4. HOUSING CONSTRAINTS

This chapter of the Housing Element analyzes potential constraints upon the maintenance, improvement and development of all types of housing for households of all income levels and needs.\(^1\) It includes the following sections:

1. Governmental constraints: Those that would hinder the City from meeting its share of the regional housing need and from meeting the housing needs for persons with disabilities, including developmental disabilities, specifically must be analyzed and eliminated.
2. Nongovernmental Constraints: These are largely related to the cost to develop housing, which is driven by the price of land, the cost of construction, and the availability of financing.

4.1 GOVERNMENTAL CONSTRAINTS

The primary purpose of a city is to provide municipal services and to protect the health, safety and welfare of its citizens. Consistent with this organizational raison d’etre, the City of Brisbane has a legal obligation to abide by and implement numerous federal, state, regional and county policies, programs, and regulations related to housing. In order to carry out its obligations and provide for public safety, the City must also generate sufficient revenues.

The discussion provided in the sections that follow focuses on these powers and obligations and examines to what extent the following constraints to housing may be reduced or eliminated:

- Land use regulations: zoning standards such as parking, height limits, setbacks, lot coverage and minimum unit density.
- Codes and enforcement: local amendments to California Building Code, degree or type of enforcement.
- On/off-site improvements: required street widening and circulation improvements.
- Fees and exactions: permit and impact fees, such as park in-lieu fees and other financial impositions on development applications.
- Permit processing procedures: permit approval process, including discretionary review procedures, permit application review timeframes, etc.
- Constraints to housing for special needs households: this includes housing for persons with disabilities, supportive and transitional housing, and emergency shelters and constraints may include reasonable accommodation procedures, zoning and building codes.

4.1.1 Land Use Regulations

4.1.1.1 The General Plan:

The State of California requires all cities to adopt a general plan, of which the housing element is a central component and the only component of the general plan that must be regularly updated. The closely related land use element of the general plan, as described in government code section 65302(a): Designates the proposed general distribution and general location and extent of the uses of the land for housing, business, industry, open space...education, public buildings and grounds, solid and liquid waste disposal facilities, and other categories of public and private uses of land. ... The land use element shall

\(^1\) Government Code §65583(a)(5) & -(6)
include a statement of the standards of population density and building intensity recommended for the various districts and other territory covered by the plan.

Brisbane’s General Plan was adopted in 1994. The Land Use Element was last amended in 2019, consistent with approval of Ballot Measure JJ in 2018. That Measure allowed for residential development of 1,800 to 2,200 dwelling units on the Baylands subarea. Note that prior to Measure JJ, City Council certified a Final Environmental Impact Report for the General Plan Amendment. No additional amendments are anticipated to implement rezoning to meet the sites inventory identified in Chapter 3 - Resources and Opportunities, although a Specific Plan will be required for the Baylands and is under review in order to establish the zoning. Other areas designated for housing in this Housing Element are also already consistent with the General Plan land use designations provided in the Land Use Element. Also, a program is included to review and amend as may be needed, the Safety and Conservation Elements by January of 2027.


**4.1.1.2 The Zoning Ordinance:**
Zoning regulations implement the land use policies established in the Land Use Element of the General Plan on a parcel-specific basis. For sites zoned for residential or mixed-use development, zoning regulations control the type and density of residential development on a site and therefore affect the land cost per unit, as land is typically marketed at a value commensurate with its development capacity.

**4.1.1.2.1 Residential Development Standards:**

Residential development standards provided in the zoning ordinance control housing density and provided controls on the building form. The City’s current residential development standards for the zoning districts permitting residential and mixed uses are provided in Appendix B, Table B.4.2.

In those districts allowing multi-family housing, some standards in specified districts may pose a constraint on the development of affordable units. For example, in Central Brisbane the maximum height limit of 35 feet in the NCRO-2 District, or 28 to 30 feet in the R-2 and R-3 District depending on the slope of the lot, typically accommodate at most a three-story structure. Given the need to accommodate on-site parking and the relatively small lot size of properties in the R-2, R-3, and NCRO-2 zoning districts, generally 2,500 to 5,000 square feet, the resulting two stories of residential development over one level of ground floor parking constrains the ability to accommodate the number of units necessary for an affordable housing project to be economically viable given the cost of construction.

In informal discussions with non-profit housing developers regarding the potential to develop City-owned lots for affordable housing in Central Brisbane, a four to five story height limit has been identified as necessary in order to accommodate required parking and for the project to be economically feasible given the costs of construction. Based on discussions with non-profit housing developers, three-story affordable housing development is feasible primarily on lots much larger than those found in Central Brisbane.

The Parkside PAOZ-1 and PAOZ-2 overlay zoning districts have maximum height limits of 38 feet and 40 feet, respectively, but the zoning caps buildings at three stories. However, the Parkside areas have significantly larger lot sizes to be able to accommodate parking and form-based zoning to provide for
greater certainty for developers.

Market-rate residential development (single-family or multi-family) does not appear to be constrained by the density and form controls of the zoning ordinance, as evidenced by recent construction trends provided in the building permit history (see Appendix A, Table A.2).

4.1.1.2.2 Parking Requirements:

During the 2015-2022 planning period, the City updated its parking requirements to uniformly tie them to unit floor area and/or number of bedrooms for all types of residential dwellings, in part to encourage smaller, more affordable units.

The parking ordinance currently provides reduced parking ratios for housing developments targeted toward lower income and moderate income households, senior households (aged 62 or older), and disabled households. However, due to Central Brisbane’s limited transit accessibility, the community has found it challenging to further reduce parking requirements for new residential development. The Bayshore Caltrain station is over 1.5 miles from Central Brisbane’s residential core, with limited shuttle connections and pedestrian or bicycle facilities and Samtrans bus route 292 has limited headways in excess of 15 minutes during commute hours.

The current parking standards are provided in Table 4.1.

Exceptions to the parking requirements are provided for special needs populations, in BMC §17.34.050. These include:

- Housing for disabled households: 1 assigned van-accessible parking space (either covered or uncovered at the discretion of the applicant) per dedicated unit.
- Housing for seniors (62+): 67% of the standard requirement

Reductions in the parking standards may also be granted as an incentive or concession under the City’s density bonus ordinance.

The City will also study potential updates to the parking ordinance to consider what further measures may be taken to reduce parking constraints in conjunction with reducing greenhouse gas emissions.

See Program 6.A.5.
Table 4.1
City of Brisbane Residential Parking Standards

<table>
<thead>
<tr>
<th>Use</th>
<th>Parking Requirement</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Single-Family</strong></td>
<td></td>
</tr>
<tr>
<td>Studio/1-BR not &gt; 900 sq. ft.</td>
<td>1 off-street</td>
</tr>
<tr>
<td>All others not &gt; 1,800 sq. ft.</td>
<td>1 off-street + 1 covered</td>
</tr>
<tr>
<td>&gt;1,800 sq. ft. on &lt;37.5 ft. lot frontage</td>
<td>2 off-street + 1 covered</td>
</tr>
<tr>
<td>&gt;1,800 sq. ft. on 37.5+ ft. lot frontage</td>
<td>2 on/off-street + 2 covered</td>
</tr>
<tr>
<td>Guest parking (subdivisions of 5 + lots)</td>
<td>1 per every 5 lots</td>
</tr>
<tr>
<td><strong>Accessory Dwelling Units</strong></td>
<td></td>
</tr>
<tr>
<td>In the Central Brisbane zoning districts (R-1, R-2, R-3, NCRO-2),</td>
<td>None</td>
</tr>
<tr>
<td>Southwest Bayshore (SCRO-1) and Parkside PAOZ-1 and PAOZ-2. Also,</td>
<td></td>
</tr>
<tr>
<td>portions of the Brisbane Acres (R-BA) and Northeast Ridge (NER-PD)</td>
<td></td>
</tr>
<tr>
<td>within ½ mile of public transit.</td>
<td></td>
</tr>
<tr>
<td>Portions of the R-BA or PD District for New detached ADUs &gt; ½ mile</td>
<td>1</td>
</tr>
<tr>
<td>from transit only (all other ADUs exempt)</td>
<td></td>
</tr>
<tr>
<td><strong>Junior Accessory Dwelling Units</strong></td>
<td></td>
</tr>
<tr>
<td>All residential and mixed-use zoning districts</td>
<td>None</td>
</tr>
<tr>
<td>Studio</td>
<td>1</td>
</tr>
<tr>
<td>1-BR not &gt;900 sq. ft.</td>
<td>1 (covered)</td>
</tr>
<tr>
<td>1-BR &gt;900 sq. ft.</td>
<td>1.5 (1 covered)</td>
</tr>
<tr>
<td>2-BR</td>
<td>1.5 (1 covered)</td>
</tr>
<tr>
<td>3-BR or more not &gt;2,700 sq. ft.</td>
<td>2(1 covered)</td>
</tr>
<tr>
<td>3-BR or more &gt; 2,700 sq. ft.</td>
<td>3 (1 covered)</td>
</tr>
<tr>
<td>Guest Parking</td>
<td>1 per every 5 units</td>
</tr>
</tbody>
</table>

BR = Bedroom
sq. ft. = square feet of floor area; see BMC Section 17.34.020.B for floor area that counts toward parking

4.1.1.2.3 **Density Bonus and Inclusionary Housing Requirements:**

The City is in the process of amending its density bonus and inclusionary housing regulations. The intent is to encourage use of the density bonus ordinance and broaden the inclusionary housing requirements while allowing additional flexibility to developers in complying with the inclusionary requirements, consistent with current State law.

Currently, the City’s inclusionary housing requirements apply to both for-sale and rental developments of six or more units on a sliding scale based on the number of units provided. This sliding scale results in a varying inclusionary requirement that can range from 10%-20% depending on the number of base units. Rental projects must provide units affordable to low and/or very-low income households, while for-sale developments must provide units affordable to moderate and/or low income households.
To coordinate the City and State’s density bonus regulations, those affordable units that are provided in order to qualify for a density bonus are also recognized in meeting the inclusionary requirement (BMC Section 17.31.020.R). In addition, any density bonus units for which an affordable housing project qualifies are not included in calculating the total number of units upon which the number of inclusionary units required is determined (BMC Section 17.31.030.B.1). As incentives, inclusionary units are permitted to be smaller in size than, or of different unit types from the market-rate units, and may have different interior finishes or features than market-rate units, as long as the finishes and features are durable and of good quality. A procedure for waiving the inclusionary housing requirement is also provided.

These inclusionary housing and density bonus regulations would largely remain, plus a couple of changes with the draft ordinance as outlined below:

- Preliminary Inclusionary Housing Ordinance Amendments:
  - Reduces the minimum unit threshold for projects subject to inclusionary housing requirements from six units to five units.
  - Utilizes a percentage-based inclusionary requirement instead of the current sliding scale.
  - Provides one by-right alternative to constructing rental inclusionary units and additional discretionary alternatives.
  - Establishes options for other adjustments of inclusionary housing requirement.
  - Eliminates density bonus tables and replaces with references to applicable State law.
  - Creates a density bonus incentive for small projects and projects that exceed the density bonus qualifications.

See Programs 2.C.1 and 2.E.4.

### 4.1.1.2.4 Special Needs Housing:

The City’s zoning ordinance allows single-room occupancy units, supportive housing and transitional housing no differently from other dwellings of similar unit densities (BMC Section 17.02.235 amended in 2011) and permits emergency shelters without a use permit requirement in the SCRO-1 District (per Ordinance No. 564 adopted in 2011).


### 4.1.1.3 Other Land Use Controls:

Other land use controls that are outside the zoning requirements include engineering requirements and environmental regulations under CEQA.

#### 4.1.1.3.1 Engineering and Design Requirements:

Much of Central Brisbane and the Brisbane Acres is comprised of steep hillside sites, often with slopes over 20 percent. This is especially the case within the R-1 zoning district. The sites closer to the Central Brisbane core where multifamily developments are permitted, in the NCRO-2, R-2 and R-3 districts, tend to have flatter slopes, but this is variable. Environmental and engineering design requirements for foundations on steeply sloped lots can significantly affect costs.
For example, detailed grading and foundation plans and geologic studies typically are required for a project proposed to be built on steep slopes or potentially unstable soils, and such studies are generally costly. Yet, without such controls, unsafe conditions could be passed on from a developer to a homeowner or tenant and to the community. The potential losses in property damage and personal injury from landslide or slope failure would far exceed the investment needed to assure that these impacts would not occur.

Since private development has the potential to create situations that would result in impacts and costs being borne by subsequent owners, neighbors and the overall community, it is the policy of the City of Brisbane to make certain that the costs of a development are made the responsibility of the development unless a specific subsidy is provided. This is an important principle. To understand it, there must be a clear distinction between cost reduction and cost shifting.

In addition to the various programs to encourage creative financing and subsidies for special needs housing, the City offers pre-application development consultation at no cost in order to assist applicants up front in the application process with the aim of providing more streamlined and cost effective design solutions.

See Program 7.A.7.

4.1.1.3.2 Environmental Regulation:

The California Environmental Quality Act (CEQA) applies to all residential developments in Brisbane that require discretionary approval, such as a use permit, design permit, or grading review by the Planning Commission. Typically, most residential developments of six or fewer units are categorically exempt from CEQA.

In addition to CEQA, properties within the SCRO-1 and R-BA zoning districts are also subject to compliance with the San Bruno Mountain Habitat Conservation Plan (HCP), for protection of federally endangered butterfly species. This imposes discretionary permitting requirements and long-term operational and performance standards on properties and property owners within its boundaries. Most significantly, 40% of the total land area within the R-BA and SCRO-1 district must be set aside as conserved habitat under the provisions of the San Bruno Mountain HCP. To help mitigate this constraint, the City provides density transfer and clustered development programs in the R-BA district. In lieu fees may also be accepted to allow for development to occur on a site, while supporting protect habitat elsewhere within the HCP. While CEQA analysis for non-exempt projects may add time and cost to a given residential project that is not eligible for CEQA exemptions, CEQA is a valuable and necessary tool to ensure that the environmental impacts of large-scale projects are adequately analyzed and disclosed as a part of public decision-making. Further, the HCP serves to protect endangered species that are vital to the ecological health of the City and region at large.

The vacant land within the Baylands subarea, identified for rezoning to accommodate the City’s RHNA pursuant to Chapter 3, is additionally subject to various permitting and remediation requirements under State law relative to its present status as a former railyard/brownfield site. Remediation of the site is required prior to development by State law and is regulated by the State Department of Toxic Substances Control and the Regional Water Quality Control Board. The cost of remediation and time required to remediate the property is a significant but necessary constraint to protect environmental and human health of future residents and employees.
The Baylands property owner has already invested significant time and monies into the remediation effort in order to complete remediation to the satisfaction of the regulatory authorities, to allow development of housing. The projected 100-year flood areas, accounting for sea level rise, have also been accounted for in the Baylands Environmental Impact Report (EIR). Where required, the ground level will be raised prior to development. The site preparation activities, to address these constraints, and the development of housing are projected to be completed within the Housing Element plan period.

See Programs 2.B.1, 2.G.1 and 4.A.13.

4.1.4 Housing Development Project Regulation Disclosure

Consistent with State law, the City provides the following on its website via the Community Development Department webpages:

- A current schedule of fees, exactions, and affordability requirements for housing development projects
- Application checklists detailing all requirements for planning and building permit applications
- All zoning ordinances and development standards adopted by the city or county presenting the information, which shall specify the zoning, design, and development standards that apply to each parcel.
- The current and five previous annual impact fee reports required pursuant to subdivision (b) of Section 66006 (impact fees) and subdivision (d) of Section 66013 (sewer and water connection fees).
- An archive of cost of service studies conducted on or after January 1, 2018.
- The total amount of fees and exactions associated with finaled projects

4.1.2 Codes and Enforcement

The City adopts the State building and fire codes which set standards for construction. These codes establish minimum safety standards, and therefore are not to be considered a constraint to housing development that can be removed.

Currently, the City is in the process of adopting the 2022 editions of the California Building Standards Code and other related codes, including reach codes.

The Community Development Department’s Building Division administers building permits. The City provides pre-application development consultation with Planning, Building, Public Works, Police and Fire staff upon request and at no charge. Plan checks and construction inspections are conducted by in-house planning and engineering staff and contract building staff. Single-family and small multi-family permits typically receive a first plan check response within three weeks from submittal and payment of required plan check fees. Revisions may be required if the plans are inaccurate or incomplete or do not comply with applicable building, zoning, fire, or other applicable codes. Inspections are typically provided on weekdays within 24 hours of a request. Staffing levels are evaluated yearly as part of the City’s budget process.

2 Government Code Sections 65940, 65940.1
The City funds a Code Enforcement Officer through the Police Department to respond to code enforcement issues on a complaint basis. The Code Enforcement Officer works closely with Planning, Building, and Public Works Department staff and the San Mateo County Environmental Health Division to respond to housing-related problems. Response to complaints is generally immediate (same day).

Consistent with Health and Safety Code §17980(c)(2), the City gives preference to the repair of buildings when economically feasible, as opposed to ordering that residential units be vacated and demolished, reducing the City’s housing stock. Of the six single-family dwellings demolished in the 2015-2022 planning period, all were redeveloped with either 1:1 replacement or replaced with multiple units. Additionally, the City’s nonconforming uses and structures regulations encourage the maintenance and improvement of nonconforming residential uses and structures to ensure their safety throughout their useful life.


4.1.3 On/Off-site Improvements, Residential Utilities and Infrastructure

The City’s standards for on/off-site improvements, such as requirements to widen streets and provide sidewalks, may result in development costs that constrain the provision of housing. The question of whether such standards exceed those necessary to protect public health and safety is addressed in this subsection.

Another potential constraint upon the provision of housing is the availability and cost of utilities, most significantly water and energy, and the infrastructure to deliver them. This section analyzes the availability of utilities and infrastructure to serve sites to meet the City’s RHNA share during the planning period. This subsection also addresses opportunities for water and energy conservation as a means of minimizing the impact of these utilities upon the provision of housing.


4.1.3.1 Infrastructure Improvements

4.1.3.1.1 Streets.

Street improvements are frequently required for new residential development within Central Brisbane. Public rights-of-way are generally 40 feet in width, with a minimum travel way of 20 feet, plus on-street parking. Most of the established neighborhoods do not meet current standards and many private improvements encroach within the right of way (including driveways, garages, accessory structures, and fences. This results in very narrow paved travel ways with limited on-street parking and can result in bottlenecks and impede access for emergency vehicles. Additionally, the City’s sidewalk and bicycle network is fragmented in residential neighborhoods outside of the City’s primary arterials. In the Brisbane Acres subarea, most sites are accessed by a network of private streets and driveways, a legacy of the subarea’s development without benefit of a recorded subdivision map.

As a result, the City has adopted requirements for new development or substantial renovations of existing structures to incorporate street widening at the development site’s frontage to the California Fire Code’s 20 ft. minimum width, as well as other improvements such as sidewalks and/or bicycle facilities, as appropriate. The standard triggers for street widening/dedication are:
• Reliance upon on-street parking on streets that are not wide enough to meet the on-street parking standards (BMC Sections 12.24.010.B.1 & 17.34.010),
• Additions or alterations in excess of fifty percent of the gross floor area of the pre-existing building or structure, or where more than 75% of the existing area of interior walls and ceilings are removed (BMC Chapter 15.10 & Section 17.01.060.C.1), and
• Additions exceeding 100 sq. ft. to an existing building on a private street (BMC Section 17.01.060.B.4).

Exemptions from street widening are available for new accessory dwelling units (ADUs) resulting from conversion of existing floor area in a home or accessory structure, as well as any new construction of ADUs that represents less than 50 percent of the existing gross floor area of the home (BMC Chapter 15.10). Maximum street slope for emergency vehicle access is 15%, with limited exceptions. Sidewalks are required where terrain permits. These requirements have not proven to be a significant obstacle to development of market-rate, single-family homes which continue to be built on steep lots, such as those found on Humboldt Road and other streets in upper Central Brisbane (see building permits for 2015-2022 in Appendix A).

Where existing substandard private roadways are to be dedicated to the public, the entire length from the development site to the nearest public street must be improved to City standards, with turnaround capability as required by the Fire Chief. For those private roadways (including Annis, Gladys and Harold Roads and Joy, Margaret and Paul Avenues) having a potential right-of-way width less than the State’s 40 ft. standard, special findings must be made for approval by the City Council, per BMC §12.24.010.D, unless additional right-of-way is dedicated by the abutting property owners.

Street improvement projects of this magnitude would typically be dependent upon the cooperation of the other property owners along the private roadway, who would have to agree to the formation of an assessment districts to take on such a project. To address this situation, the City encourages the formation of assessment districts where appropriate (1994 General Plan Program 51a). Given the infrastructure constraints in the areas not directly serviced by public roads, the vacant sites in these areas have not been included in the sites inventory.

Within the Baylands, the proposed residential development areas are currently bounded by Bayshore Boulevard to the west and Tunnel Avenue to the east. A finer grained network of blocks is planned, as shown in Chapter 3, Figure 3.1.b, from the draft Specific Plan. This will provide walkable blocks, to be centered on the CalTrain Bayshore station, and to be developed to current standards.

See Program 2.A.2.

**4.1.3.1.2 Water, Sewer and Storm Drain Infrastructure.**

Residential development in Brisbane depends on aging sewer, water and storm drainage infrastructure. The City, through its Capital Improvement Program, typically provides for the maintenance, upgrade and replacement of residential infrastructure in annual increments, as funds are available. Infill residential projects are not subject to infrastructure impact fees, and required improvements to sewer, water and storm drain lines are limited to those directly affected by the project. The availability of sewage treatment does not act as a constraint to the production of housing.

Brisbane contracts with the City and County of San Francisco for treatment of dry weather sewage flows
for residentially zoned areas. Brisbane’s sewage is pumped to the Southeast Wastewater Treatment Plant. The City’s Sewer Master Plan projects that dwelling units in medium density apartment complexes, multiple use residential projects, and planned developments generate 90 gallons per day, while single family homes generate 105 gpd/du. The San Francisco Public Utilities Commission has not indicated any insufficient treatment capacity to meet its commitments. For the Baylands, a sewer/water recycling facility is included in the draft Specific Plan for onsite treatment.


**4.1.3.2 Water Supply.**

As noted in Table 39, water supply in general is not considered a constraint for the infill housing development envisioned during the planning period of this Housing Element. The Baylands developer has a memorandum of understanding (MOU) with Contra Costa Water District to purchase water rights to serve the Baylands development, to be conveyed through the SFPUC system. A resolution and formal agreement is anticipated to be completed in 2023. The water demand generated by the Baylands was evaluated in compliance with Government Code Section 66473.7, Public Resource Code Section 21151.9, and Water Code Sections 10910-10912 in the Baylands Draft EIR.

The City of Brisbane receives its water supply from the City and County of San Francisco’s Hetch Hetchy reservoir and water delivery system as a member of the Bay Area Water Supply and Conservation Agency (BAWSCA) through various agreements. The per capita water consumption rate for calendar year 2021 was 43.2 gallons per capita per day—one of the lowest residential rates on the San Francisco Peninsula.

A program is included in the Housing Element to continue to encourage water conservation. In addition, the City’s landscape requirements are minimal (typically only 15% of the front setback area), with credit given for non-water-consuming ornamental materials.

Per Government Code Section 65589.7, housing with units affordable to lower-income households will be granted priority water and sewer service via Housing Element Program H.B.3.j.


**4.1.3.3 Energy:**

Energy use in housing is typically driven by space and water heating needs, with lighting and appliances, making up the balance. In Brisbane, nearly all homes use natural gas for space and water heating. Slightly over half the homes use natural gas for cooking, and the other half use electricity. Increases in energy costs affect housing maintenance costs.

Many older homes in Brisbane are inefficient energy users. Outside air infiltration through windows, doors, ceilings and walls can account for up to 50% of heating costs. Weatherization, including caulking, weatherstripping windows and doors, installing wall and ceiling insulation, and water heater insulation and setting back the thermostat can reduce energy consumption substantially.

There are a number of government and utility sponsored energy/conserving programs that are available that can assist an individual household with immediate benefit. These programs include free energy
audits and rebates or financing programs for energy efficient appliances and energy-conservation upgrades to homes.

The City plays an important role in creating more energy efficient residences in Brisbane. New residential construction and substantial renovation must abide by State energy conservation standards (Title 24) and the City’s reach codes, most recently adopted in 2020. Larger residential projects must be designed to address natural heating and cooling, use of natural daylight, installation of Electric Vehicle (EV) chargers, and other requirements under CalGreen. Residential projects of 20 or more units are currently also subject to the City’s Green Building Ordinance (Brisbane Municipal Code Chapter 15.80); although that will likely be superseded by state requirements with the next update, to be effective on January 1, 2023.


4.1.4 PERMITTING

4.1.4.1 Fees and Exactions.

Fees must be related to the real costs of providing service and generally, by law, cannot exceed these costs. In certain cases, for affordable housing, fees may be subsidized or waived by the City. The City of Brisbane adopted a master fee schedule (originally via Ordinance No. 386 in 1993) that subsidized, through the General Fund, the planning permits required to improve and upgrade the local housing stock. The recovery of costs from applicants for these types of permits was set at 25% of the cost. In 2011, a processing time study was conducted. Planning application fees were revised accordingly, and although the subsidies were eliminated, many other fees were reduced. Since 2011, planning permit fees are adjusted annually for inflation (Table 42). Building permit fees, which generally make up the larger portion of the total development fees, have not been raised since 2002.

According to a 2022 survey of jurisdictions in San Mateo County, the City of Brisbane’s fees for a typical single-family residence were nearly 80 percent less than the average for those jurisdictions responding (Table 43). The difference was due, in part, to the City’s exemption of single-family residences from design review and low building permit and plan check fees. According to the same survey, the City of Brisbane’s fees for a small multi-family development project were over 80 percent less than the average for those jurisdictions responding (Table 44), again attributable to the City’s low building permit and plan check fees as well as low development impact fees.
### Table 4.2
City of Brisbane  
Building and Planning Processing Fees  
(Fiscal Years 2008-09, 2013-14, and 2021-2022)

<table>
<thead>
<tr>
<th>Application Type</th>
<th>2008-09</th>
<th>2013-2014</th>
<th>2021-2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>Design Review</td>
<td>$2,217</td>
<td>$1,508</td>
<td>$1,832</td>
</tr>
<tr>
<td>Accessory Dwelling Unit Permit¹</td>
<td>$609</td>
<td>$606</td>
<td>$329</td>
</tr>
<tr>
<td>Use Permit for Condominiums²</td>
<td>$1,949</td>
<td>$1,226</td>
<td>$0</td>
</tr>
<tr>
<td>Use Permit for Condominium Conversions</td>
<td>$1,949</td>
<td>$1,226</td>
<td>$1,491</td>
</tr>
<tr>
<td>Use Permit for Nonconforming Parking</td>
<td>$377</td>
<td>$1,024</td>
<td>$1,245</td>
</tr>
<tr>
<td>Variance - New Construction</td>
<td>$1,333</td>
<td>$1,136</td>
<td>$1,381</td>
</tr>
<tr>
<td>Variance - Remodeling</td>
<td>$333</td>
<td>$851</td>
<td>$1,035</td>
</tr>
<tr>
<td>Tentative Parcel Map</td>
<td>$4,032</td>
<td>$2,507</td>
<td>$3,048 + $551 (City Engineer review)</td>
</tr>
<tr>
<td>Final Parcel Map</td>
<td>$403 + hourly</td>
<td>$453 + hourly</td>
<td>$1,500 deposit plus actual cost of consulting land surveyor review</td>
</tr>
<tr>
<td>Tentative Subdivision Map</td>
<td>$2,933 + $275/lot</td>
<td>$2,507 + $275/lot</td>
<td>$3,048 + $275/lot</td>
</tr>
<tr>
<td>Final Subdivision Map</td>
<td>$403 + hourly</td>
<td>$5,789 + $500/lot</td>
<td>$7,036 + $500/lot</td>
</tr>
<tr>
<td>Environmental Review—Initial Study/Negative Declaration³</td>
<td>$1,505</td>
<td>$2,218</td>
<td>$2,697</td>
</tr>
<tr>
<td>Environmental Impact Report</td>
<td>Actual consultant costs</td>
<td>Actual consultant costs</td>
<td>Actual consultant costs</td>
</tr>
<tr>
<td>Building Permit Plan Check ⁴</td>
<td>$0.37/sq. ft.</td>
<td>$0.37/sq. ft.</td>
<td>$0.25/sq. ft.</td>
</tr>
<tr>
<td>Building Permit</td>
<td>$0.74/sq. ft.</td>
<td>$0.74/sq. ft.</td>
<td>$0.49/sq. ft.</td>
</tr>
</tbody>
</table>

¹ ADU permit only required for new ADUs in the Planned Development and Brisbane Acres Residential districts
² Use Permit requirement for new condominiums eliminated in 2016, Ord. 612; condominium conversions still require use permit
³ Not including California Department of Fish & Wildlife filing fees
⁴ For construction types IIN-V-1HR

In addition to the standard development fees, the City requires that residential subdivisions of 50 or fewer lots or condominiums pay a parks and recreation land donation in-lieu fee, consistent with State law ³ (subdivisions of more than 50 lots/condominiums must donate parkland). In-lieu fees are calculated as a percentage of the value of land at a ratio of 3 acres of park land per 1,000 persons and

³ Government Code §66477
have lately been approximately $3,000 per residence for small subdivisions in Central Brisbane subarea, where land sales per acre are higher relative to land sales in the Brisbane Acres subarea where in-lieu fees are closer to $1,000 per residence. Unlike most fees that are collected prior to issuance of building permits, these fees are due upon issuance of the certificate of occupancy. Exemptions are provided for condominium projects affordable to very low or low income households or restricted for occupancy by seniors (at least 62 years old).

Table 4.3
Development Fees for 2,600 Sq. Ft. Single-Family Dwelling
Per Square Foot
(2022)

<table>
<thead>
<tr>
<th>Location</th>
<th>Entitlement Fees/sq. ft.</th>
<th>Construction Fees/sq. ft.</th>
<th>Impact Fees/sq. ft.**</th>
<th>Other Fees/sq. ft.***</th>
<th>Total Fees/sq. ft.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Brisbane</td>
<td>$0/sq. ft.</td>
<td>$1.65/sq. ft.</td>
<td>$3.53/sq. ft.</td>
<td>$0.33</td>
<td>$5.51/sq. ft.</td>
</tr>
<tr>
<td>Average of Jurisdictions in San Mateo County*</td>
<td>$2/sq. ft.</td>
<td>$11/sq. ft.</td>
<td>$10.62/sq. ft.</td>
<td>$2/sq. ft.</td>
<td>$25/sq. ft.</td>
</tr>
<tr>
<td>Brisbane’s Fees Relative to Countywide Average</td>
<td>N/a (No fees charged)</td>
<td>85% below average</td>
<td>67% below average</td>
<td>84% below average</td>
<td>78% below average</td>
</tr>
</tbody>
</table>

*B14 jurisdictions responding including Brisbane
**Includes water and sewer connection and capacity charges. Does not include school district fees.
***Other fees per jurisdiction. Does not include school district fees.

Table 4.4
Development Fees for 10-Unit Multi-Family Rental Project
Per Dwelling Unit
(2022)

<table>
<thead>
<tr>
<th>Location</th>
<th>Entitlement Fees/DU</th>
<th>Construction Fees/DU</th>
<th>Impact Fees/DU**</th>
<th>Other Fees/DU***</th>
<th>Total Fees/DU</th>
</tr>
</thead>
<tbody>
<tr>
<td>Brisbane</td>
<td>$338.50/DU</td>
<td>$3,456.1/DU</td>
<td>$5,874.80/DU</td>
<td>$973.60/DU</td>
<td>$10,643/DU</td>
</tr>
<tr>
<td>Average of Jurisdictions in San Mateo County*</td>
<td>$2,599.20/DU</td>
<td>$28,740.70/DU</td>
<td>$37,252.10/DU</td>
<td>$870.30/DU</td>
<td>$66,478/DU</td>
</tr>
<tr>
<td>Brisbane’s Fees Relative to Countywide Average</td>
<td>87% below average</td>
<td>88% below average</td>
<td>84% below average</td>
<td>12% above average***</td>
<td>84% below average</td>
</tr>
</tbody>
</table>

*13 jurisdictions responding including Brisbane
** Includes water and sewer connection and capacity charges. Does not include school district fees.
***Other fees vary per jurisdiction. Brisbane assesses solar and sprinkler fees separately from the overall construction permit fee. In most jurisdictions such fees are likely encompassed within the overall construction permit fee. Does not include school district fees.
As of 2021, the Brisbane School District and Jefferson Union High School District adopted a $4.08 per square foot impact fee for residential development.

Habitat acquisition in-lieu fees may be imposed on land within the Brisbane Acres administrative parcel of the San Bruno Mountain Habitat Conservation Plan (HCP), which include lots in the R-BA and SCRO-1 zoning districts, pursuant to the HCP’s provisions for preservation of 40% of the Brisbane Acres administrative parcel. The fee is typically charged for parcels that are not contiguous to high quality habitat for which on-site easement or land dedication is inappropriate, as determined by the San Mateo County Parks Department. Such in-lieu fees are collected by the City of Brisbane and used for acquisition of high quality privately owned parcels as identified in the City’s Open Space Plan.

Fee Waivers. In the case of the Habitat for Humanity affordable housing projects developed in 2006, former Redevelopment Agency Low and Moderate Income Housing Funds were used to acquire the land and fund construction loans for the development, which were then used to pay the fees (the Brisbane Housing Authority may be able to do this for future affordable housing projects). The City’s density bonus ordinance provides for the waiver of fees, as well as deferral of impact fee collection for market-rate units, as potential incentives and concessions. Such means could be used to mitigate the financial impact of fees upon the development of affordable housing, including single-room occupancy units, supportive housing, transitional housing, and emergency shelters.

If the City chooses to adopt a housing impact fee to finance affordable rental housing development, means to reduce or waive the fee for affordable housing projects will be considered. To further reduce the impact of such a fee upon housing affordability, it may be advisable to base the fee on square footage, rather than per unit.

See Programs 2.E.1, 2.E.5 and 2.F.5.

4.1.4.2 Permit Processing Procedures - Ministerial and Discretionary Review

The overwhelming majority of residential permits processed in the City of Brisbane are for individual single-family and small multi-family projects. Often the applicant is unsophisticated in the preparation of plans and the application of zoning requirements and design standards. Although the Community Development Department has a small staff, it is organized so that at any time in the work week, including Wednesday evenings, an applicant can call or come to the counter for advice and assistance. Staffing levels are evaluated yearly as part of the City’s budget process to assure prompt service in compliance with State timelines.

Single-family and duplex residential infill projects are typically exempt from discretionary review under the Zoning Ordinance in districts where such uses are permitted.4 Ministerial review (through building permit applications) for such projects typically takes three weeks. Approval of accessory dwelling unit projects in all zoning districts except the Residential Brisbane Acres (R-BA) and Planned Development (PD) districts are ministerial (with exceptions), with only a building permit required.

Beginning in 2022 with adoption of Ordinance 669, multi-family and mixed-use developments of two or more dwelling units are exempt from Design Review and subject instead to a ministerial review by the

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4 Exceptions are limited to the R-BA district, which requires design review for single-family dwellings on ridgeline lots, clustered developments, or density transfer developments.
Zoning Administrator for compliance with objective design standards and criteria, consistent with the requirements of SB 35 and the Housing Accountability Act. The City has not yet processed a housing development permit under this new ministerial process, but anticipates significant time savings for multi-family and mixed-use developments and reduction in processing costs and timeframes. Such projects would be processed under a ministerial Housing Development Permit subject to review by the Zoning Administrator. The process involves public notification and a published staff report analyzing a project’s consistency with objective standards. A public meeting is then to be held if there is any public objection to the staff determination. If no objections are received, the Zoning Administrator may take action without a public meeting. If a public meeting is held, its purpose is to allow the public to make comment on a given application, and not to change the ministerial nature of the Zoning Administrator’s review. These new procedures are intended to balance providing the public with information about new projects without imposing subjective review that is inconsistent with State law.

Historically, design review of multi-family housing did not appear to be a constraint on the production of affordable housing in Brisbane. Typically, a complete design review application is heard before the Commission within four months, depending upon the completeness of the submitted application, environmental review requirements, and whether review by outside agencies are required (e.g., applications for development within the San Bruno Mountain HCP area require San Mateo County Parks, California Fish and Wildlife, and US Fish and Wildlife review as part of the completeness review. Any required Use Permits, Variances, or other planning permits (Table 37) would be processed concurrently. During the 2015-2022 planning period, the City approved all seven design permits submitted for residential development at the density proposed, including applications requesting modifications to on-site parking requirements and other development standards, entitling a total of 38 dwelling units. Key to this successful application processing rate is the City’s commitment to encouraging diversity of design and individual expression in residential development (1994 General Plan Policies LU.12 and LU.13) and, as a result, design review focuses on issues of safety and safe, efficient site design and allows greater freedom in regards to architectural styles and exterior finishes and materials.

In order to accommodate the City’s RHNA share for very low and low income households in the 2015-2022 Housing Element cycle, the City adopted two housing overlay zones in the Parkside subarea that permit owner-occupied and rental multifamily residential use by right (without a Use Permit) with ministerial approval by the Zoning Administrator. Both the PAOZ-1 and PAOZ-2 zoning districts and the Parkside at Brisbane Village Precise Plan contain objective design standards to address community concerns regarding building height, massing, and scale, and compatibility with existing development in Central Brisbane.

Transitional and supportive housing are treated the same as other residential uses per BMC §17.02.235. Emergency shelters are a permitted use (not requiring a Use Permit) exempt from design review but subject to objective development standards in the SCRO-1 District. Single-room occupancy units intended as supportive housing are defined as multiple-family dwellings and are subject only to objective design standards in those districts where multiple-family dwellings are permitted by-right, in the SCRO-1, R-2, R-3, PAOZ-1 and PAOZ-2 districts.

4.1.4.3 Subdivision Applications:

Tentative subdivision (five or more lots or condominiums) and parcel maps (four or fewer lots of condominiums) are reviewed by the Planning Commission, with final subdivision maps requiring City Council approval and final parcel maps requiring City Engineer approval. Due to the site and environmental constraints involved with the vacant tracts of land left in Brisbane, subdivisions typically take much longer to process than applications for single-lot developments. Once a complete application is submitted, parcel maps typically take two months to be approved by the Planning Commission and an additional three months to be approved by the City Council. Planned Development permits require a similar process for approval.


4.1.4.4 Permit Processing Procedures and Technology:

Prior to 2020, the City processed both building and planning permit applications largely in paper form, though some building permits were processed electronically using a proprietary software custom-built for the City in the early 2000’s. With the onset of the COVID-19 pandemic and subsequent shift to remote work at City Hall, the City pivoted to all electronic building and planning permit application processes using the existing building permit software and the City’s new website, which expanded the City’s ability to process any form electronically. While the pivot was successful in many ways, and the City was successful in processing complex building and planning permit submittals without significant increases in processing time, the Community Development Department recognized that to continue to provide excellent service and improve project processing in a digital world, significant technology upgrades were needed. Pursuant to a Citywide Technology Master Plan adopted by the City Council in 2022, the Community Development Department will implement a new land management system to enhance interdepartmental and interagency coordination in development review, reduce permit processing times, and make the review process more transparent to applicants and the public. In 2022, the City also completed a Citywide process engineering review to map the permit review process in all City departments in order to identify areas for process improvements and what features in the new land management software would be most effective for both the City and applicants.


4.1.5 CONSTRAINTS TO HOUSING FOR PERSONS WITH DISABILITIES

Given the accessibility challenges presented by Brisbane’s terrain, it is important that the City’s ordinances allow flexibility in terms of accessibility in housing designed for, intended for occupancy by, or with supportive services for persons with disabilities. The Accessibility Improvement Permit (AIP), processed by the Community Development Director, assures that reasonable accommodation for housing intended for persons with disabilities are provided. The Zoning Ordinance also allows height limit exceptions for accessible garages and elevators without the need for an AIP. Exceptions to the building codes are processed by the Building Official or his/her designee. Applications for accessibility retrofitting are given the highest priority in terms of building permit processing.

For some persons with disabilities, the need for housing can be at least temporarily met through transitional housing, supportive housing (including single room occupancy units), emergency shelters and convalescent homes. The Municipal Code allows all these types of housing in districts where
residential development is allowed. The Municipal Code, through its definitions of “family” (BMC Section 17.02.284) and “group care home” (BMC Section 17.02.370), treats group care homes for six or fewer persons (regardless of relationship) as single-family residences. Group care homes (for seven or more persons) are conditionally permitted in all residential and mixed-use districts (Table 37). This requirement for a Use Permit has not constrained provision of the services typically associated with group homes. The findings for Use Permit approval have not proven to be an obstacle for any large group care home applications received to date. The City has no requirement that such homes be located a specified distance from one another, as evidenced by the previous approvals of two such homes next door to one another in the Southwest Bayshore subarea (page II-5). The Use Permits for those two projects were approved in 1 ½ months subject to a minimum of conditions.

To meet needs for reasonable accommodation not addressed by the above, a general provision establishing a process for granting exceptions to zoning and land-use regulations for maintenance, improvement and development of housing for persons with disabilities was adopted via Ordinance No. 558 in 2011. Such exceptions may now be ministerially approved by the Community Development Director following an administrative hearing for which notice is given to neighboring property owners, if the accommodation would not impose an undue financial or administrative burden upon the city and would not require a fundamental alteration in the nature of the applicable regulations, subject to the findings that:

- The accommodation is necessary to meet special needs for a person having a disability and cannot be addressed through the exceptions under Sections 17.32.060 and 17.32.070.
- Any visual impacts of the accommodation will be minimized.
- The accommodation will not create any significant adverse impacts upon adjacent properties in terms of loss of privacy, noise or glare.
- Any construction resulting from the accommodation will be done in a sound and workmanlike manner, in compliance with all applicable provisions of the building and fire codes.

In 2016 the City adopted an ordinance that reduced the parking requirements for units designed and dedicated for use by persons with disabilities, as well as seniors.

As noted in Chapter III, there were 26 persons with developmental disabilities in Brisbane in 2020, all of whom lived with their families or caregivers rather than independent or assisted living facilities. Types of housing which may be appropriate for persons with developmental disabilities include licensed and unlicensed single-family homes and group care homes, particularly when made affordable through rent subsidies, Housing Choice vouchers and other special programs. Such housing should be designed to be accessible and located close to services and transit.

See Programs 2.B.1, 2.B.2, 2.D.1 and 2.E.1.

4.2 NON-GOVERNMENTAL CONSTRAINTS

The primary non-governmental constraint to the development of housing in Brisbane is the cost to develop housing, which is driven by three major components:

- the price of land,
- the cost of construction,
- the availability of financing.
While these factors constrain development of housing of all affordability levels, the impact on
development of affordable and special-needs housing by non-profit developers is especially acute. Such
developers generally have less capital to purchase developable land and finance construction using a
patchwork of Federal, State, local, and private funding sources.

The cost to develop housing creates a gap between the City’s planning for the development of housing
for all income levels and the construction of that housing, and is often responsible for the length of time
between receiving approval for a housing development and submittal of an application for building
permits for that housing development.

Contributing factors to the cost of construction include environmental constraints and infrastructure
constraints. The Brisbane Acres subarea includes a number of large vacant lots, generally approximately
1-acre each, but these are within an environmentally sensitive area which is regulated by the San Bruno
Mountain Habitat Conservation Plan for the protection of endangered butterfly species. The area is also
largely constrained by steep topography and lack of road and utility infrastructure, with exceptions in
the lower Brisbane Acres areas.

In the Central Brisbane subarea, steep topography in the upper streets along with the small sizes of
most residentially zoned lots and scattered ownership of such lots poses a challenge to assembling
larger parcels that are more feasible for housing development beyond individual single-family homes or
small-scale multiple-family developments. Small scale development, under six units, is not subject to
inclusionary zoning provisions and so development on these smaller scattered lots will generally only
provide market rate units, with the exception of ADUs. Finally, redevelopment of non-vacant sites
occupied by lower intensity housing in the multiple-family zoning districts in the Southwest Bayshore
and Central Brisbane subareas or commercial development in the Parkside overlay districts is
constrained by the lack of interest or incentives on the part of private property owners occupying the
property or landlords receiving passive income from the property.

The subsections which follow evaluate these constraints in detail and include references to policies and
implementation programs to address and where possible mitigate them.

4.2.1 Land Prices

As shown in Chapter III, residential sites inventory (Table 3.2), vacant land in Brisbane available for new
housing construction is scarce. Vacant residential sites in Brisbane have significant development
constraints that must be addressed at substantial cost, as shown in Table 4.5. Developed sites similarly
command a high sales price per square foot, as shown in Table 4.6, and require demolition and
displacement of existing uses in order to be redeveloped for residential purposes.

An analysis of vacant land costs specific to the City of Brisbane is difficult to perform, given the small
number of transactions. According to Zillow, between 2019 and 2022 five properties zoned for
residential development sold in Brisbane for an average of $48.77 per square foot, and a median of $64
per square foot. Values per square foot for vacant land in the R-BA District (represented by one land sale
in the given time period) are much lower than in the R-1, R-2 and R-3 Districts due to the larger size of
the properties and development constraints, including steep slopes, lack of infrastructure and inclusion
in the San Bruno Mountain Habitat Conservation Plan, which adds regulatory and environmental
constraints to development.
Table 4.5.
Vacant, Residentially Zoned Land Sales in Brisbane- 2019-2022

<table>
<thead>
<tr>
<th>APN(s)</th>
<th>Address</th>
<th>Zoning (Single-Family, Multi-Family, Mixed-Use)</th>
<th>Lot Size (Approximate; sq ft)</th>
<th>Sale Price</th>
<th>Price per Sq Ft</th>
<th>Date of Sale</th>
</tr>
</thead>
<tbody>
<tr>
<td>007556010</td>
<td>1100 San Bruno Avenue</td>
<td>R-BA (S-F)</td>
<td>178,160</td>
<td>$2,200,000</td>
<td>$12.35</td>
<td>10/18/2021</td>
</tr>
<tr>
<td>007560120</td>
<td>007560130</td>
<td>007560140</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>007461020</td>
<td>100 Lake Street</td>
<td>R-1 (S-F)</td>
<td>5,770</td>
<td>$550,000</td>
<td>$95.32</td>
<td>10/22/2021</td>
</tr>
<tr>
<td>007560210</td>
<td>3900 Bayshore</td>
<td>SCRO-1 (S-F, M-F, M-U)</td>
<td>11,977.4</td>
<td>$720,000</td>
<td>$60.11</td>
<td>5/3/2021</td>
</tr>
<tr>
<td>007242090</td>
<td>20 Tulare Street</td>
<td>R-1 (S-F)</td>
<td>5,000</td>
<td>$320,000</td>
<td>$64</td>
<td>3/13/2020</td>
</tr>
<tr>
<td>007560080</td>
<td>3998 Bayshore Blvd</td>
<td>SCRO-1 (S-F, M-F, M-U)</td>
<td>9,040</td>
<td>$550,000</td>
<td>$60.84</td>
<td>2/28/2020</td>
</tr>
<tr>
<td>Median</td>
<td></td>
<td></td>
<td></td>
<td>$64</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Average</td>
<td></td>
<td></td>
<td></td>
<td>$48.77</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Expanding the dataset to include land sales throughout San Mateo County and neighboring Santa Clara County, land costs for typical multi-family construction in San Mateo County are approximately $100,000 per unit. Land for single-family homes in San Mateo County averages $110 per square foot, though recent sales in single-family districts in Brisbane average approximately $57 per square foot.5 The City will prioritize leveraging its Low and Moderate Income Housing Funds managed by the Brisbane Housing Authority to offset land acquisition costs for affordable housing developments to address this constraint by directly subsidizing the purchase of land to be developed for affordable housing. In addition, as required under the Surplus Land Act, the City will engage in good faith negotiations with housing sponsors prior to disposing of any surplus land, and may do so at below-market rate costs.

4.2.2 Construction Costs

Construction costs include the cost of labor and materials (referred to as hard costs), as well as architectural and engineering services, development fees and insurance (soft costs). In San Mateo County, hard costs account for approximately 66% of the development costs for multi-family development, with soft costs averaging around 22%, and the remainder being land costs; for single-family development, hard costs are approximately 44%, soft costs are 15%, and the cost of land is the remainder.6

According to housing developers in San Mateo County, construction costs for multi-unit buildings vary based on the form of parking (structured vs. surface) in addition to other environmental factors such as topography, pre-existing structures etc. For a larger, multi-unit building, total construction costs are estimated between $632,500 to $686,500 per unit or $676 to $687 per square foot, a two-fold increase from 2014 when construction costs ranged from $172-$200 per square foot for multi-family development.7

For single-family homes, average construction costs in San Mateo County range from $553 per square foot of floor area to $672 per square foot and from $1,457,000 to $3,400,000.

Because of steep terrain in many residentially-zoned areas of Brisbane, projects often require extensive foundation and soil preparation, which means that construction costs in Brisbane may exceed those elsewhere in the County. According to the Association of Bay Area Governments, the most cost-efficient method of residential development is wood frame construction at 20 to 30 units per acre. On some of the steepest upslope sites, concrete foundation work can extend up several stories.

While construction costs on Brisbane lower elevation streets are less constrained by topography, the cost for labor, materials and equipment for construction is still high and would be expected to be close to the average for the County. To address this constraint, Brisbane Housing Authority Low- and Moderate-Income Housing Funds could be used to subsidize development costs for affordable housing projects. Density bonuses and incentives and concessions under density bonus law can also offset construction costs.

4.2.3 Availability of Financing

4.2.3.1 Homebuyer Financing:

In order to qualify for a mortgage loan, an applicant must be able to demonstrate a degree of financial stability to the lending institution. Generally, as the amount of mortgage increases, lending institutions require additional security, such as excellent credit scores and cash reserves. Traditional mortgage loans typically can cover up to 90% of the home cost, but may charge private mortgage insurance (PMI) for down payments of less than 20 or 15 percent. Given the median price of a home in Brisbane in 2021 of

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6 Century | Urban, 2022
7 Baird + Driskell Community Planners, 2014
$1,300,000 (see Chapter 2, Table 2.19), this leaves moderate and low income homebuyers with no or few options for financing. To make up this gap, local, State, and Federal programs are available to qualified first-time buyers that allow for down payments as low as 3.5% (California Housing Finance Agency). In San Mateo County, the Housing Endowment and Regional Trust (HEART) provides moderate and low-income first time homebuyers to pay five percent down payments with no private mortgage insurance (PMI).

Mortgage interest rates are a significant factor in consumer purchasing power and home sale prices. From 2019 to 2021, mortgage interest rates in San Mateo County and nationwide reached historic lows as the Federal Reserve dropped interest rates in response to the COVID-19 pandemic, with a 30-year fixed mortgage rate average of 2.68%. However, mortgage interest rates began to rise in 2022 as inflation rose to over eight percent, with rates in April 2022 approaching five percent, and most industry leaders predicting continued increases in 2022.

The data in the table below shows loan application data by household income in 2017 for one- to four-unit properties and manufactured homes. Approximately 86 percent of loan applications in the San Francisco-San Mateo-Redwood City MSA were filed by above-moderate income households, a significant increase from 2012 when such households submitted 65 percent of all applications. Moderate income households represented 10 percent of loan applicants, compared to 18 percent of applicants in 2012. Low income households represented 3 percent, compared to 12 percent in 2012, and very low income households (less than 50 percent of AMI) only one percent, compared to four percent in 2012. Approximately 77 percent of all loans were approved and accepted by the applicants, and seven percent were denied, similar to trends in 2012 when 75 percent of loan applications were approved and 10 percent denied. Overall, this data illustrates the growing housing affordability gap for moderate, low, and very low income households in San Mateo County and surrounding communities and increasingly uneven distribution of homeownership among above-moderate income households.

### Table 4.7
Disposition Of Applications For Conventional Home Purchase Loans (2017)

<table>
<thead>
<tr>
<th>Income Level</th>
<th>Number of Loan Applications</th>
<th>% of all Loan Applications</th>
<th>% of Loans Originated</th>
<th>% of Loan Applications Denied</th>
<th>% Other*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than 50% AMI</td>
<td>92</td>
<td>1%</td>
<td>0.4%</td>
<td>3%</td>
<td>1%</td>
</tr>
<tr>
<td>50-80% AMI</td>
<td>451</td>
<td>3%</td>
<td>3%</td>
<td>7%</td>
<td>4%</td>
</tr>
<tr>
<td>80-120% AMI</td>
<td>1,274</td>
<td>10%</td>
<td>9%</td>
<td>14%</td>
<td>10%</td>
</tr>
<tr>
<td>120%+</td>
<td>11,606</td>
<td>86%</td>
<td>88%</td>
<td>75%</td>
<td>86%</td>
</tr>
<tr>
<td>All</td>
<td>13,452</td>
<td>100%</td>
<td>77%</td>
<td>7%</td>
<td>16%</td>
</tr>
</tbody>
</table>


To help address mortgage constraints for low- and moderate-income buyers, the City will continue to support efforts to provide assistance to the City’s first-time homebuyers.

See Programs 2.E.2 and 2.E.3.

**4.2.3.2 Homebuilder Financing:**

Due to Federal and State budget cuts, affordable housing developers have had a much harder time securing funding. Since 2009, the Federal Government has cut programs such as Community Development Block Grants, HOME, and HOPE VI funding by 27-50 percent (ABAG). Traditionally, these programs have been a large source of affordable housing funds. In addition to Federal cuts, the State dissolved Redevelopment agencies in 2012, resulting in a loss of millions of dollars in funds for affordable housing. The tax increment for low and moderate income housing from Redevelopment agencies was the most significant source of funding for affordable housing in small communities. However, Low Income Housing Tax Credits still provide an important source of funding, so it is important for the City to consider which sites are eligible for affordable housing development.

To help address construction loan constraints for affordable housing developers, the City will consider using its limited Brisbane Housing Authority Low and Moderate Income Housing Funds to subsidize development costs in privately financed affordable residential and mixed-use projects.

See Programs 2.E.2 and 2.E.3.