Contents

55 Population and Employment Trends

59 Household Characteristics

62 Housing Stock Characteristics

67 Special Housing Needs

74 Energy Conservation Opportunities

74 At-Risk Housing Analysis

77 Projected Housing Need (RHNA)

Population and Employment Trends

Housing needs are influenced by population and employment trends. This section provides a summary of current changes to the population size, age, and racial/ethnic composition, as well as current employment conditions of the City of San Carlos.

Current Population and Projected Population Growth

Between 2010 and 2020, as reported by the California Department of Finance, the population of San Carlos grew approximately 6 percent, from 28,406 to 30,145 residents. Compared with the County of San Mateo, which experienced a 7.6 percent increase from 2010 to 2020, San Carlos' growth rate was less. The Association of Bay Area Governments (ABAG) growth forecasts predict a steady increase in population through 2030. From 2020 to 2030, ABAG estimates that San Carlos' population will grow by 12.5 percent, while countywide population is expected to increase by 10.4 percent; however, both are forecasted to grow less from 2030 to 2040 than the previous decade (see Table 4.3-1).

In addition to population projections, several other demographic characteristics and trends inform housing needs. Among these characteristics are the composition of age, race and ethnicity, and employment.

Table 4.3-1: Population and Projected Growth

Area	2010	2020	2030	2040	Change 2010-2020	Projected Change 2020-2030	Projected Change 2030-2040
San Carlos	28,406	30,145	33,915	35,250	6.1%	12.5%	3.9%
San Mateo County	718,451	773,244	853,260	916,590	7.6%	10.4%	7.4%

Source: CA Department of Finance E-5 Population and Housing Estimates, ABAG Growth Forecasts (Plan Bay Area Projections 2040)

Age

Population age distribution serves as an important indicator of housing needs because housing needs and preferences change as individuals or households grow older. Young families tend to focus more on cost and the ability to become first-time homebuyers. Table 4.3-2 shows the age distribution of San Carlos residents. In 2018, the 45-64 age group constituted the largest age group at approximately 30 percent, followed by the 20-44 age group at 28 percent. Compared with 2010, persons between 45-64 age continued to be the largest age group at 31 percent followed by persons between 20-44 at 30 percent maintaining its position as the second largest age group. The median age in the city is 42.2 years. Compared with the County (39.6 years) and the State (36.3 years), San Carlos's population is older. Since the age group 20-44 is the second largest at 28 percent, the need for larger units, at a range of income levels young families grow is likely to increase.

Race and Ethnicity

Table 4.3-2 also shows the racial/ethnic distribution of population in San Carlos. White (75 percent) and Asian/ Pacific Islander (17 percent) residents make up most of the City's population. Compared with the County of San Mateo, San Carlos has a higher percentage of White residents (75 percent compared to the County's 51 percent) and lower percentage of Asian/Pacific Islander residents (16 percent compared to 30 percent). Since 2010, the percentage of White residents and Asian/Pacific Islander residents have both increased by two percentage points, while Black and Hispanic residents have decreased (0.6 and two percent, respectively).

Table 4.3-2: Age, Race and Ethnicity, and Employment by Industry

Demographic Profile	2010	2018
Age		
0-19	7,070 (25%)	7,754 (26%)
20-44	8,462 (30%)	8,522 (28%)
45-64	8,827 (31%)	9,146 (30%)
65+	4,047 (14%)	4,658 (16%)
Median Age	42.6	42.2
Race/Ethnicity		
White (non-Hispanic)	21,830 (73%)	22,612 (75%)
Hispanic	3,283 (11%)	2,579 (9%)
Black	394 (1.3%)	205 (0.7%)
Asian/Pacific Islander	4,378 (15%)	4,992 (17%)
Other	1,234 (4%)	466 (1.5%)
Employment by Industry		
Educational services, and health care and social assistance	2,852 (20%)	3,344 (21%)
Retail trade	1,282 (9%)	1,001 (6%)
Manufacturing	1,657 (12%)	1,785 (11%)
Professional, scientific, and management, and administrative and waste management services	3,019 (21%)	3,837 (24%)
Construction	593 (4%)	672 (4%)
Arts, entertainment, and recreation, and accommodation and food services	709 (5%)	716 (4%)
Finance and insurance, and real estate and rental and leasing	1,192 (8%)	1,725 (11%)
Other services, except public administration	577 (4%)	510 (3%)
Transportation and warehousing, and utilities	286 (2%)	554 (3%)
Public Administration	589 (4%)	493 (3%)
Wholesale Trade	482 (3%)	303 (2%)
Information	883 (6%)	1,174 (7%)

Table 4.3-2: Age, Race and Ethnicity, and Employment by Industry		
Demographic Profile	**2010**	**2018**
Agriculture, forestry, fishing and hunting, and mining	0 (0%)	15 (0.1%)

Source: US Census Bureau 2010, 2018 5-Year Estimates

Employment

Residents in San Carlos are primarily employed in professional, scientific, management, and administrative and waste management services (24 percent), and educational services, health care and social assistance (21 percent). The average salary for professional, scientific, and management, and administrative and waste management services jobs is $126,060 a year while those in and educational services, and health care and social assistance make, on average, $66,359. A large salary gap between the two major industries occurs in San Carlos. Employment characteristics are important as they have a direct relationship with income. In San Carlos, the industries in which most residents work have high median earning potential.

According to the 2017 Economic Census prepared by the U.S. Census Bureau, most (92 percent) employed residents work outside of San Carlos. In addition to the estimated 985 residents who live and work in San Carlos, over 13,000 workers commute into San Carlos for their jobs. Major employers in San Carlos are outlined in Table 4.3-3.

Table 4.3-3: Top 10 Employers in San Carlos		
Employer	**Number of Employees**	**Percent of Total City Employment**
Natera Inc.	486	2.9%
Pacific Gas & Electric Co.	269	1.6%
The Home Depot #0628	263	1.6%
Recology San Mateo County	240	1.5%
Check Point Software Tech Inc.	210	1.3%
Delta Star Inc.	208	1.3%
Joby Aero Inc.	170	1.0%
Atreca Inc.	162	1.0%
Thought Stream	154	0.9%
Trader Joe's #174	125	0.8%
Top 10 Employers	2,287	13.8%

Source: City of San Carlos Comprehensive Annual Financial Report July 1, 2020 – June 30, 2021

Household Characteristics

San Carlos household characteristics are summarized in Table 4.3-4. According to Census estimates, the number of households in San Carlos increased by 319 between 2010 and 2018. At the same time, the population has increased by an estimated 1,700 people, indicating an overall increase in household size.

Housing tenure refers to the occupancy of a housing unit—whether the unit is owner-occupied or renter-occupied. Housing tenure is influenced by demographic factors (e.g., household income, composition, and age of the householder), as well as housing cost. Nearly three-quarters (72 percent) of San Carlos households own their homes.

Income

The median household income for San Carlos ($169,694 in 2018) is higher than the county of San Mateo median household income ($113,776). In San Carlos, on average, owner households have a significantly higher median income ($208,250) than renter households ($91,250), a trend that is also reflected in San Mateo County, where owner median income is $140,665 and renter median income is $84,298.

The Census estimates that in San Carlos, 3 percent of residents live in poverty. The poverty threshold is set by the U.S. government to indicate the least amount of income a person or family needs to meet their basic needs. Poverty thresholds are established based on family size and are updated annually in relation to the Consumer Price Index, but do not vary geographically. In San Carlos, certain populations are much more likely to be living in poverty. For example, 24 percent of Black/African American residents, seven percent of Hispanic residents, and 11 percent of residents with less than a high school degree are living in poverty. The proportion of people living in poverty in San Carlos is lower than the county of San Mateo at large, where nearly 6 percent of residents live in poverty.

Because poverty thresholds do not differ based on geographic differences, a better measure to understand income disparities can be to identify various percentages compared to the median income for a particular area. For housing planning and funding purposes, the Department of Housing and Urban Development (HUD) uses five income categories to evaluate housing need based on the Area Median Income (AMI) for the county:

- Extremely Low-Income Households earn 0-30 percent of AMI
- Very Low-Income Households earn 30-50 percent of AMI
- Low-Income Households earn 50-80 percent of AMI
- Moderate-Income Households earn 80-100 percent of AMI (HCD uses 80 to 120 percent)
- Above Moderate-Income Households earn over 100 percent of AMI (HCD uses over 120 percent)

The number and percentage of residents within each of these categories is listed in Table 4.3-4. In San Carlos, above moderate-income households represent the largest share of all households (52 percent) and low-income households comprise the second

largest category (11 percent). Moderate-, very low-, and extremely low-income households comprise 8 percent each of all households. Renters tend to be from lower-income households. Nearly half (45 percent) of renter households are in the lower income categories (0-80 percent AMI) versus just 20 percent of owners are lower income.

Table 4.3-4: Household Characteristic by Tenure

Household Characteristic	Owner Households	Renter Households	All Households
Number of Households[1]	8,148 (72%)	3,179 (28%)	11,327
Median Household Income[1]	$208,250	$91,250	$169,640
Household Income Categories[2]			
Extremely Low Income (0-30% AMI)	500 (6%)	400 (12%)	900 (8%)
Very Low Income (30-50% AMI)	470 (6%)	425 (13%)	895 (8%)
Low Income (50-80% AMI)	610 (8%)	650 (20%)	1,260 (11%)
Moderate Income (80-100% AMI)	505 (6%)	395 (12%)	900 (8%)
Above Moderate Income (100%+ AMI)	6030 (74%)	1,380 (42%)	7,410 (65%)
Total number of projected Extremely Low-Income Households (RHNA)[2]	N/A	N/A	370
Overpayment			
All Households Overpaying for Housing[2]	1,940 (24%)	1,225 (38%)	3,165 (28%)
Lower Income Households Overpaying for Housing[2]	970 (61%)	1,080 (73%)	2,050 (67%)

Note 1 Source: U.S. Census Bureau 2018 5-Year Estimates
Note 2 Source: U.S. Department of Housing and Urban Development Comprehensive Housing Affordability Strategy (CHAS) Tables 2013-2017

Extremely Low-Income Households

Households and individuals with extremely low incomes may experience the greatest challenges in finding suitable, affordable housing. Extremely low-income households often have a combination of housing challenges related to income, credit status, disability or mobility status, family size, household characteristics, supportive service needs, or a lack of affordable housing opportunities. These households typically include seniors on Social Security, individuals with disabilities, single parents, and low-wage workers. Some extremely low-income individuals and households are homeless. Many extremely low-income households seek rental housing and most likely face overpayment, overcrowding, or substandard housing conditions. Some extremely low-income households could have members with mental or other disabilities and special needs. Extremely low-income households generally have the highest incidence of

housing problems and tend to overpay for housing (paying 30 percent or more of their monthly income toward housing costs). Households that earn 30 percent or less than the county's median income (up to $55,900 for a family of four in 2022) are considered "extremely low-income." HUD's 2013-2017 CHAS data set provides information on households by income group for the City of San Carlos. According to the CHAS data, in 2017, approximately 900 households (eight percent of total households) in San Carlos earned extremely low incomes (see Table 4.3-5). Of the extremely low-income households, 66 percent were owner-occupied, and 44 percent were renter-occupied households, or 4.4 percent and 3.5 percent, respectively, of all households.

Table 4.3-5: Extremely Low-Income Households

Households	Number	Percent of Total Households
Total occupied units (households)	11,327	100%
Total lower income (0-80% AMI)	3,055	27%
Extremely low income (0-30% AMI) households	900	8%
Extremely low-income renters	400	3.5%
Extremely low-income owners	500	4.4%
Lower income households paying more than 50%	1180	10%
Extremely Low Income paying more than 50%	580	5%
ELI Renter HH severely overpaying	260	2%
ELI Owner HH severely overpaying	325	3%
Lower income households paying more than 30%	2040	18%
Extremely Low Income paying more than 30%	695	6%

To address the needs of extremely low-income housing, the City has included Program Actions HOU-3.1, HOU-3.12, and HOU-8.1. Additionally, the City permits single-room occupancy units, in compliance with Government Code Section 65583(c)(1).

Housing Overpayment

State and federal standards specify that households spending more than 30 percent of gross annual income on housing experience a housing cost burden. Housing cost burdens occur when housing costs increase faster than household income. When a household spends more than 30 percent of its income on housing costs, it has less disposable income for other necessities such as health care, childcare, and food. Housing overpayment and overcrowding most often occur when a household cannot afford suitably sized and priced rental and ownership housing. In other cases, life changes (retirement, children moving back home, loss of job, etc.) can also cause housing problems. In these situations, a household can choose to either overpay for housing or double up with others into too small a unit in order to afford housing, which can result in overcrowding. In San Carlos, 28 percent of all households are overpaying for housing. Overpayment (also known as cost burden) is more prevalent in renter households than owner households; 38 percent of renter households are cost burdened versus 24 percent of owner households. However, because the average income San Carlos is significantly higher than other places in the state, overpayment among higher income households (especially homeowners) leaves a significant amount of money for other essential needs and is not an identified concern.

On the other hand, in the event of unexpected circumstances such as loss of employment or health problems, lower-income households with a housing cost burden are more likely to become homeless or double up with other households. In San Carlos, overpayment is much starker for lower income households, where 67 percent are overpaying for housing. Of these lower income households, extremely low-income households have the most prevalence of overpayment (77 percent), followed by very low-income households (73 percent), and low-income households (54 percent). Almost three-quarters (73 percent) of lower income renters are overpaying for housing, and 61 percent of lower income owners are overpaying for housing.

Housing Stock Characteristics

In 2020, the Department of Finance reported 12,385 housing units in San Carlos. Most of the City's housing stock is made up of single-family attached and detached homes (72 percent) with the remaining 28 percent multi-family. Census data indicates that 4 percent of all housing units are vacant. Vacancy rates are lower for owner units (0.2 percent) than rental units (3.1 percent).

San Carlos was developed as a community of single-family dwelling units and has primarily remained as such. Single-family structures make up 72 percent of the City's housing stock, with multi-family comprising 28 percent.

Vacancy Rate

The housing unit vacancy rate provides a useful indicator of the balance between housing supply and demand. As a rule of thumb, a 4.5-percent vacancy rate represents a healthy balance between supply and demand in a housing market. When there is a high vacancy rate, people searching for housing have more housing options and may be able to obtain lower rents. With a low vacancy rate, people selling or renting housing are able to raise prices and/or selectively choose their tenants. A low vacancy rate can lead to overcrowding and unsafe and unsanitary living conditions because lower-income households have fewer options and are unable to find suitable and affordable living arrangements. Low-income households, including people on a fixed income, large families with children, and households with special housing needs, are most likely to be negatively impacted by low vacancy rates. In addition, when there is high consumer demand for a limited housing supply, discrimination is more likely to occur.

Data shows that housing vacancy rates in San Carlos increased from 2010 to 2019 from 325 units to 466 units. According to the 2015-2019 ACS, 32 percent of the vacant units are for rent and two percent are for sale (Figure 4.3-1). Of the total rental housing stock (147 vacant and 3,179 occupied), approximately 4.4 percent are vacant, and of the total ownership housing stock, approximately 0.5 percent are vacant and for sale or sold but not yet occupied. Of the vacant units in San Carlos, 48 percent (approximately 224 units) are simply vacant—neither for sale, rent, seasonal, or sold and awaiting occupancy.

The rental vacancy rate of 4.4 percent indicates a healthy balance of supply and demand; however, the ownership market shows limited housing supply.

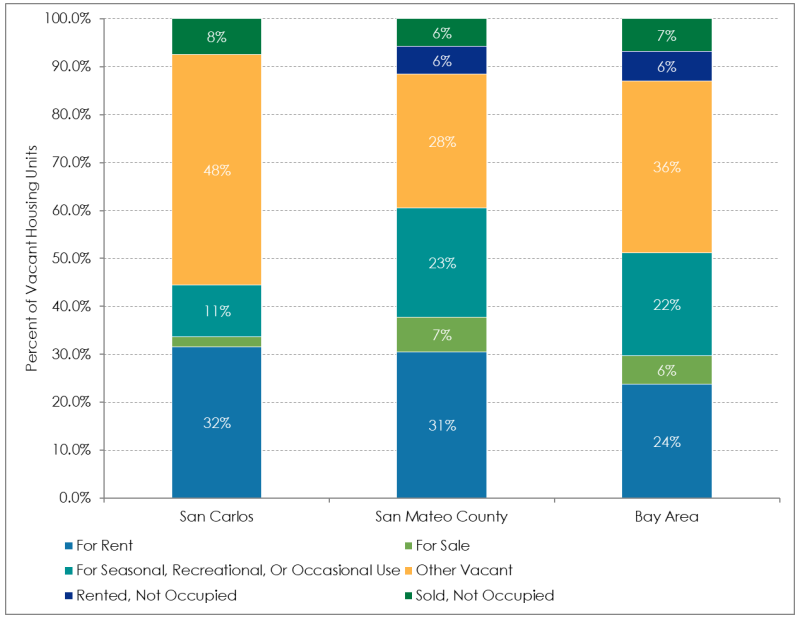


Figure 4.3-1: Vacant Units

Overcrowding

Overcrowding occurs when the relatively high cost of housing either forces a household to double-up with another household or live in a smaller housing unit to afford food and other basic needs. The current housing crisis resulting from an inventory shortage and high costs of housing also necessitates many families or individuals to share housing arrangements, leading to potential overcrowding. According to both California and federal standards, a housing unit is considered overcrowded if it is occupied by more than one person per room (excluding kitchens, bathrooms, and halls). A standard of one person per room considers occupancy of the rooms that are generally not intended to be used as sleeping quarters, including living rooms and otherwise common areas). The Census Bureau considers units with more than 1.5 occupants per room to be severely overcrowded.

Table 4.3-6: Owner and Renter Housing Characteristic

Housing Characteristic	Owner Households	Renter Households	All Housing Units/ Households
Total Housing units	N/A	N/A	12,385
Single-Family Detached			8,394 (68%)
Single-Family Attached			540 (4%)
Multi-Family Units			3,419 (28%)
Mobile Home/Other			32 (.26%)
Median Household Size			2.57
Total Households[1]	69%	27%	
Vacancy Rate[2]	0.2%	3.1%	516 (4%)
Overcrowded Units[1]	86	142	228
Units Needing Replacement/Rehabilitation[3]	N/A	N/A	2
Median Housing Cost	$1,624,500[4]	$2,251[5]	N/A

Sources:
1. US Census Bureau 2018 5-Year Estimates
2. 2020 CA Department of Finance E-5 Population and Housing Estimates
3. As reported by the San Carlos Building Department
4. CoreLogic June 2022
5. Census Bureau 2019 5-Year Estimates

In San Carlos, 2 percent of occupied housing units are overcrowded. Of these, 37 percent are considered severely overcrowded. Overcrowding is more prevalent in rental units (6 percent) than owner occupied units (1 percent). Overcrowding disproportionally impacts low-income households and severe overcrowding is more likely to be experienced by renter households than it is for homeowner households, which is the case in San Carlos.

- 0%-30% of AMI: 0.0% overcrowded and 0.0% severely overcrowded
- 31%-50% of AMI: 3.3% overcrowded and 0.0% severely overcrowded
- 51%-80% of AMI: 3.2% overcrowded and 0.8% severely overcrowded
- 81%-100% of AMI: 2.6% overcrowded and 3.2% severely overcrowded
- Greater than 100% of AMI: 0.8% overcrowded and 0.4% severely overcrowded

Overcrowding is more likely to affect Hispanic/Latinx (4.9 percent) and residents that identify as "other race" or multiple races (8.4 percent), compared to the citywide average of two percent. The desire for multi-generational living or living with extended family members can also create overcrowded conditions due to a lack of affordable larger units within the City. Multi-generational living tends to be most common in Hispanic and Asian cultures, indicating that it may be a contributing factor in higher rates of overcrowding for these groups. Coupled with lower income levels, constraints related to immigration status, and discrimination can also make it difficult for multi-generational households to find appropriately sized, affordable housing.

Housing Condition

The age and condition of the housing stock in San Carlos is an indicator of potential rehabilitation needs. Commonly, housing over 30 years of age needs some form of major rehabilitation, such as a new roof, foundation work, plumbing, etc. The housing stock in San Carlos is aging, since a majority of the housing stock was built between 1940 and 1979 (73 percent). Only 27 percent of the City's housing stock has been built since 1980, indicating a potential need for rehabilitation of the other 73 percent of housing units.

In the City of San Carlos, the median sales price in October 2021 was $2.32 million and the median income was estimated at approximately $170,000.[1] While this income is too low to afford a new home at the median sales price without a cost burden, it is assumed that current property owners are most likely completing ongoing maintenance and repairs to maintain the values of their homes. Therefore, while the ACS reported that 73 percent of the homes in San Carlos need rehabilitation due to age, home values and resident incomes suggest that most of these units are not in

[1] Source: U.S. Census Bureau 2018 5-Year Estimates

need of rehabilitation. The City estimates that a more accurate percentage of housing in need of rehabilitation is less than a quarter of housing units. Four percent of occupied housing units in San Carlos have been identified as having substandard housing issues, which includes lacking or insufficient amenities including plumbing, a kitchen, or bathroom. Based upon observations and experiences of the San Carlos Building Official, the City estimates that in 2022, fewer than two housing units are in severe need of replacement or substantial rehabilitation due to housing conditions.

While the City does not have funding to directly support home repair services, the City refers individuals to the Rebuilding Together Peninsula organization for renovation and repair services: http://rebuildingtogetherpeninsula.org. In addition, the City's Code Enforcement is proactive in connecting various church groups, Boy Scouts, and other community groups such as the Lions Club and Kiwanis Clubs with homeowners in need. Volunteers remove overgrown vegetation, remove trash and debris, and complete very minor repairs to structures for elderly residents.

Housing Cost

The cost of housing in a community is directly correlated to the number of housing problems and affordability issues. High housing costs can price low-income families out of the market, cause extreme cost burdens, or force households into overcrowded or substandard conditions. The San Carlos median home price in October 2021 based on information provided by CoreLogic, was $2,320,000. This was 24.9 percent higher than the median price in October 2020. The October 2021 median home price was $795,000 higher than the median home price in San Mateo County at large.

More than a quarter (28 percent) of San Carlos households are renters. There are limited sources that provide median or average rents for a specific geography. The Census estimates the median gross rent between 2015 and 2019 in San Carlos was $2,251 per month. These estimates appear below current (2022) searches through search engines such as Zillow, Trulia, Zumper, etc. Zumper.com provides a median rent by month for jurisdiction by unit type and reported an average rent of $3,300 in July 2022 for a studio apartment, $2,339 for one-bedroom units, $3,152 for two-bedroom units, $4,920 for three-bedroom units, and $5,500 for four-bedroom units in San Carlos. Table 4.3-7 shows the HUD-determined fair market rents for San Mateo County for 2022, to establish rental subsidy limits for Section 8 housing voucher recipients. (The FMRs reflect rents for similar housing units in the uncontrolled rental market. Under the Section 8 program, Section 8 recipients may rent units that cost more than the FMR, but the subsidy will only cover up to the amount of the FMR.) Studios and larger units in San Carlos exceed the fair market rents identified by HUD.

Table 4.3-7: Rents in San Mateo County

Year	Efficiency	One-Bedroom	Two-Bedroom	Three-Bedroom	Four-Bedroom
FY 2022 Fair market Rents (HUD)	$2,115	$2,631	$3,198	$4,111	$4,473
Average Rents	$3,300	$2,339	$3,152	$4,920	$5,500

Source: FY2022 Fair Market Rents. U.S Department of Housing and Urban Development (HUD); Zumper.com

Affordability

With the recent increase in rents in the Bay Area, affordable housing has become much harder for lower and moderate-income households to find. Table 4.3-8 identifies the maximum monthly housing costs affordable to households in San Carlos by income group. Income groups are established based on data published annually by HCD on household income for areas in the state. Affordability is calculated assuming a household can pay up to 30 percent of its monthly income toward housing.

Compared to the rental rates in Table 4.3-7, the average rent cost in San Carlos is not affordable to extremely low- and very low-income households with four persons (approximately 16 percent of all households in San Carlos). However, average rents of a studio , one-bedroom, or two-bedroom are affordable to low-income and moderate-income households with four or more persons (although this may lead to overcrowding in small units).A three-bedroom average rental is affordable to a four-person moderate income family in San Carlos, but larger homes are unaffordable.

As housing prices rise in the Bay Area, homeownership becomes more elusive for many households, even those earning above-moderate incomes.

Table 4.3-8 shows maximum affordable housing payments for different households (varying by income level) and their eligibility for federal housing assistance; a mortgage payment of $4,980 monthly equates to varying home prices, depending on the interest rate and amount of downpayment. However, estimating a three percent interest rate and a minimal downpayment, a mortgage payment of $4,980 equates roughly to a home purchase price of $ 1.2 million, just over half of the 2022 median home price in San Carlos. As interest rates increase, the cost increases dramatically. At a 6.25 percent interest rate, a $4,980 monthly payment can only afford a home purchase price of $828,000.

Table 4.3-8: Housing Affordability

Income Group	HCD Income Limit	Maximum Monthly Affordable Housing Cost
Extremely Low Income (4 Person Family)	$55,900	$1,398
Very Low Income (4 Person Family)	$93,200	$2,330
Low Income (4 Person Family)	$149,100	$3,728
Moderate Income (4 Person Family)	$199,200	$4,980

Source: HCD State Income Limits, 2022

Special Housing Needs

Housing Element law requires local governments to include an analysis of housing needs for residents in specific special needs groups and to identify resources available to address these needs.

Table 4.3-9: Special Needs Groups in San Carlos

Special Needs Category	Count	Percent
Persons with Disabilities	1,988 persons	7% of residents
Persons with Developmental Disabilities[1]	123 persons	0.4% of residents
Elderly (65+ years)	4,658 persons 2,773 households	15% of residents 24% of households
Large Households (5+ members)	697 households	6% of households
Farmworkers	15 persons	0.1% of labor force
Female Headed Households	906 households	8% of households
People Experiencing Homelessness	30 persons	0.001%

Note 1: Reflects the consumer count by ZIP Code (94070) as reported by the California Department of Development Services
All Other Rows Source: US Census Bureau 2018 5-Year Estimates, California Department of Developmental Services (DDS)

Persons with Disabilities including Persons with Developmental Disabilities

Persons with disabilities face housing access and safety challenges. Disabled people, in most cases, are of limited incomes and often receive Social Security income only. As such, most of their monthly income is often devoted to housing costs. In addition, disabled persons may face difficulty finding accessible housing (housing that is made accessible to people with disabilities through the positioning of appliances and fixtures, the heights of installations and cabinets, layout of unit to facilitate wheelchair movement, etc.) because of the limited number of such units. People with developmental disabilities have a disability that emerged before age 18, is expected to be lifelong, and is of sufficient severity to require a coordinated program of services and support in order to live successfully in the community. Developmental disabilities include intellectual disabilities, autism, Down syndrome, epilepsy, cerebral palsy, and other disabling conditions similar in their functional impact to an intellectual disability.

Residents with Disabilities

Many San Carlos residents have disabilities that may prevent them from working, restrict their mobility, or make it difficult to care for themselves. There are 1,988 residents with disabilities in San Carlos, representing 7 percent of total residents. Many residents with disabilities are 75 years and older (41 percent). A total of 689 people with disabilities live in poverty representing (78 percent of those living in poverty, and) 2.3 percent of the total resident population.

Many factors limit the supply of housing available to households of persons with disabilities. In addition to the need for housing that is accessible or ADA-compliant, housing affordability is a key limitation as many persons with disabilities live on disability incomes or fixed income. Location of housing is also an important factor for many persons with disabilities, as they often rely upon public transportation to travel to necessary services and shops.

For those living in single-family homes, residents can benefit from accessibility improvements such as wider doorways and hallways, access ramps and railings, larger bathrooms with grab bars, lowered countertops, and other features common to "barrier free" housing. According to the State Department of Social Services, 3 residential care facilities with capacity to support 52 residents, and 11 residential care facilities for the elderly to support 237 residents, are located in San Carlos.

Residents with Developmental Disabilities

Under California's Developmental Disabilities Services Act and the U.S. Supreme Court's 1999 decision in Olmstead v. L.C., people with developmental disabilities are entitled to receive community-based services that allow them to live in the least restrictive community setting. This shift to de-institutionalization has led to the closure of the most restrictive segregated settings and to the requirement that local jurisdictions in their Housing Elements assess and plan specifically for the housing needs of people with developmental disabilities who receive services from the Regional Center to live in their home community.

The State Department of Developmental Services (DDS) currently provides community-based services to persons with developmental disabilities and their families through a statewide system of 21 regional centers. The Golden Gate Regional Center serves residents in San Carlos. The center is a private, non-profit community agency that contracts with local service providers to offer a wide range of services to individuals with developmental disabilities and their families. There are 123 residents with developmental disabilities in San Carlos (as represented by ZIP Code 94070) that receive services from the Golden Gate Regional Center, representing 0.41 percent of total residents. The following trends affect the housing needs of people with developmental disabilities in San Carlos and have been addressed in the Housing Plan:

- **The Developmental Disabilities population in San Carlos is growing faster than the general population.**

The Regional Center reports an increase of 25 percent over the 98 San Carlos residents with developmental disabilities who were reported in the last Housing Element. During that same period, the city's general population grew by less than one percent. Seventy-one (56 percent) of San Carlos's residents with developmental disabilities are adults. Growth in the San Carlos adult population with developmental disabilities correlates with a significant annual increase in the diagnosis of autism that began in the mid-1980s and did not level out until after 2015. Many of the adults may desire housing outside the family home in the coming years.

- **Decline in Licensed Care Facilities.** The California Department of Developmental Services reports that between September 2015 and June 2021, San Mateo County lost five percent of its supply of licensed care facilities for people with developmental disabilities (including Community Care Facilities, Intermediate Care Facilities, and Skilled Nursing Facilities). This is reflected in the decline of San Carlos residents living in licensed care facilities since last reported in the 2015-2023 Housing Element. The greatest contributing factor to this loss of supply is the high cost of housing making it more financially beneficial for retiring owners to sell the facilities as residences rather than as a business, thereby increasing the need for affordable housing options coordinated with supportive services.

- **Longer Life Spans.** Between September 2015 and June 2021, the California Department of Developmental Services reports that the number of San Mateo County residents with developmental disabilities age 62 and older grew by 33 percent. This is not due to migration of senior citizens with developmental disabilities to high-cost San Mateo County, but rather to well-documented gains in life span among people with developmental disabilities. With longer life expectancy, more adults with developmental disabilities will outlive their parents and family members who are the single largest source of housing for adults with developmental disabilities in San Carlos. Longer life spans also slow the pace of resident turnover in the county's shrinking supply of licensed care facilities, which further reduces opportunities for people with developmental disabilities to secure a space in a licensed care facility.

- **Displacement.** The California Department of Developmental Services has documented a 12 percent decline in the age group 42 to 51 and a 10 percent decline in the age group 52 to 61 in San Mateo County between September 2015 and June 2021. Considering gains in life expectancy, this loss can reasonably be attributed to displacement from the county because of the lack of residential living options when an elderly parent caregiver passes away or becomes unable to house and care for the adult. Displacement takes a particular toll on adults with developmental disabilities who depend on

familiarity with transit routes, shopping and services, as well as support from community-based services and informal networks built up over years of living in San Carlos.

- **Higher Rates of Physical Disabilities.** People with developmental disabilities are more likely than the general population to have an accompanying physical disability. Twenty-seven percent of San Mateo County residents with developmental disabilities have limited mobility, and 13 percent have a vision or hearing impairment. The need for an accessible unit coupled with the need for coordinated supportive services compounds the housing barriers faced by those with co-occurring intellectual and physical disabilities.

- **Ineligibility for Many Affordable Rental Units.** Some adults with developmental disabilities depend on monthly income of around $1,000 from the Supplemental Security Income (SSI) program, pricing them out of even the limited number of Extremely Low Income affordable housing units in San Carlos. Those with employment tend to work part-time in the lowest paid jobs and also struggle to income-qualify for many of the affordable housing units for rent in San Carlos.

- **Transit-Dependent.** Many adults with developmental disabilities do not drive or own a car and rely on public transit as a means to integration in the larger community.

Provision of Housing for Persons with Disabilities

Accommodating a sufficient quantity and quality of housing for people with disabilities of any kind is a significant challenge in these times due to the lack of funding and complexity of housing and service needs involved. San Carlos supports the provision of housing for persons with disabilities and has provisions in the Zoning Ordinance to enable group housing through the residential care facility process. The City also prioritizes supportive housing, a mix of unit sizes, locations near public transit, and housing for extremely low-income households to support the needs of persons with disabilities:

- Integration of housing for persons with disabilities in typical affordable housing helps affirmatively further fair housing for a group that has historically experienced no alternative to segregated living.
    - Coordination of housing with onsite supportive services provide a supported pathway for people with developmental disabilities to apply for and retain an affordable apartment and are as beneficial to a person with a developmental disability as a physically modified unit is to a person with a mobility impairment.
- A mix of unit sizes at inclusive housing properties help address the needs of those who require live-in aides, want to live with roommates, or have children.
- Location near public transit helps accommodate the transit-dependency of most adults with developmental disabilities.
- Deeply affordable housing, targeting extremely low-income households, also supports housing choices for persons with developmental disabilities.

The City has in place a reasonable accommodation procedure that complies with Section 504 of the Fair Housing Amendments Act and other applicable local, state, and federal laws to ensure equal opportunity and access for people with disabilities. The procedure accommodates physical improvements, program flexibility, and other modifications or adjustments necessary to allow people with disabilities the same opportunity to housing, programs, and services as non-disabled people.

Elderly (65+ years)

Many senior-headed households have special needs due to their relatively low incomes, disabilities or limitations, and dependency needs. Specifically, many people aged 65 years and older live alone and may have difficulty maintaining their homes, are usually retired and living on a limited income, and are more likely to have high health care costs and rely on public transportation, especially those with disabilities. The limited income of many elderly persons often makes it difficult for them to find affordable housing.

There are 4,658 elderly residents in San Carlos, representing 16 percent of the population. Nearly one-quarter (24 percent) of San Carlos households are headed by elderly residents (2,773 households). Four percent of seniors (194 elderly residents) live in poverty. In San Carlos, 878 people of all ages live in poverty (three percent of the total population).

Seniors with limited incomes may have difficulty finding affordable housing. The San Mateo County Housing Authority is responsible for the Housing Choice Voucher (Section 8) program in San Carlos. Priority is given to senior (62 years old or older), or disabled residents that meet the income guideline limits established by the federal government. Many local seniors reside in conventional single-family homes. Senior homeowners who need maintenance assistance can apply to Rebuilding Together Peninsula's Safe at Home Minor Repair or National Rebuilding Day Programs, which provides free home repair and modification to eligible low-income homeowners. Additionally, low-income, senior homeowners or renters who need free accessibility modifications can apply to the Center for Independence of Individuals with Disabilities' Housing Accessibility Modification Program.

Large Households (5+ members)

Large households, defined by HCD as households containing five or more persons, have special housing needs due to the limited availability of adequately sized, affordable housing units. Larger units can be very expensive; as such, large households are often forced to reside in smaller, less expensive units or double-up with other families or extended family to save on housing costs, both of which may results in unit overcrowding.

In San Carlos, there are 697 large households (six percent of total households). The majority (86 percent) of these households own their homes (600 households) while 14 percent are renters. An estimated 1.5 percent of families living in poverty; it is estimated

that none of these are large families. Action HOU-5.2 is included in the Housing Plan to encourage the development of larger rental units.

Farmworkers

Due to the high cost of housing and low wages, a significant number of migrant farm workers have difficulty finding affordable, safe, and sanitary housing. In San Carlos, 15 residents work in agriculture, forestry, fishing and hunting, and mining occupations, and can be assumed to be farmworkers. This represents only 0.09 percent of the workforce. Maps from the State of California Department of Conservation Farmland Mapping and Monitoring Program show no farmland in San Carlos.

The United States Department of Agriculture periodically completes a census of farms and their characteristics. The most recent data (2017) provides an overview of farm operations in San Mateo County.

- There are 241 farm operations with hired workers in San Mateo County.
- Two thirds (67.22 percent) of these farms are owned by individuals or families, while 17.43 percent are owned by corporations.
- A total of 1,321 farmworkers were estimated to live and work in San Mateo County, including 978 permanent workers and 343 seasonal workers.
- The vast majority (88.38 percent) of farm operations have access to internet.
- In 2017, 58.52 percent of all hired farm workers were working less than 150 days, while 41.48 percent of all farm workers worked more than 150 days out of the year.
- The average age of a farm producer in San Mateo County in 2017 was 59 years of age.

Farmworkers in San Carlos are actually more similar to very low or extremely low-income households than traditional migrant workers. This is because today's farmworkers are more settled and typically live in one location, rather than following the crops. As noted above, almost 75 percent of farmworkers in San Mateo County are permanent workers. They are also more likely to have families and are looking for schools, employment for a spouse/partner, and a location to live in that provides a community. Because of this, they will benefit from the existing and proposed affordable housing program and actions in San Carlos.

Throughout the county, the housing needs of farmworkers can be supported with additional affordable housing. The State and Community Development Department administers more than 20 programs that award loans and grants to local public agencies, private non-profit and for-profit housing developers, and service providers every year. This money supports the construction, acquisition, rehabilitation and preservation of affordable rental and ownership housing, childcare facilities, homeless shelter and transitional housing, public facilities and infrastructure, and the

development of jobs for low-income workers. Many of these programs and funding sources can be utilized to provide housing for farmworkers.

Single-Parent, e.g., Female Headed Households

Single-parent households require special consideration and assistance because of the greater need for childcare, health care, and other services. In particular, female-headed households with children tend to have lower incomes and a greater need for affordable housing and accessible childcare and other supportive services. The relatively low incomes earned by female-headed households, combined with the increased need for supportive services, can severely limit housing options.

In San Carlos, 906 female-headed households represent 8 percent of total households. Of these, 58 percent own their home and 42 percent rent. A greater proportion of female-headed households are renters compared to the city as a whole (42 percent and 28 percent, respectively). Of all households living in poverty, 0.8 percent (67 households) are female-headed households.

Providing housing opportunities for families in San Carlos is a challenging task. The primary need for female-headed households is for more affordable housing and supportive services, including childcare. The City recognizes the importance of high-quality childcare and preschool programs to both residents and workers in our community. Program Actions HOU-7.1 and 7.2 further address this need.

People Experiencing Homelessness

Population estimates for people experiencing homelessness can be difficult to quantify. Census information is often unreliable due to the difficulty of efficiently counting a population without permanent residences. Given this impediment, a point-in-time count is conducted throughout many jurisdictions in the country every other year during the last week in January. In 2019, 30 unsheltered individuals were identified in San Carlos during the point-in-time count, which is 3.3 percent of the total number of unsheltered individuals in San Mateo County. In 2017, 28 unsheltered individuals were counted in San Carlos.

No homeless count was conducted in 2021 due to the COVID-19 pandemic. Instead, a count was conducted in 2022. While the total unsheltered population of the county went up 21 percent, from 901 to 1,092, during the point-in-time count in January 2022 the homeless population in San Carlos decreased to 14 unhoused individuals.

There are no homeless shelters in the San Carlos; however, there are shelters and resources in cities nearby. The closest resources are in Redwood City about three miles away. Action HOU-5.1 is included in the Housing Plan to facilitate additional emergency and transitional housing in San Carlos through changes to the Zoning Ordinance.

Energy Conservation Opportunities

Energy-related housing costs can directly impact the affordability of housing. While California Building Code standards contain mandatory energy efficiency requirements for new development, the City and utility providers are also important resources to encourage and facilitate energy conservation and to help residents minimize energy-related expenses. Policies addressing climate change and energy conservation are integrated into the San Carlos General Plan, including ACTION EM-3.1: Implement Climate Action Plan measures to require tree planting. The City adopted a new Climate Mitigation and Adaptation Plan ("CMAP") on September 27, 2021 that will set greenhouse gas (GHG) reduction targets for 2030 and 2050 and identify strategies to meet the new targets and adapt to the impacts of climate change.

San Carlos residents have access to resources that support energy efficiency and renewable energy. The Bay Area Regional Energy Network (BAYREN) provides free energy evaluations that connect owners with qualified contractors and rebates for energy upgrades. The HomeIntel program is a part of PG&E; this program provides customers with plans to reduce wasted energy in their homes. The Property Assessed Clean Energy Financing (PACE) program allows residents to borrow loans for energy upgrades, which are then paid back through property taxes. There are also three programs to help residents utilize solar energy: Bay Area SunShares, LetsGoSolar, and PG&E Solar Education Opportunities.

San Mateo County and all 20 of its cities and towns formed Peninsula Clean Energy, a community-controlled, not-for-profit, joint powers agency. Peninsula Clean Energy serves all of San Mateo County with cleaner energy at low rates. Residents may enroll in a program drawing 50 percent of electricity from renewables, or for an additional fee, 100 percent of electricity from renewables.

At-Risk Housing Analysis

State housing law requires an inventory and analysis of government-assisted dwelling units eligible for conversion from lower income housing to market rate housing during the next ten years. Reasons for this conversion may include expiration of subsidies, mortgage pre-payments or pay-offs, and concurrent expiration of affordability restrictions.

Table 4.3-10: Below Market Rate Housing Inventory

Address	Affordable Units	Unit Mix	Building Type	Expiration
San Carlos Elms 707 Elm St	21	21 very low (12 Studio, 9 1BR) seniors	Rent	2039
Trestle Apartments/ Transit Village 333 El Camino Real	20	10 low (4 1BR, 6 2BR), 10 mod (4 1BR, 6 2BR)	Rent	2074
1001 Laurel St	17	5 low (2 Studio, 3 1BR), 12 moderate (7 1BR, 5 2BR)	Own	2054*
Laureola Oaks 907 East San Carlos Ave	16	16 low (4 1 BR, 6 2BR, 6 3BR)	Rent	2040
Pacific Hacienda Elm and Walnut St	13	7 low (7 1BR), 6 moderate (6 1BR)	Own	2049*
Cherry Street Apartments 1244 Cherry St	6	1 very low (1BR), 3 low (3 2BR), 2 mod (2 2BR)	Rent	Expired**
Laurel Theatre Apartments 1500 Laurel St	4	4 low (2 Studio, 1BR, 2BR)	Rent	2057
777 Walnut St	3	1 very low (1 BR), 2 low (2BR, 3BR)	Own	2061*
641 Cedar St	2	1 very low (2BR), 1 low (2BR)	Own	2055*
625 Cedar St	2	1 low (2BR), 1 moderate (2BR)	Own	2043
977 Laurel	1	1 very low (1BR)	Rent	2072
577 Laurel St	1	1 median (2BR)	Rent	2049
1580 Laurel St	1	1 low (1BR)	Rent	2068
409 Walnut St	1	1 low (BR)	Rent	2041
Robbins Nest 717 Cedar St	6	6 low (Shared house)	House	2049
Walnut Studios 817 Walnut St	23	23 very low (23 studio)	Rent	2096
Total	**137**			

* Affordability expiration date vary by unit. Affordability period restarts as unit is sold to a new BMR household.
** Restrictive Covenant has expired. In process for redevelopment (to be combined with the recently acquired lot next door) for additional affordable units and the introduction of a new Restrictive Covenant.

Based on City records and information from the California Housing Partnership Corporation, in the next 10 years (2023-2033), no assisted housing developments in San Carlos are at risk of losing affordability. The Cherry Street Apartments covenant has expired; the City is working with HIP Housing who owns the property to develop a new affordable housing development that will combine 1244 Cherry Street with 1232 Cherry Street, which was recently acquired by the City, to create a new housing project with 34 total units, all affordable to low- income and below households.

Pursuant to Government Code Section 65863.11, the state maintains a list of "Entities Interested in Participating in California's First Right of Refusal Program" at https://www.hcd.ca.gov/policy-research/docs/HPD-00-01.xlsx. This list includes various entities working in San Mateo County and several entities interested in properties located in any county. If a development becomes at risk of conversion to market-rate housing, the City will maintain contact with local organizations and housing providers who may have an interest in acquiring at-risk units and will assist other organizations in applying for funding to acquire at-risk units.

The City also has a significant number of affordable housing units in the pipeline, which will increase the local inventory by nearly 50 percent. Projects that are currently in the pipeline and are anticipated to be developed during the planning period include those that are in the entitlement process (e.g., 1232 Cherry and 806 Alameda de las Pulgas), or have received a planning approval (e.g., 626 Walnut), or are under construction but have not received a Certificate of Occupancy/Final Inspection (e.g., 1525 San Carlos Avenue):

- 1501 Cherry (3 very low- and 1 low-income unit; recently completed)
- 560 El Camino Real (1 low- and 1 moderate-income unit)
- 520 El Camino Real (1 moderate-income unit)
- 808 Alameda De Las Pulgas (3 low-income and 7 moderate-income units)
- 626 Walnut (3 low- and 1 moderate-income unit)
- 1232 Cherry (35 lower-income units)
- 1240 El Camino Real (1 moderate-income unit)
- 1525 San Carlos (1 low- and 2 moderate-income units)

The City will continue to monitor and track the affordability of these units, the majority of which result from the City's Below Market Rate (BMR) Ordinance. The City requires all buyers of BMR units to sign a Resale Restriction Agreement along with other deed restrictions, as required by Zoning Ordinance Section 18.16.090.B. Deed restrictions are required as a condition of sale for all owner-occupied BMR units and include, but are not limited to, the City's purchase option, resale restrictions, and procedures and policies regarding changes in title to ensure that owner-occupied BMR units remain affordable in perpetuity.

Projected Housing Need (RHNA)

Housing Element law requires a quantification of each jurisdiction's share of the regional housing need as established in the plan prepared by the jurisdiction's council of governments. The California Department of Housing and Community Development (HCD), in conjunction with the Association of Bay Area Governments (ABAG), determine a projected housing need for the Bay Area, including the counties of Alameda, Contra Costa, Marin, Napa, San Francisco, San Mateo, Santa Clara, Solano, and Sonoma. This share, known as the Regional Housing Needs Determination (RHND), is 441,176 new housing units for the 2023-2031 planning period throughout the ABAG region. ABAG has, in turn, allocated this share among its constituent jurisdictions, distributing to each a Regional Housing Needs Allocation (RHNA) divided into income levels. The City of San Carlos has a RHNA of 2,735 housing units to accommodate in the housing element period. The income distribution is as shown in Table 4.3-11.

Table 4.3-11: Regional Housing Needs Allocation 2023-2031

Income Group	% of County AMI	Number of Units Allocated	Percent of Total Allocation
Very Low[1]	0-50%	739	27%
Low	>50-80%	425	16%
Moderate	>80-120%	438	16%
Above Moderate	120%+	1,133	41%
Total	---	2, 735	

Note 1: Pursuant to AB 2634, local jurisdictions are also required to project the housing needs of extremely low-income households (0-30% AMI). In estimating the number of extremely low-income households, a jurisdiction can use 50% of the very low-income allocation or apportion the very low-income figure based on Census data. Therefore, the City's very low-income RHNA of 739 units can be split into 370 extremely low-income and 369 very low-income units.

This page intentionally left blank.

Table 4.3-1: Population and Projected Growth 58
Table 4.3-2: Age, Race and Ethnicity, and Employment by Industry 59
Table 4.3-3: Top 10 Employers in San Carlos 60
Table 4.3-4: Household Characteristic by Tenure 62
Table 4.3-5: Extremely Low-Income Households 63
Table 4.3-6: Owner and Renter Housing Characteristic 65
Table 4.3-7: Rents in San Mateo County 68
Table 4.3-8: Housing Affordability 68
Table 4.3-9: Special Needs Groups in San Carlos 69
Table 4.3-10: Below Market Rate Housing Inventory 77
Table 4.3-11: Regional Housing Needs Allocation 2023-2031 79