HOUSING ELEMENT AND ACTION PROGRAMS

FOR THE

CITY OF EAST PALO ALTO GENERAL PLAN

December 1986

CITY OF EAST PALO ALTO

City Council

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Draft Approved

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Final Approved

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RESOLUTION NO. 00354

RESOLUTION ADOPTING THE EAST PALO ALTO GENERAL PLAN HOUSING ELEMENT AND ACTION PROGRAMS

WHEREAS, the Housing Element has been prepared, in part, to respond to changes in State Housing Element requirements and guidelines, and, in part, to reflect changes in local housing conditions and policies; and

WHEREAS, the Housing Element is a key part of the periodic update of the East Palo Alto General Plan; and

WHEREAS, the Housing Element was reviewed at a Public Hearing and approved by the East Palo Alto Planning Commission on June 23 and Decemer 8, 1986; and

WHEREAS, The Housing Element was also the subject of Public Hearing by the East Palo Alto City Council and were approved on October 6 and December 15, 1986; and

WHEREAS, Negative Declaration# 25-86 was also approved at the above-referenced hearings; and

WHEREAS, the Planning Commission and City Council made the following findings pursuant to Assembly Bill 2853 that:

a. The Association of Bay Area Governments 1983 Housing Needs Determination Plan identifies the fair share allocation of the regional need for housing for the City of East Palo Alto as follows:

Income Category	1980-1990 Increase	Percent of Increase
Very low	167	25%
Low	114	178
Moderate	140	21%
Above Moderate	247	378
TOTAL	668	100%

b. The specific housing programs and activities being undertaken by the City to fulfill the requirements of subdivision (c) of Section 65583 of the Government Code are described in the Housing Action Program attached to the Housing Element.

c. The public health, safety, and welfare would be promoted by the proposed element in the following ways:

- (i) The element, if adopted, would result in the City having a mandatory element of its General Plan that conforms to the requirement of State law and thus render the City eligible for Federal and State assistance based on such conformance;
- (ii) The adoption of the proposed element would not produce any substantive change from the manner in which the City currently conducts the development review and approval process; and
- (iii) The proposed Element will be consistent with the general goals, objectives, and policies of the proposed General Plan as well as the Land Use Element.

NOW, THEREFORE, BE IT RESOLVED, that the Housing Element and Action Programs contained herein are hereby adopted into the East Palo Alto General Plan.

PASSED AND ADOPTED by the City Council of the City of East Palo Alto this 15 th day of December, 1986, by the following vote:

AYES: ABRICA, BLAKEY, BOSTIC, COATS, and MOUTON

NOES: NONE

ABSENT: NONE

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Barbara A. Mouton Mayor

ATTËST:

Frederic A. Howell City Clerk

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INTRODUCTION

Section 65302(c) of the Government Code requires the General Plan to include:

> "A housing element, to be developed pursuant to regulations established under Section 50459 of the Health and Safety Code, consisting of standards and plans for the improvements of housing and for provision of adequate sites for housing. This element of the plan shall make adequate provision for the housing needs of all economic segments of the community. Such element shall consider all aspects of the current housing technology, to include provisions for not only site-built housing but also manufactured housing, including mobilehomes and modular homes."

The statute serves as the guideline for the City of East Palo Alto Housing Element. This Housing Element is a five-year action plan based on an assessment of housing needs, population and employment trends, and, most importantly, the community's overriding goals and policies for housing. The element appears in a somewhat different form than the other General Plan elements because of the need to specifically identify certain types of household and housing trends and the need to include quantitative and time-oriented program objectives.

Therefore, rather than a goal statement(s) followed by policies, the housing element is divided into seven sections:

- * Housing goals and policies
- Household needs identification
- * Government constraints to housing production
- * Non-government constraints to housing production
- Energy Conservation
- * Action Programs
- * An appendix of population and housing statistics

HOUSING GOALS AND POLICIES

The Housing Element for the City of East Palo Alto is guided by an overall framework of goals and policies. These goals and policies are, in part, a response to housing needs identified in the following section and, in part, an articulation of the general desires of East Palo Alto residents for a balanced community of sound housing.

The interaction of these goals and policies with local housing needs, government constraints, and market constraints identification has led, in the sixth section of this element, to a series of programs and quantified objectives which will accomplish the city's policies and address the identified needs.

GOAL I: TO PROVIDE NEW HOUSING OPPORTUNITIES

Provide new housing opportunities in a suitable living environment to meet both the City's internal and a reasonable share of regional needs for all economic segments of the community.

Policies:

- 1. Promote new residential development of all types: site-built single-family units, rental apartments, condominiums, mobile homes, manufactured housing, and limited equity housing cooperatives.
- Require through development review a housing mix of different prices/rents in new developments and the dispersal of lower, moderate, and higher cost housing throughout the City, each planning area, and each subdivision where feasible.
- 3. Through appropriate land use regulations, agricultural preservation, and development review regulations, guide new development into those areas which can best accommodate growth, such as areas which are currently served by municipal facilities and services.
- 4. Control the rate of new residential development consistent with: a) periodic estimates of internal needs arising from such factors as new employment; and b) periodic estimates of the City's share of regional growth needs; c) the rate at which municipal services can be expanded to accommodate new development; and d) the overall community size which will occur given the amount of land reserved for urban use; and e) the environmental consequences of new development on agricultural lands.

- 5. Maintain design review procedures for multi-family residential developments and attached single family subdivisions to assure that new housing meets community standards and that a variety of housing designs are produced.
- 6. Continue to use the planned unit development zoning process to encourage creative solutions to housing design and orientation, consolidation of open spaces, and both sensitive and reasonable increases in residential densities.
- 7. Encourage increased densities through planned unit developments, mixed use zones, and where appropriate, to reduce new housing costs, convert prime agricultural land, allow more efficient siting and orientation of buildings, and consolidate open spaces.
- 8. Require the mixing of residential and commercial uses in appropriate transitional areas.
- 9. Encourage an adequate supply of housing (in line with projected estimates found in this report).
- 10. Encourage ownership housing opportunities for low income households earning fifty percent to eighty percent of the County median income.
- 11. Place emphasis on housing as shelter, a basic human need.

GOAL II: MAINTAIN PLANNED GROWTH

Achieve an orderly pattern of residential development which considers internal and external growth needs, environmental protection, the provision of municipal services, and accessibility to residents' daily activities.

Policies:

- 1. Pre-plan areas prior to development.
- 2. Relate new housing development to transportation needs and patterns, existing and future municipal service and facility capacities, employment, recreation, schools, and shopping.
- 3. Continue to coordinate City housing policies and actions with those of San Mateo County and the Association of Bay Area Governments.
- 4. Encourage redevelopment of underused land in all areas of the City currently designated for residential use.

GOAL III: PRESERVE THE EXISTING HOUSING STOCK AND INCREASE HOUSING OPPORTUNITIES WITHIN THE EXISTING STOCK

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Prevent neighborhood blight throughout the community with a combination of code enforcement and assistance to residents and property owners who are financially unable to maintain their properties. Increase housing opportunities within the existing stock of housing.

Policies:

- 1. Use local, state, and federal resources when available to assist low-and moderate-income homeowners as well as land-lords renting to low- and moderate-income tenants in main-taining their units in sound condition.
- 2. Allow second units in single-family areas, subject to appropriate development standards for size, parking, setbacks, and other aspects of the zoning ordinance, to increase the supply of affordable housing and make better use of the land and existing stock of housing.
- 3. Periodically survey housing conditions to identify substandard houses.
- 4. Use a dual program of incentives, such as public assistance, and code enforcement of health and safety standards to maintain private residential property.
- 5. Establish and update criteria for maintaining rental housing.
- 6. Work with builders to assist low-and moderate-income tenants displaced by private projects in locating affordable housing.
- 7. Preserve housing in commercial/residential transition areas.

GOAL IV: ADDRESS SPECIAL HOUSING NEEDS OF EAST PALO ALTO RESIDENTS

Assure that adequate and affordable housing opportunities exist for the elderly, low- and moderate-income households, students, and physically-disabled households.

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Policies:

- 1. Encourage an adequate supply of housing, such as second units, for senior citizens.
- 2. Investigate methods of assisting elderly homeowners in maintaining their homes.
- 3. Investigate incentives that encourage builders to construct housing meeting needs of the elderly.
- 4. Pursue local strategies to assist low- and moderate-income households in obtaining affordable housing. These include, but are not limited to, the following: use of local, state, and federal resources when available; incentives to builders to produce affordable housing; investigation and support of limited-equity cooperatives; approval of higher residential densities; control of resale prices on publicly-assisted designated low-price units; and approval of second units in single-family areas.
- 5. Encourage the production and conversion of housing accessible to and useable by physically-disabled households and assist these households in locating such accessible housing units.
- 6. Encourage the production and preservation of affordable family housing.
- 7. Utilize the City's rent stabilization ordinance as a device to stabilize rents and accomplish affordable housing for persons of low and moderate income.

GOAL V: MAINTAIN NEIGHBORHOOD QUALITY

Enhance the quality of life for all East Palo Alto residents through the creation and maintenance of well-designed and appropriately-served residential environments.

Policies

- 1. Encourage housing plans and subdivisions which facilitate cohesive neighborhood development.
- 2. Encourage housing designs which provide for smooth transitions and complementary relationships among neighborhoods.
- 3. Identify and preserve important neighborhood or community features such as historic structures, significant trees or other vegetation, special open spaces or views, special architectural features, and significant orientation and layouts of structures and circulation routes.

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4. Plan for the convenient location of basic neighborhood services such as convenience shops, parks, and schools.

GOAL VI: ENCOURAGE ENERGY CONSERVATION

Maintain development and construction standards which encourage energy conservation in residential uses.

Policies:

- Require energy-conserving siting, construction, air conditioning, appliances, and lighting in new residential development.
- 2. Require minimum energy-conserving measures in existing housing, such as weatherization.
- 3. Encourage the use of solar energy equipment on all proposed construction of single-family and multi-family residential developments and existing residential units.

HOUSEHOLD NEEDS IDENTIFICATION

General Profile of the Community

The City of East Palo Alto grew from a population of 17,837 in 1970 to 18,191 in 1980, an increase of two percent. The Association of Bay Area Governments estimates the City's population to be 18,700 for 1985, an increase of 4.7 percent in the nearly five years since the 1980 census.

East Palo Alto had its period of rapid growth in the 1950s. In the 1950-1960 decade, the population more than doubled. Many single-family home developments were constructed. Because of low down payments and the baby boom, school construction was given high priority. The Ravenswood Recreation District was formed and University Village (Nairobi) Shopping Center was constructed, providing residents with needed neighborhood facilitics in an era when public transportation was non existent and two car families were rare. West of Bayshore added some single family units, but still retained in part a semi-rural atmosphere, at least until the construction of the Bayshore Freeway. Construction of the Freeway appears to have marked the beginning of the present pattern of a multi-family, predominantly white population west of Bayshore and a predominantly single family, largely black population East of Bayshore.

In the decade of 1960-1970, population growth in East Palo Alto was relatively slow. The largest increase occured in the West of Bayshore area where construction of new apartment developments brought 1850 new residents to the area. The population grew more slowly in the East of Bayshore area, where household sizes remained high and there was a moderate amount of new homebuilding.

In the most recent period, 1970-1980, population growth in East Palo Alto as a whole amounted to only a few hundred persons. As in the previous periods, apartment construction in the west of Bayshore area brought some population growth to that part of the community. However, this gain was offset by a small decrease in population in the eastern part of the community, caused by a decline in new home construction combined with declining household size in existing single-family residences. Table I summarizes population changes in East Palo Alto between 1950 and 1980. Figure 1 shows census tract boundaries in the City.

East Palo Alto is often perceived as a predominantly black community. Indeed, together with the neighboring Belle Haven area of Menlo Park, it contains the largest number of black residents on the Peninsula. The City now has just over 11,107 black residents, approximately 61% of its population. Both the number and the percent have remained relatively unchanged over the past decade.

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Growth of the black population began with a large migration to East Palo Alto in the 1950's. The 1960 Census counted 3,300 black residents, 22% of the population. In the 1960-1970 period, the black population more than tripled, reaching its present level. Most of these new black residents came to East Palo Alto from other locations in the Bay Area, many of them from the central cities of San Francisco and Oakland. In recent years, the black population has been maintained mainly by the local birth rate, rather than by new migration. Although San Mateo County's black population increased by about 10,000 in the past decade, East Palo Alto's population has remained stable. Within East Palo Alto, the 1980 census shows that the vast majority of black residents (93%) continue to live in the East Bayshore area.

A number of other groups are represented in the population of East Palo Alto, but decade to decade trends are difficult to chart because of the changes in the definitions of racial and ethnic groups introduced in the 1980 census. In 1980, 2568 residents (14% of the population) designated themselves of "Spanish origins", probably a moderate increase since 1970. Eightyseven percent of these residents live in the East of Bayshore The white population, which the 1980 census definition can area. include some persons who also designated themselves of "Spanish origin" is about one fourth of East Palo Alto's population. There are approximately 4,634 (25.47%) Whites in East Palo Over half of the white residents live West of Bayshore, Alto. where they make up 69% of the population. Statistics on births school enrollment indicate that the West of Bayshore and population is primarily one of relatively young, childless adults. This is typical of apartment areas.

East Palo Alto has always had a small, but significant population of persons of Asian ancestry. This group now compromises about 5.5% (992 persons) of the population, and it does not appear to have grown substantially over the last decade. Table 2 shows the racial and ethnic characteristics of East Palo Alto's population in 1980.

Existing Household Characteristics and Needs

Overall Characteristics: In 1980 there were 6725 households of all kinds in East Palo Alto. Table 3 provides a breakdown of the households racial groups. Table 4 provides a breakdown of housing units into multi-family and single family in both the West and East Bayshore areas of the City.

In 1970, the average household size in East Palo Alto was 2.94 persons. More recently, according to 1980 census data, the average household size in East Palo Alto has declined to an estimated 2.75 persons per household. In 1980, household size ranged from 1.59 persons per household in the West of Bayshore Freeway areas, which are composed primarily of multi-family housing units, to 4.16 persons in census tract 6118, which is

east of bayshore and composed of mostly single-family detached dwelling units. This trend of declining household size is similar to that found on the regional and national levels and has occurred, most likely, in response to several changes in life style, particularly: (1) deferment of child bearing, (2) a tendency for young people to establish their own households at a younger age, (3) increased divorce rates, and (4) more "empty nest" households, often found in established single-family neighborhoods where older adults remain after children have matured and left home.

Household Characteristics by Type: In 1980, there were 18,141 persons in households in East Palo Alto. Of the 1,132 persons over sixty five years of age, 1,119 lived in households. Family households accounted for 3,865 (57.47 percent) of all households. Married couples without children represented 1,174 (17.45 percent) of the total households. Other family households with children amounted to 1,255 (18.66 percent) of all households. Of these other family households, 1,142 (17 percent of all households. Of these other family households, 1,142 (17 percent of all households) were female-headed. Of the female-headed households, 753 had children under the age of eighteen. There are 708 elderlyheaded households, representing 10.5 percent of all households. Two hundred and seventy-four elderly persons lived alone in the City.

In 1980, there were 648 female-headed, single-parent black households accounting for 20 percent of all black households in the City. Female-headed, single-parent households of Spanish origin accounted for 13.4 percent (79) of all Spanish-origin households. White female-headed, single-parent households account for 2.34 percent (58) of all white households.

Household Financial Characteristics

The 1980 median and average household income for East Palo Alto was \$14,147 and \$16,621 respectively. The following chart compares median and average incomes of households, broken down by racial characteristics.

East Palo Alto	All HH	White HH	Black HH	Spànish Origin HH	Asian/ Pacific Islander HH
Median Income Average Income	\$14,147 \$16,621	\$13,154 \$15,281	\$14,987 \$17,905	\$16,532 \$15,131	\$15,337 \$15,565
San Mateo County:					
Median Income	\$23,172	-	-	-	-
Average Income	\$27,641	-	-	-	-

The number of families in poverty was 546 in 1980, 14.13 percent of all families. The number of families with children under 18 years of age and in poverty in 1980 was 454, 21.39 percent of all families with children. Female-headed families accounted for 258 of the families in poverty, or 22.59 percent of all female-headed families. Ninety (8 percent) of the City's elderly population lived in poverty in 1980. A total of 3,064 persons lived in poverty in East Palo Alto in 1980.

Households Overpaying for Rent or for Ownership

Tables 5 and 6 provide an analysis of the percent of income paid for housing costs for renter and ownership households.

Overcrowding Among Households. Overcrowding among households is evident in East Palo Alto. In 1980, 1,076 (16 percent) of the City's households lived in overcrowded conditions. Overcrowding is defined as more than 1.01 person per room in a housing unit.

Special Needs

Students: With its close proximity to institutions of higher learning it could be assumed that East Palo Alto has a high student population.

There is a high number of college aged students (5,693 persons between the ages of 20 to 34 years) living in the Community and a sizable amount of affordable units here which makes living in this City attractive to students. There are no statistics on the number of students living in East Palo Alto and therefore there is no index for gauging student housing needs. It is however expected that student housing needs will not increase significantly.

Physically Disabled: In 1980, 317 (1.74 percent) of the City's population had a disability which prevented those persons from using public transportation. This "public transportation disability" is a good indicator of disability which might reflect special housing needs. The special needs are access to housing units, units located with good access to services, and special construction features to mitigate the disability. Table 7 provides a breakdown of the City's disabled population.

Elderly: Two types of special elderly housing needs exist: the need for suitable housing for elderly citizens living alone and the need for affordable housing for low-income elderly citizens. In 1980, there were approximately 274 elderly, single households in the City. Ninety elderly persons were below the poverty level. Twenty-five of these elderly citizens below the poverty level lived by themselves.

Families in Poverty With Children. Families in poverty with children need very low-cost housing suitable for rearing children without overcrowding. In 1980, there were 454 families in poverty with children, representing 11.75 percent of all family households. Female-headed, single-parent families in poverty accounted for 53.9 percent of all impoverished families with children.

Families in Poverty Without Children. In 1980, 110 families had incomes below the poverty level. The most important need here is to maintain existing affordable housing opportunities.

Moderate-Income Families Families earning between eighty percent and one hundred twenty percent of the City's median family income accounted for 1024 (26 percent) of the City's family households. The most important needs here are to preserve existing affordable housing opportunities and facilitate the provision of new affordable housing opportunities, especially home ownerhsip opportunities for first-time home buyers.

Existing Housing Characteristics

East Palo Alto's housing supply consists of 6848 units, 3693 single-family and 3155 multi-family (apartments and condominiums). Approximately 55% of the housing stock are single-family dwellings and 45% are owner occupied. Almost half of the housing stock is multiple-family rental (43%) and more than a third is single-family/owner occupied (37%)¹

Between 1970 and 1980, the housing stock increased by 6.3%, adding approximately 400 new units, mostly in multi-family structures. Single-family housing continues to predominate east of Bayshore, comprising more than 80% of the housing stock. By contrast, the west of Bayshore area is made up predominantly of multi-family units. Table 4 provides a comparison of housing types east and west of Bayshore for 1970 and 1980.

AGE AND CONDITION

Only a small proportion of the community's housing stock may be considered "new" (see Table 8). The majority of single-family units were constructed in the "tract" building era of the 1950s, and a sizable portion are now in need of maintenance or rehabilitation.

A survey done in the mid 1970s estimated that approximately 200 units were in immediate need of extensive rehabilitation. It was estimated that at least another 200 units would need extensive rehabilitation in the near future. Generally, the housing located west of Bayshore is composed of apartment buildings in good condition. Future housing conditions in this area should remain good as demand for units in this area remains strong, as indicated by completion for Mission Palo Alto condominiums, between Newell and Clarke, and the Westpark condominium conversion on Cooley Avenue.

The majority of housing units in need of rehabilitation are located in the single-family residential areas east of Bayshore. The early 1970s problem of abandoned and vandalized houses in various parts of the area is now greatly diminished, and there is visible evidence of upgrading of older housing, spurred by both publicly subsidized programs and by the current tight housing market. Even with these improvements, there is still a great deal of housing rehabilitation needed in this area. Apartment buildings located east of Bayshore are not in as good condition as those located west of Bayshore.

Vacancy Rate

According to 1980 census figures, East Palo Alto's vacancy rate decreased from 6.6% in 1970 to 4.4% in 1980. This vacancy rate is higher than the 1.3% vacancy rate reported for the entire County in September 1980. Some of the reasons for the relatively high vacancy rate are: (1) a higher precentage of apartment units than the County as a whole (apartments generally have higher turnover rates and longer vacant periods than singlefamily dwellings); and (2) deteriorated conditions in some housing units which require extensive rehabilitation before these units will be habitable. Demand for housing has been increasing in East Palo Alto and housing conditions have generally has been improving, suggesting that vacancy rates will continue to decline.

Overcrowding

Despite the trend of declining household size, there are a number of households that are overcrowded in East Palo Alto. Using the widely-accepted standard of 1.01 persons per room to indicate overcrowding, 6.5% of East Palo Alto's housing units were overcrowded in 1970, compared with 5.2% for San Mateo County. It is likely that many of the units are crowded because the income of the household is not sufficient to afford adequate space.

Occupied Units Lacking Complete Plumbing. The number of occupied units lacking complete plumbing in 1980 was 26. These figures represented less than .4 percent of the total housing stock.

Unit Size

East Palo Alto has a mix of housing sizes, though smaller units predominate. Most owner-occupied units have three bedrooms while almost half of the rental units have only one bedroom. Only 32% of the total units have three or more bedrooms, and only 3% have four or more bedrooms. The supply of larger rental units is very limited with only 11% having three or more bedrooms.

Housing Cost

In 1982, the median price of a home in East Palo Alto was approximately \$72,000 to \$78,000 thousand dollars. In 1981, the average monthly rent was \$260 for studios, \$325 for one bedroom units, \$425 for two bedroom units, and \$700 for three bedroom units. These figures are below the cost of comparable housing in nearby cities. The main factors depressing housing costs in East Palo Alto are public perceptions of high crime and poor services and, in some cases, the condition of the housing stock.

Projected Housing Needs

In December 1983, the Association of Bay Area Governments (ABAG) housing allocation plan indicated East Palo Alto's 1980-1990 share of regional household growth as 668, or 66.8 new households per year.

The increase for each income group was:

Very Low	167	(25%)
Low	114	(17%)
Moderate	140	(21%)
Above Moderate	247	(37%)
	668	(100%)

The ABAG plan will be used in this housing element.

According to the Association of Bay Area Governments, the 1985 population of East Palo Alto is estimated to be 18,700. This estiamtes an increase of about 287 households between April 1980 (the date of the census) and December 1985. This represents an annual rate of increase of about 57 households, 9.8 percent below the ABAG annual regional share estimate.

Perhaps the most important cause of this shortfall lies with the adverse economic conditions plaguing the housing industry over the past three years. East Palo Alto is not unique, however, in feeling the effects of the recession. Adverse conditions have also decreased short-term housing demand. It is reasonable to assume that without the high interest rates and low consumer demand for new housing which occurred during 1981 and 1982, many more unrestricted apartment rental units could have been built. Using the same annual rate of growth and household distribution as estimated in the ABAG plan for the five-year period covered by this housing element (1985-1990), the household and housing unit growth for April 1985 to April 1990 would be as follows:

Households	Annual Increase	Five Year Total
	Include	Iotur
Very low	15	75
Low	10	51
Moderate	16	78
Above Moderate	27	136
TOTAL	68	340
Housing Units		
Ownership	32	161
Rental	40	197
TOTAL	72	358

To replace existing/expected dilapidated units would require an additional fifty units or less over the next five years. It is impossible to determine the number of "additional" units necessary to eliminate overcrowding because much depends on the size of units constructed and vacated over the next five years.

It should be noted that fair-share and housing needs predictions are often based on historical trends. Thus, if the 1980-85 annual growth rate were assumed to apply to 1985-90, the City would need to accommodate about 340 new households between 1985 and 1990, or 358 new housing units. The annual new housing unit need exclusive of replacement would be based strictly on the past rate of growth.

Employment Trends

In 1970, the median family income in East Palo Alto was \$9,401 as compared with \$13,922 in San Mateo County. In 1980, the median income were \$14,147 and 26,400 respectively.

Census data indicates that 14% of the families in both in 1970 and 1980 had incomes below the poverty level.

In East Palo Alto, it is estimated that at least 20% of the adult population and more than 50% of the teenagers are unemployed.

In 1980, there were about 8,559 residents employed in the civilian work force. About 43% of the wage earners had jobs in white collar firms, 35% had blue collar jobs and 22% had jobs in

the service industry. The number of local jobs held by community residents is unknown, however, the vast majority of East Palo Altans are employed outside of the community.

Inventory of Land

There are a few barriers to the development of vacant land in East Palo Alto. These include location of land in high water tables, in areas prone to flooding and a lack of water, sewer, utility and other necessary services for these lands.

There are approximately 143 acres of undeveloped land remaining in the City and designated for residential use. A large portion of the land is located east of Bayshore.

Potential Housing Production

Certain blocks in East Palo Alto while predomnantly residential, contain vacant areas or agricultural uses which could be converted to residential use. Such additional residential construction can be a positive force in the community by upgrading existing neighborhoods, by increasing the tax base, by providing jobs, and by providing new housing opportunities.

Some areas presently occupied by single-family homes, such as University Avenue and east of Bayshore between Donohoe and the freeway, could be developed at higher, multi-family densities. However, the existing housing stock in these areas is basically sound and the introduction of multi-family housing would create a haphazard appearance and may contribute to poorer maintenance of the single family units.

Similarly, small scattered lots are found in various singlefamily areas. Infilling of the lots at surrounding densities is the only alternative which would be compatible with existing development. New multi-family housing could be developed on vacant parcels within areas presently occupied by multi-family units and on larger parcels outside single-family neighborhoods. This approach would not disrupt established single family areas.

There are several large land areas which could accommodate relatively large scale residential development. These include the 32-acre floricultural area south of O'Connor Street and various portions of the Ravenswood Industrial Park. New housing opportunities for persons of different ranges of incomes could be provided on both sites.

Agricultural lands are located in isolated pockets in the City. They are small in size and thus their continued agricultural use is questionable. In East Palo Alto, conversion of these lands to residential use would provide an opportunity to build needed housing.

GOVERNMENT CONSTRAINTS TO HOUSING PRODUCTION AND AFFORDABLE HOUSING

The chief policies and programs of the City which potentially constrain housing supply or affordable housing opportunities are the City's General Plan Land Use Element, the zoning regulations, the City's development standards as engendered in its building ordinances, and the City's development review/permit process.

Land Use

The Land Use Element of the General Plan sets forth specific density standards which place limitations on the number of dwelling units which can be placed on an acre. In addition, other land uses set forth by the General Plan (industrial, commercial, open space ect...) either curtail residential development or allow it with some limitations. Overall there is limited emphasis placed on developing residential uses on these lands. Use of lands under the Williamson Act contract for residential development probably will not occur unless cancellation of these contracts by mutual agreement between the City and landowner is carried out. There are no statistics on the possibility of this occuring. However, the City of East Palo Alto will support cancellations when appropriate.

Zoning Regulations

There are three primarily residential zones allowing residential uses outright. There are two mixed-use designations intended to encourage the harmonious mixing of residential with commercial, office or industrial uses.

The density constraints in the zoning regulations are of two types: lot area per dwelling unit allowed, and maximum lot coverage limits. Minimum lot areas per dwelling unit range from 500 square feet to 5,000 square feet. Lot coverage is restricted to 50 percent of lot area.

The potential density will vary for a particular development depending on zoning, lot size, lot configuration, the size and mix of dwelling units, the proposed configuration of parking, and upon whether a developer can use balconies, sun decks, or roof gardens to meet some of the open space requirements.

In general, the constraints discussed above will have the following effects:

- * The lot coverage/floor area ratio limit in combination with height restrictions define the overall building envelope (volume). This area determines how many units, based on size and type, can "fit" onto the lot.
- * The minimum lot area per dwelling may further reduce the number of units depending on the mix of units proposed.

* The need to meet the open space and parking requirements may force the developer to reduce the building area and number of units below the limits set by lot coverage or floor area ratio.

To mitigate the density decreasing effects of its zoning regulations, the City will encourage the planned unit development approach to approving new residential development. The City attempts to encourage more suitable site design and consolidated open spaces through the planned unit development overlay.

For single-family zones, the planned unit development concept can increase gross single-family residential densities. Future residential development proposals may fully take advantage of the planned unit development concept considering that financing, land costs and other development costs make it increasingly difficult for lower density projects to be economically feasible.

Building Standards

East Palo Alto's building standards are comparable to those of surrounding communities.

The requirements for new units include ceiling and wall insulation, door and window infiltration control, space conditioning/ heating efficiency requirements, water heating equipment standards, lighting, and appliance standards. (See City of East Palo Alto Municipal Code, Division VII for details.)

The State Energy Commission estimated, for example, that its July 1981 energy conservation standards could save enough in operating costs that these savings would typically off set the initial costs in which a unit is located and that unit's energy conservation package.

The City Permit Process

The chief potential constraint on housing production is the time it takes to gain development approval. Permit fees represent a lesser, but potentially important constraint to producing affordable housing. The City has examined its permit process and has determined the following typical processing times for various approvals (this is not an exhaustive list of all possible development approvals):

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CATEGORY	CALENDAR DAYS TO FINAL APPROVAL*
Zoning	
Rezoning	60 - 74
Rezoning + Preliminary Planning Dev.	60 - 74
Annexation	60 - 74
Conditional Use Permit	30 - 45
Variance	30 - 45
Text Amendments	
General Plan	60 - 74
Zoning Regulation	60 - 74
Design Review	
Signs	7 - 14
Administrative	7 - 14 2 - 7
Project Review	30 - 45
Environmental Review	
Categorical Exemption	2 - 7
Negative Declaration	15 - 30
Environmental Impact Report	150 - 180
Subdivison	*)
Tentative Subdivision Map	60 - 74
Tentative Parcel Map	60 - 74
Lot Line Adjustment	30 - 45
Street/Easement Vacation	60 - 74
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The City also analyzed a hypothetical multiple permit project consisting of rezoning, planned unit development, subdivision, and zoning use applications. Environmental review would take an additional 120-150 days if an EIR was required. The City determined that a building permit could be issued in as little as 400 days from the submission of a completed application.

The City continually reviews its procedures to reduce delay in the permit process. The time required for development approval is not considered a major constraint by many developers in the community.

Development fees are another potential constraint to affordable housing as these fees can in sum add hundreds of dollars to the cost of development.

SERVICES

Although the levels of services for public education, police, fire, and recreation can be perceived to be adequate by City residents, a combination of continued population growth and fiscal limitations could strain the ability of the City to maintain optimum levels of service.

Response time for the Menlo Park Fire District (which now serves the City) is marginal. However, the average number of calls and the extent of life and property loss appear to be low for a City of this size. While many factors are possible contributors to this situation - such as condition of housing stock, local building codes and related laws, housing densities, general population income, etc. - finding an objective method to analyze fire prevention service effectiveness is difficult. This is equally true for police services since many variables affect a locality's crime rate - not the least of which is the state of the national and local economy.

Wastewater Treatment

Wastewater treatment is an important service and a potential constraint to the ultimate growth and development of East Palo Alto. A study undertaken for the City concluded that existing wastewater treatment facilities could serve the City's growth for about 19 years. Specifically, the author found that the wastewater plant:

- 1. Has a current maximum monthly flow of 3.71 million gallons per day.
- 2. Has an existing capacity of 3.93 million gallons per day.
- 3. Has sufficient capacity to treat wastewater that would be produced for a population of about 27,000.

NON-GOVERNMENT CONSTRAINTS TO HOUSING PRODUCTION

The chief non-government constraints to producing housing at reasonable costs are interest rates, the availability of mortgage capital, construction costs, and land costs.

Interest Rates and the Availability of Mortgage Capital

High interest rates and a shortage of lendable funds are perhaps the two greatest constraints to housing production during the past few years. Conventional mortgage rates increased from twelve percent in late 1979 to nineteen percent in 1981 and early 1982. Interest rates declined since summer 1983 to between twelve and thirteen percent in spring 1983. They are currently at eleven and twelve percent. Interest rates are an important determinate of home ownership and rental affordability. A \$60,000 loan may be affordable to persons earning \$25,000 per year when the mortgage rate is ten percent or twelve percent, however, the same home may be unaffordable if the interest rate is fourteen percent to sixteen percent. Below is a chart showing how interest rates affect home affordability.

Interest rates also affected the ability of builders to obtain financing for constructing their housing units. Credit was typically tight during 1981 and 1982, and the sluggish economy severely reduced the consumer's demand for the builder's product. Economic cycles, however, are characteristic of the home building industry and will likely continue to be so. The City, at best, can only help to mitigate the consequences of these cycles by allowing builders to respond to consumer's demands during good economic periods.

Interest Rate	Loan Amount	Monthly Payment	Monthly Income to Qualify*
128	\$60,000	\$ 617	\$2,242
	70,000	720	2,610
	80,000	823	2,977
	90,000	926	3,345
138	60,000	664	2,397
	70,000	774	2,791
	80,000	885	3,184
	90,000	996	3,578
148	60,000	711	2,555
	70,000	829	2,974
	80,000	948	3,394
	90,000	1,066	3,814
15%	60,000	759	2,714
	70,000	885	3,160
	80,000	1,012	3,606
	90,000	1,138	4,053

*Assumes consumer devotes no more than 30% of monthly income to mortgage payment, taxes, and insurance.

Interest rates can significantly affect rental costs, too. On a \$1,000,000 loan to finance twenty-five rental units, for example, each one percent rise in interest rates would require the property owner to increase the monthly rate per unit by \$32 just to cover the increased debt service. The difference between a thirteen percent and a seventeen percent loan could mean the difference between renting a new apartment at \$350 per month or renting it at \$478 per month to cover the increased debt service.

While local governments can not do much to directly affect interest rates and the supply of capital, jurisdictions can use their tax-exempt borrowing powers to reduce project costs for rental units and to assist moderate income households (those earning eighty percent to one hundred-twenty percent of the County Median income) to afford home ownership.

Construction Costs

As noted previously, housing prices and rental rates are lower in East Palo Alto than in the County as a whole. Construction costs are not likely to be a significant contributor to this relative difference as labor and material costs are similar throughout the region.

Over the past decade, labor and materials costs, especially for lumber, have risen dramatically. Even during the past year, many construction and labor costs have risen. According to the Bank of America in its cost study for the San Francisco area, the per square foot cost for a 1,570 square foot standard quality semicustom home increased 1.9 percent in January, 1983, from January, 1982, to \$38.46, excluding permit fees and developer's overhead. Lumber prices fell (7.5 percent) in the intervening year as did concrete (4.8 percent) and hardware costs (-14.9 percent). Labor costs rose (7.4 percent) as did heating equipment costs (8.7 percent), masonry costs (5.5 percent) and the cost of electrical wiring and fixtures (6.4 percent). The overall construction cost was about \$60,400 exclusive of the land costs, permit fees, and developer's overhead.

As the economy and home building picks up, it is expected that construction costs, especially lumber costs, could rise significantly.

Local government cannot do much to directly affect materials and labor costs. However, jurisdictions can help to reduce construction costs through flexible building code enforcement which emphasizes performance rather than prescriptive standards. Approval of alternate construction methods meeting specified standards can provide builders with the leeway needed to minimize construction costs while maintaining quality.

Land Costs

Developable land is a precious commodity, made more so by government zoning and other regulatory mechanisms. In East Palo Alto, land costs are affected by the market estimation of the City's land use policies which may set an absolute, though not certain limit on the amount of land available for urban uses. Land costs are affected by the City's zoning process and the density of residential development it allows. Finally, land costs are affected by the land owner's estimate of return from the potential use of their land as a consequence of housing demand. In the next five years, increasing land costs will be a significant factor for developers not presently owning their land or possessing an option on land. Appropriate agricultural land could be rezoned for future residential uses.

ENERGY CONSERVATION

The City of East Palo Alto strictly follows the Energy Conservation Requirements set forth in the State Uniform Building Code. These include but are not limited to the following:

- Heating, ventilation, water heating, and air conditioning equipment efficiency ratings which must meet state standards.
- Insulation for ceilings.
- * Wall insulation.
- Infiltration control (caulking or other sealing) for doors, windows, garages, gas furnace closets, fireplaces, duct openings, and intake openings.
- Insulation of ducts.
- Sizing of space conditioning equipment.
- * Automatic thermostat controls.
- Water heating system insulation.
- * Pipe insulation.
- * Swimming pool heat energy conserving devices.
- Efficiency standards for lighting.

Pacific Gas and Electric Company's Zero Interest Weatherization Loan Program (ZIP) also assists property owners in increasing the weather resistance of the houses and apartments. The City fully supports the use of this program.

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ACTION PROGRAMS

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In this section are the City's specific programs to meet its share of new housing needs and to address specially identified housing problems. The City attempts to meet both its internal growth needs (those needs arising from changes in employment and natural population growth) and a realistic share of external growth needs (those arising from commuters and other new arrivals not tied economically to in-City activities) based on likely future trends, not historcial occurrences.

In the past, East Palo Alto has grown much slower than the region. Internal growth needs have been slow and relatively stable. The critical issue, then, is the extent to which external growth pressures will replace, if at all, some of the historically significant internal growth pressures.

The City's programs recognize the need to accommodate external growth needs; however, the City does not recognize that external growth factors will completely replace internal growth factors.

Overall, the City seeks to continue or re-establish various programs to meet the City's housing needs. Such programs include continued reliance on planned unit development zoning to make better use of residential land, continued allowance of mobile homes, continued preservation of residential properties through code enforcement, maintenance of energy conservation standards, on-going rehabilitation efforts, submission of applications for state and federal housing assistance (such as community development block grant funds and funds for assisted elderly housing), and the use of tax-exempt financing.

In addition, the City will consider some innovative and new programs, including the allowance of second units in singlefamily zones, the encouragement of limited equity cooperatives, the use of development fee deferrals for lower-income housing, the establishment of self-help programs, and better matching of disabled persons with specially designed housing.

The effect of the program in meeting identified housing need is summarized in the following pages.

NOTE: <u>Poverty Status</u>: A yearly family income that is less than 50% of the median family income of the City.

Low Income Status: A yearly family income that is between 50%-80% of the median family income for the City.

Moderate Income Status: A yearly family income that is between 80%-120% of the median family income for the City.

Above Moderate Income: A yearly family income that is 120% or greater of the median family income for the City.

ACTION PROGRAMS

Α.	Inc Act	reasing New Housing Development	Responsible Agent	Time Frame	Number of Units	Funding Source
	1.	Continue to encourage increased residential densities for single-family and mixed-use projects by planned unit develop- ment zoning.	Community Development/ City Council	Ongoing	50	Private Funding and possible use of State Housing Funds
	2.	Approve second units in single- family areas.	Planning Commission/ Community Development	Ongoing	20	Private Funding
2-	3.	Continue to approve mobile homes/manufactured housing on permanent foundations in single- family areas subject to design review.	Community Development/ Planning Commission	Ongoing	40	Private Funding Non-Profit and Church Sponsored
-24	4.	Review appropriate timing for phasing lands out of agricultural reserve and rezoning them for residential development.	City Council/Community Development	Ongoing	30	Combination of Public and Private Funding
в.	Pre	serve and Increase Opportunities in	n Existing Housing Stock			
		Encourage the rehabilitation, repair, and replacement of substandard units (includes approximately 700 units).	East Palo Alto and San Mateo County Community Development D	Ongoing epts.	50 to 75	Community Develop- ment Block Grant Funds
	2.	Use mixed-use zoning in commercial core areas.	Private Property Owners	Ongoing		
	3.	Approve second units as a means of providing additional housing for lower income residents.	Planning Commission/ Community Development	Ongoing	20	Private Funding

Act	ion	Responsible Agent	Time Frame	Number of Units	Funding Source
4.	Investigate relocation service for low income residents dis- placed by private development projects.	City Council/Community Development	Ongoing	N/A	Private Sources
Add	ressing Special Housing Needs				
1.	Elderly Households				
a.	Encourage use of second units to meet elderly needs for affordable housing.	Planning Commission/ Community Development	Ongoing	20	Private Funding
b.	Implement builder incentives to provide small, affordable units for low income and elderly.	City Council/Community Development	Begin 1986	25	Private Funding
c.	Investigate other funding for low income and elderly households.	City Council/Community Development	Ongoing	35	California Housing Finance Agency
2.	Very Low, Low and Moderate Income	Households			
a.	Designate lower price unit set aside through the affordable housing program.	City Council/Community Development	Ongoing	40	Private Funding
b. \	Pursue tax-exempt financing for low and moderate income renters and ownership units.	City Council/Community Development	Ongoing	25	California Housing Finance Agency
c.	Facilitate establishment of a non-profit housing corporation to establish self-help and other housing assistance programs.	City Council/Community Development	Begin 1986	N/A	City Redevelopment Agency
đ.	Investigate acquisition of surplus public land for the development of affordable housing	City Council/Community Development	Begin 1986	25	Various Public and Private Sources

c.

	Act:	ion	Responsible Agent	Time Frame	Number of Units	Funding Source
	e.	Facilitate the development of housing for female headed single family households in poverty.	Planning Commission/ Community Development	Begin 1986	10	City Redevelopment Agency
	3.	Physically Disabled Residents			÷.	
	a.	Enforce handicap access standards.	Community Development	Ongoing	Applies to all units developed	Built into Existing Building Code Requirements
	b.	Investigate other funding sources for low income families.	Community Development	Ongoing	20	Other Grants and State and Federal Funding Sources
	Pre	serve Neighborhood Quality				
2-26	1.	Design review all multi-family projects and single-family subdivisions.	Community Development/ Planning Commission	Ongoing	Applies to all units developed	Depends on Developer
•	Ene	rgy Conservation				
	1.	Enforce State Energy Conservation Standards	Community Development	Ongoing	Applies to all units	Various Funding Sources depending upon Developer
	2.	Support weatherization assistance programs	Non-profit Agencies' in cooperation with the P.G. & E. Zip Progr	Ongoing am	Applies to all units developed	Various Funding Sources depending upon Developer

To the extent that the City's resources allow and the findings are not contrary to City policies, the findings of studies listed in the Housing Element will be implemented.

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APPENDIX

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	EAST PA	LO ALTO		1980
Census Tract/Area	1950	1960	1970	
East of Bayshore				
6118	N/A	3,421	3,609	3,455
6119	N/A	6,022	6,100	6,282
6120	N/A	4,434	5,136	4,614
Subtotal	N/A	13,877	14,845	14,351
West of Bayshore				
6121	N/A	1,142	2,992	3,840
Total	7,123	15,019	17,837	18,191

TABLE 1

POPULATION CHANGES IN

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Source: U.S. Census.

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TABLE 2

Census Tract/Area	White	Black	American Indian, Eskimo & Aleut	Asian & Pacific Islander	Other Races	Total	Spanish Origin (All (Races)
East of Bayshore							
6118	160	3,038	2	82	173	3,455	224
6119	981	4,339	16	499	447	6,282	922
6120	854	2,959	22	180	599	4,614	1,076
Subtotal	1,995	10,336	40	761	1,219	14,351	2,222
Percent	(13.9)	(72.0)	(0.3)	(5.3)	(8.5)	(100.0)	(15.5)
West of Bayshore							
6121	2,639	771	38	231	161	3,840	346
Percent	(68.7)	(20.1)	(1.0)	(6.0)	(4.2)	(100.0)	(9.0)
TOTAL	4,636	11,107	78	992	1,380	18,191	2,568
Percent	(25.5)	(61.0)	(0.4)	(5.5)	(7.6)	(100.0)	(14.1)

Source: 1980 Census

Note: In contrast with previous census data the 1980 Census used a "selfidentification" method to determine racial and ethnic counts. Persons who identified themselves of "Spanish Origin" (an ethnic designation), are also included in one of the "race" classifications, i.e., "white", "black", "other races", etc.

TABLE	3
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NUMBER HOUSEHOLDS BY RACE, 1980

Race	Number of Households
Black	3,275
White	2,474
Spanish Origin	589
Asian/Pacific Islander	387
TOTAL	6,725

Source: 1980 Census.

Area and Housing Type	1970 ¹	(8)	1980 ²	(%)	Percent Change
SINGLE FAMILY					
East of Bayshore	3,583	(55.6)	3,499	(51.1)	- 2.3
West of Bayshore	320 ³	(5.0)	194	(2.8)	-2.3 -39.4^3
Subtotal	3,903	(60.6)	3,693	(53.9)	- 5.4
MULTI-FAMILY					
East of Bayshore	852	(13.2)	764	(11.2)	-10.3
West of Bayshore	852 1,688 ³	(26.2)	2,391	(34.9)	-10.3 41.6 ³
	2,540	(39.4)	3,155	(46.1)	24.2
TOTAL HOUSING UNITS	6,443 ⁴	(100.0)	6,848	(100.0)	6.3

TABLE 4HOUSING UNITS BY TYPE AND LOCATIONEAST PALO ALTO -- 1970 AND 1980

SOURCES: U.S. Census Data: San Mateo County Planning and Development Division.

NOTE:

- U.S. Bureau of the Census, Census of Population and Housing: 1970, Census Tracts, Final Report PHC(1)-189, San Francisco-Oakland, California, SMSA, Table H-1.
- 2. Based on 1980 Census Counts of total housing units by Census Tract. Single Family and Multi-Family breakdown estimated by San Mateo County Planning and Development Division.
- 3. The 1969 Special Census reported 6,485 housing units in East Palo Alto, which approximated the 1970 Census Tract findings of 6,443. However, the breakdown by housing type and location varied substantially for the two data sources. Research conducted by the County Planning staff indicated the 1969 Special Census breakdown was more accurate. Specifically, the 1969 Special Census found substantially fewer (231) singlefamily housing units and substantially more (2,041) multi-family units West of Bayshore.
- 4. 1970 Census Tract Data indicated total housing units as 6,443; however, final revised total housing count figures released by the Census Bureau were somewhat higher, 6,546.

PERCENT OF HOUSEHOLD INCOME PAID

FOR HOUSING COSTS (RENTERS), 1980

Yearly Income Level	Number of Household In Income Level	Percent of Income Paid for Rental Costs	Number of Households In Category
Less than	1,550	Less than 15%	0
\$10,000		15% to 19%	46
		20% to 24%	70
		25% to 29%	88
		30% to 34%	94
		35% or more	1,182
		Not computed	70
\$10,000 to	1,249	Less than 15%	84
\$19,999		15% to 19%	175
1		20% to 24%	364
	6	25% to 29%	264
		30% to 34%	121
9		35% or more	294
U	1861 - 1. 1. 1. 1. 1. 1.	Not computed	17
\$20,000 or	730	Less than 15%	381
more		15% to 19%	196
		20% to 24%	53
		25% to 29%	44
		30% to 34%	32
		35% or more	0
*		Not computed	24

SOURCE: 1980 Census.

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PERCENT OF HOUSEHOLD INCOME PAID

FOR HOUSING COSTS (OWNERS), 1980

Level	Number of Household In Income Level	Percent of Income Paid for Rental Costs	Number of Households In Category
Less than \$10,000	536	Less than 15% 15% to 24%	8 111
		25% to 29%	20
÷ ,		30% or more Not computed	366 31
\$10,000 to	807	Less than 15%	263
\$19,999		15% to 24%	209
		25% to 29%	121
	gana gita a a	30% or more Not computed	205 9
\$20 000 or	1,036	Less than 15%	638
re		15% to 24%	266
		25% to 29%	67
		30% or more Not computed	65 0

SOURCE: 1980 Census.

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DISABLED PERSONS IN THE WORK FORCE

IN EAST PALO ALTO IN 1980

and a state of the state of the state	Male	Female	Total
# of Persons in EPA Work Force (16-64)	6,920	6,153	13,073
<pre>of Persons in EPA Work Force that are prevented from working because of a disability</pre>	335	439	774
# of Persons in EPA Work Force that work with a disability	641	654	1,295
f Disabled Persons in the EPA Work Force that could work, but have removed themselves from the Work Force	345	483	828
<pre># of Disabled Persons in the Work Force that can use public transportation</pre>			317
<pre># of Disabled Persons in the Work Force that cannot use public transportation but work anyway</pre>			294
Persons 65 or older with a public transportation disability			183

SOURCE: 1980 Census.

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Location						
Year Built	East o	f Bayshore	West	of Bayshore		Fotal
Before 1940 (%)	(372 8 1)	(64 2.8)	(436 6.4)
1940 - 1949 (%)	(1	886 9.4)	(166 7.3)	(1,052 15.3)
1950 - 1959 (%)		,350 1.4)	(551 24.2)	(2,901 42.4)
1960 - 1969 (%)	(1	827 8.1)	(1,227 53.9)	(2,054 30.0)
1970 - 1979 ² (%)		138 3.0)	(267 11.8)	(405 5.9)
TOTAL (%)		,573 0.0)	(2,275 100.0)	(6,848 100.0)

AGE DISTRIBUTION OF HOUSING UNITS, EAST PALO ALTO

SOURCE: U.S. Census Data.

NOTES:

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- 1. There are slight discrepancies in housing units prior to 1969 as a result of some units having been demolished.
- 2. Based on net units added between 1970 and 1980 as compiled by County Planning Department staff from Building Department records.

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AGE CHARACTERISTICS

OF EAST PALO ALTO RESIDENTS, 1980

Total	Persons	18,191
Under	5 years	1,537
5 to 9	9 years	1,292
10 to	14 years	1,468
	19 years	1,951
20 to	24 years	2,277
	34 years	3,416
	44 years	1,996
	54 years	1,684
	64 years	1,438
	74 years	765
	ars and over	367
Mediar	1	30.6

Males

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Total	9,258
Under 5 years	784
5 to 9 years	662
10 to 14 years	777
15 to 19 years	971
20 to 24 years	1,228
25 to 34 years	1,872
35 to 44 years	929
45 to 54 years	813
55 to 64 years	707
65 to 74 years	360
75 years and over	155

Females

Total	8,933
Under 5 years	753
5 to 9 years	630
10 to 14 years	691
15 to 19 years	980
20 to 24 years	1,049
25 to 34 years	1,544
35 to 44 years	1,067
45 to 54 years	871
55 to 64 years	731
65 to 74 years	405
75 years and over	212

1

SOURCE: 1980 Census.

AGE CHARACTERISTICS

OF EAST PALO ALTO BLACKS, 1980

Total Persons	8,678
Under 5 years	1,008
5 to 9 years	908
10 to 14 years	1,123
15 to 19 years	1,423
20 to 24 years	1,170
25 to 34 years	1,569
35 to 44 years	1,313
45 to 54 years	1,143
55 to 64 years	875
65 to 74 years	411
75 years and over	164
Median	24.6

Males

Total	2,856
Under 5 years	517
5 to 9 years	449
10 to 14 years	599
15 to 19 years	715
20 to 24 years	576
25 to 34 years	
35 to 44 years	
45 to 54 years	
55 to 64 years	
65 to 74 years	
75 years and over	

SOURCE: 1980 Census.

Females

Total	5,822
Under 5 years	491
5 to 9 years	459
10 to 14 years	524
15 to 19 years	708
20 to 24 years	594
25 to 34 years	845
35 to 44 years	773
45 to 54 years	617
55 to 64 years	474
65 to 74 years	231
75 years and over	106

1

2-37

AGE CHARACTERISTICS

OF EAST PALO ALTO WHITES, 1980

Total Persons	4,634
Under 5 years	240
5 to 9 years	164
10 to 14 years	127
15 to 19 years	251
20 to 24 years	815
25 to 34 years	1,374
35 to 44 years	464
45 to 54 years	370
55 to 64 years	427
65 to 74 years	254
75 years and over	148
Median	29.2

Males

Total	2,648
Under 5 years	121
5 to 9 years	94
10 to 14 years	63
15 to 19 years	112
20 to 24 years	481
25 to 34 years	876
35 to 44 years	267
45 to 54 years	215
55 to 64 years	236
65 to 74 years	124
75 years and over	59

Females

Total	•••••	. 1,986
Under 5	years	. 119
	ears	
	years	
15 to 19	years	. 139
	years	
25 to 34	years	. 498
35 to 44	years	. 197
45 to 54	years	. 155
55 to 64	years	. 191
65 to 74	years	. 130
75 years	and over.	. 89

1

SOURCE: 1980 Census.

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AGE CHARACTERISTICS

OF EAST PALO ALTO SPANISH ORIGIN, 1980

Total Persons	2,568
Under 5 years	386
5 to 9 years	269
10 to 14 years	202
15 to 19 years	305
20 to 24 years	401
25 to 34 years	494
35 to 44 years	194
45 to 54 years	137
55 to 64 years	96
65 to 74 years	57
75 years and over	27
Median	21.7

Males

Total	1,383
Under 5 years	193
5 to 9 years	149
10 to 14 years	112
15 to 19 years	162
20 to 24 years	223
25 to 34 years	268
35 to 44 years	111
45 to 54 years	69
55 to 64 years	53
65 to 74 years	24
75 years and over	19

Females

Total	1,185
Under 5 years	193
5 to 9 years	120
10 to 14 years	90
15 to 19 years	143
20 to 24 years	178
25 to 34 years	226
35 to 44 years	83
45 to 54 years	68
55 to 64 years	43
65 to 74 years	33
75 years and over	8

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SOURCE: 1980 Census.

14

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AGE CHARACTERISTICS

OF EAST PALO ALTO ASIAN/PACIFIC ISLANDER, 1980

Total	Persons	992
Under	5 years	66
5 to 9	9 years	64
10 to	14 years	89
15 to	19 years	87
20 to	24 years	94
25 to	34 years	177
35 to	44 years	108
45 to	54 years	102
55 to	64 years	89
65 to	74 years	81
	ars and over	35
Mediar		29.3

Males

Total	557
Under 5 years	43
5 to 9 years	37
10 to 14 years	46
15 to 19 years	43
20 to 24 years	55
25 to 34 years	117
35 to 44 years	62
45 to 54 years	39
55 to 64 years	41
65 to 74 years	49
75 years and over	25

Females

Total	435
Under 5 years	23
5 to 9 years	27
10 to 14 years	43
15 to 19 years	44
20 to 24 years	39
25 to 34 years	60
35 to 44 years	46
45 to 54 years	63
55 to 64 years	48
65 to 74 years	32
75 years and over	10

1

SOURCE: 1980 Census.

2-40

POVERTY STATISTICS

EAST PALO ALTO, 1980

Total Number of Persons in Poverty	3,064
Total Number of Families in Poverty	564
Total Number of Families in Poverty with Children Under the Age of 18	454
Total Number of Female-Headed Families in Poverty	258
Total Number of Female-Headed Families in Poverty with Children Under the Age of 18	245
Total Number of Elderly (65 years or older) Headed Households in Poverty	25
Total Number of Elderly (65 years or older) Individuals Living Alone and in Poverty	90
Total Number of Unrelated Individuals for Whom Poverty Status is Determined	766

SOURCE: 1980 Census

AVERAGE YEARLY FAMILY INCOME BY FAMILY TYPE, 1980

Туре	Income
Families	\$18,053
Families with Children under 18	\$17,116
Families without Children under 18	\$19 , 205
Married Couple Families	\$20 , 954
Married Couple Families with Children under 18	\$20,295
Married Couple Families without Children under 18	\$21,650
Female-head of Household, no Husband Present	\$12,237
Female-head of Household, no Husband Present with Children under 18	\$11,707
Female-head of Household, no Husband Present without Children under 18	\$13,244

SOURCE: 1980 Census Lower income - \$18,538

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YEARLY INCOME LEVELS

OF EAST PALO ALTO HOUSEHOLDS, 1980

Income Level H	ouseholds
Less than \$5,000	854
\$5,000 to \$7,499	588
\$7,500 to \$9,999	684
\$10,000 to \$14,999	1,341
\$15,000 to \$19,999	946
\$20,000 to \$24,999	705
\$25,000 to \$34,999	895
\$35,000 to \$49,999	355
\$50,000 or more	106
Median	\$14,147
Mean	\$16,621

SOURCE: 1980 Census

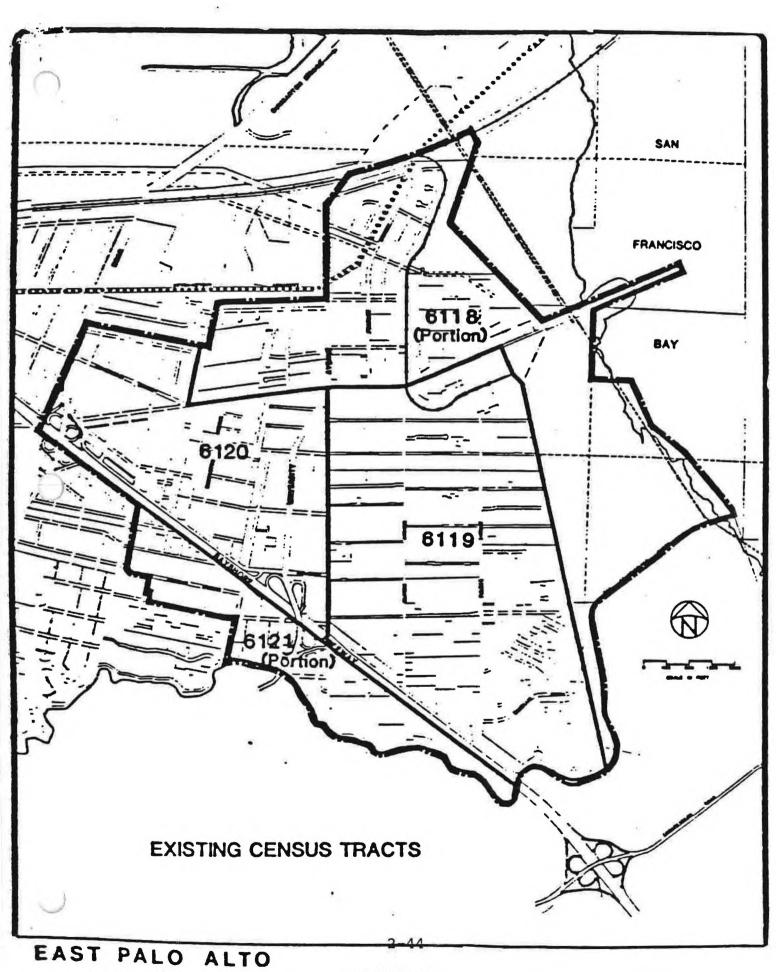
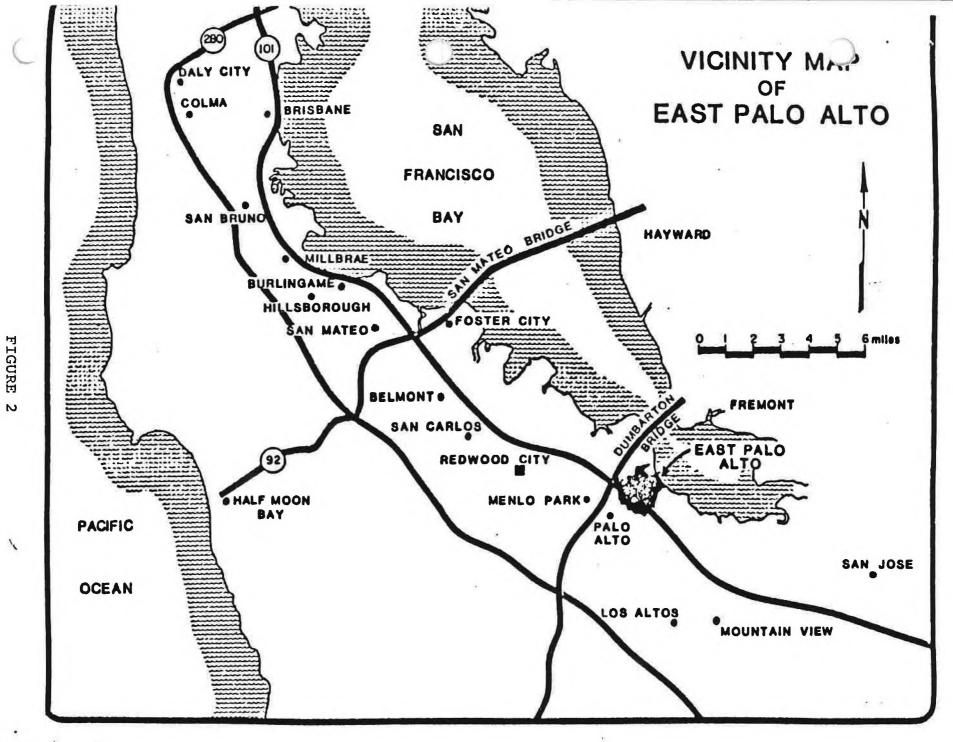


FIGURE 1



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2-45

APPENDIX A

MEMBERS OF THE COUNCIL

BARBARA A. MOUTON Mayor MAMES E. BLAKEY, JR. Vice-Mayor RUBEN ABRICA JOHN B. BOSTIC WARNELL COATS



2415 UNIVERSITY AVENUE, EAST PALO ALTO, CA 94303

TEL (415) 853-3100

FREDERIC A HOWELL CITY MANAGER

OCTOBER 14, 1986

Ms. Cathy Creswell State Department of Housing and Community Development Local Assistance and Review Section 921 10th Street, Room 601 Sacramento, California 95812-2774

RE: DRAFT HOUSING ELEMENT

Dear Ms. Creswell:

Enclosed please find a copy of the City of East Palo Alto's Draft Housing Element for your review and comment per Section 65585 of the California Government Code.

On October 6 of this year, our City Council reviewed this draft element and requested that Staff forward the document to HCD for review and comment. It is our understanding that HCD is allowed 90 days to review the draft housing element and to forward their comments to the subject jurisdiction. Because of our jurisdiction's need to have our new general plan adopted by the City Council by the end of this year, I would like to request that your comments be provided to us by mid-November if at all possible. We have scheduled the Planning Commission review of the revised housing element, including HCD comments, for November 24 with final review and adoption on December 15 by the City Council. Your prompt response would be greatly appreciated.

If you should have any questions regarding the contents of this element or our proposed adoption schedule, please feel free to contact me. I look forward to working with you and I hope we can receive a timely response.

Sincerely,

Rod Barger Senior Planner/Zoning Hearing Officer

RB:mst

STATE OF CALIFORNIA

APPENDIX B

GEORGE DEUKMEJIAN, Governor

DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT

Division of Housing Policy Development 9 Tenth Street Sacramento, CA 95814 (916) 323-3176

RECEIMED 1955 PCT 31 P 7 51 Charge Page

October 30, 1986

Mr. Fred Howell City Manager City of East Palo Alto 2415 University Avenue East Palo Alto, CA 94303

Dear Mr. Howell:

RE: Review of the City of East Palo Alto's Draft Housing Element

Thank you for submitting East Palo Alto's draft housing element for our review. As you know, we are required to review draft housing elements and report our findings to the locality (Government Code Section 65585(b)).

Our review has been facilitated by a October 26, 1986 telephone conversation with Rod Barger, the City's Senior Planner. This letter and appendix summarize the conclusions of that discussion.

East Palo Alto's draft housing element is a comprehensive document that contains much useful information about the City. In our opinion, however, certain revisions are needed for the element to comply with State law (Article 10.6 of the Government Code). In particular, the element should identify adequate sites for residential use to meet the City's share of the regional housing need, and describe the City's effort to achieve public participation of all economic segments of the community in development of the element. The appendix to this letter outlines these and other recommended changes.

We hope our comments are helpful to the City and we wish you success in the implementation of your housing program. We appreciate the time and effort of Mr. Barger during our review. In accordance with requests pursuant to the Public Information Act, we are forwarding copies of this letter to the persons and organizations listed below.



Mr. Fred Howell Page Two

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If you have any questions about our comments or would like assistance in the implementation of your housing program, please contact Cathy Creswell of our staff at (916) 323-6172.

Sincerely,

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Nancy J. McKee, Chief Division of Housing Policy Development

NJM:CC:bt

Attachments

cc: Rod Barger, Senior Planner Legal Aid Society of San Mateo County Association of Bay Area Government Tom Cook, Bay Area Council Manuel M. Medeiros, State Department of Justice Bob Cervantes, Governor's Office of Planning and Research Tom Bannon, California Building Industry Association

APPENDIX

City of East Palo Alto

The following changes would, in our opinion, bring East Palo Alto's draft housing element into compliance with Article 10.6 of the Government Code. Following each recommended change we cite the supporting section of the Government Code, Where particular program examples or data sources are listed, these are suggestions for your information only. We recognize that East Palo Alto may choose other means of complying with the law.

- A. Housing Needs, Resources, and Constraints
 - Quantify the number of lower-income households (80% of median income or below) overpaying for housing (Section 65583(a)). We have attached a methodology for calculating lower-income overpayment to assist you with this analysis.
 - 2. Analyze the special housing needs of the handicapped, elderly, large families, farmworkers, female-headed households, and families and persons in need of emergency shelter (Section 65583(a)(6)). The City's analysis should include the total number of elderly and female-headed households. The element should also include an analysis of large families, farmworkers, and the homeless. The City may wish to consult local social service agencies, shelter providers, churches, or the police for estimates of homeless individuals within the community. The State Employment Development Department can provide estimates for the number of farmworkers within the City. Census data information has been provided for your assistance.
 - 3. Provide the number of overcrowded households within the City (Section 65583(a)(2)). Clarify the number of households overcrowded (see pages 10 and 12) and break down the number of overcrowded households by renter or owner.
 - 4. Provide the number of units needing rehabilitation and replacement within the the City (Section 65583(a)(2)). Potential sources for this information may include: a recent windshield survey; estimates of the local building department, a knowledgeable builder, nonprofit housing agency, or redevelopment agency; and estimates derived from census data such as percentage of units built before 1940.
 - 5. Provide an inventory of land suitable for residential development, including vacant sites and sites having potential for redevelopment, and an analysis of the relationship of zoning and public facilities and services to these sites (Section 65583(a)(3)).
 - 6. Analyze the City's building codes and enforcement procedures, onand off-site improvement requirements, and fees and exactions required of developers as potential and actual governmental constraints upon the maintenance, improvement, or development of

housing for all income levels (Section 65583(a)(4)). The analysis of building codes should include a discussion of any amendments to the Uniform Building Code and State Housing Law standards. The element should discuss City-imposed on-site requirements including set-backs, lot coverage maximums, and off-site requirements such as street-width minimums and curbing requirements. The City may wish to compare its requirements, fees and exactions, with those of neighboring localities to determine if they are excessive.

B. Housing Programs

- The program section of the element outlines a set of housing policies. However, the element should provide clarification and more detailed program descriptions to ensure that Palo Alto can meet its objectives to assist in the development of adequate housing to meet the needs of low- and moderate-income households (Section 65583(c)(2)), and conserve and improve the condition of the existing affordable housing stock (Section 65583(c)(4)). For example:
 - a. Clarify how the City encourages the rehabilitation, repair, and replacement of substandard units (Program B-1). The City may wish to discuss the future use of tax increment funding available from its new redevelopment agency. Is the City considering applying for any federal or state assistance?
 - b. Clarify the City's relocation service for low-income residents displaced by private development (Program B-4).
 - c. How is the City going to encourage the use of second units for the elderly (Program C-1-a)?
 - Provide examples of the types of builder incentives the City is considering (Program C-1-b).
 - Describe the City's Affordable Housing Program mentioned in Program C-2-a.
 - f. How will the City facilitate establishment of a nonprofit housing corporation (Program C-2-c) and development of housing for female-headed households (Program C-2-e)?

As discussed with Mr. Barger, we have attached various technical assistance publications to assist the City with the development and implementation of its housing programs.

- 2. Identify adequate sites which will be made available through appropriate zoning and development standards and with public services and facilities needed to encourage the development of various housing types for all income levels (Section 65583(c)(1)). The City's compliance with this requirement cannot be determined without a complete land inventory.
- Address and, where legally possible, remove governmental constraints to the maintenance, improvement, and development of housing (Section 65583(c)(3)). The appropriateness of the City's mitigating actions cannot be determined in the absence of a full constraints discussion (See comment A-4).

4. Describe how the City promotes equal housing opportunities for all persons regardless of race, religion, sex, marital status, ancestry, national origin, or color (Section 65583(c)(5))). For instance, the City could designate and publicize an agency or individual to provide information on fair housing laws and refer complaints of discrimination to appropriate enforcement agencies. A Fair Housing publication, prepared by this department, has been attached to assist the City.

C. Quantified Objectives

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Establish the maximum number of units to be conserved over the five-year time frame of the element (Section 65583(b)). To determine the number of units to be conserved the City could, for example, provide objectives for the City's participation in the Section 8 program which preserves the affordability of rental units.

D. Public Participation

Describe the City's effort, in developing the housing element, to achieve public participation of all economic segments of the community (Section 65583(c)).

APPENDIX C

REVISIONS TO DRAFT HOUSING ELEMENT

The State of California Department of Housing and Community Development reviewed the City of East Palo Alto's Draft Housing Element as required by Government Code Section 65585(b). HCD recommended certain revisions which would make the Draft comply with State law. The recommended revisions are grouped under the following general headings:

- A. Housing Needs, Resources, and Constraints (Section 65583(z)(1) to (6))
- B. Housing Programs (Section 65583(c)(1) to (5))
- C. Quantified Objectives (Section 65583(b)
- D. Public Participation (Section 65583(c))

The revisions to the Draft are presented under these general headings to facilitate further review for compliance with State Law.

A. Housing Needs, Resources, and Constraints

 Section 65583(a) - Quantify the number of lower-income households (80% of median income or below) overpaying for housing.

"Lower-Income Households" are defined as those households whose gross annual income is less than 80% of the County (or relevant region) median household income. The median household income in San Mateo County in 1980 was \$23,172 (1980 Census). "Lowerincome households" in the County, therefore, are households whose annual incomes were less than \$18,538 in 1980. By this definition, it is estimated that 4,343 households in East Palo Alto in 1980 were "lower-income".

Estimates of the number of lower-income households "overpaying" for housing (that is, whose housing costs exceed 25 percent of their annual household income) are indicated below for renters and owners.

2-52

Yearly Income Level	Number of Households In Income Level	Number of Households "Overpaying"
Less than \$10,000:		
Renters	1,550	1,434
Owners	536	382
\$10,000 to \$19,999:		
Renters	1,249	580
Owners	807	287
Totals:	1,142	2,683
Renters	2,799	2,014
Owners	1,343	669

TABLE A-1

2,683 lower-income households were incurring housing costs beyond the range of affordability. Seventy-five percent of these were renter households. Of the renter households who were lowerincome, seventy-two percent were paying unaffordable rents.

 Section 65583(a)(6) - Analyze the Special Housing Needs of the handicapped, elderly, large families, farmworkers, female-headed households, and families and persons in need of emergency shelter. Include the total number of elderly and female-headed households.

a. Elderly

(1) Existing Needs

The number of elderly households in East Palo Alto has increased significantly since 1970. Rent levels for these households have increased at a higher rate. There were over 1,132 persons over 65 years of age in East Palo Alto's household population. As many as 539 elderly households had unmet housing needs. Overpayment for rental housing is a principal aspect of this need.

While elderly owners in East Palo Alto might have modest housing costs, their income levels might also be low and fixed. This group's housing might be in need of repair or weatherization, yet there might be reluctance to assume any new loans, low-interest weatherization loans or otherwise. Elderly renters on fixed incomes also have problems of affordability. The frail and disabled elderly population incur additional housing problems. They particularly require ease of access to public transporation.

(2) Trends and Projections

The elderly population is projected to increase over the next five years at a more rapid rate than the total population. The number of elderly households with unmet needs will increase proportionately. The projected need is primarily for affordable rental units.

Estimates of the housing needs of the elderly in East Palo Alto are based on the data presented below.

Family	y Households:					
Householder				401		
	Spouse			201		
	Other Relati			162		
	Non-relative	•		28		
Non-Fa	amily					
	Male Househo	lder		104		
	Female House	holder		203		
	Non-relative			20		
Group	-Quarters					
	Inmate			11		
	Other			2		
Total				1,132		
Below	Poverty			90		
	Poverty			1,009		
Unrelated	Individuals	65+				
Below	Poverty			298		
	Poverty			47		
Poverty St	tatus		Families	Non-Families	Total	
Below Pove	erty		25	42	67	
100% to 12	24% Poverty		27	71	98	
125% of Po			373	166	539	
TOTAL			425	279	704	

TABLE A-2HOUSEHOLDERS 65+ YEARS

b. Disabled

(1) Existing Needs

The assessment of the needs of the disabled in East Palo Alto is based on persons exhibiting various work and public transportation disabilities as indicated in 1980 Census data. It is assumed that these aspects of a person's disability affect their housing requirements.

About .3% of San Mateo County's total population have unmet housing needs, according to estimates by the San Mateo County Housing and Community Development Division and the County Coordinating Council on Developmental Disabilities.

1980 Census data indicate that in East Palo Alto, 774 persons not in the labor force were prevented from working because of a disability. There were 317 persons between the ages of 16 and 54 with a public transportation disability and 183 elderly persons with that disability. Of the labor force suffering disability of some kind, 464 had disabilities affecting their ability to work. 500 persons had a public transportation disability. There were 1,295 persons with a work disability.

It is difficult to estimate from these data the unmet housing needs of the disabled in East Palo Alto. Estimates for the County as a whole are described as "very conservative." But assuming that unmet housing needs for the East Palo Alto population as a whole are a reasonable predictor of disabled persons housing needs, there are 546 persons with disabilities affecting their housing needs. These 546 live in households have an average of 2.72 persons per household and an annual income less than 80 percent of the County Median.

(2) Trends and Projections

The number of persons in East Palo Alto having a disability has not likely increased significantly since 1980, except, perhaps, of those having an age-related disability. However, housing costs have risen since 1980, while federal funding for housing for all groups has decreased. Consequently, the unmet housing needs of the disabled have probably risen and will likely continue to rise over the next 5 years unless other sources of housing assistance are made available to them.

TABLE A-3

DISABILITY

Work Disability Public Transportation Disability

	16 to 64 years of age:	
467	With a Public Transpor- tation Disability 31	.7
774	No. Masa sa sa babi sa	
//4	Disability 12,12	:6
54	65+ years of age:	
	With a Public Trans- portation Disability 91	.6
	774	 467 With a Public Transportation Disability 31 774 No Transportation Disability 12,12 54 <u>65+ years of age:</u> With a Public Trans-

Total with work and/or Public Transportation Disability 1,795

c. Large Families

(1) Existing Needs

In 1980, 1,169 large families (five or more persons) lived in East Palo Alto, accounting for eighteen percent (18%) of the total number of households. This proportion has likely remained constant since 1980 in East Palo Alto despite the general drop in average household size nationally, regionally, and locally. The decline in East Palo Alto's average household size, over the past decade, however, has been slight compared to trends in the region and nation. East Palo Alto, compared to the rest of the County, remains a lower-income community which, characteristically, has higher proportions of large families than do more affluent community's. Large families find larger and more affordable housing here than is available to them elsewhere in the County. The special need of these families is for large apartments with affordable rents.

Comparing the distribution of dwelling units in East Palo Alto by bedroom size against the distribution of households by persons per household indicates the extent to which large families in the City can be accommodated by its housing stock.

There were 412 large-family renters but only 377 renteroccupied units with 3 or more bedrooms. By contrast, large-family owners numbered 1,083 fewer than the number of owner-occupied housing units having 3 or more bedrooms.

(2) Trends and Projections

Despite the general decline in household size in other areas of the County and metropolitan region, the proportion of large families in East Palo Alto is likely to remain constant. Between 1980 and 1985, whereas average household size in San Mateo County dropped from 2.58 to 2.57 persons per household, the ratio was constant in East Palo Alto at 2.82. The unmet need for large families for larger affordable units will continue unless provisions are made to accommodate their housing needs. Tables A-4 and A-5 indicates the magnitude of the problem.

TABLE A-4 LARGE RENTER HOUSEHOLDS

Number of Bedrooms	Renter Occupied	Persons per Household	Number of Households	
0	729	1	1,540	
1	1,665	2	964	
2	793	3	376	
3	355	4	272	
4	22	5	185	412
5+	0	6+	227	

|--|

Number of Bedrooms	Owner Occupied	Persons per Household	Number of Households
0	46	1	436
1	320	2	680
2	863	3	510
3	1,518	4	509
4	129	5	321
			75
5+	36	6+	436

Total Households Owner + Renters 5+ persons ----- 1,169

d. Households Headed by Women

(1) Existing needs

In 1980, 1036 households in East Palo Alto were headed by women. 629 of women-headed households had children under 18 years of age. The large majority were lowincome households.

On the average, their incomes were \$11,707. 172 women-headed households had incomes below the poverty level.

Households headed by women with children and no spouse have a great need for affordable housing as is indicated by their general low-incomes and their need for units large enough to accommodate their children.

TABLE A-5 INCOME AND RENT LIMITS FOR CHFA FINANCING ASSISTANCE

(a) Lower and very low income households - 1985

Income/Rent Limits	Number of Bedrooms						
	0	1	2	3	4		
Assumed Number of Persons in Household:	1	2	3	4	5+		
Lower Income Category:	\$18,900	\$21,600	\$27,000	\$30,400	\$33,750		
Rent Limit:	\$ 394	\$ 450	\$ 450	\$ 633	\$ 703		
Very Low Income:	\$11,800	\$13,500	\$16,900	\$19 , 550	\$22,250		
Rent Limit:	\$ 246	\$ 281	\$ 352	\$ 407	\$ 464		

(b)

Occupied Housing and Renter Households in East Palo Alto 1980

Occupie	d Housin	ng Units			
0	1	2	3	4	
729	665	713	355	22	
Renters	Number	of Persons	in Hous	sehold	
1	2	3-4	5	6+	
1,540	964	648	185	227	
	0 729 <u>Renters</u> 1	0 1 729 665 <u>Renters Number</u> 1 2	729665713Renters Number of Persons123-4	0 1 2 3 729 665 713 355 Renters Number of Persons in Hous 1 2 3-4 5	0 1 2 3 4 729 665 713 355 22 Renters Number of Persons in Household 1 2 3-4 5 6+

(2) Trends and Projections

The number of female-headed households in East Palo Alto rose by 12.4% between 1970 and 1980. The proportion of female headed households with children under 18 years of age has remained about the same, 70%. If these trends continue over the next five years, the unmet housing needs of lower-income female-headed households with children under 18 years of age likely will continue or grow.

TABLE A-6

FEMALE-HEADED HOUSEHOLDS

Above Poverty	Below Poverty	Total	Average Household Income
77	49	126	
393	110	503	\$11,707
181	13	194	\$13,244
651	172	824	\$12,237
spouse		679	
Without children, no spouse		357	
+		1,036	
	Poverty 77 393 <u>181</u> 651 spouse	Poverty Poverty 77 49 393 110 181 13 651 172	Poverty Poverty 77 49 126 393 110 503 181 13 194 651 172 824 spouse 679 10 spouse

c. Farm Workers

(1) Existing Needs

254 persons residing in East Palo Alto in 1980 worked in the "Agriculture, Forestry, Fisheries, and mining" industry category. 279 were classified in the "Farming, Forestry, and Fishing Occupational category. 38 households derived their income from"Farm Self-employment". 1975 estimates of employment by occupation group category indicate 478 persons as "Laborers, including Farm Workers"; 1970 Census showed 410 persons in that category.

Employment Development Department estimates 138 employees during the 1st quarter (March, 1975) in the "Agricultural; Production and Services" category, based on their records of employment and disability insurance coverage.

(2) Trends and Projections

Substantial expansion of agriculture in the East Palo Alto is not likely to occur over the next five years. Nor is significant agricultural expansion anticipated in the horticultural and agricultural reserve lands in East Palo Alto. Although community agriculture is entirely possible and could offer viable business possibilities, it is not likely that removal of use restrictions will occur from private owner initia-Consequently, no unmet need is forseen for tives. farm-worker households in East Palo Alto in the next five years which is not related to their income status. Accommodating existing need for additional affordable housing will likely take care of the housing requirements of resident farm-workers.

f. Homeless Individuals

(1) Existing Needs

Homeless

Information on the homeless in East Palo Alto indicates that their numbers, though not exactly known, is substantial and is likely increasing. The Bayshore Community Resource Center (Ms. Lola Clewis) processes at least five requests each day for emergency shelter assistance from families and receives two to three times more telephone requests from single men and women needing a place to stay. The typical case is an unemployed household of a single mother and her dependent children who have been evicted for nonpayment of rent.

The Bayshore Community Resources Center refers their clients to emergency shelters, approximately 55 rooms located outside of East Palo Alto. When these rooms are filled, homelsss clients are referred to several hotels outside the City. These hotels will not take large families (a family with 5 or more persons). The household can stay for 30 days.

Based on this information, it is estimated that the unmet need of the homeless is or at least 240 units. This number would provide emergency shelter for 30 days for all of the requests that are made at the Bayshore Resource Center. The maximum unmet need could be much higher, perhaps over 900 units.

The total magnitude of need can be inferred from data on unemployed, poverty, and public assistance recipients presented below: unemployed persons, 16 years - 1980 Male 414 Female 257 TOTAL 671 Total unemployed 15 weeks or more = 871 <u>Households</u> receiving public assistance Total 914 : mean income = \$2,694

Families

Family and non family households below poverty level.

Below Poverty	Families	Non Families	Total
Household 15-64	521	314	835
Household 65+	25	42	_67
Total	546	356	902

If households receiving public assistance were to pay all of their assistance for housing, they could pay \$224/month. At 35% of their money, the percentage paid by 95% of households with less than \$5,000 annual gross income, they can afford \$79/month.

Vacant rental units in East Palo Alto could accommodate about 90 homeless families per year, or 1,080 persons per month.

Many of the homeless that seek shelter through the Bayshore Resource Center have been evicted from apartments. Approximately 100 evictions per year are reported to the Rent Stabilization Program for non-payment of rent. This number understates the actual number of evictions per year. Some landlords do not report the unlawful detainers they file with the Courts to the Rent Stabilization Board is required by the Rent Ordinance.

The estimated rent assistance that could mitigate the impact of evictions on the homelsss is \$500,000 per year through Section 8'type rental assistance programs.

(2) Trends and Projections

Citing increased rates of homeless and runaway youths, child neglect and abuse among dependent families, and single-parent families with children, the Department of Health and Human Services is using its discretionary funding authority to provide grants for innovative solutions to these and other family-related problems. This is a clear indication that the unmet housing needs of homeless individuals in East Palo Alto will increase unless special provisions are made to accommodate them. Innovative programs to create emergency shelters are sought.

3. Section 65583(a)(2) - Provide the number of overcrowded households within the City. Clarify the number of households crowded and break down the number of overcrowded households by renter or owner.

"Overcrowding" is the term used to characterize a community's housing situation as indicated by the ratio of household members and rooms in the dwelling unit. More than 1.01 persons per room is "overcrowding".

TABLE A-7

OVERCROWDING - 1980 HOUSEHOLDS

Persons per room	Renters	Owners	Total
1.00 or less	2,955	2,445	5,400
1.01 - 1.50	205	279	484
1.51 or more	404	188	592
Total "Overcrowding"	609	467	1,076

 Section 65583(a)(2) - Provide the number of units needing rehabilitation and replacement within the City.

According to 1975 estimates, 500 occupied units in East Palo Alto were substandard. There were 429 vacant substandard units making a total of 929 units needing rehabilitation. The County Housing Element (1982) indicated a need for rehabilitating up to 745 units in East Palo Alto and replacement of up to 25.

Between 1976 and 1982 San Mateo County had assisted in rehabilitating over 127 units in East Palo Alto. The average loan size was \$13,780. At a rate of 25 per year, it is estimated that the County has assisted over 250 units. There still are many units in East Palo Alto needing repairs. Most of this need arises in those sections of the Cityhaving the highest concentration of units built before 1940. 436 housing units in East Palo Alto were built before 1940.

TABLE A-8

HOUSING UNITS NEEDING REHABILITATION IN 1982

East Palo Alto	Standard	Needing Rehabi- litation	Needing Replace- ment
6370-6530	5670-5760	680-745	20-25

Assuming the County's average yearly rehabilitation effort has continued since 1982, there remains over 600 housing units in East Palo Alto in need of rehabilitation.

TABLE A-9

SUMMARY OF EXISTING AND PROJECTED HOUSING NEEDS

Type of Need	Existing Need	Projected need - 1992	
Affordability			
Ownership Housing	669 Low/Mod. Owners overpaid.	For first-time homebuyers, ownership will continue to be unaffordable.	
Rental Housing	2,014 Lower-income renters overpaid in 1980	Overpayment from rising costs and demand increases will be mitigated somewhat by rent control. Will continue to be a problem for rentership opportunities and excess of price increases over income increases.	
<u>Suitability</u> Overcrowding	1,036 units are over- crowded: 609 rentals and 467 owner-occu- pied units.	Unless affordability is enhanced both in income increases and supply price reductions, overcrowding will continue.	
Rehapilitation/ Replacement	750 rehabs and 30 replacements.	Increasing rehabilitation ac- tivity will be required to stabilize existing need.	
Overall General Need - Total	4,499		

Special Needs

derly 540 Unmet elderly housing needs olds will increase if some of the Approximately elderly households have unmet housing existing needs are not met. needs, mainly af-Reverse Annuity Mortgages offordability. fer elderly owner affordabili-Co-generational and Fedety. ral and State subsidies are required for elderly renters. Approximately Disabled 546 Unmet needs will increase. disabilities affecting housing requirements; at least 135 unmet housing needs. Large families At least 818 unmet Unmet need of large families needs; at least 412 will grow, unless new produclarge apartment tion of large units occurs or changes occur in ownership units are needed. within the community. Female-Headed House-629 women-headed The high rate of households holds households have unheaded by women will continue. met needs. Farm Workers 138 farm workers in Existing unmet need is not approximately 48 expected to increase. units. Minorities The concentration of Unmet needs will parallel Black. general Hispanic, unmet affordability Pacific Islanders, needs. and other ethnic minorities have substantial unmet need. Homeless High levels of eco- Without special programs to social provide emergency and permanomic and reflect nent housing for the homeless for unmet need will increase. distress need unmet shelter for the homeless; 240 units per year.

East Palo Alto's Share of Regional Need

Assembly Bill 2853 requires that Housing Elements quantify existing and projected housing needs of persons of all income levels, and include each locality's share of the regional needs. The Association of Bay Area Governments (ABAG) has responsibility for preparing estimates and projections for the Bay Area and for each City and County within it. ABAG set East Palo Alto's share of regional need at 668 units. This number is distributed among the income levels as follows:

Very low Income (less than 50% County Median)	167
Low Income (50% to 80% of County Median)	114
Moderate Income (80% to 120%	140
Above Moderate (greater than 120%)	247

TOTAL

668

The quantification of local need summarized in Table A-8 indicates a much higher local requirement than the ABAG allocation. Moreover, the housing development requirements associated with the City's economic development and fiscal goals set even higher housing production goals in the City for all income segments. For these reasons, East Palo Alto's projected share of the regional housing need as set by ABAG will be subsumed in the projections required to meet local housing and economic development fiscal goals and meet regional "fair share" goals as well.

Year	Above Moderate	Below Moderate	Low Income	Very Low Income	All Income Levels
1986	247	140	114	167	668
1992	496	281	228	336	1,342

TABLE A-10 EXISTING NEED AND PROJECTED HOUSING OBJECTIVES BY INCOME

The 1992 objectives incorporate East Palo Alto's regional share into its locally derived development needs. Local affordability estimates (2,683 D.U.'s) are distributed in proportion to the respective income groups representation in the fair share allocation. A 10-year target is a realistic time frame for achieving local development objectives. The five-year objective (1,342 units) is allocated in Table A-10.

TABLE A-10

Income Level	Percentage	5-year Goals	Annual Objective
Very Low	. 25	336	67
Low	.17	228	46
Moderate	.21	281	56
Above Moderate	.31	496	99

FIVE-YEAR AFFORDABLE HOUSING GOALS

ABAG's allocations focus primarily on additional housing units by affordability level needed in the City. The City-derived estimates of local housing need identify existing problems of the residents, economic development goals, and the housing stock in East Palo Alto. The City estimates and ABAG's estimates show needs for active housing programs to conserve and add to East Palo Alto's housing stock. If local goals are achieved, East Palo Alto's share of the regional need will also be fulfilled.

5. Section 65583 (a)(3) Provide an inventory of land suitable for residential development, including vacant sites and sites having potential for redevelopment, and an analysis of the relationship of zoning and public facilities and services to these sites.

Several inventories have been conducted of parcels of land in and around East Palo Alto that are developable for residential purposes. The most comprehensive inventory was that conducted by Naphali Knox Associates in 1981 entitled "A Little About Lots." (see Appendix D). The survey identified over 100 acres of vacant sites in East Palo Alto developable for residential purposes. The County of San Mateo Department of Housing and Community Development conducted an inventory of undeveloped lands suitable for residential purposes as part of their County-wide Housing Element for unincorporated areas (1982). The City of East Palo Alto Community Development Department produced a "vacant and underdeveloped lands survey" in May 1986. The County's inventory focused on parcels "where there was some reasonable possibility of residential development at appropriate densities occuring in the near future (5 years)." A summary of findings from these inventories will characterize and identify land in East Palo Alto developable for residential purposes.

(1) Summary Inventory: Parcel Size

<u>Small Parcels</u> There are approximately 164 small parcels in East Palo Alto on which development of housing units is allowed. Of these, 146 are zoned for residential use. The residentially zoned small parcels would permit 1,034 untis of new housing. Large Parcels There are nine parcels 2 acres and over in size that allow housing development. Approximately 677 housing units could be developed on these parcels. The eight large parcels zoned for residential use would permit approximately 462 dwellings.

(2) Suitability of Sites for Residential Development

The severity of constraints inhibiting residential development on these parcels was assessed by the County in terms of the effects created by certain serice and environmental factors such as capacity and availability of service hook-ups, potential geological hazard and conflicts with resource protections. Undeveloped small parcels are distributed throughout East Palo Alto. Their development potential is proportionate to their compatibility with adjacent neighborhood character.

The undeveloped large parcels were assigned the following severity rating in terms of perceived constraints inhibiting their development potential for a specified number dwelling units permitted.

SUMMARY OF DEVELOPMENT CONSTRAINTS

Small Parcels

	Par	cel Descri	ption	Developme	ent Contrain	ts
Number Parcel	of	Existing Zoning	Dwelling Units Permitted	Services Sewer	Contraints Water	Rating 1 to 4
100		varies	100	Limițed	Available	2 Moderate
			Large par	cels		
Number Acres	of					
3.2 2.0 2.0 3.0 4.0 5.805 10.063 2.27 3.51 4.9	5	O/S M-1 M-1 R-1 R-3/S-5 R-3 R-3 R-3 R-3 R-3 R-3	27 0 26 69 101 175 39 61 85	Limited Limited L/A L/A L/A L/A L/A L/A L/A	Available Available Available Available Available Available Available Available Available	4 2 2 2 2 2 2 2 1-2
6.18 2.0 48.928		C-1/S-2 <u>R-1</u>	215 <u>17</u> 815	L/A L/A	Available Available	$\frac{1-2}{1-2}$

(3) SUMMARY ASSESSMENT OF SERVICE CONSTRAINTS

New housing development in East Palo Alto is somewhat constrained by the availability of sewage treatment capacity. Available service capacity is constrained both by plant capacity and current allocation agreements and contracts. To expand sewer capacity in the City will require changes in these agreements and contracts.

Water supply does not present a constraint to development in the City. Some areas have storm drainage problems, particularly areas in the flood control zone. Development of parcels located in these sites will require drainage improvement plans with which new development must be coordinated.

Moderate to severe development constraints would substantially inhibit development. Overcoming these constraints would require comparably substanial but not necessarily infeasible, investments to extend service capacity and install storm drainage, road improvements, and other off-site improvements.

Development of housing on these sites which meet local affordability objectives, financially feasible and fiscally sound will require innovative financing and adaptive development management in order to overcome these constraints.

6. Section 65583(a)(4) - Analyze the City's building codes and enforcement procedures, on- and off-site improvement requirements, and fees and exactions required of developers as potential and actual governmental constraints upon maintenance, improvement, or development of housing for all income levels.

The City of East Palo Alto employs a variety of local controls to regulate the use and development of land within its perimeter. Regulations which principally impact housing development include the General Plan, the Zoning Regulations, Building Codes, and the City Permit Review and Approval Process.

(1) The General Plan

The existing General Plan exerts its effect primarily on the type and intensity of housing permitted. Allocation of current residential acreage and densities was based on analysis of four alternative land use and density scenarios:

- Develop available acreage in medium density residential, commercial-retail and office uses.
- * Develop available acreage in high density residential and commercial-retail uses.

 Develop all available acreage in commercial-retail uses.

The current General Plan is patterned after the first of these alterntives which emphasized maintaining the residential character of the existing neighborhoods. The second involved maximum residential development. The third alternative would have resulted in a net loss of residential acreage and population. Its emphasis was on commercial development and revitalization.

The current General Plan is based on a "steady-state" mode of community and economic development. Some of the available acreage for residential development would yield a higher rate of achievement of affordable housing under the other alternatives than is permitted by current land use controls imposed upon them.

(2) Zoning Regulations

The City's Zoning regulation control the use set in the General Plan on land and structues, the intensity of development in terms of density and the bulk of structures, parking provisions and design review procedures and requirements. Each housing developer must comply with the provisions pertinent to her or his project. Developers of affordable housing will be particularly concerned with density minimum off-street parking requirements, the lot coverage and building heights and setbacks and the requirements for environmental protection. Since these provisions each affect the number and cost of units permitted, they impose significant constraints on the development of affordable housing.

Density The City's current zoning impacts housing development several ways related to the density set for a given area. Densities set for existing residential areas attempt to maintain the single-family character prevailing in most residential segments of the City. Like other residential communities, East Palo Alto's zoning reflects a disposition against high density residential development. Low-density zoning imposes a significant constraint upon development of some of the large-lot parcels in the City that are adjacent to single-family areas.

The City's Zoning regulations sets standards for minimum building sites and lot area per dwelling unit for each zoning district. The majority of residential area in East Palo Alto is zoned for a single family residence on a 5000 square foot minimum sized lot. Development of multi family units, which is one way of reducing occupancy cost per unit, is limited and, in turn, affordable housing potential is limited. Off-street Parking Requirements. Off-street parking requirements are set for single and multifamily units. Presently, there is no provision allowing for compact cars, despite the fact that there are many small-car owners in the City. In addition, off-street parking can limit development below the maximum permitted on a given site.

Building Code. The City has adopted the Uniform Building Code, similar to most other communities in San Mateo County. Consequently, development is no more limited in East Palo Alto by building codes than in other areas in the region.

(3) The Permit Approval Process

The City's Permit Approval Process imposes a substantial constraint upon development potential in two primary aspects: cost to developers for the length of time it takes to review and reach a decision on a development application and mis-interpretations in the code about what is and what is not allowed. Compared to more mature cities, the development review process in East Palo Alto can take twice as long or more. In addition, much time can be taken up in the design review process involving the discretionary authority of planning Staff and the Planning Commission.

Cost of time in the permit review and approval process imposes a major inhibition on development of affordable units.

7. Assembly Bill 2853 requires an <u>analysis of nongovernmental</u> <u>constraints</u> to the maintenance, improvement or development of housing for all income levels, including price of land, cost of construction and availability of financing. Those aspects of such constraints most pertinent to East Palo Alto's situation in the regional housing market are summarized under several main subject headings (1) Housing Development Costs; (2) Occupancy Costs; (3) Displacement; and (4) Neighborhood and Investment Risk Factors.

These aspects are assessed for their effect on the local housing affordability situation.

(1) Development Costs

The effects of components of development costs on present affordability of housing in East Palo Alto are illustrated in Table A-11.

TABLE A-11 DEVELOPMENT COST IMPACTS ON AFFORDABILITY BY INCOME LEVEL

Income Level		dable Rents Annual Income	East Palo Alto Households in Income Class: 1990
Very Low (\$11,586)	\$241		2,551
Low (\$11,586 \$18,538	3) \$241	\$386	1,586
Moderate (\$18,538 \$27,800	5) 386	\$579	1,232
Above Moderate (\$27,806)		\$579	1,105

Land Costs The effect of land costs on affordability is seen in the fraction of monthly housing costs accounted for by land price, and the number of households removed from an affordable rent range by increases in land price.

From october, 1980 to October, 1981, the value of land increased close to 13 percent on the Peninsula and accounted for over 40 percent of the purchase price of Peninsula homes (Bank of America: 1981). The 13 percent rise in land costs represents an effective change in housing costs of \$35 per month.

Land costs for purchase of a typical priced home on the Peninsula in 1980 cost \$272 per month. This price puts the typical home out of the affordability range of all the City's very-low income households. A 13% increase in that price further removes approximatley 864 low-income households from the range of affordability as well.

Construction Costs Construction costs per square foot for a "standard quality" single family residence were \$42.97 in 1981. A 1,570 square foot new single family home in 1981 would cost \$67,463 to construct. At 14% interest, a 30 year fixed-rate mortgage, and a 15% downpayment, debt service alone costs \$679. This housing cost would have been out of the range of affordability for 623 households in the moderate income category and all households in lower income levels.

Multifamily construction costs rose 8.86% from 1980 to 1981 on the Peninsula. At \$38,312 per square foot in 1980, cost of a 1,200 square foot apartment would be \$49,978 to construct and \$514 per month to debt service. Occupancy Costs The average price of units sold in East Palo Alto in 1979 was \$48,312. Monthly debt service of mortgage charges for occupying through purchase of an average-priced 3 bedroom, single family house in East Palo Alto between January, 1976 and January 1982 rose 375%. Only above-moderate income households could have afforded these prices.

Displacement Local concern for displacement, both inplace and out-of-place, undergirds the resistance by some residents to development of new housing in East Palo Alto. Resistance to high-density development arises from concern about the effects of large developments on the character of existing single family neighborhoods, a nonpublic service and utility cost increases.

In addition, above standard quality amenities and design are not affordable to a large segment of the existing households.

Neighborhood Effects and Investment Risk Factors The unavailability of construction and permanent financing is a significant factor outside of governmntal control and direct influence. While investors in real estate developments can not be forced to take risks, it is clear in many minds that "redlining" of some kind is occuring. At the same time, there were many purchases by households outside of East Palo Alto of single family homes up for sale. Mortgage money was available to them.

B. HOUSING PROGRAMS

 Section 65583(c)(2) - Describe programs to meet East Palo Alto's objectives to assist in the development of adequate housing to meet the needs of low-and moderate-income households, and (Section 65583(c)(4)) conserve and improve the condition of the existing affordable housing stock.

a. Existing Programs

Existing programs operating in East Palo Alto that protect affordable housing include those that: (1) rehabilitate houses: (2) control rents: (3) encourage energy conservation; and (4) provide rental assistance.

(1) Housing Rehabilitation

Since 1976, the San Mateo County Division of Housing and Community Development has operated a housing rehabilitation program in East Palo Alto. This program has provided assistance to an average of 25 housing units per year in East Palo Alto at an average loan rate of \$12,152 per unit between 1976-77 and 1980-81.

Depending upon the specific program used, interest rates on the loans very from 5% to 10% and terms varying from 10 to 30 years. The program is funded through the Community Development Block Grant Program, the California a Housing Finance Agency, Senate Bill 966 and local Banks. At 25 loans per year averaging \$12,152 each, approximately 250 units in East Palo Alto have been rehabilitated amounting to more than \$3 million.

The City, through the Redevelopment Agency, will supplement current home improvement efforts. Health and Safety Code Section 33334.2 of the California Community Redevelopment Law provides that not less than 20% of all taxes which are allocated to the Agency pursuant to Section 336.70 shall be used by the Agency for the purposes of increasing and improving the community's supply of low- and moderate-income housing available at affordable costs.

Through the provisions of tax increments, the Agency may provide subsidies to, or for the benefit of very low income households, as defined by Section 50105, lower-income households, as defined by Section 50079.5, or persons and families of low or moderate income, as defined by Section 50093.

The City/Redevelopment Agency will establish a Low and Moderate Income Housing Fund (LMIHFU) and use it to the maximum extent possible to defray the costs of improvement and production of low- and moderate-income housing in East Palo Alto.

(2) Rent Control

East Palo Alto adopted a Rent Control Ordinance in 1984. While the emphasis in the ordinance is rent stabilization, provisions are included in the ordinance which may cause tenants, through the withholding of rent, to encourage owners to maintain habitable property. This provision should be especially effective in dealing with any absentee landlords who do not maintain their property in decent, sound, and safe condition. There are 2,757 rental units registered with East Palo Alto's Rent Stabilization Program, representing 77 percent of renter occupied housing units and 41 percent of all housing units in the City. The mean rent of these units is estimated to be about \$480/mo.

While rent control does not solve the unmet needs for affordable housing for very low income renter housholds, it does prevent matters from getting worse. Rent increases have been stabilized by rent control. Most of the evictions have been the result of unlawful detainers filed against renters for non payment of rent.

Infusions of rental assistance that are required to meet lower income household's affordability limits, amount to about \$1.2 million annually.

Large Families

Existing Need

Year-Round Housing Units	Total	Number of Persons in <u>Unit</u>	Total	Renters	Owners
l room	645	1 person	1996	1540	456
2 rooms	834	2 persons	1644	964	680
3 rooms	1386	3 persons	886	376	510
4 rooms	1171	4 persons	781	222	509
5 rooms	1382	5 persons	506	185	325
6 or more rooms	3 1363	6 or more	663	227	436
			6476	3564	2912

In 1980, 1169 large families (five or more persons) lived in East Palo Alto, representing eighteen percent (18%) of total households. This proportion has likely remained constant since 1980 in East Palo Alto, despite the general drop in average household size nationally. Household size declines in East Palo Alto has not followed the genral pattern. East Palo Alto, compared to the rest of the County, remains a lower-incoem community in which characteristically lowerincome large families find larger and more affordable housing than is available to them elsewhere in the County.

Rent Control

Total	housing units	6,783
Total	rental	3,564
Total	rental 5+ unit shelters	2,567
Total	registered rental units	2,757

Renter Units	By Bedr	oom Size	Year Round	d Housing	Unit
	Number	of Units	By Number	of Rooms	
Studio	729		1	645	
1	1665		2	834	
2	793		3	1386	
3	355		4	1171	
4	22		5	1382	
5+	0		6+	1363	

1980 median rent = \$278

year rate of income per year = 12.13%

Average rents 1986 = \$480 total city - (estimated)

Average Rent of Co	Number of Units Rented	
Bedroom Size	Mean Average Rent	
Studio	\$2,125	661
1	500	802
2	555	1,334

(3) Energy Conservation

Various programs to conserve energy resources operate in East Palo Alto. The Pacific Gas and Electric weatherization program offers low-interest loans for weatherization measures. San Mateo County has conducted energy conservation workshops for low-income residents. A weatherization program is also active in East Palo Alto from the San Mateo County Community Action Agency Weatherization Program. An evalution of CAA's program is currently being prepared to find ways of enlisting more participation in the program by East Palo Alto residents and residents of other areas of San Mateo County.

(4) Rental Assistance

Section 8 Rental Assistance Program is administered by the Housing Authority of the County of San Mateo. Each year, the Housing Authority negotiates an Annual Contribution Contract with HUD for Section 8 Rent Subsidy Certificates. HUD allocates the available certificates on the basis of need identified in the County's Housing Assistance Plan (HAP). The existing allocation is 30 percent for elderly and handicapped (1-2 per/hh) 63 percent small family (1-4 person households) and 7 percent large family (5 or more person households). There are over 110 households in East Palo Alto receiving Section 8 assistance. The need and eligibility is 20 times that amount.

(5) Emergency Shelter for Homeless

The City will pursue a number of possibilities in addessing the unmet housing needs of the homeless. For example: (1) advising evicted tenants of their rights under the City's Rent Stabilization Program to ensure that no evictions without good cause occur; (2) The City will also consider promoting adaptive reuse of abandoned housing in need of rehabilitation and making them habitable to low income households through a "sweat equity" rehabilitation program; (3) Developing an emergency shelter facility in conjunction with the Bayshore Comunity Resource Center and other service agencies; and (4) Establishing an emergency shelter fund.

b. Proposed Programs for Providing Affordable Housing

The City is considering a variety of techniques to assist in the development of affordable housing in East Palo Alto. Proposed programs include applying the provision of the Calfiornia Community Redevelopment Act of 1982 for taxincrement financing, assistance in relocation, if any, from redevelopment actions, providing low-interest construction loans through the issuance of multi-family bonds, and acquiring land and properties needed for housing development.

The City/Redevelopment Agency is also considering establishing or sponsoring the establishment of non-profit housing development corporations. Depending on the type of need in question and the source of funding, the configuration of the housing corporations will be governed accordingly.

Financing assistance for developing and maintaining affordable housing in the City will be sought from a number of sources including, the California Housing Finance Agency, the Department of Housing and Urban Development and from local sources of funding for non-profit-sponsored housing development projects.

The City's proposed affordable housing production program will employ some of all of the following techniques: 1) land cost reductions; 2) designating lands acquired from the County to be placed in trusts for affordable housing 3) inclusionary ordinances and density bonus programs that encourage and provide incentives to private developers to build affordable housing: 4) reduce construction costs; 5) reduce mortgage financing; 6) reduce local processing costs (of time and money; and, promote acceptance and sponsorship of affordable housing. The proliferation of viable churches in East Palo Alto and the inventory of lands they collectively hold indicates an often used, but as yet scarcely tapped resource for affordable housing development in the City. Existing non-profit organizations treating the needs of other special-needs group will be encouraged to sponsor the development of affordable housing for reconstituent clients. Child-care centers, for example, will be encouraged through provision of assistance--technical and financial where possible and appropriate-- to develop cooperative housing and child-care facilities for female-headed households. Senior citizen organizations will be encouraged to sponsor housing projects in joint-venture with churches for example.

Housing and Economic Development Program

The City has included an Economic Development Element in its revised General Plan. The purpose of the Economic Development Element is to provide the City the means to regulate and acquire land and to promote its economic development goals. Housing development is an integral part of the City's overall economic development goals. The Economic Development Element includes various incentives, including density bonuses (Government Code Section 65915) to encourage private developers to build affordable housing. Developers will enter into contracts with the City's Redevelopment Agency which will set the conditions and trade-offs between the City and the developer upon which the City will give density bonuses, provide low-interest financing, and land write-downs in exchange for affordable housing guarantees or contribuitons to a revolving loan fund in-lieu of affordable housing.

The Redevelopment Agency will be a primary instrument for implementing the City's housing and economic development program. Sites identified in the previously presented inventory will be designed for affordable housing and included in redevelopment project areas. Specific Plans and/or Redevelopment Project plans will be used to set appropriate zoning and development standards for housing development. Where it is deemed necessary for official redevelopment purposes, sites needed for meeting the City's critical housing needs will be acquired through the Redevelopment process. Owner participation in developments on sites privately held will be encouraged an facilitated before any taking actions by the Redevelopment Agency.

Zoning for Affordable Housing

Second Units The City will encourage use of second units to meet elderly needs for affordable housing. Government Code Sections 65582.1 and 65582.2 encourages local governments to allow second units. The City will pursue adoption of an ordinance permitting second units in those areas of the City were such units can be developed without exceeding certain limits of inhabitabilty. Minimum lot size and other appropriate physical and design constraints will be identified in the zoning regulations, or through the use permit process if an ordinance is not adopted.

Equal Housing Opportunity

In order to meet Housing Element Law and CDBG requirements, the City will adopt an ordinance prohibiting housing discrimination and/or requiring affirmative action. The City will enlist agencies such as the Midpeninsula Citizens for Fair Housing (MCFH) to assist in the following services: investigation of illegal housing discrimination; landlord/tenant mediation; dissemination of fair housing information; counseling, and interpretation of fair housing laws.

C. Quantified Objectives for Conserving Units

The maximum number of untis to be conserved over the fiveyear time frame for the element (1987 to 1992) is derived from the number of households in the City that over-pay for rent who also qualify for Section 8 Housing Assistance. Section 8 Housing Assistance needs are computed in the following table.

TABLE C-1

SECTION 8 HOUSING ASSISTANCE NEEDS

Household Type Cal	Calculation of			
	Need			
Households living in units needing rehabilitat	tion 750			
	+			
Overcrowded households	1,076			
Small, moderate income families paying over &	55 +			
of income for housing	200			
	=			
Total of above	2,026			
Substract 46% living in owner occupied units a	and -			
thus not eligible	932			
	=			
Total	1,094			
	+			
Add Low-income renter households overpaying	2,014			
TOTAL NEED	3,018			

D. Section 65883 (c) - describe the City's effort in developing the housing element, to achieve public participation of all economic segments of the community.

Attached is Executive Summary of the East Palo Alto 2000 Committee Report. In addition, the following participation methods were used:

- Public Hearing Notices were placed in the local newspaper for study sessions and public hearings of at least 12 separate occasions. Public participation was invited during these hearings.
- Public Hearing Notices were mailed directly to all City Commissioners and all City Councilmembers for study sessions and public hearings.

Implementation of Public Participation

- Refer Initial Study, Negative Declaration; Explanation of "Yes" responses to potential negative impacts - "Mitigation Measures.", 1(g)(e)(d).
- 2) In addition, City will meet public participation and hearing requirements set forth in California Community Recevelopment Law, Safety Code, 3000 et seq

I. Executive Summary

The East Palo Alto 2000 Committee undertook its mission - primarily, to project and evaluate alternate buildout scenarios for the City in the Year 2000 -- on May 22, 1985 with eleven participants. Subsequent meetings and Council action, at the request of the Committee, resulted in a solid working group of between five and seven regular, active participants. The Committee functioned as a working group, utilized consensus as its decision-making format, and never elected officers. The Committee was staffed principally by the City Manager with additional support provided through the Community Development Department.

Initially, the Committee reviewed and analyzed existing zoning, the Community Plan and EIR, development conditions and practices in the City, and various projections of housing and employment for the Bay Area. A decision was made early on to develop optimal scenarios for the year 2000 in the seven major policy areas contained in the Community Plan and EIR. Individual members completed assignments in these areas, then requested from staff buildout scenarios containing the fiscal implications of agreed-upon residential and industrial configurations. These were provided and reviewed, but the question of ultimate population remained unanswered.

A subsequent staff assignment generated an inventory of vacant and underdeveloped land in the City which then led to alternate buildout populations based upon specific policy choices regarding "low", "medium", and "high" population targets. The significance of this portion of the Committee effort was that projections of population surfaced as the principal driving force in all related formula and policy construction. Additionally, the inventory provided an accurate and up-to-date instrument that is both necessary and suitable for a broad range of future planning applications in the City. The inventory alone is a major product from the East Palo Alto 2000 Committee.

Included among other key issues that the Committee addressed and incorporated into the final policy recommendations were quality of life and community character, business development, subventions and other revenue sources, employment, and service delivery capacity. However, even while assessing these other issues, population repeatedly proved to be the central variable in establishing alternate policies for consideration.

The Committee has recommended that a "medium population target" policy be encouraged and that a maximum population of 25,748 be set for the City in the Year 2000. This means that the Community will remain largely in its present configuration with respect to mix of residential types and industry, that the community will remain largely residential, and that all types of development will occur within the framework of recommended development policies. Stated otherwise, development in the City of East Palo Alto is expected to occur through the year 2000 in consonance with recommended policy and with no major changes in either zoning regulations or the General Plan.

These and other recommendations of the Committee were developed on the basis of several underlying assumptions and a principal rationale that combined to produce the following specific concerns:

- there IS an optimal population for this community and efforts can be made to ensure that it is not exceeded;
- o the community should remain primarily a residential community without large-scale, multiple-family developments;
- the City should ensure that it maintains the capacity for an adequate service delivery system and the ability to pay for it; and
- o the City's image is of major importance and there is a critical necessity to improve as well as market that image.

Although a larger number of recommendations was made by the Committee in conjunction with the medium population target, provided below is a summary of the major recommendations.

- 1. Set a maximum population for the Year 2000 at 25,748;
- 2. Set an optimal population for the Year 2000 at 23,203;
- 3. Develop programs to facilitate home ownership and rehabilitation;
- 4. Implement programs to protect the rights of tenants;
- 5. Focus commercial development in the University Circle Area and the University Avenue Corridor;
- Encourage industry that is nonpolluting and ensure that it is buffered from residential areas;
- 7. Provide for the expanded utilization of shuttle buses;
- 8. Support expansion of the City's park system; and
- 9. Move toward the consolidation of utility services under operation of the City.

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Details of the Committees functions work assignments, processes, deliberations, assumptions made, and added assignments are contained in the full report. Provided in the exhibits are materials specifically related to the detailed aspects of this overall effort. The final recommendation of the Committee is to hold one or two community meetings targeted primarily to members of all other appointed boards and commissions, but open to the public for purposes of clarifying the report and obtaining feedback for consideration by the Council.

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APPENDIX D

POTENTIAL HOUSING SITES IN EAST PALO ALTO (From Napthali Knox, A Little About Lots, 1982)

Twenty-three potential housing sites on 100 acres have been identified in East Palo Alto. The smallest is 12,000 square feet. The two largest sites are 28 and 28.6 acres.

Nine of the sites, totalling 62.4 acres, are dotted with greenhouses. The greenhouses are in various states of repair, from derelict to excellent. The nursery enterprises likewise seem to vary in financial condition and productivity, such that some of the greenhouse sites may be ripe for residential development, while others may not.

Together, these nine sites could accommodate from 250 to 800 housing units.

The remaining 14 sites are vacant, except for a total of three houses on two sites totalling 8.3 acres. These 14 sites could accommodate 490 to 1,260 dwelling units on 48 acres.

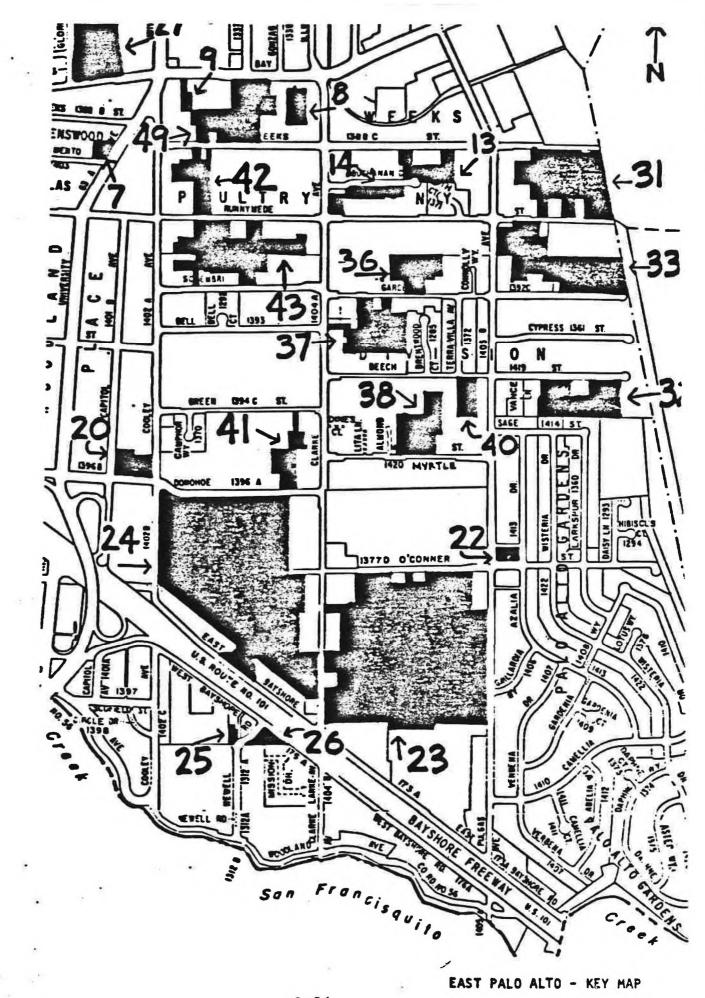
In total, the 23 sites can hold 740 to 2,060 housing units.

Potentially, any one of the 23 sites can be developed for housing in the next five years.

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All 23 sites are in areas now residential or planned to becom residential. Nineteen of the 23 sites are within the area bounded by Highway 101 on the south, University Avenue on the west, Bay Road on the north, and the levees and Palo Alto-owned marshlands on the east.



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EAST PALO ALTO INDEX

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Survey No.	Location	Size	No. of Unit	S Units
EPA-7	University/Sacramento	19,000 sq. ft.	7	2
EPA-B	Bay between Gonzaga/			:
	Illinois, south side	1.0 acres	34-43	8-11
EPA-9	Bay between University/ Fordham, south side	13,000 sq. ft.	13	3
EPA-13	Weeks between Pulgas/ Clarke	1.85 acres	12	3 3
	Buchanan/Clarke	1.4 acres	. 13	3
EPA-14	Buchanan/Clarke	37,250 sq. ft.	35-37	9
EPA-20	Donohoe/Capitol	16,200 sq. ft.	9-10	2
EPA-22	O'Connor/Pulgas	28.6 acres	70-480	18-120.
EPA-23	Clarke/O'Connor/Pulgas	28.0 acres	(250-475	
EPA-24	Ravenswood High School	12,000 sq. ft.	8-9	2
EPA-25	Newell Road		18-20	5
EPA-26	Newell/W. Bayshore Road	3.3 acres	20-27	4-5
EPA-27	Bay/Gloria	J.J ACLES		4-5
EPA-31	Weeks/Runnymede		23-135	6-34
	near Pulgas	5.3 acres	18-36	4-5
EPA-32	Beech Street	4.2 acres	45-50	11-12
EPA-33	Runnymede/Pulgas/Garden	8.1 acres	43-30	11-12
EPA-36	Garden between Clarke/		10	2
	Pulgas	1.75 acres		2 8
EPA-37	Beech/Garden/Clarke	5.0 acres	. 30	8
EPA-38	Myrtle between Clarke/			-
	Pulgas	2.6 acres	10-12	3
EPA-40	Beech between Clarke/			
	Pulgas	41,500 sq. ft.	5	1
EPA-41	Donohoe near Clarke	1.6 acres	10	2
EPA-42	Runnymede/Weeks			1.1
Ern-44	near Cooley	2.26 acres	12	3
EPA-43	Runnymede between Coole	v/		Series Sector
era-4j	Clarke, to Schembri	7.7 acres	45-50	11-12
EPA-49	Bay/Weeks, between Cooley/Clarke	3.8 acres	39-70	8-18

*California Government Code Sections 65915-65918 establishes density bonus incentives in local codes to stimulate housing production. The legislation provides that if a developer of housing agrees to allocate at least 25% of the proposed units for persons of low and moderate income, the locality shall enter into an agreement with the developer to either grant a density bonus or provide not less than two other bonus incentives for the project. Assuming a density bonus of 25% for developments over 5 units, the potential yield of affordable units if all but the Ravenswood School site were developed, is approximately 260 units.

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**The Ravenswood School Site is not included as a potential site for housing, affordable or otherwise. The numbers represent the units that could be built if the site were zoned for housing and if it were available for housing.

COMMUNITY DEVELOPMENT SURVEY

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SUMMARY OF VACANT AND UNDERDEVELOPED LANDS

ALLOWING RESIDENTIAL DEVELOPMENT

Zoning	Total Acres	Development Potential/ Total Number of Units
R-1	81.898 acres	658 units
R-3/S-2 R-3/S-3 R-3/S-5	1.54 acres 5.58 acres 39.53 acres	66 units 189 units 684 units
C-1/S-2 C-1/S-3 C-1/S-7	1.64 acres 7.194 acres 3.213 acres	64 units 249 units 27 units
0/S-1	1.33 acres	57 units
OR	0.608 acres	16 units
		×
Total	142.533 acres	2010 units

CITY OF EAST PALO ALTO

COMMUNITY DEVELOPMENT DEPARTMENT

NEGATIVE DECLARATION

A notice, pursuant to the California Environment Quality of 1970, as amended (Public Resources Code 21,000, et seq.) that the project for a <u>Amendments to and Adoption of the Housing Element</u> of the East Palo Alto General Plan

when implemented will not have a significant impact on the environment.

PLANNING APPLICATION NO .:

OWNER: City of East Palo Alto

APPLICANT: City of East Palo Alto

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ASSESSOR'S PARCEL NO.:

PROJECT DESCRIPTION AND LOCATION

Location is Citywide. This is a project for Amendment to and the Adoption of the Housing Element of the East Palo Alto General Plan.

FINDINGS AND BASIS FOR A NEGATIVE DECLARATION

The Community Development Department has reviewed the initial study for the project and, based upon substantial evidence in the record finds that:

- The project will not adversely affect water or air quality or increase noise levels substantially;
- 2. The project will not have adverse impacts on the flora or fauna of the area;
- .3. The project will not degrade the aesthetic quality of the area;
- The project will not have adverse impacts on traffic or land use;
- 5. In addition, the project will not:
 - a Create impacts which have the potential to degrade the quality of the environment.
 - b. Create impacts which achieve short-term to the disadvantage of long-term environmental goals.

Negative Declaration

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Page 2

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- c. Create impacts for a project which are individually limited, but cumulatively considerable;
- d. Create environmental effects which will cause substantial adverse effects on human beings, either directly or indirectly.

The City of East Palo Alto has, therefore, determined that the potential environmental impact of the project is insignificant.

MITIGATION MEASURES (if any) included in the project to avoid potentially significant effects.

Please see attached sheet entitled "Mitigation Measures"

RESPONSIBLE AGENCY CONSULTATION

State HCD

INITIAL STUDY

The East Palo Alto Community Development Department has reviewed the Environmental Evaluation of this project and has found that the probable impacts are potentially insignificant A copy of the initial study is attached

REVIEW PERIOD: Open to Open

All comments regarding the correctness, completeness,, or adequacy of this Negative Declaration must be received by the City Community Deve'opment Department, 2415 University Avenue, East Palo Alto, no later than 5:00 p.m., <u>Open</u>

CONTACT PERSON:

Rod Barger, Senior Planner

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COND 4/84 J6G00100

EXPLANATION OF "YES" AND "MAYBE" RESPONSES IN THE ENVIRONMENTAL EVALUATION CHECKLIST

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- l(g),(c),(d) The Housing Element contains policies which may lead to the eventual loss of some agricultural lands, including land now under Williamson Act contracts.
- 4(h) The Housing Element requires approval from the State Office of Housing and Community Development prior to adoption by the City Council.
- 6(d),(e) The Housing Element sets forth policies and goals and objectives which encourage the development of presently undeveloped and underdeveloped areas and will lead to changes in existing land uses.
- 6(m) The adoption of the Housing Element will require amendments to the existing Community Plan/EIR.

MITIGATION MEASURES

- 1(g),(e),(d) The policies, goals and objectives set forth in the Housing Element are aimed at providing new housing opportunities for a wide range of people. The City Council, Planning and Staff will control the loss of agricultural and Williamson Act lands (to housing development) through the Public Hearing Process and in a manner which uses these lands in a manner which benefits the City most.
 - 4(h) Prior to adopting this Element, the State Department of Housing and Community Development will have an opportunity to review its contents.
- 6(d),(e) The City Council, Planning Commission and Staff will allow residential development only to the extent that it is beneficial to fulfilling the housing needs of the City. Any project that may prove detrimental in anyway whatsoever can be denied.
- 6(m) The proposed amendments to the Community Plan/EIR and Housing Element are being completed in an effort to meet City needs and required State laws.

TABLE OF IMPACTS O MITIGATION MEASURES

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Area of Impact				le of Impact re mitigation		Mitigation	Scale of Impact After mitigation		
		None Minor		Moderate	Major	Measures*	None	Minor	Moderate
1.	Land suitability and geology		x			1(g),1(e),1(d)		x	
2.	Vegetation and wildlife	x							
3.	Physical resources	x							
4.	Air quality, water quality, sonic		x			4(h)		x	×
5.	Traffic and transportation	x							
6.	Land Use and General Plan	,	x			6(m)		x	
7.	Aesthetic, cultural and historic								

See attached listing of numbered mitigation measures.

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