Colma BART Station (construction completed in 1996). The primary purpose of the Specific Plan was to identify a physical development plan for the area immediately adjacent to the new station in support of the transportation/transit role that the area was contemplated to fulfill in Daly City at the time. **Table HE-55** identifies the land use designations identified by the Specific Plan as allowing residential uses.

**Table HE 56: BART Station Area Specific Plan Land Use Designations**

Land Use Designation	Density Limitations
Low Density Residential	6 to 12 dwelling units per acre
Medium Density	12 to 25 dwelling units per acre
High Density Residential	25 to 55 dwelling units per acre
Mixed-Use Commercial/Office	Function of height/coverage limitations and parking regulations
Neighborhood Commercial	Function of height/coverage limitations and parking regulations

Source: City of Daly City, 2013.

Several significant high-density residential projects have been constructed within the BART Station Specific Plan Area. Most recently, Habitat for Humanity completed construction of a condominium project at 7555 Mission Street that provided 36 units (47 du/ac) of housing to lower-income households. Additional development potential exists at an underutilized SamTrans park-and-ride lot adjacent to the Colma BART Station. Although this site is presently designated Office/Convenience Retail, the potential does exist for a mixed-use project containing higher density residential uses. A six-acre portion of this site has in fact been identified for redesignation and rezoning to accommodate up to 50 dwelling units per acre.

**Sullivan Corridor Specific Plan.** The Sullivan Corridor Specific Plan was adopted as means to guide the revitalization of properties within the Sullivan Corridor, which is the area in the general proximity of City Hall, west of Interstate 280. The plan's land use designations were prepared to complement the construction of new public and commercial developments occurring in the area at the time, including the North County Health Center and the Colma BART Station. **Table HE-57** identifies the land use designations identified by the Specific Plan as allowing residential uses.

Developers of larger projects within the Sullivan Corridor Specific Plan Area can elect to have their projects reviewed by the Sullivan Corridor Committee, which consists of two city council members. Although review by the committee does add time to the development review process, developers are able to obtain valuable input from council members very early in the process. The estimated time for Sullivan Corridor Committee review is three to four weeks.

**Table HE 57: Sullivan Corridor Specific Plan Land Use Designations**

Land Use Designation	Density Limitations
Residential Low Density	0 to 14.5 dwelling units per acre
Residential High Density	None identified
Residential Retail Commercial	Maximum FAR of 1.0
Service Commercial	Maximum FAR of 3.0
Retail and Office Commercial	Maximum FAR of 5.0

Source: City of Daly City, 2023.

A significant residential construction project in this area has been a 208-unit (65 du/ac) mixed-use senior apartment complex at 165 Pierce Street. As an urban infill site, the project provides an example of the potential for the Sullivan Corridor Area to provide additional housing opportunities as vacant and underutilized sites in the area are developed or redeveloped. Construction of the project concluded in 2013. Most recently, the City Council in 2020 approved a seven-story, completely affordable, mixed-use building at 493 Eastmoor consisting of 72 apartments (205 du/ac). This project is currently in plan check for building permits.

### **Development Regulations**

The Zoning Ordinance contains eight residential districts and four nonresidential districts in which residential development is allowed. The minimum lot area per unit and resulting densities of these districts are presented in **Table HE-58**. It is important to note that there is no land currently zoned R-4 in Daly City.

**Table HE 58: Zoning District Designations and Densities**

Zoning Designation	Lot Area, SF per DU	Resulting Density
MHP Mobile Home Park	1/200 minimum 1/2500 maximum	17.4–217.8 du/ac
R-1 Single Family	1/3,000	14.5 du/ac
R-1/A Single Family/Duplex	1/1,250	34.8 du/ac
R-2 Duplex	1/1,500	29.4 du/ac
R-2/A Two-Family Design	1/1,250	34.8 du/ac
R-3 Multiple Family	1/500	87.1 du/ac
BRM BART Multiple Family	1/1,750	25 du/ac
R-4 Multi-family/Professional	1/300	145 du/ac
C-1 Light Commercial District	1/300	145 du/ac
C-2 Heavy Commercial District	1/300	145 du/ac
PD Planned Unit Development	Flexible	Not Applicable
Pre-PD Pre-Planned Unit Development	Flexible	Not Applicable

Source: City of Daly City Municipal Code, 2023.

### **Commercial Mixed-Use Zone**

The City is in the process of establishing a Commercial Mixed-Use (C-MU) zone for areas targeted for mixed-use development. The C-MU zone will encourage the development of higher-density multifamily residential development and mixed-used projects in close proximity to commercial areas. Once established, the zone will include the boundaries of the existing C-1 Light Commercial zone presently encompassing Mission Street and Geneva Avenue (approximately 65 acres) along with other areas. This zone will also incorporate a lot merger incentive allowance into the Zoning Ordinance whereby property owners electing to merge two or more adjacent lots for the purpose of development will be provided specific and significant incentives to do so (see also Land Use Element Task LU 1.2).

At the same time that the zone is put into place, the City will also establish development regulations in the Zoning Ordinance specifically for higher-density mixed-use development. The design guidelines of the C-MU zone will include development regulations to reposition mixed-use building mass away from lower-density neighborhoods and will address impacts created by larger mixed-use buildings proposed adjacent to smaller buildings. The zone's parking regulations will also allow for a parking reduction for all buildings containing residential and retail components where parking is available for both uses.

The City will also remove the use permit requirement for any mixed-use projects located in the C-MU Commercial Mixed-Use zone that contain a first-floor commercial component of a certain size and which provide a residential component resulting in an overall net density of at least 30 dwelling units per acre. Proposed development consistent with this density, the Zoning Ordinance, and any applicable design guidelines would be permitted "by-right," without requirement for discretionary approvals.

The City will amend the Zoning Ordinance to identify specific findings for adoption by the Planning Commission and City Council when approving any rezoning or redesignation involving a residentially zoned or residentially-designated property to any zone or designation other than residential. For the purpose of this policy, the C-MU (Commercial Mixed-use) zone shall be considered a residential zone. The findings identified by the Zoning Ordinance shall relate to finding that the rezoning or redesignation is necessary to ensure that the City will not be economically impaired, that the City has, since the Housing Element adoption, met its housing construction target, and that the rezoning or redesignation does not involve a property identified by the RHNA Housing Sites Inventory List for which a replacement site has not been identified.

As identified in **Table HE-59**, residential development is allowed within several commercial zones, most notably within the C-1 Light Commercial District. The C-1 zone encompasses all properties fronting Mission Street for its full length, and almost all of Geneva Avenue in the Bayshore neighborhood. Sites likely to yield large numbers of affordable housing units are within these two commercial corridors. In fact, several sites and pending projects identified in the Potential Housing Sites Inventory List are located on Mission Street or Geneva Avenue.

**Table HE-59** identifies the development regulations for each of the above zones, as contained in the Daly City Zoning Ordinance. As shown in the table, the minimum lot sizes for both the R-3 Multiple Family and C-1 Light Commercial zones are 2,500 square feet in most instances. Both zones also allow the construction of single-family homes. In combination, these regulations allow owners of larger parcels to subdivide their parcels for single-family residential development or small commercial uses. This effectively causes scarce larger parcels that could be used for higher density mixed-use development to be underutilized. Similarly, the building heights for both the R-3 and C-1 zones are only six feet higher than that allowed in the R-1 zone (30 feet maximum versus 36 feet maximum), but the R-3 and C-1 zones allow six times the density allowed by the R-1 zone (87 du/ac versus 14.5 du/ac).

Because a 36-foot height limit may be appropriate for the C-1 Light Commercial zone in other parts of Daly City, the policy section of this Housing Element sets forth a requirement that the Zoning Ordinance be amended to establish a new Commercial Mixed-Use (C-MU) zone for areas encompassing Mission Street and Geneva Avenue, and establish development regulations in the Zoning Ordinance specifically for higher-density mixed-use development. To preserve larger commercial and residential sites, this Housing Element also requires that the Zoning Ordinance increase the minimum parcel sizes for all commercial and R-3 Multiple Family zones as determined necessary to promote the construction of higher density and/or mixed-use development. Likewise, the Housing Element commits the City to exploring increased building height within the C-MU zone, as determined sufficient to promote the construction of higher density mixed-use development within the zone. Further study of increased height along Mission Street and Geneva Avenue would be undertaken as part of the Zoning Ordinance update.

**Table HE 59: Daly City Regulations for Residential Zones**

Zoning District	Permitted Uses	Use Permit Required	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 sf, 2500 sf*		33 ft, 25 ft*	50%, 55%*	15 ft	None	10 ft	3000 sf, 2500 sf*
R-1/A	Single-family	No	30 ft	2500 sf		25 ft	55%	15 ft	None	10 ft	
R-1											
R-2	One two-family dwelling	No	36 ft	3000 sf, 2500 sf*		33 ft, 25 ft*	60%	15 ft	None	10 ft	1500 sf, 1250 sf
R-2/A	Single-family, two-family	No	30 ft	2500 sf		25 ft	60%	5 ft, 10 ft max	None	10 ft	
Duplexes											
R-1, R-2											
R-3	Multi-family	No	36 ft	3000 sf, 3500 sf*		33 ft, 25 ft*	755	15 ft	None	15 ft	500 sf
BRM	Small apartments, townhomes, flats	No	45 ft	5000 sf		50 ft	60%	5 ft, 10 ft max	None	15 ft	
R-1, R-2											
R-1, R-2, R-3											
R-4	Multi-family	No	FAR 3.5–1.0	10000 sf	3.5–1.0	100 ft	70%	15 ft	None	10 ft, 20 ft**	300 sf
MHP	Mobile homes	No	30 ft	2500 sf		30 ft	75%	5 ft	None	3 ft	
R-3											
C-1	R-4	No	36 ft	2,500 sf–3,000 sf		33 ft, 25 ft*	70%	None	None	None	300 sf
C-1											
C-2	R-3	Yes		2,500 sf–3,000 sf	7.0–1.0	33 ft, 25 ft*	70%	None	None	None	300 sf
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.

Source: City of Daly City, 2023.

## **Parking Regulations**

Parking requirements for new residential development are contained within the Zoning Ordinance as identified in **Table HE-60**. Because parking is a significant factor in multifamily and affordable housing construction costs, the constraints to housing production caused by parking regulations must be closely examined.

**Table HE 60: Daly City Parking Regulations**

<b>Residential Type</b>	<b>Required Parking Spaces</b>
Single-family	2 spaces for buildings of less than 1,500 sf
	3 spaces for buildings between 1,500 and 2,000 sf
	4 spaces for buildings between 2,001 and 2,500 sf
	6 spaces for buildings of more than 2,500 sf
Two-family (Duplex)	2 spaces per unit; 4 per structure
Multiple-family, including condominiums	1 space per studio unit
	1.5 spaces per one-bedroom unit
	2 spaces per two-bedroom or larger unit
Mobile Home	One space for each mobile home, said space to be located on the individual trailer site (tandem parking permitted)
	One space per site for guest parking, the latter to be grouped in common area
Mobile Home Park	2 spaces per mobile home site
	Guest parking of 1 space per 10 sites
	Parking for recreation center and office of 1 space for every 500 square feet of gross floor area
Boardinghouse	1 space per rentable room, plus one space per every 200 square feet of kitchen and administrative office area
Secondary Unit	2 spaces, plus 2 per principal dwelling (4 total)
Emergency Shelter	0.75 covered or uncovered spaces per employee

Source: City of Daly City Municipal Code.

Currently, Daly City's Zoning Ordinance requires two parking spaces for each condominium unit or apartment with two or more bedrooms. This is the same parking requirement for single-family units. Guest units are only required in mobile home parks. Garages are required only for single-family, duplex, and two-family homes. Reductions to the parking requirements are permitted by the Zoning Ordinance for development proposals that are determined to be exclusively for low-income households. Parking requirements for emergency shelters are based on the number of employees rather than the size of the building; however, the current requirement is not considered to be greater than other uses within the same zone. Additionally, through **Task 6.12**, the City will revise parking requirements in multifamily buildings to one space per one-bedroom unit.

Parking reductions are available for projects that serve low-income families or low-income seniors. Apartment complexes and condominiums designed and intended for the exclusive occupancy of low-income elderly persons shall provide at least one-fourth the normally required amount of off-street parking. Apartment complexes and condominiums designed and intended for the exclusive occupancy of low-income persons or families other than the elderly shall provide at least three-fourths the normally required number of spaces.

Accessory dwelling units shall provide one parking space per unit or per bedroom (studio units shall provide one parking space). These spaces may be provided as tandem parking on an existing driveway in the front setback. No parking spaces shall be required for an accessory dwelling unit in any of the following instances:

- a. The accessory dwelling unit is located within one-half mile of public transit.
- b. The accessory dwelling unit is located within an architecturally and historically significant historic district.
- c. The accessory dwelling unit is part of the existing primary residence or an existing accessory structure.
- d. When on-street parking permits are required but not offered to the occupant of the accessory dwelling unit.
- e. When there is a car share vehicle located within one block of the accessory dwelling unit.

Generally, the City's residential development standards are consistent with the requirements of neighboring jurisdictions and accepted planning practice. There is anecdotal evidence, given high land costs in Daly City and throughout the region, that parking requirements could constrain the development of new and/or affordable housing.

### ***Cumulative Impact of Development Standards***

The City evaluated the cumulative impact of its land use controls on the cost and supply of housing, including development standards that limit sites' building envelope (setbacks and parking) and lot coverage restrictions. Based on this evaluation, current land use controls would not prevent an applicant from reaching the maximum density allowed for single-family development in single family zones. Current development standards for the residential zones that permit multifamily housing were applied to sites of varying size listed in Sites Inventory, or hypothetical sites representing common parcel sizes in each respective zone when an inventory site was not available or would likely involve subdivision as part of the development process. Based on this evaluation, while the lot size, setbacks, and lot coverage requirements in residential zoning districts would not prevent an applicant from reaching the maximum density allowed, parking requirements represent a constraining factor in development density. Summaries of these analyses are shown in **Tables HE-61, HE-62, and HE-63**.

The first step in the analysis was to determine the allowable building footprint given the site size, selecting from the smallest of either the maximum lot coverage, lot size minus required setbacks, or the total lot size minus the required parking area. Occupiable area on the second floor, and additional floors, was set equal to the first-floor building footprint. Average unit size was calculated by dividing the total occupiable building area by the permitted number of units (site acreage \* density). Density bonus units are not factored into the calculations.

Because the R-2 zone (maximum 34.8 units per acre) only permits two-family dwellings and duplexes, the City analyzed development feasibility on one hypothetical site of the minimum parcel size, 3,000 square feet. As is shown in **Table HE-61**, In this scenario, the maximum density can be achieved with two-bedroom units or larger, of approximately 1,500 square feet each, in a two-story building served by the required parking.

**Table HE 61: R-2 Land Use Controls Summary**

<b>Scenario 2: Minimum Lot Size</b>	
APN:	N/A
Square footage:	2,500
Length (feet):	100
Width (feet):	25
Lot coverage:	60%
Number of stories (36 ft max):	2
Maximum building envelope given lot coverage requirements, setbacks, and parking (see below for spaces per unit):	1,500
Parking spaces per unit:	2
Area required for parking (sqft):	880
Maximum occupiable building square footage:	3,000
Number of units:	2
Average unit square footage:	1,500
<b>Achievable Density (units per acre):</b>	<b>34.8</b>
<b>Permitted Density (units per acre):</b>	<b>34.8</b>
Capacity Ratio	100%

Source: City of Daly City, December 2023

The R-3 zone (maximum 87.1 units per acre) is one of the City's multifamily designations and is intended to allow more conventional stacked residential product types. As is shown in **Table HE 61**, development feasibility on two parcels from the inventory were evaluated, one 10,200 square feet and the other 19,855 square feet. The analysis evaluated setbacks, height, parking, and lot coverage requirements. In both scenarios, between 83 and 86 percent of the maximum density can be achieved with one-bedroom units (average size 810 square feet for Scenario 1 and 760 square feet for Scenario 2) served by the required parking. Because C-1 and C-2 permit the uses permitted in R-3 but subject to the development standards in the R-3 zone, development in these zones is also considered to be feasible at a similar realistic capacity rate. To preserve larger commercial and residential sites, this Housing Element requires that the Zoning Ordinance increase the minimum parcel sizes for all commercial and R-3 Multiple Family zones as determined necessary to promote the construction of higher density and/or mixed-use development. However, parking requirements for these developments also constrain the available footprint for residential use in this zone. The zoning code currently requires a minimum of 1.5 units for each one-bedroom unit in a multifamily building and 2 units for each unit of two bedrooms or larger but permits reductions in parking requirements of up to three-quarters of the required parking spaces for projects targeted to lower-income households and up to one-quarter of the required parking spaces for projects targeted to lower-income seniors. As part of **Task 3.1**, the City will allow further parking reductions for larger projects that are close to public transit or that provide permanently-funded amenities such as van-pools or car sharing. This will allow for increased density or larger units to be developed within this zone. Additionally, to permit the development of larger units in this zone, the City has included **Task 6.11**, through which it will expand maximum heights in the R-3 zone to 10 stories.

Additionally, through **Task 3.1** the City will also amend its code to align with AB 2097 (2023) and remove minimum parking requirements for projects within 0.5 miles of "major transit stops", including any corridor with fixed route bus service with service intervals no longer than 15 minutes during peak commute hours, existing rail or rapid transit stations, ferry terminals served by bus or rail, the intersection of two or more major bus routes with a frequency of service of 15 minutes or less during peak commute periods, and

major transit stops that are included in any applicable regional transportation plan, unless specific written findings of a “substantially negative impact” are made. The half mile radius area from all high-quality transit stops in Daly City covers nearly all of the city, with some small areas near Mussel Rock Park, on the southeast side of the Hillside neighborhood, and in the Crocker and Bayshore Heights falling outside of this transit stop area. Therefore, minimum parking requirements are unlikely to be a constraint to development in most of the city following this zoning code amendment.

**Table HE 62: R-3 Land Use Controls Summary**

	<b>Site 2 (130 Station Avenue)</b>	<b>Site 5 (89 Second Avenue)</b>
APN:	006-221-190	006-234-030
Square footage:	10,200	19,855
Length (feet):	136	198
Width (feet):	75	100
Lot coverage:	75%	75%
Number of stories (36 ft max):	3	3
Maximum building envelope given lot coverage requirements, setbacks, and parking (see below for spaces per unit):	4,590	8,635
Parking spaces per unit:	1.50	1.50
Area required for parking (sqft):	5,610	11,220
Maximum occupiable building square footage:	13,770	25,906
Number of units:	17	34
Average unit square footage:	810	762
<b>Achievable Density (units per acre):</b>	<b>72.6</b>	<b>74.6</b>
<b>Permitted Density (units per acre):</b>	<b>87.1</b>	<b>87.1</b>
Capacity Ratio	83%	86%

Source: City of Daly City, December 2023

The R-4 zone (maximum 145 units per acre) is the City's highest-density multifamily designation. The R-4 zone will permit development up to a maximum floor-area ratio of 3.5 and allows for a lot coverage maximum of 0.70. The City evaluated development feasibility on a hypothetical 10,000 square foot parcel and on a hypothetical 1-acre lot. Building heights were calculated based on the maximum FAR and do not represent the existence of minimum or maximum heights in the zone. As is shown in **Table HE-63**, in both scenarios, between 78.1 and 82.7 percent of the maximum density can be achieved with one-bedroom units served by the required parking, with an average unit size of 1,346 square feet for Scenario 1 and 1,271 square feet for Scenario 2. As with the R-3 zone, parking is the primary constraint to achieving maximum density in this zone, but this will be addressed in many areas of the city through **Task 3.1**, as previously discussed.

**Table HE 63: R-4 Land Use Controls Summary**

	<b>Scenario 1: Minimum Lot Size</b>	<b>Scenario 2: One-Acre Lot</b>
APN:	N/A	N/A
Square footage:	10,000	43,560
Length (feet):	100	436
Width (feet):	100	100
Lot coverage:	70%	70%
Number of stories (max FAR 3.5-1.0)	25	39
Maximum building envelope given lot coverage requirements, setbacks, and parking (see below for spaces per unit):	1,420	3,960
Parking spaces per unit:	1.50	1.50
Area required for parking (sqft):	8,580	39,600
Maximum occupiable building square footage:	35,000	152,460
Number of units:	26	120
Average unit square footage:	1,346	1,271
<b>Achievable Density (units per acre):</b>	<b>113.3</b>	<b>120.0</b>
<b>Permitted Density (units per acre):</b>	<b>145.0</b>	<b>145.0</b>
Capacity Ratio	78%	83%

Source: City of Daly City, December 2023

As of December 2023, the City has established a new Commercial Mixed Use (C-MU) zone for areas encompassing Mission Street and Geneva Avenue. Development regulations in the Zoning Ordinance were developed for higher-density mixed-use development, and the City has explored increased building height within the C-MU zone, as determined sufficient to promote the construction of higher density mixed-use development within the zone. While other zones include minimum setbacks for front, side, and rear yards, the C-MU zone only requires setbacks either to provide sufficient space for a ten-foot sidewalk. The C-MU requires a minimum of 150 square feet of open space, which can include a combination of private open space for the dwelling unit (i.e., decks and balconies), shared open space for the building's occupants (i.e., terraces, roof decks, etc.), and publicly accessible open space on the ground floor. For the analysis summarized in **Table HE 64**, the most restrictive combination of setback and open space requirements was considered, including the assumption that all open space would be provided as open space on the ground floor. Additionally, where projects are taller than 3 stories, a series step-backs totaling no more than 30 feet are required or to provide "context sensitivity" when abutting land zoned R-1 or R-1/A; however, due to the large first-floor open space area assumed in this analysis, it is not assumed that buildings in these scenarios would abut the property line. Because, as discussed previously, the majority of the city and all of the areas within the new C-MU zone will not be subject to parking minimums under AB 2097, parking minimums were not assumed to apply in this section of the analysis. The zone allows for a maximum of 10 stories, so for purposes of estimating the required commercial space, it was assumed that the first floor would be dedicated to commercial, or office uses. In Scenario 1, the project was able to achieve 40 units at a density of approximately 174 dwelling units to the acre with an average size of 900 square feet per unit. In Scenario 2, the project was able to achieve 150 dwelling units at a density of 150 dwelling units to the acre, with an average size of 1,264 square feet per unit. This is a greater density than the development standards of R-3, R-4, C-1, and C-2 currently permit. Additionally, to permit the development of larger units in this zone, the City has included **Task 6.11**, through which it will expand maximum heights in the C-MU zone to 15 stories.

**Table HE 64: C-MU Land Use Controls Summary**

	<b>Scenario 1: Minimum Lot Size</b>	<b>Scenario 2: One-Acre Lot</b>
APN:	N/A	N/A
Square footage:	10,000	43,560
Length (feet):	100	434
Width (feet):	100	100
Lot coverage:	100%	100%
Number of stories (max 10)	9	9
Maximum building envelope given setbacks and open space (see below for square feet per unit):	4,000	21,060
Square feet of open space per unit	150.00	150.00
Area required for open space (sqft):	6,000	22,500
Maximum occupiable building square footage:	36,000	189,540
Number of units:	40	150
Average unit square footage:	900	1,264
<b>Achievable Density (units per acre):</b>	<b>174.2</b>	<b>150.0</b>

Source: City of Daly City, December 2023

### **Building Codes**

The City enforces the 2022 International Building Code, as amended by the City. This code has established construction standards that add to the cost of housing development. Local code amendments have been made, though significantly reduced in comparison to past levels of amendment 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.

Current amendments include:

- Establishing that fees will be prescribed by Resolution of the City Council.
- Establishing that plan review and time limitation shall comply with Municipal Code General Regulations 15.00.040.
- Specifies the City's process for appealing decisions made by the City Building Official.
- Defines which City departments and officials correspond to roles defined by the Building Code.
- Specifies sizes of printed plans.
- Adds inspection and waterproofing requirements for exterior elevated elements such as balconies and stairway systems to avoid hazards such as deterioration from dry rot or decay.
- Provides compliance alternatives for evaluating a change of occupancy that increases the public safety, health, and general welfare of an existing building without requiring full compliance of a new building.

## Fees and Dedications

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 ensure 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.

All Bay Area cities charge fees in order to pay the costs to process, regulate, and mitigate the impacts of new development on City services and infrastructure. If fees are inordinately high, they can lead to higher costs and/or discourage housing development within the community.

**Tables HE-65 through HE-68** show recent examples of the building and planning fees charged by the City of Daly City.

Based on a 2021 single-family home valued at \$576,154.71, shown in **Table HE-65**, the City’s Building Department fees represent an additional cost of 3 percent over the cost of construction. This is relatively low and not considered a constraint to development.

**Table HE 65: Sample Development: Single Family**

Fee	Category Total
Building	\$17,549.17
Business License - Added Valuation	\$576.15
Electrical	\$360.84
Mechanical	\$213.61
Plumbing	\$239.66
<b>Fee Total</b>	<b>\$18,939.43</b>
<b>Home Valuation</b>	<b>\$576,154.71</b>
<b>Fees as a Percent of Home Value</b>	<b>3%</b>

Source: City of Daly City, 2021.

Based on a 2021 mixed-use project valued at \$77,624,440, shown in **Table HE-66**, the City’s Building Department fees represent an additional cost of 2 percent over the cost of construction. This percentage is relatively low and not considered a constraint to development. The first phase of the project included 147 units.

**Table HE 66: Sample Development: Multifamily Affordable Project**

Fee	Category Total
Permit Fees	\$1,093,761.86
Plan Check	\$375,441.07
Electrical	\$14,380.74
Mechanical	\$4,541.47
Plumbing	\$12,877.26
<b>Fee Total</b>	<b>\$1,501,002.40</b>
<b>Project Valuation</b>	<b>\$77,624,440.00</b>
<b>Fees as a Percent of Home Value</b>	<b>2%</b>

Source: City of Daly City, 2021.

Based on a 2022, 72-unit multifamily home project valued at \$43,758,000, shown in **Table HE-67**, the City's Building Department fees represent an additional cost of 2 percent over the cost of construction. This project was an affordable housing project in a mixed-use building. Some fees were noted to not be included in this estimate, including fire sprinkler and engineering permit fees, but it is not expected that these costs would drastically increase the fees as a percentage of the cost to construct. This percentage of construction cost is relatively low and not considered a constraint to development.

**Table HE 67: Sample Development: Mixed Use Project, 72 Units of Affordable Housing**

Fee	Category Total
Permit Fee	\$672,306.48
Plan Check	\$64,046.97
Electrical	\$8,355.23
Mechanical	\$16,238.97
Sewer Connection	\$207,127.00
Plumbing	\$19,604.97
<b>Fee Total</b>	<b>\$987,679.62</b>
<b>Project Valuation</b>	<b>\$43,758,000.00</b>
<b>Fees as a Percent of Home Value</b>	<b>2%</b>

Source: City of Daly City, 2022.

Additional public services charged by the City are based on the costs of providing public facilities to new development and reflect the AB 1600 fee program developed by the City and intended to mitigate the impacts of new development on public facilities. Public facilities funded through the AB 1600 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 (**Table HE-68**).

**Table HE 68: AB 1600 Fees**

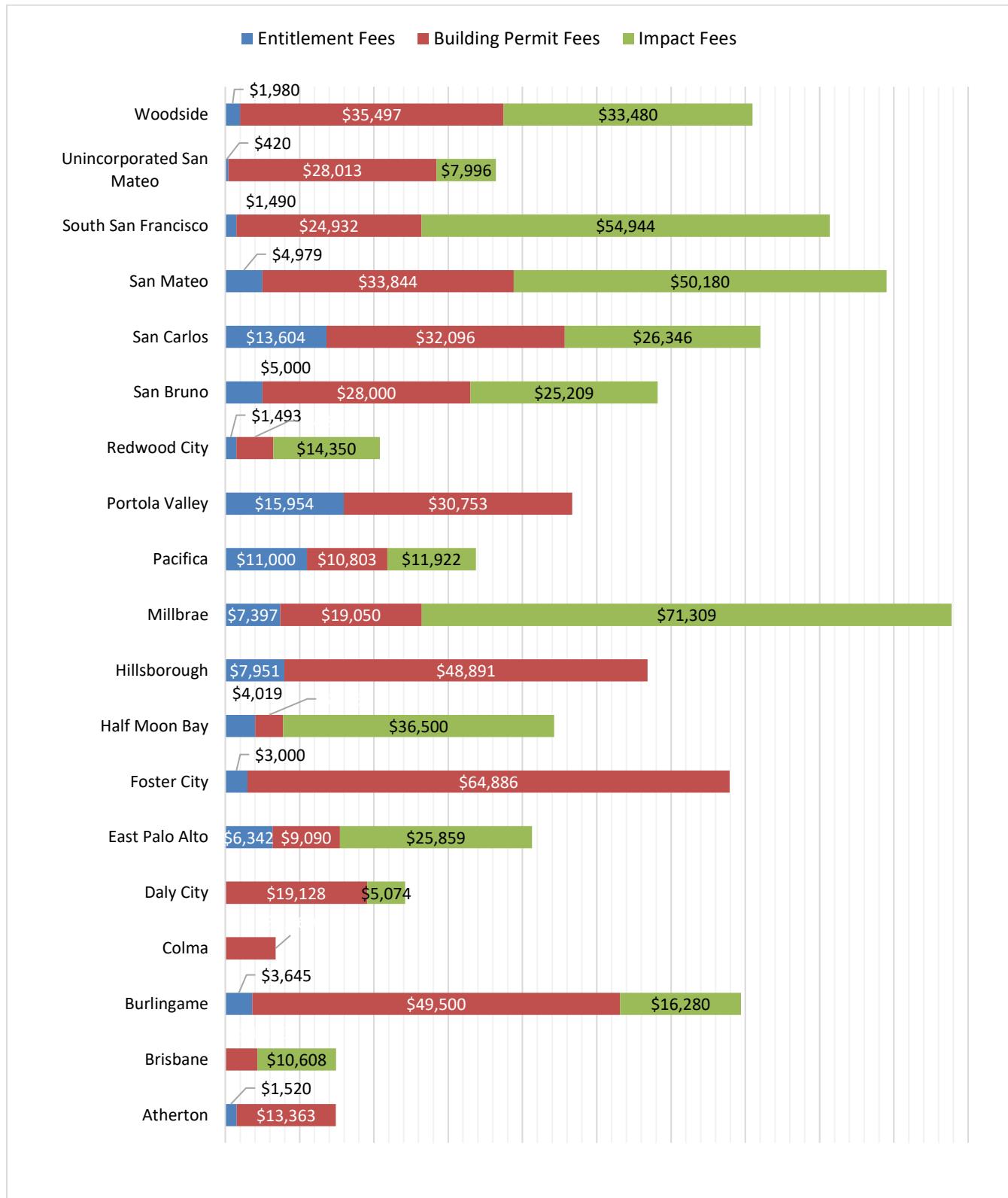
Benefit Zone	Fee per Square Foot
Zone 1	\$3.36
Zone 2	\$3.83
Zone 3	\$3.25
Zone 4	\$3.72
Zone 5	\$9.36
Zone 6	\$3.15
Zone 7	\$2.71
Zone 8	\$3.29
Zone 9	\$2.71
Zone 10	\$2.35
Zone 11	\$2.71

Source: City of Daly City, 1999

**Figures HE-36 and HE-37 and Tables HE-69 and HE-70** provide a comparison of Daly City's entitlement, building, and impact fees to other jurisdictions in San Mateo County for both single-family and multifamily homes based on a prototype project. Estimates for single-family home fees are based on a 2,600-square-foot home in all jurisdictions but Atherton, Portola Valley, unincorporated San Mateo County, and Woodside. These jurisdictions were estimated based on a 5,000-square-foot home. The prototype multifamily project is based on a 10-unit building of 21,000 total square feet divided between two-bedroom and three-bedroom units. Among these jurisdictions, the median fee for the single-family and 10-unit condo prototypes are \$58,209 and \$345,742, respectively. As identified in the figures, Daly City's total fees for these two prototypes are \$24,202 and \$325,583, respectively.

While Daly City's fees are generally similar to those of adjacent jurisdictions for the single-family home prototype, the City's fees for the 10-unit condominium prototype are closer to the County-wide median. The City currently collects impact fees for schools and the AB 1600 fees described above.

**Figure HE-36: Comparative Fee Analysis for Prototypical Developments: Single-Family Home (2022)**



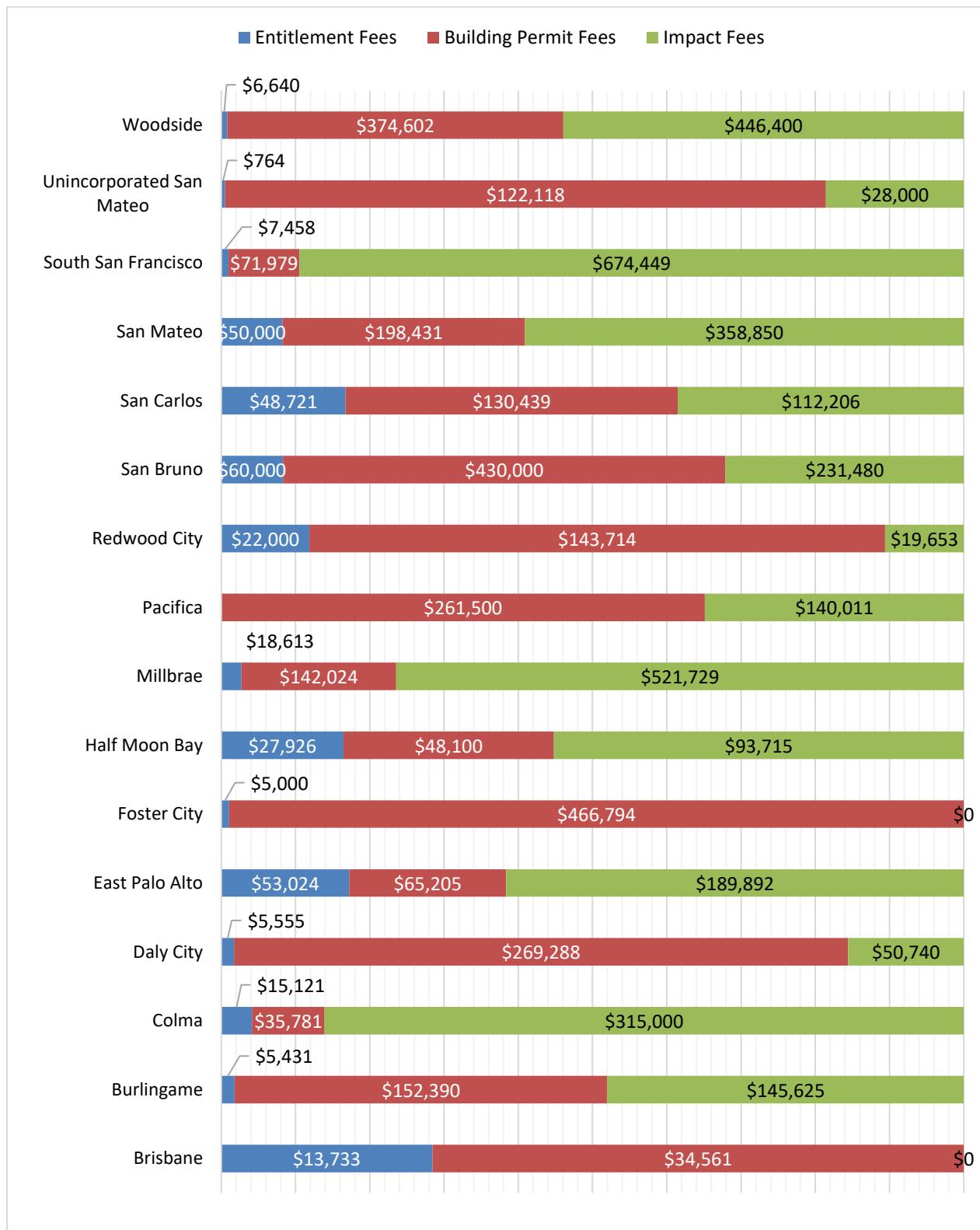
Source: 21 Elements Development Fees Survey (2022).

**Table HE 69: Comparative Fee Analysis for Prototypical Developments: Single-Family Home (2022)**

Jurisdiction	Entitlement Fees	Building Permit Fees	Impact Fees	Other Fees	Total
Atherton	\$1,520	\$13,363	\$0	\$1,058	\$15,941
Brisbane	\$0	\$4,300	\$10,608	\$10,032	\$24,940
Burlingame	\$3,645	\$49,500	\$16,280	\$0	\$69,425
Colma	\$0	\$6,760	\$0	\$0	\$6,760
<b>Daly City</b>	<b>\$0</b>	<b>\$19,128</b>	<b>\$5,074</b>	<b>\$0</b>	<b>\$24,202</b>
East Palo Alto	\$6,342	\$9,090	\$25,859	\$39,576	\$80,867
Foster City	\$3,000	\$64,886	\$0	\$0	\$67,886
Half Moon Bay	\$4,019	\$3,750	\$36,500	\$8,300	\$52,569
Hillsborough	\$7,951	\$48,891	\$0	\$14,250	\$71,092
Millbrae	\$7,397	\$19,050	\$71,309	\$0	\$97,756
Pacifica	\$11,000	\$10,803	\$11,922	\$0	\$33,725
Portola Valley	\$15,954	\$30,753	\$0	\$6,216	\$52,923
Redwood City	\$1,493	\$4,952	\$14,350	\$0	\$20,795
San Bruno	\$5,000	\$28,000	\$25,209	\$0	\$58,209
San Carlos	\$13,604	\$32,096	\$26,346	\$0	\$72,046
San Mateo	\$4,979	\$33,844	\$50,180	\$0	\$89,003
South San Francisco	\$1,490	\$24,932	\$54,944	\$0	\$81,366
Unincorporated San Mateo	\$420	\$28,013	\$7,996	\$0	\$36,429
Woodside	\$1,980	\$35,497	\$33,480	\$0	70,957

Source: 21 Elements Development Fees Survey (2022).

**Figure HE-37: Comparative Fee Analysis for Prototypical Developments: 10-Unit Buildings (2022)**



Source: 21 Elements Development Fees Survey (2022).

**Table HE 70: Comparative Fee Analysis for Prototypical Developments: 10-Unit Buildings (2022)**

Jurisdiction	Entitlement Fees	Building Permit Fees	Impact Fees	Other Fees	Total Fees	Total Fees/DU	
Atherton			no data provided				
Brisbane	\$13,733	\$34,561	\$0	\$68,484	\$116,778	\$11,678	
Burlingame	\$5,431	\$152,390	\$145,625	0	\$303,446	\$30,345	
Colma	\$15,121	\$35,781	\$315,000	0	\$365,902	\$36,590	
<b>Daly City</b>	<b>\$5,555</b>	<b>\$269,288</b>	<b>\$50,740</b>	<b>0</b>	<b>\$325,583</b>	<b>\$32,558</b>	
East Palo Alto	\$53,024	\$65,205	\$189,892	0	\$308,121	\$30,812	
Foster City	\$5,000	\$466,794	\$0	0	\$471,794	\$47,179	
Half Moon Bay	\$27,926	\$48,100	\$93,715	0	\$169,741	\$16,974	
Hillsborough			no data provided				
Millbrae	\$18,613	\$142,024	\$521,729	0	\$682,366	\$68,237	
Pacifica		\$261,500	\$140,011	0	\$401,511	\$40,151	
Portola Valley			no data provided				
Redwood City	\$22,000	\$143,714	\$19,653	0	\$185,367	\$18,537	
San Bruno	\$60,000	\$430,000	\$231,480	0	\$721,480	\$72,148	
San Carlos	\$48,721	\$130,439	\$112,206	0	\$291,366	\$29,137	
San Mateo	\$50,000	\$198,431	\$358,850	0	\$607,281	\$60,728	
South San Francisco	\$7,458	\$71,979	\$674,449	\$7,670	\$761,555	\$76,156	
Unincorporated San Mateo	\$764	\$122,118	\$28,000	0	\$150,882	\$15,088	
Woodside	\$6,640	\$374,602	\$446,400	0	\$827,642	\$82,764	

Source: 21 Elements Development Fees Survey (2022).

Although fees imposed by the City on new residential development add to the cost of housing, these fees are necessary to offset the impact to the City's infrastructure directly caused by new development. Although impact fees may seem to be a significant cost factor in residential development, their cost is often folded into the permanent financing of a residential development project, which is then paid over the term of home mortgage. This cost is a significantly lower factor than cost proportions devoted to private profit, such as interest charges, mortgage insurance, and realtor fees.

### **On- and Off-Site Improvement Requirements**

In addition to permit processing and impact 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 on the anticipated impacts. While these costs are necessarily a part of new development in the city, the charges are carefully analyzed in each case to avoid imposing unnecessary requirements on new residential development. The City's on-site improvements are typical of most cities, stormwater treatment measures are required in most instances.

While new subdivisions typically require the construction of expensive infrastructure such as new roads, sewer trunk lines, and stormwater catchment systems, most new residential development in Daly City will continue to occur as denser buildings situated adjacent to existing infrastructure, either replacing existing older buildings or vacant in-fill lots. This type of development is therefore able to forgo much of the expense typically associated with improvement of the public right-of-way. There are instances where utility upsizing may be required to accommodate a significant increase in the utility demand over a previously existing, less-intensive use. However, these costs are much lower on a per-dwelling-unit basis than the costs associated with acquiring land and constructing new utilities for a new subdivision.

As part of **Task 11.4** the City will establish a process for evaluating affordable housing projects for reductions in required improvements.

### **Density Bonus**

At present, the City provides a density bonus for projects of five or more units that meet any of the following criteria:

- A. At least 10 percent of the total units are designated for low-income households.
- B. At least 5 percent of the total units are designated for very low-income households.
- C. A senior citizen housing development, as defined in Sections 51.3 and 51.12 of the Civil Code.
- D. At least 10 percent of the total units in a condominium project, as defined in subdivision (f) of, or in a planned development as defined in subdivision (k) of, Section 1351 of the Civil Code, are designated for moderate income households, as defined in Section 50093 of the Health and Safety Code, provided that all units in the development are offered to the public for purchase.

When an applicant seeks a density bonus and/or concessions as prescribed by Government Code Section 65915, the City will grant the density bonus and number of incentives or concessions required by that section unless it makes one of the following findings:

1. The concession or incentive is not required in order to provide for affordable housing costs, as defined in Section 50052.3 of the Health and Safety Code, or for rents for the targeted units to be set as specified in Section 65915(c) of the Government Code.
2. The concession or incentive would have a specific adverse impact, as defined in Government Code Section 65589.5(d)(2), upon public health and safety or the physical environment or on any real property that is listed in the California Register of Historical Resources and there is no feasible method to satisfactorily mitigate or avoid the specific adverse impact without rendering the development unaffordable to low- and moderate-income households.

The following incentives and concessions are deemed not to have the adverse impact set forth in the subsection above:

1. Reduced setbacks so long as the project remains consistent with the city's general plan and any applicable design guidelines;
2. Increased maximum lot coverage so long as the project remains consistent with the city's general plan and any applicable design guidelines;
3. Increased maximum building height so long as the project remains consistent with the city's general plan and any applicable design guidelines;
4. Reduction in parking standards beyond that set forth in Government Code Section 65915(p); and

5. In addition to the additional density bonus provided in accordance with Government Code Section 65915(g) for land donations within one-fourth mile of an applicant's project, provision of the additional density bonus set forth in Government Code Section 65915(g) for land dedicated to the city that is located within one-half mile of the applicant's project so long as the applicant demonstrates to the city's satisfaction that building the requisite number of affordable units on-site is infeasible and there is an identified source of funding for the very low income units.

The city will not, however, provide any direct financial assistance, waive fees or dedication requirements, or provide publicly owned land for a housing development as an incentive or concession.

Under current State law (Government Code Section 65915), cities and counties must provide a density increase up to 80 percent over the otherwise maximum allowable residential density under the municipal code and the land use element of the general plan (or bonuses of equivalent financial value) when builders agree to construct housing developments with 100 percent of units affordable to low- or very low-income households. As part of **Task 11.6** in the Housing Element, the City will amend its guidelines to ensure compliance with current State law.

### **Zoning for a Variety of Housing**

Housing element law specifies that jurisdictions must identify adequate sites to be made available through appropriate zoning and development standards to encourage the development of various types of housing for all economic segments of the population. This includes single-family housing, multifamily housing, manufactured housing, mobile homes, emergency shelters, and transitional housing, among others.

The Zoning Code outlines residential development permitted by right (P), permitted with a use permit (UP), or not permitted (NP). **Table HE-71** illustrates permitting requirements by zone for various residential uses in Daly City.

**Table HE 71: Existing Entitlement Requirements by Zoning District**

Building Type	Zoning Designations Allowing Residential Uses									
	R-1	R-1/A	R-2	R-2A	R-3	R-4	BRM	MHP	C-1 <sup>1</sup>	C-2
Single family home (one unit)	P	P	P	P	P	P	P	NP	UP	UP
Accessory Dwelling Unit	P	P	P	P	P	P	P	NP	UP	UP
Duplex (two units)	NP	UP	P	P	P	P	P	NP	UP	UP
Multiple family (three or more units)	NP	NP	NP	NP	P	P	P	NP	UP	UP
Mixed Use	NP	NP	NP	NP	NP	NP	NP	NP	UP	UP
Residential Care Facility ≤ 6 persons	P	P	P	P	P	P	P	NP	UP	UP
Residential Care Facility > 6 persons	UP	NP	UP	UP	UP	UP	UP	NP	UP	UP
Emergency Shelter	NP	NP	NP	NP	NP	NP	NP	NP	NP	NP
Single-Room Occupancy	NP	NP	NP	NP	NP	NP	NP	NP	NP	NP
Manufactured Homes	NP	NP	NP	NP	NP	NP	NP	NP	NP	NP
Mobile Homes	P	P	P	P	P	P	P	NP	UP	UP
Transitional Housing	P	NP	P	P	P	P	P	NP	UP	UP
Supportive Housing	P	NP	P	P	P	P	P	NP	UP	UP
Entitlement Required: "P" = Permitted, "UP" = Use Permit Required, "NP" = Not Permitted										

<sup>1</sup>Dwellings not permitted in C-1 within the Coastal Zone.

Source: City of Daly City Municipal Code.

## **Single Family**

Single-family homes are currently permitted ministerially in the R-1, R-1A, R-2, R-2A, R-3, R-4, BRM, and C-R/O zones and with a Use Permit in the C-1 and C-2 zones.

## **Duplexes and Two-Family Homes**

Duplexes, also called two-family homes, are currently permitted ministerially in the R-2, R-2A, R-3, R-4, and BRM zones and with a Use Permit in the R-1A, C-1, and C-2 zones. As part of **Task 6.7**, the City will amend the Zoning Ordinance to allow duplexes by right and without the requirement for design review in the R-1A zone, unless by objective standards.

## **Multifamily**

Multifamily projects are permitted ministerially in R-3, R-4, and BRM zones and with a Use Permit in the C-1 and C-2 zones.

## **Accessory Dwelling Units (ADUs)**

An accessory dwelling unit (ADU) is accessory to a primary residence and has complete independent living facilities for one or more persons. ADUs may include buildings of the following types:

- Detached: The unit is separated from the primary structure.
- Attached: The unit is attached to the primary structure.
- Converted Existing Space: Space (e.g., master bedroom, attached garage, storage area, or similar use, or an accessory structure) on the lot of the primary residence that is converted into an independent living unit.
- Junior ADU (JADU): A specific type of conversion of existing space that is contained entirely within an existing or proposed single-family residence.

To comply with Government Code Sections 65852.2 and 65852.26, ADUs must be permitted ministerially subject to objective design standards. At present, second units in an existing single-family home are permitted ministerially in all residential zones. **Task 5.1** will amend the Zoning Code to expand the ADUs permitted to include JADUs as a permitted use in addition to ADUs on the same lot. Additionally, **Task 5.1** will also clarify the language in the Zoning Code to replace the term “second unit” with “accessory dwelling unit” and will remove the owner-occupancy requirement.

## **Mobile Homes and Manufactured Homes**

Under California Government Code Sections 65852.3 through 65852.5, jurisdictions must allow certified manufactured homes on all lots zoned for conventional, stick-built, single-family dwellings. The only difference in regulation between manufactured homes and conventional single-family dwellings may be with respect to architectural requirements. The City's Municipal Code currently permits mobile homes ministerially in the Mobile Home Park Zone and specifies in Section 15.40.020 that mobile homes be subject to all provisions of the zoning ordinance applicable to single-family residential structures, which complies with current State law. **Task 13.5** will review and amend the zoning code to clarify the inclusion of mobile homes as a permitted use in residential zones where conventional, stick-built, single-family dwellings are permitted.

## **Residential Care Facilities**

Health and Safety Code Sections 1267.8 and 1566.3 require local governments to treat licensed group homes and residential care facilities with six or fewer residents no differently than other by-right single-family housing uses. "Six or fewer persons" does not include the operator, the operator's family, or persons employed as staff. Local agencies must allow these licensed residential care facilities in any area zoned for residential use and may not require licensed residential care facilities for six or fewer persons to obtain conditional use permits or variances that are not required of other family dwellings. Residential care facilities for six persons or fewer are currently permitted in any residential zone except for Mobile Home Parks without a permit. Residential care facilities for more than six persons are currently permitted in any residential zone except for Mobile Home Parks with a use permit. **Task 17.2** will amend the Municipal Code to allow residential care facilities, regardless of size, in all zones that permit residential uses of the same type, in accordance with the City's definition of family.

## **Single-Room Occupancy Units (SROs)**

The Daly City Municipal Code does not currently permit or prohibit SRO units in any zone. In **Task 18.3** of the Housing Element, the City will identify at least one zone in which to permit SROs and will amend the Municipal Code to reflect this.

## **Low-Barrier Navigation Centers**

Government Code Section 65662 requires that the development of Low-Barrier Navigation Centers be by right in zones where mixed uses are allowed or in nonresidential zones that permit multifamily housing. For a navigation center to be considered "low barrier," its operation should incorporate best practices to reduce barriers to entry, which may include, but is not limited to, the following:

- Permitting the presence of partners if it is not a population-specific site, such as for survivors of domestic violence or sexual assault, women, or youth
- Pets
- Ability to store possessions
- Providing privacy, such as private rooms or partitions around beds in a dormitory setting or in larger rooms with multiple beds

**Task 13.2** has been included to amend the Municipal Code to comply with State law.

## **Transitional and Supportive Housing**

Supportive housing is defined by Section 50675.14 of the Health and Safety Code as housing with linked on- or off-site services with no limit on the length of stay and which is occupied by a target population, as defined in Health and Safety Code Section 53260 (i.e., low-income person with mental disabilities, AIDS, substance abuse, or chronic health conditions, or persons whose disabilities originated before the age of 18). Services linked to supportive housing usually focuses on retaining housing, living and working in the community, and/or health improvement.

Transitional housing is defined in Section 50675.2 of the Health and Safety Code as rental housing for stays of at least six months but where the units are recirculated to another program recipient after a set period. It may be designated for a homeless individual or family transitioning to permanent housing. This housing can take many structural forms, such as group housing and multifamily units, and may include supportive services to allow individuals to gain necessary life skills in support of independent living.

Historically, the City has worked with nonprofit 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. Existing buildings are being adapted for reuse to accommodate these needs more commonly than new buildings are constructed, typically without requiring any discretionary permits. Pursuant to Government Code Section 65583, transitional and supportive housing types are required to be treated as residential uses and subject only to those restrictions that apply to other residential uses of the same type in the same zone. **Task 13.3** will amend the City's zoning code to ensure compliance with State Law.

### **Employee and Farmworker Housing**

The City does not have any land designated for agricultural uses. However, to comply with the State Employee Housing Act (Health and Safety Code Sections 17021.5 and 17021.6) the City will amend the zoning code to regard employee housing serving six or fewer employees as a single-family dwelling for purposes of applying land use and zoning regulations in **Task 13.4** of the Housing Element.

### **Emergency Shelter**

The California Health and Safety Code (Section 50801) defines an emergency shelter as "housing with minimal supportive services for homeless persons that is limited to occupancy of six months or less by a homeless person. No individual or households may be denied emergency shelter because of an inability to pay." 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. The 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 in the past 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 occur annually and biennially, respectively. No requests have been received for added emergency shelters.

Government Code Sections 65582 and 65583(a)(5) require jurisdictions to identify zones where emergency shelters are permitted without a conditional use permit. Within identified zones, only objective development and management standards may be applied, given that they are designed to encourage and facilitate the development of or conversion to an emergency shelter. At present, emergency shelters are permitted by-right, without discretionary review within the C-R/O zone. The C-R/O zone allows residential uses by-right when part of a mixed-use project.

In accordance with Assembly Bill (AB) 2339 (2022), the Housing Element must identify potential sites for emergency shelters within zones that allow residential uses by-right. The following sites may be used for development of emergency shelters.

The City has identified APN 006-345-070 (0.34 acres in size) within the C-R/O zone as an appropriate site for an emergency shelter. This parcel is close to services and transit. The City has an identified need of 49 persons. Assuming 200 square feet per person, the identified site exceeds the required square footage requirement and therefore meets the requirements of AB 2339. The site is currently vacant, and there are no known conditions that would make the site inappropriate for habitation. In selecting this site, the City considered the site's proximity to the following services, all of which exist within one-quarter mile of the subject property, five minutes walking distance:

- Daly City Civic Center
- San Mateo Health Services

- North County (Mike Nevin) Health Center
- Daly City Community Services Center
- Social Vocational Services
- San Mateo County Human Services

A Samtrans bus stop (122 Bus Line) is situated on the same block as the parcel within walking distance, with regional transit available 0.7 mile at the Colma/Daly City BART Station. The station is also accessible via public transit (122 Bus Line).

As part of **Task 13.1**, the City will also adopt management standards for emergency shelters.

### **Extremely Low-Income Housing**

Extremely low-income households typically consist of persons with special housing needs, including, but not limited to, persons experiencing homelessness or at risk of homelessness, persons with substance abuse problems, and farmworkers. Government Code Section 65583 requires the quantification and analysis of existing and projected housing needs of extremely low-income households. Housing elements must also identify zoning to encourage and facilitate supportive housing and single-room occupancy units. The R-3 zone allows for very high-density development, which has the potential to allow for housing affordable to extremely low-income households. In **Task 12.1** of the Housing Element, the City will identify potential funding sources on an ongoing basis to encourage the development of housing affordable to households in this income category. As part of **Task 18.3**, the City will also identify a zone in which to permit the development of SRO units.

### **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.”

With regard to fulfilling this requirement, 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 development with three or more dwelling units. The City has also adopted (2014) a reasonable accommodation ordinance, which provides a procedure for allowing the Director of the Department of Economic and Community Development to review and grant reasonable accommodation requests using the criteria identified. Central to the decision to grant the request is whether the requested accommodation would impose an undue financial or administrative burden on the jurisdiction or would require a fundamental alteration in the nature of the jurisdiction's land use and zoning or building program. If the Director can find that the request does not and is necessary to make housing available to an individual with disabilities protected under the fair housing laws, the Director may grant the request for reasonable accommodation in accordance with specific findings.

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. Reasonable Accommodations

**Reasonable Accommodation Procedure.** In 2014 the City established a formal reasonable accommodation procedure in order to ensure that the City's development standards do not present a barrier to community members with disabilities. A request for reasonable accommodation may be made by any individual with a disability, his or her representative, or a developer or provider of housing for individuals with disabilities, when the application of a land use, zoning or building regulation, policy, practice or procedure acts as a barrier to fair housing opportunities. Reasonable accommodations requests shall be reviewed by the Director of Community Development, after which the Director will issue a written decision. Appeals to an adverse decision may be made to the City Council.

The written decision to grant, grant with modifications, or deny a request for reasonable accommodation shall be consistent with fair housing laws and based on the following factors:

1. Whether the housing, which is the subject of the request for reasonable accommodation, will be used by an individual with disabilities protected under fair housing laws;
2. Whether the requested accommodation is necessary to make housing available to an individual with disabilities protected under the fair housing laws;
3. Whether the requested accommodation would impose an undue financial or administrative burden on the jurisdiction; and
4. Whether the requested accommodation would require a fundamental alteration in the nature of the jurisdiction's land use and zoning or building program.

**Accessibility Requirements.** The City does not presently have any explicit accessibility guidelines above and beyond those contained in the adopted Building Code.

**Separation Requirements.** The City's municipal code does not impose any separation requirements for group homes or residential care facilities.

**Definition of Family.** The Daly City Municipal Code defines a family as "one or more persons living together as a single housekeeping unit in a dwelling unit."

### **Permit Processing Procedures**

The Zoning Ordinance identifies the residential types permitted, permitted with a use permit, or not allowed in each zone allowing residential uses. Permitted uses are those uses allowed without discretionary review and require only a building permit as long as the project complies with all development standards and design guidelines.

The permit requirements for each housing type allowed in each zoning district are identified in Table HE-55. As identified in the table, the development review process is very expedient for new residential development proposed in a residential zone. Most approvals may be made at the staff level, and Design Review Committee (DRC) approval is required only for projects where four or more units are proposed, and for which an entitlement necessitating a public hearing is required. The DRC, which consists of the two City Council members appointed by the Mayor, has the ability to approve non-discretionary projects or discretionary projects that are exempt from the requirements of the California Environment Quality Act. Otherwise, City Council certification of either a Mitigated Negative Declaration (MND) or Environmental Impact Report (EIR) is required. At the present time, there are no known environmental constraints affecting any housing sites identified in the sites inventory within the 2023-2031 planning period.

Despite the expediency of constructing new residential projects on residentially zoned land, the most significant additions to the housing supply in Daly City have occurred in multiple-family apartment and condominium buildings exceeding 50 dwelling units per acre. Due to permit requirements in place at the time of their construction, these types of buildings have typically been subject to a use permit (due to their location in the C-1 zone on Mission Street or Geneva Avenue), a subdivision map (because they involve a condominium), or both. In certain cases, typically involving projects outside the Mission Street/Geneva Avenue corridors, a rezoning may have also been required. In rare circumstances, an amendment to the General Plan Land Use Map may be required as a part of project approval.

All subdivisions (including condominium maps) and use permits must be approved by the City Council with a recommendation from the Planning Commission. Typical findings of a residential subdivision include that the project is consistent with the General Plan, that the site on which the subdivision is to be located is physically suitable for the number of lots proposed, and that adequate infrastructure exists to serve the proposed subdivision. The findings for a use permit are similar, adding that the use is compatible with surrounding uses and the neighborhood character and that the project would not jeopardize the public health, safety, and welfare. Rezonings and General Plan amendments are legislative acts and are therefore not subject to written findings.

Staff has completed an analysis as to whether any of the findings identified in the preceding paragraph have been detrimental to project approvals, in terms of additional processing time, cost, and developer certainty. In a review of approximately 35 planning entitlement applications, including rezonings and major and minor subdivisions, that the City Council has considered since the adoption of the current Housing Element in 2004, in no instance did mandated findings present an obstacle to the Council granting these approvals. In fact, the City Council approved all 35 applications, adopting the required findings in each instance. **Table HE-72** provides the typical processing time by type of approval.

**Table HE 72: Typical Processing Time by Type of Approval**

Type of Approval or Permit	Typical Processing Time	Approval Body
<b>Zoning Entitlements</b>		
Building Permit (ministerial projects)	1 to 4 weeks	Staff
Design Review	4 to 6 weeks	Design Review Committee †
Use Permit	8 to 10 weeks	City Council
Variance	8 to 10 weeks	City Council
Coastal Development Permit (coastal zone only)	8 to 10 weeks	City Council ††
Parcel Maps	10 to 12 weeks	City Council
Subdivision Maps	10 to 12 weeks	City Council
Zone Change (to traditional zones)	10 to 12 weeks	City Council
Zone Change (to planned development zoning)	12 to 16 weeks	City Council
General Plan Amendment	12 to 16 weeks	City Council
† Processed concurrently for items approved by City Council		†† May be appealed to Coastal Commission
<b>Environmental Review</b>		
Mitigated Negative Declaration	10 to 12 weeks	City Council
Environmental Impact Report	24 to 36 weeks	City Council

Source: City of Daly City Planning Division.

The time it takes for developers to secure any of the above entitlements varies depending on factors such as the nature, size, location, and complexity of the project, including the involvement of other agencies. **Table HE-72** identifies the typical processing time most common in the entitlement process. It should be noted that, for projects requiring more than one entitlement, the City processes these entitlements concurrently. For example, the condominium map and environmental review for a new mixed-use project could be processed concurrently with the City Council's consideration of the subdivision map for the project. In 2008, the City Council adopted revisions to the Zoning Ordinance to allow concurrent processing of design review and other discretionary approvals that required Planning Commission and City Council approval. This change removed the requirement for projects which had been approved by the City Council to return to the Design Review Committee for additional review. When looking at timeframes from project approval to issuance of a building permit, the city reviewed past projects and determined a range of 8 to 15 months. As identified in **Table HE-73**, typical permit processing times range from one week for simple projects where only a building permit is required to several months for more complicated projects involving substantial environmental review. Projects that require the preparation and adoption of an EIR are subject to the greatest processing time, often exceeding six months. The requirement for an EIR, however, is extremely rare because the City in most instances has determined that a Mitigated Negative Declaration is sufficient for residential development projects.

The Planning Division continually maintains a database of all project entitlement timelines and completion rates. **Table HE-73** provides an overview of these timelines for all applications containing residential development deemed complete since 2015. As identified by the table, of the 18 projects processed by the Planning Division, the Planning Commission and City Council have approved 100 percent of the application and of these approximately 39 percent have either been constructed or are under construction, and an additional 17 percent are in plan check. Processing times for these applications are varied due to a number of factors, including applicant timelines for completeness resubmittal and more complicated CEQA document development. Almost three-quarters of the applications processed since 2015 have involved either legislative-type approval (e.g., rezoning or General Plan amendments). The City Council has also approved 100 percent of all time extension requests.

**Table HE 73: Review Time of Projects Submitted Since 2015**

Name	Units Approved	Site Size (acres)	Intake	Approval	Status	Highest Entitlement	CEQA	Review Time (Weeks)
Robertson Intermediate Redevelopment (Toll Brothers)	71	6.96	1/4/2015	4/25/2016	Constructed	General Plan Amendment	ISMND	68
Second Avenue Condominiums	20	0.45	5/10/2015	12/14/2015	Plancheck	Use Permit	CE	31
Point Martin One Residential Subdivision	16	1.84	6/8/2015	9/14/2015	Under Construction	General Plan Amendment	ISMND	14
Point Martin Two Residential Subdivision	117	18	10/29/2015	5/22/2017	Under Construction	General Plan Amendment	ISMND	82
Pacific Place Retail Conversion	7	1	4/14/2016	4/24/2017	Plan Check	Rezoning	CE	54
Mission Street/Goethe Street Mixed-Use Building	36	0.25	9/13/2016	9/11/2017	Plan Check	Use Permit	CE	52
Serra Station (The Hub)	75	3.2	4/7/2017	1/14/2019	Constructed	General Plan Amendment	ISMND	92
Westlake Shopping Center Mixed-Use Building	179	1.95	4/26/2017	9/10/2018	Approved	General Plan Amendment	ISMND	72
Station Avenue Apartments (Uniacke)	15	0.23	8/9/2017	11/14/2018	Approved	Design Review	CE	66
Serramonte Views Residential Condominiums	323	4.76	8/24/2017	11/26/2018	Approved	General Plan Amendment	EIR	66
JUHSD Faculty and Staff Housing	122	3.3	9/12/2018	1/13/2020	Constructed	General Plan Amendment	ISMND	70
Mission Street Mixed Use Building (Antonaris)	17	0.12	11/16/2018	6/8/2020	Approved	Use Permit	CE	81
Habitat for Humanity Multifamily (Habitat - Geneva)	6	0.14	1/6/2019	5/28/2019	Constructed	General Plan Amendment	ISMND	20
Templeton Homes	4	0.36	1/9/2019	5/28/2019	Approved	General Plan Amendment	CE	20
Eastmoor Residential Mixed-Use (CORE)	72	0.37	6/18/2019	2/24/2020	Plan Check	Use Permit	CE	36
Midway Village Redevelopment	555	11.25	6/21/2019	6/8/2020	Under Construction	General Plan Amendment	SCS	50
Third Avenue Townhouses	14	0.72	6/17/2020	4/24/2023	Approved	Rezoning	ISMND	149
Old Burlington Site Mixed-Use Redevelopment	179	1.95	4/21/2021	9/12/2022	Approved	Rezoning	ISMND	73

Recent projects with particularly long development timelines have all experienced delays that are believed to be outside of City control. For example, the Pacific Place Retail Conversion project experienced a change of owner during its development process, but is in the plan check phase. Of the projects listed in **Table HE-73** that were not completed or that are not currently under construction, six are on the pipeline projects list in **Table HE-47**; further details about the current status of these projects are available in this table. The remaining incomplete projects that are in the approved or plan check phase have mostly experienced delays that were not explained to the City. The Second Avenue project had plans that were ready for construction, but permits were not pulled, possibly due at least in part to the COVID-19 pandemic. Similarly, the Station Avenue Apartment project has not proceeded without explanation. The owner of the Templeton Homes project has indicated that the project is moving forward, but has not indicated the barrier to completing the plan check process or initiating construction. The Third Avenue Townhouses project had an extended review period due to completeness items that needed to be submitted before the City could deem the project complete for public hearing. However, since this project application was submitted, the planning division has revised its application form to simplify and streamline project completeness review. Through **Task 6.9**, the City will track the average time from approval to pulling building permits and conduct proactive outreach on an annual basis to developers of projects that are approved or in the plan check process. Through this outreach the City will work with developers to identify possible barriers to project completion and, where possible, identify opportunities for the City to support funding applications or facilitate partnerships that will move projects to completion.

Of the projects listed in **Table HE-48** none required the preparation of the EIR. All projects were either processed through the adoption of a Mitigated Negative Declaration or a determination that the project is exempt from CEQA. CEQA grants exemptions to projects in urban in-fill sites that are five-acres or less in size, have adequate infrastructure in place to accommodate the number of units proposed, and do not require rezoning or General Plan amendment.

To assist in streamlining the development review process, the Planning Division developed design guidelines for both new single-family homes and mixed-use development, but the guidelines were never adopted and are implemented only informally. In anticipation that the City will receive more applications for larger mixed-use buildings, especially along Geneva Avenue and Mission Street, **Task 1.3** has been added to this Housing Element and commits the City to reviewing these existing design guidelines to ensure that they address instances where higher-density development is proposed adjacent to lower-density neighborhoods. Also, in an effort to increase developer certainty, a new task amending the automatic expiration for all discretionary land use approvals has been added as **Task 2.3**. Lastly, **Tasks 1.3 and 2.1** will remove the requirements for use permits for mixed-use projects in the C-MU, C-1, and C-2, zones.

In addition to design guidelines, the City 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.

### **CEQA Streamlining**

In accordance with Government Code section 65943, the City provides a determination in writing of application completeness within 30 days of submission. This may be extended once for up to 90 days with the mutual consent of the City and applicant.

In accordance with PRC 21080.1 & 21080.2, the City determines if a housing project is exempt from CEQA within 30 days of receiving a complete application.

In compliance with Government Code section 65950, the City approves or disapproves projects within the timelines specified by statute. Projects are approved or denied within whichever timeframe is applicable to the project:

1. Where an environmental impact report (EIR) is prepared, within 180 days from the date of the certification of the EIR by the lead agency, or within 120 days for a "development project". A "development project" refers to a project that is either entirely residential or is a mixed-use project where non-residential uses are less than 50 percent of the total square footage of the development and non-residential uses are limited to first-floor neighborhood commercial uses in a building of two or more stories.
2. Where an EIR is prepared for a "development project", projects will either be approved or disapproved within 90 days from the date of certification by the lead agency where at least 49 percent of units are affordable to very low or low-income households and these units are deed-restricted affordable units for at least 30 years in the case of rental housing. The lead agency must also have received written notice from the project applicant that an application has been made or will be made for an allocation or commitment of financing, such as tax credits, bond authority, or other financial assistance from a public agency or federal agency, where this notice specifies the financial assistance that has been applied for or will be applied for and the deadline for application for that assistance, that a prerequisite for funding includes approval of the development by the lead agency, and that the financial assistance is necessary for the project to be affordable. Applicants must confirm that the application has been made to the public or federal agency prior to certification of the EIR.
3. Where a negative declaration is completed and adopted for the development project, within 60 days from the date of adoption by the lead agency.

**4. Where a project is determined to be exempt from CEQA, within 60 days of determination of exemption by the lead agency. Design Review**

The City does not have adopted objective design guidelines. Design review is required for projects with four or more units where the residential project is allowed by right. Per Chapter 17.45 of the City's Code of Ordinances, in approving a design review plan or site plan, the director of economic and community development, the design review committee, or city council must make the following findings:

- A. The provisions of this chapter and any applicable guidelines are complied with;
- B. The approval of the plan is in the best interest of the public health, safety and general welfare of the community;
- C. General site considerations, including site layout, open space and topography, orientation and location of buildings, vehicular access, circulation and parking, setbacks, heights, walls, fences, public safety and similar elements have been designed to provide a desirable environment;
- D. General architectural considerations, including the character, scale and quality of the design, the architectural relationship with the site and other buildings, building materials, colors, screening of exterior appurtenances, exterior lighting and signing and similar elements have been incorporated in order to insure the compatibility of this development with its design concept and the character of other adjacent buildings;
- E. General landscape considerations of Chapter 17.41, Landscaping, have been provided to insure visual relief, to complement buildings and structures and to provide an attractive environment for the enjoyment of the public.

In **Task 2.2** of the Housing Element, the City will establish objective standards for design review and eliminate the requirements for Design Review Committee approval for all residential development.

### **Projects Developed Below Minimum Density**

The City does not currently permit the development of projects below the minimum density required by the site's zone and land use designation. Were a developer to propose a project at a density below the minimum, this would require a heavily scrutinized rezoning and potentially redesignating other sites to replace RHNA units.

### **Senate Bill 330**

SB 330, the Housing Crisis Act of 2019, established specific requirements and limitations on development application procedures. Housing developments for which a preliminary application is submitted that complies with applicable general plan and zoning standards is subject only to the development standards and fees that were applicable at the time of submittal. This applies to all projects unless the project square footage or unit count changes by more than 20 percent after the preliminary application is submitted. The developer must submit a full application for the development project within 180 days of submitting the preliminary application.

The City does not currently have a process in place to address SB 330. As part of **Task 11.4** the City will establish a formal application process that is compliant with SB 330.

### **Senate Bill 35**

SB 35 requires jurisdictions that have failed to meet their RHNA to provide a streamlined, ministerial entitlement process for housing developments that incorporate affordable housing. The City does not currently have a process in place to address SB 35. As part of **Task 11.4** the City will establish a formal SB 35 application process.

### ***Local Ordinances***

#### **Growth Management**

There are no growth management policies in Daly City that would limit the City's ability to meet its housing needs.

#### **Short-Term Rental Ordinance**

The City established a short-term rental ordinance in 2020 to provide short-term lodging while also preventing the replacement of long-term housing with short-term rentals. The eligibility requirements are as follows:

- A. Short-term rentals shall be permitted in single-family residences, condominiums, duplexes, townhomes, and properties with multiple rental units. For owner-occupied properties with multiple rental units, the owner of such property may only host a short-term rental in the dwelling unit that is their primary residence.
- B. Short-term rentals shall not be permitted in inclusionary housing or other income-restricted housing units or on properties with accessory dwelling units or junior accessory dwelling units.
- C. Vacation rentals, as defined in this chapter, are prohibited and shall not be operated in the city.

### **Inclusionary Zoning Ordinance (DCMC Chapter 17.47).**

In recognition of the fact that neither federal nor state funding for affordable housing construction will be sufficient to fully address Daly City's affordable housing problem, nor will the private housing market likely provide affordable housing opportunities to low-income households, the City Council adopted an Inclusionary Zoning Ordinance in 2007. The City's Inclusionary Housing ordinance, Chapter 17.47 of Title 17 of the Daly City Municipal Code, was adopted in September 2007, then repealed and replaced by an Affordable Housing Ordinance adopted in April 2014 and revised in 2018. The Affordable Housing Ordinance requires the following:

Residential developments with fewer than 20 rental units or 15 ownership units will pay the required in Lieu Fees established in the City's Affordable Housing Fee schedule.

1. For-Sale Projects: twenty percent (20%) of the dwelling units in the Residential Development shall be sold at an Affordable Sales Price to households whose annual income does not exceed Moderate Income.
2. Rental Projects: ten percent (10%) of the dwelling units in the Residential Development shall be made available for rent at an Affordable Rent to households whose annual income does not exceed Low Income.

In lieu of constructing the on-site Inclusionary Units, a developer may elect to pay an Alternative In Lieu fee. These fees are used to increase and improve the supply of housing affordable to moderate-, low-, and very low-income households in the city.

As of 2018, the required in lieu fee for ownership units is \$45 per livable square foot, for rental units the fee is \$35 per livable square foot, and the Alternative In Lieu fee for rentals is \$48 per square foot. Alternative rental in lieu fees are set at a rate equal to the total livable square footage of the development multiplied by the alternative in lieu fee established in the city's affordable housing fee schedule, which is an amount equal to the approximate per-unit cost that the city would incur to subsidize the development of an equal number of rental inclusionary units such that they could be offered for rent at affordable rent. As discussed in the analysis of affordable units at risk of converting to market rate, estimated acquisition costs are estimated to be between \$450,000 and \$500,000 per unit. The per-unit cost for constructing a new unit is estimated to be \$732,500 based on a 10-unit project and \$786,500 per unit for a 100-unit project. To provide a 30-year subsidy for an existing unit, the subsidy would be approximately \$607,680 based on existing gaps between HUD fair market rents and the share of rent costs that could be paid by an extremely low income household of four. Assuming a 20-unit project with an average unit size of 1,500 square feet, the Alternative In Lieu fee of \$48 per square foot would cost \$720,000 per unit. This is similar to the cost the city would incur in building a unit of affordable housing, and higher than the estimated cost the city could incur in purchasing, or subsidizing a unit of affordable housing, depending on actual purchase prices or subsidy costs.

Inclusionary zoning ordinances like Daly City's are sometimes perceived as adding to the cost of housing by requiring market-rate units in the particular project to subsidize the affordable units in that same project. The City's inclusionary zoning ordinance recognizes that there could be instances when the inclusionary housing requirements make market-rate housing more expensive. However, the City has made a conscious decision that the community's interests are best served by the adoption of the ordinance to address the environmental and job-housing balance inequities that would result if the City took no action to ensure that all income groups maintain access to the marketplace for new rental and for-sale homes.

As of April 2023, four for-sale projects have been subject to the Affordable Housing Ordinance. It is speculated that the market-rate units were used to subsidize the affordable units in the projects. In a 2019 policy brief on inclusionary zoning from George Mason University's Mercatus Center, researcher Emily Hamilton noted that for a mandatory inclusionary zoning program to avoid limiting the new construction of housing, the value of a local density bonus must outweigh the cost of providing affordable units<sup>24</sup>. However, Hamilton also noted that only two of the eight optional inclusionary zoning programs studied in the Washington DC metro area produced any affordable units during the study period, suggesting that an effective inclusionary program should remain mandatory. The City currently provides a robust density bonus program in addition to the inclusionary housing requirement. When an application is submitted that meets the inclusionary requirements, and a density bonus is requested as a part of the project, the City processes the density bonus request the same as the original application is processed.

Additionally, in a 2015 study by Ann Hollingshead and published by the Lincoln Institute of Land Use Policy that was based on jurisdictions in California, weakening of inclusionary requirements is associated with an overall increase in the average cost of housing<sup>25</sup>. This increase is driven by an increase in the cost of below market-rate units that is not outweighed by the price decrease at the upper end of the rent spectrum.

To ensure the most effective implementation of the City's inclusionary zoning ordinance, two tasks have been added to the Objectives, Policies, and Tasks section of this Housing Element. **Task 10.2** requires that the City will ensure effective dissemination about the Inclusionary Zoning Ordinance to prospective property purchasers and developers and prepare paper and electronic brochures to assist these individuals to better understand and determine their obligation under the ordinance. **Task 10.3** mandates that the City adopt a disclosure requirement about the existence of an inclusionary zoning ordinance in Daly City and that directs property purchasers to the City for additional details. This disclosure would be required for transactions of properties over a certain size and valuation that could be subject to the City's inclusionary zoning ordinance.

### **Availability of Infrastructure**

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 is served by primarily by the City but in small part by Cal Water, a private provider. This system is expected to be adequate to serve future needs. The City receives water from groundwater, water purchased from the City and County of San Francisco, and recycled water. According to the City's 2020 Municipal Services Report, 2020 demand among single and multifamily residential uses was equal to a combined 1,675 million gallons (MG) out of a total of 2,174 MG that was used for all connection types, including losses. It is estimated that by 2030, residential demand will equal 1,561 million gallons out of a total demand of 2,101 MG systemwide. The City's estimates account for future water savings that will come from the city's existing and continuing water conservation measures, including water savings devices, public education, reducing water losses, water surveys, and rain capture programs. The 2020

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<sup>24</sup> Hamilton, E. (2019, September; rev. 2021, February). *Inclusionary Zoning Hurts More Than It Helps*. Mercatus Center at George Mason University. <https://www.mercatus.org/research/policy-briefs/inclusionary-zoning-hurts-more-it-helps>

<sup>25</sup> Hollingshead, A. (2015, December). *Do Inclusionary Housing Policies Promote Housing Affordability?* Lincoln Institute of Land Use Policy. <https://www.lincolninst.edu/publications/working-papers/do-inclusionary-housing-policies-promote-housing-affordability>

systemwide supply was 3,830 MG in 2020 and is expected to be 3,828 MG in 2030. It is therefore estimated that there will be sufficient capacity for future demand in the city even when accounting for projected population growth.

Portions of the system, including the Bayshore neighborhood, will need expanded storage capacity to meet future fire flow requirements 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.

Upon adoption of the Housing Element, the City will provide a copy of the adopted Housing Element to each of the City's water and sewer providers, advising each of these agencies of the City's intention to comply with Government Code Section 65589.7, which requires these providers to grant priority service allocation to proposed developments that include housing units affordable to lower-income households. This is included as **Policy HE 7.**

#### **Dry Utilities**

Electricity service is provided by PG&E. Landline telephone service is provided by AT&T, and home internet service is provided by several private companies, including Astound. It is not expected that additional housing development will put strain on the availability of these systems, nor is it expected that service providers will face challenges in serving new development with these utilities.

#### ***Housing Within the Coastal Zone***

Much of the area encompassed by the Coastal Zone in Daly City is developed with single-family detached homes built in the 1950s and 1960s as part of the Westlake neighborhood. Portions of the zone that are undeveloped include a 2.6-mile beach that is largely inaccessible due to steep and high coastal bluffs immediately west of the aforementioned homes. These bluffs are exceedingly steep and rugged and, as a result, largely preclude further development.

Since the City adopted its first Coastal Element in 1984, new private development has been sporadic, and none of it has introduced new residents to the area. Rather, nonseismic landslides caused a number of single-family homes in the Coastal Zone to be removed. None of these removed homes included deed-restricted affordable housing, and there are presently no homes that are known to be threatened by landslide activity.

#### ***Housing Near the San Francisco Airport***

The Airport Influence Area for San Francisco Airport includes two parts: Area A and Area B. Most of the City is within Area B except for some portions north of San Bruno Mountain. Area A is the larger of the two areas and encompasses all of San Mateo County. Area B lies within Area A and includes land exposed to aircraft noise above CNEL 65 dB or lying below critical airspace. The City is within AIA A, and portions of the City are also in AIA B. Any future housing projects in this area would be conditionally compatible with the noise compatibility policies adopted in the Comprehensive Airport Land Use Compatibility Plan for the Environs of San Francisco International Airport, (SFO ALUCP) plan provided that such housing projects incorporate sound insulation to reduce interior noise levels from exterior sources to 45 dB CNEL or lower and that an aviation easement is granted to the City and County of San Francisco as the operator of the Airport. Therefore, identified sites would not appear to be inconsistent with the noise compatibility policies adopted in the SFO ALUCP.

## **Nongovernmental Constraints to Housing Production**

Constraints attributable to the private market that affect the improvement, maintenance, and production of housing are generally categorized as nongovernmental 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 that 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 less 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.

It is anticipated that land costs within the City's Priority Development Areas, especially along Mission Street, will increase over time as new development replaces older, existing residential buildings; infrastructure improvements take place; and the desirability of living closer to BART, Samtrans, and other public transit opportunities increases. While this evolution of land use would increase the overall volume of housing in the area, an unintended consequence could be an increase in housing overpayment, overcrowding, degraded housing conditions, and displacement of existing lower-income households unable to afford market-rate newer development.

According to a 2022 study performed by Century Urban, there were insufficient data points available from the last three years to evaluate land purchases of up to one acre for single-family development. However, in nearby Pacifica the median cost for land for the development of a single-family home was \$447,500. For multifamily projects, the median per-unit land cost was \$45,000. This was the lowest median cost per unit of any San Mateo jurisdiction included in the survey.

In anticipation that new development projects could impact existing residents negatively, Housing Element **Task 5.2** requires that the City evaluate the potential impacts of displacement and adopt measures, as appropriate, to address the risk of displacement of existing residents. Displacement might be direct, caused by the redevelopment of sites with existing residential properties, or indirect, caused by increased market rents as an area becomes more desirable. If adopted, the City would implement programs as appropriate to address displacement, monitor such programs annually for effectiveness, and make adjustments as necessary.

### **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 an estimate generated by Century Urban as part of a 2022 study, construction cost, without considering land costs, financing, etc., for an average single-family home in San Mateo or Santa Clara County is approximately \$420 per square foot, or \$1,040,000 for a 2,600-square-foot home. For a small multifamily project with 10 units and 10,000 square feet of residential area as well as 3,750 square feet of surface parking, construction costs are estimated at \$522 per square foot or \$521,500 per unit, for a total construction hard cost of \$5,215,000.

### **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) as well as HOME funds, PLHA funds, and finding from the Housing Trust Fund.

### **Energy Conservation**

In 2015 City enacted an expedited, streamlined solar permitting process that complies with the Solar Rights Act and AB 2188 (Chapter 521, Statutes 2014) to achieve timely and cost-effective installations of small residential rooftop solar energy systems. The adoption of these regulations expanded the ability of property owners to install solar energy systems while protecting the public health and safety.

The City Council voted to join Peninsula Clean Energy (PCE) in January 2016. Through this program, Daly City has been able to join with other local jurisdictions to combine their electricity demand to buy and develop clean energy sources on behalf of its residents.

The City has also joined Bay Area Sunshares, along with nearly 40 cities and employers across the Bay Area. The program offers discounts on solar energy and energy storage systems to residents as well as information on financing options. The City advertises the State program Energy Upgrade California, which provides incentives and rebates on energy efficiency upgrades and a home energy assessment.

The City provides Property Assessed Clean Energy (PACE) financing, through which homeowners can finance energy- and water-saving upgrades through their property tax bills. The City also advertises the State's Energy Upgrade California through its website to inform residents of additional incentives for improvements to electric, gas, heating, air conditioning, water, and waste systems.

# Housing Objectives, Policies, and Tasks

The California Government Code Section 65583(b)(1) requires the Housing Element to contain “a statement of goals, quantified objectives, and policies relative to the maintenance, preservation, improvement, and development of housing.” This chapter fulfills that requirement and builds on information in previous chapters to provide direction on key housing issues in Daly City.

## Daly City's Housing Objectives

Daly City's Housing Element has the following objectives:

- Objective HE-1: Accommodate growing population by promoting housing construction.
- Objective HE-2: Explore a variety of alternative mechanisms to increase housing affordability.
- Objective HE-3: Use vacant and underutilized sites to provide future housing opportunities.
- Objective HE-4: Encourage a variety of housing types and tenures for all income levels and ensure access to housing by all groups or individuals.
- Objective HE-5: Ensure that the quality of housing is continually maintained or upgraded, and the existing housing supply is not negatively affected by reconstruction.
- Objective HE 6: Reduce unnecessary or wasteful energy practices and encourage more energy-efficient housing.
- Objective HE 7: Increase the supply of housing in a manner that does not negatively impact the quality of life in existing adjacent neighborhoods.

The information, analyses, recommendations, and programs (tasks) offered in this Housing Element are aimed at the accomplishment of a single housing goal, which was developed as part of the Envision Daly City process completed as part of the General Plan Update in 2009. Since considerable effort was expended to develop this goal, the City has continued this vision and has included it in the 2023-2031 Housing Element:

“Daly City will include well-designed housing choices for a variety of household incomes, life stages, and its diverse population with a good balance between ownership and rental units. Mission Street and Geneva Avenue will be urban corridors with unique mixed-use developments and public improvement projects that add to vibrancy of these streets.”

This goal allows 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.

## Policies and Tasks

**Table HE-74** provides specific housing policies and the tasks necessary to implement the housing goal and identifies the specific department charged with implementing each policy's task, the estimated completion date for each task, and the funding source that the City will use to implement each task.

**Table HE 74: Housing Element Objectives, Policies, and Tasks**

Task	Task Summary	Responsible Agency	Quantitative Objective	Timeframe	Funding Source
<b>Policy HE.1: Maintain and, where possible, create larger housing development sites throughout the city.</b>					
1.1	<p>Establish a Commercial Mixed-Use (C-MU) zone for areas targeted for mixed-use development and establish development regulations, including reduced parking requirements, in the Zoning Ordinance specifically for higher-density mixed-use development.</p> <p>Implementation of the C-MU zone will encourage the development of higher-density multifamily residential development and mixed-use projects in close proximity to commercial areas.</p>				
1.2	<p>Allow for a lot merger incentive allowance in the C-MU zone whereby property owners electing to merge two or more adjacent lots for the purpose of development are provided specific incentives to do so. The incentive program shall establish incentives that are significant enough to promote voluntary lot mergers and shall be commensurate with the size of the parcels being merged and/or created (see also Land Use Element Task LU 1.2).</p>				
1.3	<p>Remove the use permit requirement for mixed-use projects in the C-MU Commercial Mixed-Use zone that provide a residential component resulting in an overall net density of at least 30 dwelling units per acre and which also contain a first-floor commercial component that occupies a proportion of the total building area identified by the Zoning Ordinance. Proposed development consistent with this density, the Zoning Ordinance, and any applicable design guidelines would be permitted "by right," without requirement for discretionary approvals. Review existing design guidelines to ensure that they address instances where higher-density development is proposed adjacent to lower-density neighborhoods.</p>	Planning Division	370 units for lower-income households, 44 units for moderate-income households, and 203 units for above moderate-income households.	By January 31, 2024 – This Task was completed under City Council Resolution # 23-185 on November 27, 2023.	General Fund
1.4	<p>Amend the Zoning Ordinance to identify specific findings for adoption by the Planning Commission and City Council when approving any rezoning or redesignation involving a residentially zoned or residentially designated property to any zone or designation other than residential. For the purpose of this policy, the C-MU (Commercial Mixed-use) zone shall be considered a residential zone. The findings identified by the Zoning Ordinance shall relate to finding that the rezoning or redesignation is necessary to ensure that the City will not be economically impaired, that the City has, since the Housing Element adoption, met its housing construction target, and that the rezoning or redesignation does not involve a property identified by the Potential Housing Sites Inventory List for which a replacement site has not been identified.</p>				

Task	Task Summary	Responsible Agency	Quantitative Objective	Timeframe	Funding Source
1.5	Amend the Zoning Code to permit mixed-use development in the C-1 and C-2 zones without a use permit.	Planning Division	42 units of housing for lower-income households, 53 units of housing for moderate-income households and 203 units of housing for above moderate-income households		General Fund
1.6	The City will help facilitate lot consolidations to combine small residential lots (lots 0.5 acres or smaller) into larger developable lots by providing information on development opportunities and incentives for lot consolidation to accommodate affordable housing units available on the City's website and discussing with interested developers. As developers/owners approach the City interested in lot consolidation and development on small lots, for the development of affordable housing, the City will offer incentives consistent with the City's C-MU lot merger incentives which include: <ul style="list-style-type: none"> <li>• Reduce parking requirements,</li> <li>• Allow affordable projects to exceed the maximum height limits, and/or</li> <li>• Reduce setbacks and/or increase lot coverage</li> </ul>	Planning Division	15 lower income units, 25 moderate income units, and 40 above moderate-income units.	Offer incentives as projects are processed through the Planning Division. Annually meet with local developers to discuss development opportunities and incentives for lot consolidation.	General Fund
<b>Policy HE.2: Support infill housing in existing neighborhoods by offering streamlined planning and environmental reviews.</b>					
2.1	Amend the automatic expiration for all discretionary land use approvals (including design review approval) from one year to two years and amend the expiration provision to indicate that an applicant need only apply for a building permit within the specified two-year timeframe.	Planning Division	---	Within one year of Housing Element adoption	General Fund
2.2	The City will develop objective design guidelines and standards to provide clear and objective standards related to single family, multifamily, and mixed-use residential developments.	Planning Division	200 units of housing, including 100 units of lower-income housing.	Adopt objective design standards by January 2025 and implement thereafter.	General Fund
<b>Policy HE. 3: Provide regulatory incentives for developers to construct higher-density mixed-use development along Mission Street, Geneva Avenue, and any other locations within close proximity to public transit.</b>					
3.1	For larger projects (e.g., 50 units or more), allow further parking reductions for all development projects that provide permanently funded Home Owners' Association (HOA)/Property Owners' Association (POA) amenities (e.g., van-pools or car-sharing programs) to building occupants, and are within 0.25 miles of any public bus hub. In accordance with AB 2097, the City will also not impose a parking minimum for projects within 0.5 miles of "major transit stops", including any corridor with fixed route bus service with service intervals no longer than 15 minutes during peak commute hours,	Planning Division	200 units of housing for lower-income households and 100 units of housing for moderate-income households	Within one year of Housing Element adoption	General Fund

Task	Task Summary	Responsible Agency	Quantitative Objective	Timeframe	Funding Source
<p>existing rail or rapid transit stations, ferry terminals served by bus or rail, the intersection of two or more major bus routes with a frequency of service of 15 minutes or less during peak commute periods, and major transit stops that are included in any applicable regional transportation plan, unless specific written findings of a "substantially negative impact" are made.</p>					
<b>Policy HE. 4: Ensure that standards for new housing construction comply with airport land use compatibility requirements.</b>					
4.1	Comply with the most recent Federal Aviation Administration requirements (i.e., 45 decibel [dB] community noise equivalent level [CNEL] and 65 dB CNEL) as well as any requirements determined by the current Comprehensive Airport Land Use Compatibility Plan for the Environs of San Francisco International Airport.	Planning Division	---	Ongoing	General Fund
4.2	Ensure that all development proposals comply with the maximum permissible heights determined by the current Comprehensive Airport Land Use Compatibility Plan for the Environs of San Francisco International Airport.	Planning Division	---	Ongoing	General Fund
<b>Policy HE. 5A: Allow the construction of additional Accessory Dwelling Units (ADUs) throughout the city in compliance with state law.</b>					
5A.1	<p>Encourage the construction of ADUs through the following actions, which are aimed at providing an increased supply of affordable units throughout the city, thereby increasing access to high resource established neighborhoods outside of the downtown and Opportunity Zone areas and help reduce displacement risk for low-income households.</p> <ul style="list-style-type: none"> <li>Review and revise the City's ADU ordinance, as needed, including in response to recent changes in state law and/or future comments it may receive from the California Department of Housing and Community Development (HCD).</li> <li>Amend owner-occupancy requirements as necessary to ensure compliance with Government Code 65852.2 (D)(xii)(6).</li> <li>Clarify language in the Zoning Code to replace the term "second unit" with "accessory dwelling unit".</li> <li>Continue to implement a public information and proactive outreach campaign via the City's website of the standards for ADU development, permitting procedures, construction resources, and the importance of ADUs to Daly City, including ADUs affordable to lower-income households.</li> <li>Provide information to encourage residents to apply for ADUs, particularly where their homes already include space that is configured for a conforming ADU (e.g., carriage houses, au pair quarters, second kitchens on floors with separate entrances). To promote housing mobility, proactively send this information to</li> </ul>	Planning Division	<p>Support the development of 503 ADUs, including 302 for lower-income households, 151 for moderate-income households, and 50 for above moderate-income households. To facilitate housing mobility of lower-income households, target the development of at least 25 percent of lower-income ADUs within the city's higher-resource areas, including on the city's west and northwest sides.</p>	<p>Review and revise the current ADU ordinance and amend by December 2024; make ADU materials available by December 2024 and implement proactive outreach campaign by June 2024, implement by June 2025; evaluate effectiveness of ADU approvals and affordability every other year, starting 2024; and identify additional site capacity, if needed, by 2025.</p>	General Fund

Task	Task Summary	Responsible Agency	Quantitative Objective	Timeframe	Funding Source
	<p>houses in the city's highest-income areas on an annual basis, including the Westlake, Southern Hills, and Hillside neighborhoods.</p> <ul style="list-style-type: none"> <li>• Produce a flyer regarding ADUs and make available at the Planning Department counter. To promote housing mobility, proactively send fliers to houses in the city's highest-income areas on an annual basis, including the Westlake, Southern Hills, and Hillside neighborhoods.</li> <li>• At least annually, publish informational materials pertaining to ADUs through a combination of media, including the City's website and direct mailings. To promote housing mobility, proactively send informational materials to houses in the city's highest-income areas on an annual basis, including the Westlake, Southern Hills, and Hillside neighborhoods.</li> <li>• Identify incentives for construction of ADUs with new development, which may include differing collection of impact fees for the square footage associated with the ADU until issuance of the certificate of occupancy. To promote housing mobility, identify an additional incentive for the construction of ADUs in the city's highest-income areas, including the Westlake, Southern Hills, and Hillside neighborhoods.</li> <li>• Collect and monitor data on ADU production and affordability and identify additional capacity within 6 months, if needed.</li> </ul>				
<b>Policy HE. 5B: Reduce or eliminate the impacts of new construction to residents displaced by such construction.</b>					
5B.1	Evaluate the potential impacts of displacement and adopt measures, as appropriate, to address the risk of displacement of existing residents. Displacement might be direct, caused by the redevelopment of sites with existing residential properties, or indirect, caused by increased market rents as an area becomes more desirable. If adopted, the City would implement programs as appropriate to address displacement, monitor such programs annually for effectiveness, and make adjustments as necessary.	Planning Division	Reduce displacement risk for 100 individuals or households, particularly in areas that are considered vulnerable to displacement, including the north side of the city, Southern Hills and Crocker neighborhoods, and central areas along the Highway 1 and Mission Street corridors, and the Bayshore Heights neighborhood	Complete an evaluation by December 31, 2025. Adopt any anti-displacement strategies by June 30, 2026.	General Fund

Task	Task Summary	Responsible Agency	Quantitative Objective	Timeframe	Funding Source
<b>Policy HE.6: Ensure that adequate development sites exist on the Potential Housing Sites Inventory List to ensure compliance with the City's Regional Housing Need Allocation.</b>					
6.1	Develop and implement an evaluation procedure to ensure the City maintains sufficient land to accommodate the Regional Housing Needs Allocation (RHNA) throughout the planning period. Should the City fall into a no net loss situation, within 180 days, the City will identify a replacement site to ensure the remaining RHNA is being met.	Planning Division	---	Develop a monitoring program by January 2024; ongoing monitoring as zoning changes are proposed and/or as development is proposed on multifamily housing sites	General Fund
6.2	Pursuant to Government Code Section 65583.2(c), any nonvacant sites identified in the prior 5th Housing Element Cycle or vacant sites identified in two or more consecutive planning periods shall be provided by right when at least 20 percent of the units in the proposed development are affordable to lower-income households.	Planning Division	258 lower-income units in moderate-income areas with higher rates of renter overpayment to prevent displacement of lower-income households in these areas.	These provisions shall take effect upon adoption.	General Fund
6.3	<p>To ensure the City has sufficient sites zoned appropriately to accommodate the RHNA shortfall of 806 lower income units, 252 moderate income units and 157 above moderate income units, the City will take the following actions:</p> <ul style="list-style-type: none"> <li>Rezone 11.39 acres of vacant land (site 9 in <b>Table HE-52</b>) to the R-3 zoning district, allowing exclusively residential uses and a minimum of 20 units per acre that allows for at least 30 units per acre. The General Plan Land Use will also be amended to the Residential Very-High land use designation to ensure consistency.</li> <li>Update the General Plan Land Use designation on Site 15 to Residential High Density which increases the allowable density to 100 du/acre. Amend the current Planned Development zoning on sites 7 and 8 in <b>Table HE-52</b> to allow for an increased density of 136 du/acre.</li> </ul> <p>All actions under this task will ensure compliance with all requirements under Government Code sections 65583, subdivision (c)(1) and 65583.2, subdivisions (h) and (i).</p>	Planning Division	806 lower income units, 252 moderate income units and 157 above moderate income units. This will include 646 lower-income units in higher-income areas of the city in order to promote housing mobility for lower-income households.	Concurrent with adoption of the Housing Element.	General Fund
6.4	The City will review and update the General Plan Land Use designation of sites assumed to meet the RHNA to ensure zoning and General Plan designations are compatible.	Planning Division	Facilitate the development of 806 lower income units, 252 moderate income units and 157 above moderate income units.	Concurrent with adoption of the Housing Element.	General Fund

Task	Task Summary	Responsible Agency	Quantitative Objective	Timeframe	Funding Source
6.5	<p>Amend the General Plan Land Use Designations as follows to allow for additional capacity to meet the RHNA:</p> <p>Increase the permitted density in the Residential – Medium Low Density General Plan Land Use Designation from 14.6 to 20 dwelling units per acre to 14.6 to 35 dwelling units per acre.</p> <p>Increase the permitted density in the Residential – Medium Density General Plan Land Use Designation from 20.1 to 35 dwelling units per acre to 35.1 to 60 dwelling units per acre.</p> <p>Increase the permitted density in the Residential High Density General Plan Land Use Designation from 35.1 to 60 dwelling units per acre to 60.1 to 120 dwelling units per acre.</p> <p>Increase the permitted density in the Residential – Very High Density General Plan Land Use Designation to a minimum of 120.1 dwelling units per acre.</p> <p>Where this applies to sites that are assumed to meet the lower income RHNA, the City will ensure compliance with all requirements under Government Code sections 65583, subdivision (c)(1) and 65583.2, subdivisions (h) and (i).</p>	Planning Division	Facilitate the development of 806 lower income units, 252 moderate income units and 157 above moderate income units.	Concurrent with adoption of the Housing Element.	General Fund
6.6	<p>Review and amend the City's Development Standards to ensure that they permit development of sufficient dimensions to achieve the levels of density that will be permitted in Task 6.5, provided that they do not exceed the maximum permissible heights determined by the current Comprehensive Airport Land Use Compatibility Plan for the Environs of San Francisco International Airport.</p>	Planning Division	Facilitate the development of 806 lower income units, 252 moderate income units and 157 above moderate income units.	Concurrent with adoption of the Housing Element.	General Fund
6.7	<p>Amend Chapter 17.09 - R-1/A SINGLE-FAMILY/DUPLEX RESIDENTIAL DISTRICT to allow duplexes by right and without the requirement for design review, unless by objective standards.</p> <p>And amend Chapter 17.12 - R-3 MULTIPLE-FAMILY RESIDENTIAL DISTRICT and Chapter 17.21 - SC SULLIVAN CORRIDOR SPECIFIC PLAN DISTRICT (R-H) to:</p> <ul style="list-style-type: none"> <li>Require that all new development be multiple family residential in nature only, constructed pursuant to the density parameters established by the General Plan, and without the requirement for design review, unless by objective standards;</li> <li>Amend the maximum building height to 120 feet;</li> <li>Amend the minimum lot area for new parcels to one acre;</li> <li>Remove the maximum lot coverage; and</li> <li>Remove the regulation pertaining to lot area per dwelling unit (General Plan densities to be used instead).</li> </ul>	Planning Division	Facilitate the development of 806 lower income units, 252 moderate income units and 157 above moderate income units.	Concurrent with adoption of the Housing Element.	General Fund

Task	Task Summary	Responsible Agency	Quantitative Objective	Timeframe	Funding Source
6.8	<p>Establish an outreach and coordination program to connect developers, builders, and owners of non-vacant sites. The program shall:</p> <ul style="list-style-type: none"> <li>Emphasize reaching out to owners of non-vacant sites to discuss any interest in redeveloping and available incentives, focusing efforts where opportunities arise for place-based community revitalization in under resourced areas, and/or affordable housing development in higher-resource areas.</li> <li>Marketing and advertising these sites to the development community along with any incentives that might be available.</li> <li>Establish biennial meetings with developers and builders.</li> </ul>	Planning Division	<p>Engage with 5 property owners of high-potential non-vacant sites each year to facilitate the development of 109 lower-income units, 124 moderate-income units, and 46 above moderate-income units. Prioritize potential projects with lower-income units in or immediately adjacent to higher-income areas, such as the Crocker, Westlake, St. Francis, and Southern Hills neighborhoods. Facilitate the development of 109 units of lower-income housing on these sites, of which 68 will be in or immediately adjacent to higher-income areas.</p>	Initiate by October 2024 and maintain throughout planning period on a biennial basis.	General Fund
6.9	<p>Establish a proactive outreach and coordination program to contact developers of projects that are approved or in the plan check process but that have not yet pulled building permit on an annual basis to identify any barriers to construction. As appropriate, the program shall identify ways the City can support applications for funding for housing to accommodate lower-income households or otherwise connect developers with necessary resources or partnerships to complete construction. Possible strategies may include coordination with applicants to approve remaining entitlements, supporting funding applications, expediting, and assisting approvals and other actions such as technical assistance. The City will then implement identified support strategies within six months once identified. The City will also track the average time between project approval and pulling building permits and identify ways to decrease this time if possible.</p> <p>The City will also annually monitor progress on pipeline projects, and by the end of 2028 will evaluate whether projects will likely be</p>	Planning Division	<p>Facilitate the development of 2500 units of housing over the planning period, including 873 units affordable to lower-income households.</p>	Initiate by October 2024 and maintain throughout planning period on an annual basis. Monitor progress annually and by the end of 2028 will evaluate projects unlikely to be completed and, if necessary, identify and rezone alternate sites within six months.	General Fund

Task	Task Summary	Responsible Agency	Quantitative Objective	Timeframe	Funding Source
	completed in the planning period as anticipated. For projects that are deemed to be unlikely to be completed during the planning period, the City will identify alternative sites and rezone sites within six months				
6.10	<p>Establish an outreach and coordination program to connect developers, builders, and owners of commercial/mixed-use sites. The program shall:</p> <ul style="list-style-type: none"> <li>Emphasize reaching out to owners of commercial/mixed-use sites to discuss any interest in redeveloping and available incentives.</li> <li>Marketing and advertising these sites to the development community along with any incentives that might be available.</li> <li>Establish biennial meetings with developers and builders.</li> </ul> <p>Additionally, the City will monitor development in commercial/mixed-use zones that were identified to meet the RHNA to ensure the residential portion of the project is not developing lower than 85 percent. The City will complete a mid-term review (by December 2027) to determine if 85 percent realistic capacity is still appropriate and will increase outreach to developers to further promote mixed use sites.</p>	Planning Division	Engage with 5 property owners of commercial/mixed-use sites in the inventory each year.	<p>Initiate by October 2024 and maintain throughout planning period on a biennial basis. Complete a mid-term evaluation by December 2027 to determine the residential portion of mixed use projects and if projects are not hitting the 85 percent target, complete additional outreach to developers to provide increased incentives.</p>	General Fund
6.11	Revise the development standards in the R-3 zone to permit development of up to 10 stories and revise development standards in the C-MU zone to permit development of up to 15 stories.	Planning Division	Facilitate the development of 555 units to accommodate lower-income households and 368 housing units to accommodate moderate-income households.	Within one year of Housing Element adoption	General Fund
6.12	Revise parking standards for multifamily development to require one parking space per one-bedroom unit.	Planning Division	Facilitate the development of 555 units to accommodate lower-income households and 368 housing units to accommodate moderate-income households.	Within one year of Housing Element adoption	General Fund

6.13	<p>The City will encourage the development of missing-middle housing types that are affordable by design that can provide opportunities for housing that can accommodate the needs, preferences, and financial capabilities of current and future residents in terms of different housing types, tenures, density, sizes, and costs.</p>	<p>Planning Division</p>	<p>Facilitate the development of 50 lower- and 50 moderate-income households, prioritizing projects in higher resources single family neighborhoods. Facilitate the development of at least 1 new affordable housing projects on sites owned by religious institutions.</p>	<p>Complete zoning code changes by December 2025, outreach at least twice in the planning period, and track annual planning applications received. If no applications for housing projects on religious sites are received by December 2025, conduct outreach annually.</p>	<p>None required</p>
	<p>Missing middle housing is typically multiple rental units on a single parcel (whether attached or detached) that are compatible in scale and form with traditional single-family homes with one- or two- story forms. Examples include duplexes, triplexes, courtyard apartments. Allowing the development of units in this form will help the incorporation of rental housing within the existing, primarily single-family ownership units within neighborhoods. The City will accomplish this by:</p> <ul style="list-style-type: none"> <li>Allowing corner lots in R1 zoning districts to develop as multi-family rental housing using R3 zoning regulations to encourage missing-middle developments, in conjunction with state ADU law to allow for 2 units and 2 ADUs on a former single family lot.</li> <li>Allowing lots zoned for single-family residential uses that abut (either shares a property line or is directly across the street from) property that fronts an arterial or major collector and is zoned and used for commercial or mixed-use development, to develop with rental multi-family housing using R2 zoning regulations to encourage missing middle housing, in conjunction with state ADU law to allow for 2 units and 2 ADUs on a former single family lot..</li> <li>Facilitate the development of such housing types through developing a streamlined application and review process, providing technical assistance, informing qualifying property owners of their development rights, and conducting additional marketing and outreach of missing middle development.</li> <li>Pursuing the establishment of maximum average unit size as a tool to moderate unit sizes for such developments.</li> <li>Conduct outreach to religious institutions to inform them of their development rights under SB 4 and encourage housing proposals within one year of Housing Element adoption. If no application for housing on a religious institution/faith-based site is received within twelve months after outreach is completed, the City will expand outreach efforts to be conducted annually. This will include direct mailings to faith-based sites highlighting successful affordable housing units on other faith-based sites, providing technical assistance to property owners to develop their sites into housing, connecting property owners with developers interested in developing housing on religious institutional sites, as well as available City resources and programs to support such projects if available. Additional outreach focus will be given to religious institutions located in</li> </ul>				

Task	Task Summary	Responsible Agency	Quantitative Objective	Timeframe	Funding Source
	<p>lower-density neighborhoods to promote housing mobility in these areas. In addition, the city will expedite the processing of housing on religious institutional sites.</p> <p>The City will promote the missing middle strategy through City publications and online newsletters, and via the City's website.</p>				
<b>Policy HE. 7: Allow development density on all residentially zoned properties consistent with the General Plan Land Use Map and work with utility providers to ensure that adequate water supplies and sewer capacities are available to allow construction at such density, especially for development that includes housing units affordable to lower-income households. Grant priority service allocation to proposed developments that include housing units affordable to lower-income households, in compliance with Government Code Section 65589.7 and provide a copy of the adopted Housing Element to each of the City's water and sewer providers following adoption.</b>					
<b>Policy HE.8: Expand homeownership opportunities by facilitating condominium construction, while protecting renters from condominium conversions.</b>					
8.1	When such funds are available, use and leverage federal, state, and local funds, tax credits, tax-exempt bonds, and private sources such as foundations to protect affected lower income renters from displacement caused by condominium conversions, focusing efforts in the City's higher-resource areas including the Westlake, Southern Hills, and Hillside neighborhoods. This may include working with non-profit developers, providing relocation information and assistance to affected tenants or subsidizing benefits for voluntary relocation.	Planning Division	50 lower-income units to reduce displacement risk.	Ongoing/as funds are available	General Fund, State and Federal Funds, or Private Donations as Available.
<b>Policy HE.9: Use the financial and other resources available to the City to reduce the cost and increase the amount of affordable housing.</b>					
9.1	When such funds are available, use and leverage federal, state, and local funds, tax credits, tax-exempt bonds, and private sources such as foundations to encourage the production of affordable housing, focusing efforts in the City's higher-resource areas including the Westlake, Southern Hills, and Hillside neighborhoods. The City shall strive to leverage such funds, on average, every two years within the planning period. The City shall offer technical assistance to landowners and prospective developers regarding, for instance, regulatory guidelines, development potential, design solutions, and marketing data. City will continue to routinely monitor, investigate, and use available new funding sources.	Planning Division	50 lower-income units to reduce displacement risk.	Ongoing/as funds are available. Apply for funding at least every two years.	General Fund, State and Federal Funds, or Private Donations as Available.
<b>Policy HE.10: Continue to require affordable units in all new housing development and in new condominium conversions.</b>					
10.1	Implement the Inclusionary Zoning Ordinance. Provide as part of the General Plan Annual Report an analysis of the effectiveness of the Inclusionary Zoning Ordinance in creating long-term affordable renter- and owner-occupied housing units. The analysis shall identify housing developments subject to the Ordinance for which construction has been completed in the previous year and shall qualitatively and quantitatively describe the extent to which the ordinance impacted the construction cost of market-rate units within these developments. The study will also evaluate fees, alternatives,	Planning Division	200 units of housing for lower-income households.	Annually review, amend within 6 months if identified as a constraint. Complete in lieu fee analysis within one year of Housing Element adoption and amend within 6 months if identified as a constraint.	General Fund

Task	Task Summary	Responsible Agency	Quantitative Objective	Timeframe	Funding Source
	and incentives for compliance with inclusionary zoning. The City will also partner with 21 Elements to complete an analysis of the program's in lieu fee component within one year of Housing Element adoption and amend within 6 months if identified as a constraint.				
10.2	Provide information regarding the Inclusionary Zoning Ordinance to prospective property purchasers and developers and prepare paper and electronic brochures to assist these individuals to better understand and determine their obligation under the ordinance.	Planning Division	200 units of housing for lower-income households.	Staff training as needed. Make information about inclusionary zoning available online and in print continuously throughout the planning period.	General Fund
10.3	Adopt disclosure requirement about the existence of an inclusionary zoning ordinance in Daly City that directs property purchasers to the City for additional details. This disclosure would be required for transaction of properties over a certain size and valuation that could be subject to the City's inclusionary zoning ordinance.	Planning Division	---	January 2025	General Fund
<b>Policy HE.11: Provide regulatory incentives and streamline the permit process for development projects that contain deed-restricted affordable units.</b>					
11.1	Reduce delays in project approval and issuance of building permits by developing a plan check prioritization system that reduces the time required to complete the plan check review process for affordable housing projects, especially those projects that exceed the City's inclusionary zoning ordinance requirements and are located in the City's higher-resource areas including the Westlake, Southern Hills, and Hillside neighborhoods.	Planning Division	806 units of housing affordable to lower-income households, of which 200 will be located in higher-resource areas.,	Ongoing	General Fund
11.2	Continue to offer parking reductions offered in the current Zoning Ordinance that serve as an incentive to developers of low-income elderly housing provided a minimum age for residency of such units is established by the ordinance (e.g., 62 years of age).	Planning Division	50 units of housing for low-income seniors.	Ongoing	General Fund
11.3	Establish a process for evaluating affordable housing projects for reductions in required improvements, focusing efforts in the City's higher-resource areas including the Westlake, Southern Hills, and Hillside neighborhoods.	Planning Division	806 units of housing affordable to lower-income households, of which 200 will be located in higher-resource areas.,	Formalize a review process by 2025	General Fund
11.4	The City will develop a preliminary application form and procedure or will adopt the Preliminary Application Form developed by HCD, pursuant to Senate Bill (SB) 330. The City will also establish a written policy and/or procedure, and other guidance as appropriate, to specify the SB 35 streamlining approval process and standards for eligible projects under Government Code Section 65913.4. The	Planning Division	Facilitate construction of 50 very low-income units and 50 low-income units to increase housing mobility opportunities, prioritizing new	Develop or adopt HCD's SB 330 preliminary application form by June 2025. Develop an SB 35 streamlined approval process by December 2025 and	General Fund

Task	Task Summary	Responsible Agency	Quantitative Objective	Timeframe	Funding Source
	applications will be available on the City's website for developers interested in pursuing the streamlined process or vesting rights.		opportunities in higher-resource areas.	implement as applications are received.	
11.5	The City will review and revise the City's density bonus guidelines to ensure compliance with state law.	Planning Division	Facilitate construction of 100 units to increase housing mobility opportunities, prioritizing new opportunities in higher-resource areas.	Within one year of Housing Element adoption	General Fund
<b>Policy HE.12: Consider financial incentives to increase the supply of rental housing for lower income household, including extremely low-income households.</b>					
12.1	<p>When funds are available, apply for and/or co-sponsor funding opportunities for the construction of rental housing, prioritizing opportunities for infill development in neighborhoods with lower proportions of renters, such as the Hillside, Crocker, and St. Francis neighborhoods, focusing efforts in the City's higher-resource areas including the Westlake and Southern Hills neighborhoods. The City shall strive to make such applications, on average, every two years within the planning period.</p> <p>To promote housing mobility, give priority expenditure of City housing funds to projects that will provide deed-restricted affordable rental housing, especially to development projects that will provide extremely low-income units or affordable projects in higher-income neighborhoods, such as the Southern Hills, Westlake Park, and Hillside neighborhoods. Identify potential funding sources on an ongoing basis.</p> <p>Give priority expenditure of City housing funds to projects that will occupy sites that have been previously developed.</p>	Planning Division	<p>Facilitate construction of 50 very low-income units, 50 very low-income units, and 100 low-income units to increase housing mobility opportunities, prioritizing new opportunities in higher-resource areas. This will include replacement of an estimated 15 units of housing to replace any units that are deemed beyond rehabilitation.</p>	Review fund availability annually. Priority expenditure ongoing.	General Fund, HOME, CDBG
12.2	Use the City's Affordable Housing Trust Fund to increase and improve the supply of affordable housing. Where possible, prioritize AHTF expenditures for projects that will provide housing to accommodate lower-income households in the Westlake, Southern Hills, and Hillside neighborhoods to promote housing mobility. Additionally, require recipients of AHTF funding in these areas to conduct affirmative marketing to residents of areas with the highest rates of renter overpayment, including the St. Francis and Bayshore Heights neighborhoods.	Planning Division	Facilitate construction of 50 extremely low-income units, 50 very low-income units and 100 low-income units to increase housing mobility opportunities, prioritizing new opportunities in higher-resource areas.	Ongoing, allocate funds annually and as affordable projects are proposed.	Affordable Housing Trust Fund

Task	Task Summary	Responsible Agency	Quantitative Objective	Timeframe	Funding Source
<b>Policy HE.13: Promote the development of special-needs housing, such as housing for seniors; housing for persons with physical, developmental, or mental disabilities; housing for extremely low-income persons, and female-headed households.</b>					
13.1	Adopt management standards for emergency shelters, including, but not limited to, the following:	Planning Division	Facilitate the development of shelter services to serve at least 49 homeless community members.	January 2025	General Fund
	The occupancy limit for any building proposed for occupation by an emergency shelter shall be no less or greater than that normally required. The maximum number of beds or persons permitted to be served nightly by the facility.				
	The parking requirement for emergency shelters shall be quantified within the Zoning Ordinance and shall be based on demonstrated need. The parking requirement for emergency shelters shall be no greater than the requirement for other residential or commercial uses within the zone.				
	The size and location of exterior and interior on-site waiting and client intake areas.				
	The requirement for continuous on-site management and the submission of a management plan to the City that identifies security mechanisms in place during hours that the emergency shelter is in operation.				
	The proximity to other emergency shelters provided that emergency shelters are not required to be more than 300 feet apart.				
	Regulations for the maximum length of stay by any individual within a calendar year within an emergency shelter.				
13.2	Amend the Zoning Code to permit low-barrier navigation centers, defined as low-barrier, temporary, service-enriched shelters to help homeless individuals and families quickly obtain permanent housing by right in zones where mixed uses are allowed or in nonresidential zones that permit multifamily housing (Government Code Section 65662; AB 101).	Planning Division	Facilitate the development of shelter services to serve at least 49 homeless community members.	January 2025	General Fund
13.3	Amend the Zoning Ordinance to ensure that transitional and supportive housing, is treated as a residential use and only subject to the same use in the same zone. Additionally, allow supportive housing as a permitted use without discretionary review in zones where multifamily and mixed-use developments are permitted, including nonresidential zones permitting multifamily uses (Government Code Section 65583(c)(3) and Section 65650). At least twice during the planning period, conduct proactive outreach to transitional and supportive housing providers to identify possible opportunities for	Planning Division	Facilitate the development of 50 units of transitional housing.	January 2025	General Fund

Task	Task Summary	Responsible Agency	Quantitative Objective	Timeframe	Funding Source
	development of this housing type in higher-income areas, including the Westlake, Southern Hills, and Hillside neighborhoods, to promote housing mobility for lower-income households.				
13.4	Amend the Zoning Ordinance to ensure that local zoning, development standards, and permitting processes comply with Health and Safety Code Sections 17021.5 and 17021.6. Section 17021.5, which generally requires employee housing for six or fewer persons to be treated as a single-family structure and residential use. No conditional-use permit, zoning variance, or other zoning clearance shall be required for this type of employee housing that is not required of a family dwelling of the same type in the same zone. Section 17021.6 generally requires that employee housing consisting of no more than 36 beds in group quarters (or 12 units or less) designed for use by a single family or household to be treated as an agricultural use. No conditional-use permit, zoning variance, or other zoning clearance shall be required for this type of employee housing that is not required of any other agricultural activity in the same zone.	Planning Division	Facilitate the development of 50 units of employee housing.	January 2025	General Fund
13.5	Review and amend the Zoning Code as needed to allow mobile and manufactured homes, as defined by state law, as an allowed use in any residential zone that permits single-family residential uses, without the requirement for a use permit and subject to no greater zoning restrictions than residential uses in the same zone. Also ensure parking standards are consistent with state law.	Planning Division	---	January 2025	General Fund
13.6	The City will continue to fund the Family Crossroads homeless shelter. To facilitate and encourage the development of housing for those experiencing homelessness, the City will annually review notices of funding opportunities and support funding applications in partnership with developers of permanent supportive housing when opportunities are available. The City will continue to participate in the County's Continuum of Care Steering Committee where it interacts with local homeless services organizations on programs and policies to address homelessness in the County on an annual basis to identify additional partnership opportunities for providing homeless housing and services. Within one year of Housing Element adoption, the City will consider possible incentives for supportive housing development and implement feasible incentives within six months.	Planning Division	Facilitate the development of supportive housing to serve at least 49 homeless community members.	Beginning January 2024, outreach and program review annually thereafter. Complete incentive assessment within one year of Housing Element adoption. Implement feasible incentives within six months if applicable.	General Fund, Other sources as determined by annual review of opportunities

Task	Task Summary	Responsible Agency	Quantitative Objective	Timeframe	Funding Source
<b>Policy HE.14: Require adaptability and accessibility of residential units for disabled occupants and ensure that the Zoning Ordinance provides regulations that are sensitive to the needs of disabled occupants.</b>					
14.1	Implement state requirements (Sections 4450 to 4460 of the California Government Code and Title 24 of the California Code of Regulations) regarding granting reasonable accommodations.	Planning Division	Assist 35 residents with reasonable accommodation requests to reduce displacement risk and improve housing mobility.	Ongoing, as applications are processed by the City	General Fund
14.2	<p>Continue to administer the residential rehabilitation program funded by Community Development Block Grant (CDBG) funds, which offers grants and low-interest loans to eligible low-income homeowners and rental property owners whose units are occupied by 51% or more low-income renters. The different loans and grants include:</p> <p>Complete Rehab Loan, up to \$75,000 at 1% interest</p> <p>Roof Only, Windows Only, and Exterior Paints Only loans</p> <p>Security Bars Retrofit Grant, up to \$1,500</p> <p>Senior Minor Home Repair Grant, up to \$2,500 for persons 60 years and over</p> <p>Continue to provide CDBG funding to Rebuilding Together Peninsula, and Center for Independence for Individuals with Disabilities to provide minor home repair and home accessibility modifications for Daly City residents.</p>	Planning Division	Fund home repair loans and grants for 100 households over the planning period.	Ongoing, annually provide funding to Rebuilding Together Peninsula, and Center for Independence.	CDBG
<b>Policy HE.15: Prevent housing discrimination based on age, race, religion, sex, ethnic background, or familial status.</b>					
15.1	Assist in the implementation and enforcement of state and federal fair housing and civil rights laws and 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.	Economic and Community Development Department, Housing Authority of County of San Mateo	Reduce displacement risk for 40 individuals or households resulting from housing discrimination.	Response to discrimination ongoing as suspected cases occur.	General Fund, Grant funding
15.2	<p>Continue to contract to provide fair housing services to city residents and property owners.</p> <p>Services will include:</p> <p>Publishing information on fair housing laws and requirements on the City's website, updating at least annually or as changes are needed.</p>	Planning Division	Reduce displacement risk for 40 individuals or households resulting from housing discrimination.	Publish information on fair housing laws within six months of Housing Element adoption and updated annually or as needed. Distributing educational materials to property owners, managers,	General Fun

Task	Task Summary	Responsible Agency	Quantitative Objective	Timeframe	Funding Source
	<p>Distributing educational materials on fair housing rights and responsibilities to property owners, landlords, apartment managers, and tenants at least every two years.</p>				
	<p>Making public service announcements (PSAs) via different media (e.g., newspaper ads and public service announcements at local radio and television channels) at least two times a year.</p>				
	<p>Conducting public presentations with different community groups at least annually, contracting this to local fair housing organizations as applicable.</p>				
	<p>Responding to complaints of discrimination (i.e., in-taking, investigation of complaints, and resolution) as they are received.</p>				
	<p>Deferring services to appropriate agencies as cases are received.</p>				
15.3	<p>The Housing Authority of San Mateo County administers the Public Housing and Section 8 Voucher Programs throughout San Mateo County. There is no public housing in Daly City. The Housing Authority administers the HUD Section 8 Housing Choice Voucher (HCV) Program, which provides eligible very low-income renters with rental assistance subsidies. Tenant-based Section 8 HCVs are portable, which means tenants can continue 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. To facilitate housing mobility for lower-income households through the HCV Program, the City will do the following:</p>	<p>Economic and Community Development Department, Housing Authority of San Mateo County</p>	<p>Work with the Housing Authority of San Mateo County to encourage at least 30 landlords and property managers in Daly City to register units with the Housing Authority in high-opportunity areas to promote access to resources and mobility for target households.</p>	<p>Provide information on the City's website by January 2024. Meet with the Housing Authority by June 2024 and develop informational materials by June 2025. Target outreach to property owners and landlords at least every other year.</p>	<p>HUD Section 8, General Fund</p>
	<p>Provide a link to the Housing Authority of San Mateo County's HCV program webpage on the City's website by January 2024.</p>				
	<p>Meet with the Housing Authority of San Mateo County by June 2024 to discuss the process of developing printed informational materials, with the goal of making materials available at public counters by June 2025.</p>				
	<p>Work with the Housing Authority to disseminate information at least every other year to landlords and property owners on incentives for participating in the HCV program throughout the city to promote housing opportunities for all residents. To promote housing mobility, send information on an annual basis to landlords in the city's highest-income areas, including the Westlake, Southern Hills, and Hillside neighborhoods.</p>				

Task	Task Summary	Responsible Agency	Quantitative Objective	Timeframe	Funding Source
	<p>Target informational materials to landlords and property managers in neighborhoods with low rates of HCV users currently, such as the Westlake Park neighborhood.</p> <p>Refer interested households to the Housing Authority of San Mateo County and encourage landlords to register their properties with the Housing Authority for accepting HCVs.</p>				
15.4	The City shall, to the extent of its jurisdiction, implement all of the provisions of the Employee Housing Act (Health and Safety Code Sections 17030-17039) and work with the State Department of Housing and Community Development to do the same.	Planning Division	Facilitate the development of 50 units of employee housing.	Ongoing	General Fund
15.5	The City will continue to require homebuyer education for all BMR participants in ownership projects. The City will continue to participate as a member of the Housing Endowment and Regional Trust of San Mateo County (HEART SMC), which provides homebuyer education workshops throughout the County. The City will work with its BMR Administrator to offer relevant and important information to first-time homebuyers.	Planning Division	50 households	Annually Coordinate with the county, provide financial assistance on a project-by-project basis.	General Fund
15.5	To facilitate place-based revitalization for households at risk of displacement due to new development, the City will require replacement housing units subject to the requirements of Government Code, Section 65915, subdivision(c)(3), on sites identified in the site inventory when any new development (residential, mixed-use, or non-residential) occurs on a site that has been occupied by or restricted for the use of lower-income households at any time during the previous five years. This requirement applies to non-vacant sites and vacant sites with previous residential uses that have been vacated or demolished.	Planning Division	Replace any of units identified in the sites inventory if (a) they are planned to be demolished for purposes of building new housing, and (b) they are determined to be occupied by low-income households, provide assistance to prevent displacement of lower-income households due to loss of affordable units.	The replacement requirement will be implemented immediately and applied as applications on identified sites are received and processed.	General Fund
15.6	<p>The City shall take the following actions to improve access to resources and opportunities citywide, but with a particular emphasis on neighborhoods with a concentration of lower-income residents and lower income neighborhoods who often face additional barriers in accessing resources:</p> <ul style="list-style-type: none"> <li>Prioritize projects that facilitate place-based revitalization through the City's Capital Improvement Plan, such as projects that improve public infrastructure in deteriorating or underserved areas. On an annual basis, pursue funding for</li> </ul>	Planning Division	Improve access to resources and reduce displacement risk resulting from a variety of factors for at least 30 residents.	Refer to each bulleted action for specific time frames.	General Fund

Task	Task Summary	Responsible Agency	Quantitative Objective	Timeframe	Funding Source
	<p>projects from the Capital Improvement Plan located in low-resource and lower income areas, including, but not limited to:</p> <ul style="list-style-type: none"> <li>○ The Bayshore Shuttle is a public transit option to connect neighborhood residents to BART, Muni and SamTrans at transit hubs and other destinations within Daly City. The shuttle is funded by County Measure A funds awarded to the City.</li> <li>○ Sidewalk and intersection improvements along Geneva Avenue in the last three years.</li> <li>○ Street resurfacing along Geneva Avenue and Bayshore Blvd.</li> <li>○ Park improvements to Bayshore Park, Bayshore Heights Park, and the Linda Vista Retention Basin (all in the Bayshore neighborhood) as identified in the Parks and Open Space Master Plan.</li> <li>○ Installation of free public wi-fi in the Bayshore neighborhood.</li> </ul> <ul style="list-style-type: none"> <li>● At least every other year, review and apply for available funding opportunities to improve active transportation, transit, safe routes to school, parks and other infrastructure and community revitalization strategies. Implement projects as funds are received. The city will target at least 3-4 improvements in the planning period.</li> </ul>				
<b>Policy HE.16: Provide financial assistance to lower-income households in emergency situations.</b>					
16.1	Refer residents to the County 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).	Planning Division	Reduce displacement risk for 40 individuals or households resulting from housing emergencies.	Ongoing, as funds are available	General Fund
<b>Policy HE.17: Support a balanced distribution of quality residential care facilities.</b>					
17.2	Amend the Zoning Code to allow residential care facilities for six or fewer persons in accordance with Health and Safety Code Section 1568.0831, and allow residential care facilities, regardless of size, in all zones that permit residential uses of the same type, in accordance with the City's definition of family, focusing efforts in the City's higher-resource areas including the Westlake, Southern Hills, and Hillside neighborhoods.	Planning Division	Facilitate the development of residential care facilities to support accommodation for 50 individuals.	January 2025	General Fund

Task	Task Summary	Responsible Agency	Quantitative Objective	Timeframe	Funding Source
<b>Policy HE.18: Address the range of needs and encourage the production of additional housing opportunities for extremely low-income (ELI) households.</b>					
18.1	Amend the Zoning Ordinance to reduce the required parking on one parking space per unit to 0.5 parking spaces per unit for any housing development that is willing to deed-restrict at least 20 percent of units for extremely low-income households.	Planning Division	Facilitate the development of 668 units of housing to accommodate extremely low-income households.	January 2025	General Fund
18.2	For any new housing development using public funding or publicly owned land, the City and project developer shall explore the inclusion of units specifically targeted to and restricted for extremely low-income households, focusing efforts for projects in the City's higher-resource areas including the Westlake, Southern Hills, and Hillside neighborhoods.	Planning Division		Ongoing/as needed	General Fund
18.3	Define and permit single-room occupancy (SRO) units, which are often more affordable to those with extremely low incomes. To further support the development or rehabilitation of SRO units and/or other units affordable to extremely low-income households, such as supportive and multifamily units, focusing efforts in the City's higher-resource areas including the Westlake, Southern Hills, and Hillside neighborhoods. The City will continue to seek and pursue state and federal funds to offer a variety of incentives or concessions.	Planning Division		January 2025	General Fund
<b>Policy HE. 19: Encourage developers and contractors to evaluate hiring local labor, hiring from or contributing to apprenticeship programs, increasing resources for labor compliance, and providing living wages.</b>					
19.1	Establish and post a list of local labor, unions and apprenticeship programs on City's website and encourage developers and contractors to hire local labor.	Economic and Community Development Department, City Attorney		Establish the list by December 31, 2023, biannually update the list for or upon request from local labor games to be added to the list.	General Fund
<b>Policy HE.19: Refer residents to home-sharing programs as part of a collection of policies, programs, and practices for addressing the housing needs of those at the lowest income levels, including seniors, those living with disabilities, those at risk of homelessness, and female head of households.</b>					
<b>Policy HE.20: Encourage voluntary housing rehabilitation and reconstruction.</b>					
20.1	Amend the Zoning Ordinance non-conforming building regulations to allow the voluntary reconstruction, restoration, or rebuilding of any multifamily residential building with three or more units. Examples of non-conformity may include unit count, parking provision, and building setback and height. Such reconstruction, restoration, or rebuilding shall be limited for both single-family and multiple-family buildings in the ways described by California Government Code Section 65852.25.	Planning Division	Allow for voluntary reconstruction, restoration, or rebuilding of 20 units.	January 2025	General Fund

Task	Task Summary	Responsible Agency	Quantitative Objective	Timeframe	Funding Source
<b>Policy HE.21: Encourage housing reconstruction after fire or other natural disaster.</b>					
21.1	Amend the Zoning Ordinance non-conforming building regulations to allow reconstruction of non-conforming buildings affected by fire or natural disaster subject to the land use regulations in place at the time of the original building construction if the present development regulations are determined by the Director of Economic and Community Development to allow fewer total units than were originally permitted. This amendment shall allow such reconstruction provided the total unit count does not increase and the size of each replacement unit is substantially similar to the size of the original unit being replaced. The amendment shall not apply where the General Plan Land Use Map requires a higher minimum density than was provided in the building prior to the fire or natural disaster.	Planning Division	Allow for voluntary reconstruction, restoration, or rebuilding of 20 units.	January 2025	General Fund
<b>Policy HE.22: Preserve existing low-income housing units that are at risk of being converted to market-rate housing.</b>					
22.1	Monitor existing at-risk low-income housing units and take the following actions: <ul style="list-style-type: none"> <li>Contact property owners of units at risk of converting to market-rate housing within one year of affordability expiration to discuss the City's desire to preserve complexes as affordable housing.</li> <li>Coordinate with owners of expiring subsidies to ensure the required notices to tenants are sent out at 3 years, 12 months, and 6 months.</li> <li>Reach out to agencies interested in purchasing and/or managing at-risk units.</li> <li>Work with tenants to provide education regarding tenant rights and conversion procedures pursuant to California law.</li> </ul>	Planning Division	Preserve the affordability of 161 units of deed-restricted lower-income housing to reduce displacement.	Annually monitor units at risk of converting; coordinate noticing as required per California law.	General Fund
<b>Policy HE.23: Encourage the use of energy- and water-efficiency standards in residential construction, rehabilitation, and remodeling.</b>					
23.1	Adopt progressive energy-efficiency strategies similar to those adopted by the California Public Utilities Commission: <ul style="list-style-type: none"> <li>All new residential construction in California will be zero net energy by 2030;</li> <li>All new commercial construction in California will be zero net energy by 2035;</li> <li>Heating, Ventilation and Air Conditioning (HVAC) will be transformed to ensure that its energy performance is optimal for California's climate; and</li> <li>All eligible low-income customers will be given the opportunity to participate in the low-income energy-efficiency program by 2030.</li> </ul>	Planning Division	10 major projects will pre-plumb for solar hot water and pre-wire for solar electric systems	Adopt strategies by 2025	General Fund and Grant Funding, as Available

Task	Task Summary	Responsible Agency	Quantitative Objective	Timeframe	Funding Source
	<ul style="list-style-type: none"> <li>Additionally, the City will encourage, incentivize, or require all new major construction projects to pre-plumb for solar hot water and pre-wire for solar electric systems.</li> </ul>				
23.2	<p>Develop a funding source to offer loans to residents and developers that invest in solar electric, solar hot water, wind, and/or other clean energy systems.</p>	Planning Division	100 investments in clean energy systems	By 2028	State or Federal Grant Funding or Grants from Private Foundations, as Available

## Quantified Objectives

Based on the objectives outlined in this Housing Element, the City has established the quantified objectives shown in **Table HE-75** to meet its housing needs over the 2023-2031 planning period.

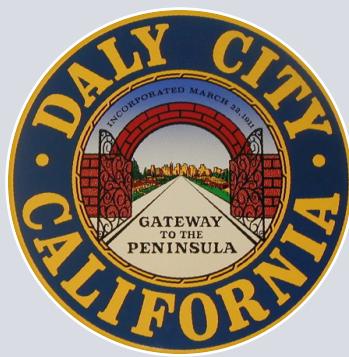
**Table HE 75: Quantified Objectives by Income Category**

Program	Targeted Income Category				
	Extremely Low	Very Low	Low	Moderate	Above Moderate
<b>New Construction</b>					
Tasks 1.1 through 1.4		370	44	203	
Task 1.5		42	53	203	
Task 2.2		100	50	50	
Task 3.1		200	100		
Task 6.3		781	328		
Task 6.4		555	368		
Task 6.5		555	368		
Task 6.6		555	368		
Task 6.7		408	273		
Task 6.9		112		754	
Task 6.11		555	368		
Task 6.12		555	368		
Task 10.1		200			
Task 10.1		200			
Task 11.1		881			
Task 11.2		50			
Task 11.1		200			
Task 11.4		881			
Task 11.5		50	50		
Task 12.1	50	50	100		
Task 12.2	50	50	100		
Task 13.3	50				
Task 13.4	50				
Task 13.5			50		
Task 14.1		35			
Task 14.2			100		
Task 15.4				50	
Task 15.5		25	25		
Task 17.2			50		
Tasks 18.1 through 18.3	668				
<b>Rehabilitation</b>					
Task 14.3			400		
Task 20.1				20	
Task 21.1				20	

Program	Targeted Income Category				
	Extremely Low	Very Low	Low	Moderate	Above Moderate
<b>Replacement</b>					
Task 12.1			15		
<b>Preservation</b>					
Task 5.1			40		
Task 8.1			50		
Task 9.1			50		
Task 15.1			40		
Task 15.2			40		
Task 15.3	15	15			
Task 16.1			40		
Task 22.1			161		

Source: City of Daly City, May 2023





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