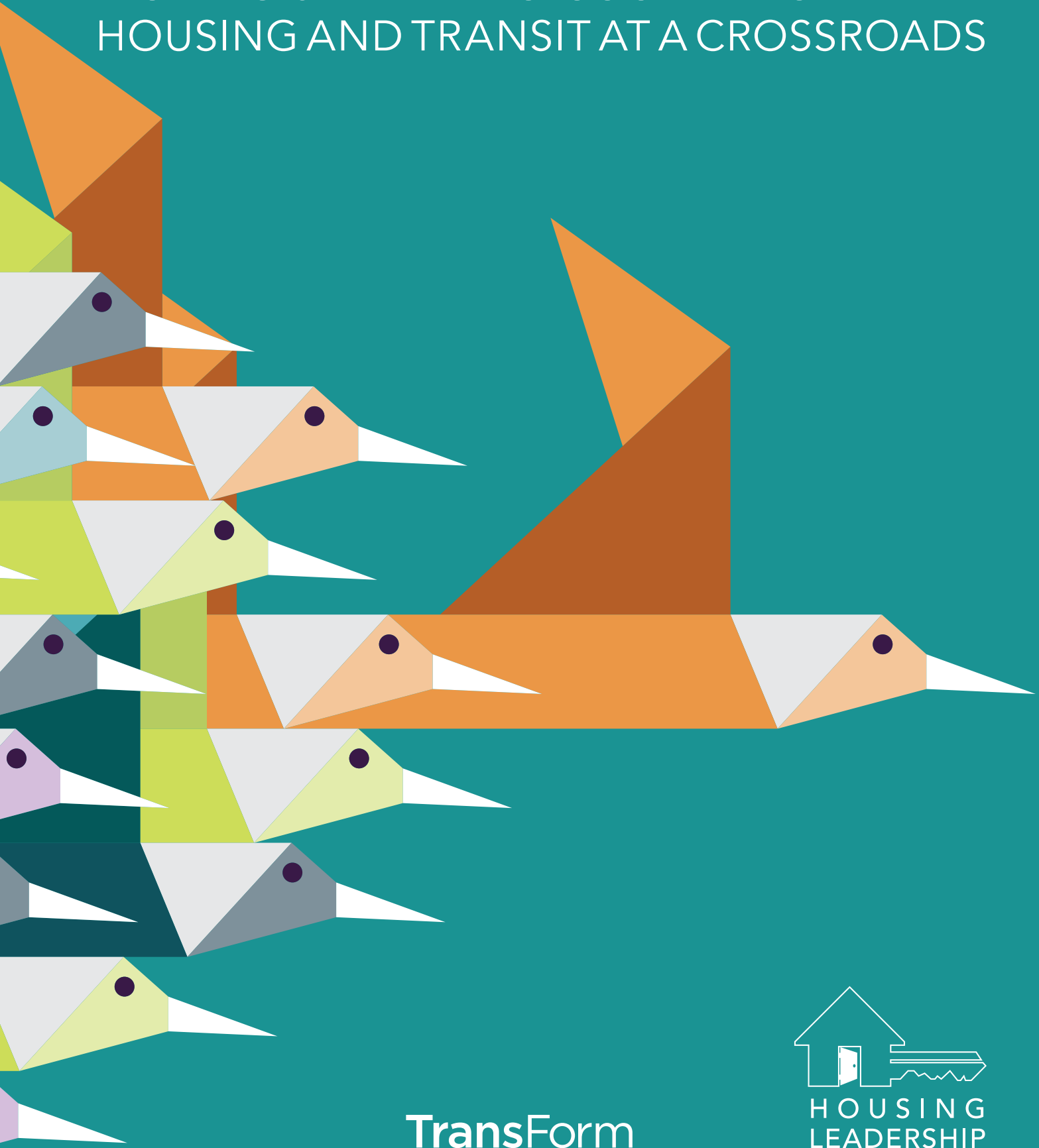


MOVING SAN MATEO COUNTY FORWARD: HOUSING AND TRANSIT AT A CROSSROADS



JUNE 2018





ACKNOWLEDGEMENTS

This report would not have been possible without the financial support of the Chan Zuckerberg Initiative, the Great Communities Collaborative, the Hewlett Foundation, Silicon Valley Community Foundation, The San Francisco Foundation, and all of the members, donors, and sponsors of both our organizations. Thank you!

Author Elizabeth Stampe

Contributors Evelyn Stivers, Executive Director, Housing Leadership Council of San Mateo
Leora Tanjuatco Ross, Organizing Director, Housing Leadership Council of San Mateo
Stuart Cohen, Executive Director, TransForm
Chris Lepe, Silicon Valley Senior Community Planner, TransForm

Research Paul Fassinger, CTP Planning & Economics

Design Eva Zeno, EvaZeno.com

The Housing Leadership Council of San Mateo works with communities and their leaders to produce and preserve quality affordable homes. hlcsmc.org

TransForm promotes walkable communities with excellent transportation choices to connect people of all incomes to opportunity, keep California affordable, and help solve our climate crisis. transformca.org



WHAT'S INSIDE

The Economy Races Ahead; Traffic Slows to a Crawl	4
Tackling Traffic	4
Failing to Build Enough Homes	6
Figure 1. Jobs Created vs. Homes Built in San Mateo County, 2010–2015.	6
Earning Less, Driving More	7
Figure 2. Number of Workers in San Mateo County by Income Level	7
Figure 3. Number of In-Commuters to San Mateo County by Income Level	8
Figure 4. Projected Job Growth in San Mateo and San Francisco Counties by Annual Salary, 2014-24	8
The Gap is Growing: Home Prices vs. Income	9
Table 1. Affordability Gap Analysis: Median Home Prices and Income Required	9
Figure 5. Typical Regional Salaries by Career vs. Salary Need to Afford an Apartment in San Mateo County.	10
Figure 6. Rental Housing Supply vs. Demand by Income Level, San Mateo County, 2016	10
Figure 7. Severe Rent Burden by Ethnicity: Percent of San Mateo County Renter Households Spending 50% or More of Their Income on Rent	11
More Transportation Options Needed	12
You Get What You Pay For: Quality Transit Means Higher Ridership	12
Figure 8. National Comparison of Transit Agencies: Transit Service Provided per Capita	13
Figure 9. Transit Service and Ridership, U.S. City and County Comparison	13
Figure 10. Percentage of Households Commuting Via Transit – by Ethnicity	14
Catching Up on Walking and Biking	15
Displacement is Making Traffic Worse	16
Maximizing the Benefits of Affordable Homes Near Transit	18
Taking Action: Integrated Solutions	19



Silicon Valley is booming. The economy has come roaring back since the 2008 downturn. Thousands of new jobs have been created.

In fact, between 2010 and 2017, roughly 80,000 jobs were created in San Mateo County.¹ In 2013, the total surged past even the 1999 high-water mark of the dot-com boom, and there are more total jobs in the county than ever before.

THE ECONOMY RACES AHEAD; TRAFFIC SLOWS TO A CRAWL

That roaring economy has an impact everyone feels: more traffic.

According to a 2017 report by the Metropolitan Transportation Commission, the region has set a new record for congestion-related delays, which have gotten 80% longer since 2010.² In Silicon Valley specifically, commuters now spend over 37 hours a year sitting in traffic.³

The effects add up. Over 37 hours is almost an entire work week (or a week of vacation!) each person is losing each year. That's less time that commuters have to spend time with their children, care for older parents, reach another job, see friends, stay engaged in their community, or simply rest.

Regionally and locally, increased driving and the resulting traffic are also taking a toll on air quality and the region's efforts to fight climate change. Much of the air pollution in San Mateo County comes from vehicle traffic: in fact, 58% of the county's greenhouse gas emissions come from transportation, which emits, as of 2013, 3.2 million tons of carbon per year.⁴

TACKLING TRAFFIC

It might seem that the solution to traffic would be to add more road capacity: build or widen roads, and add lanes to highways.



“I live in Oakland, but I work in downtown San Mateo, at the Edmond’s Plaza Florist shop. I leave home at 6:30 am to start my shift at 9. My shift ends at 4:30 pm, but sometimes I stay at work until 7 pm to avoid traffic.”

Fernando Musalim
Oakland resident

¹Industry Employment Data, Annual Averages for San Mateo County, Civilian Employment. 2010-2017. State of California Economic Development Department. <http://www.labormarketinfo.edd.ca.gov/county/smatero.html>

²MTC Vital Signs Report. September 18, 2017. <https://mtc.ca.gov/whats-happening/news/bay-area-vital-signs-freeway-congestion-hits-new-record-0>

³2018 Silicon Valley Index. February 2018. Joint Venture Silicon Valley. <https://jointventure.org/publications/institute-publications/1640-2018-silicon-valley-index> (43 minutes/week x 52 weeks/year) ÷ 60 minutes/hour = 37.3 hours/year.

⁴Indicators Report, updated June 2016. Greenhouse gas emissions (tons of carbon dioxide), San Mateo County, 2013. Sustainable San Mateo County. <http://www.sustainableanmateo.org/home/indicators-report/environment/climate-and-energy/#greenhouse-gas-emissions>



But adding road capacity is extremely expensive, and according to a comprehensive state study, ineffective.⁵ For example, when the I-405 in Los Angeles opened in 2014 after five years of construction, at a cost of \$1 billion, the traffic actually moved slightly slower than before.⁶ A similar phenomenon occurred on Houston's Katy Freeway, whose widening cost \$2.8 billion.⁷



This is because of what economists term “induced demand,” where increasing the supply of something creates new demand for it: building more roads results in more driving. Put another way, “if you build it, they will come.” In 2015, a state-sponsored research review concluded that “Numerous studies ... consistently show that adding capacity to roadways fails to alleviate congestion for long because it actually increases vehicle miles traveled.”⁸ The review also added, “Most studies show.... No net increase in employment or other [economic] activity” from highway expansion.

Widening roads will not fix the problem and may make matters worse.

San Mateo County needs more integrated solutions. The first approach must be to manage travel demand—that is, reduce the need to travel long distances in the first place. The second is to provide more and better transportation options, especially for those who need them most.

Reducing travel demand requires looking at what is causing the traffic: one of the most important factors is the scarcity of homes local workers can afford, that are close to jobs and high-quality public transit.

“We have transportation problems in the Bay Area, but we have a housing crisis.... They have influence on each other, and we need to work together on solutions.”

Steve Heminger, Executive Director, Metropolitan Transportation Commission (MTC)

⁵“Increasing Highway Capacity Unlikely to Relieve Congestion.” 2015. Susan Handy. University of California, Davis. http://www.dot.ca.gov/newtech/researchreports/reports/2015/10-12-2015-NCST_Brief_InducedTravel_CS6_v3.pdf Also reviewed in “Closing the Induced Vehicle Travel Gap Between Research and Practice,” 2017. Ronald T. Milam et al. Transportation Research Record: Journal of the Transportation Research Board. <https://trrjournalonline.trb.org/doi/abs/10.3141/2653-02?journalCode=trr>

⁶“The ‘fundamental rule’ of traffic: building new roads just makes people drive more.” Updated May 18, 2015. Joseph Stromberg. Vox.com. <https://www.vox.com/2014/10/23/6994159/traffic-roads-induced-demand>

⁷“L.A. taps the brakes on freeway expansion.” March 12, 2018. CityLab. Julia Wick. <https://www.citylab.com/transportation/2018/03/la-says-no-to-freeway-expansion/555353/>

⁸“Increasing Highway Capacity Unlikely to Relieve Congestion.” 2015. Susan Handy. University of California, Davis. http://www.dot.ca.gov/newtech/researchreports/reports/2015/10-12-2015-NCST_Brief_InducedTravel_CS6_v3.pdf



FAILING TO BUILD ENOUGH HOMES

As thousands of jobs are being created every year, more and more people are working in San Mateo County, and they need places to live. However, the planning for new homes is falling far short. Between 2010 and 2016, 80,000 new jobs were created, but permits were only issued for 8,000 new homes.⁹ That’s one home approved for every 10 jobs created.

The actual building is even more inadequate. Between 2010 and 2015, 72,800 new jobs were created, and just 3,844 new homes were built (Figure 1).¹⁰ **That’s one home built for every 19 jobs created.**

Far too few homes are being built. With each year that passes, we are digging ourselves into a bigger hole, forcing more and more workers to commute long distances.

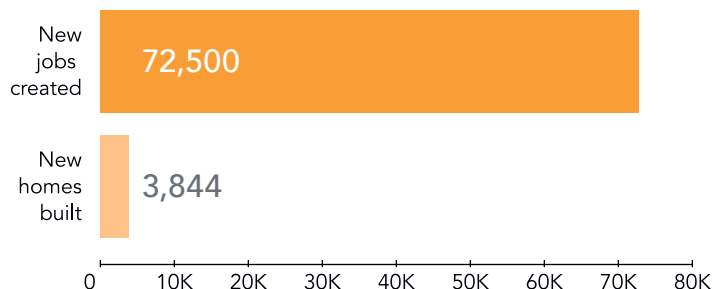
And the problem is even more acute than these numbers indicate. While it is difficult for those with high salaries to find decent housing, it becomes almost impossible for lower-income workers. The result is that the greatest burden falls on those with the fewest resources: those who make the least have to travel the most, to jobs that are the least likely to be flexible.



“As a small business owner, I struggle to retain good employees because the cost of living here is very high. If any of our workers receive a rent increase, it’s incredibly difficult for them to stay here. Most of them don’t have a car and don’t want to waste time commuting here to work at a restaurant.”

Zareen Numair, Atherton resident, owner of Zareen’s Restaurant

Figure 1. Jobs Created vs. Homes Built in San Mateo County, 2010–2015



⁹San Mateo County Economic Forecast. 2017. California Department of Transportation. http://www.dot.ca.gov/hq/tpp/offices/eab/socio_economic_files/2017/SanMateo.pdf

¹⁰California Economic Development Department (EDD). U.S. Census, American Community Survey 2010-2015. 72,800 new jobs, 3,844 new homes built, a 19:1 ratio. <http://homeforallsmc.com/challenge/>



EARNING LESS, DRIVING MORE

When people think about Silicon Valley, many people might assume that most of San Mateo County’s thousands of new jobs are high-paying positions in the technology sector.

But many of the jobs in San Mateo County are in sectors like service and retail, and many of these jobs pay low wages. Throughout Silicon Valley, jobs at every wage level have increased, but middle-tier jobs—which historically have made up the majority of employment—now make up a smaller proportion of the whole.¹¹ This is contributing to widening economic inequality.

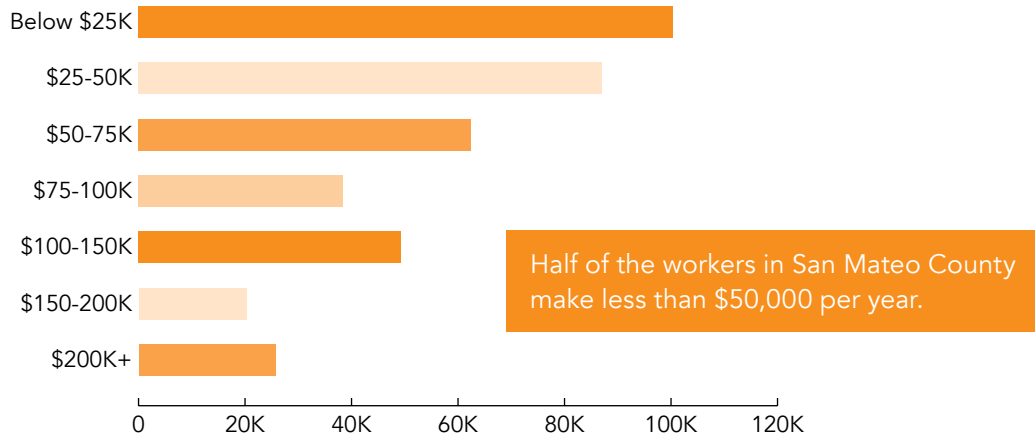
Over 100,000 workers in San Mateo County make less than \$25,000 a year (Figure 2). The total number of workers making less than \$50,000 a year is 187,000, 49% of all the workers in the county.



“I work on a horse farm in Portola Valley, and live with my grandma in Millbrae. Even though I work full-time, I know I’ll never be able to own a home around here. I can’t even afford rent near my job.”

Laurie Tanjuatco, Millbrae resident

Figure 2. Number of Workers in San Mateo County by Income Level¹²



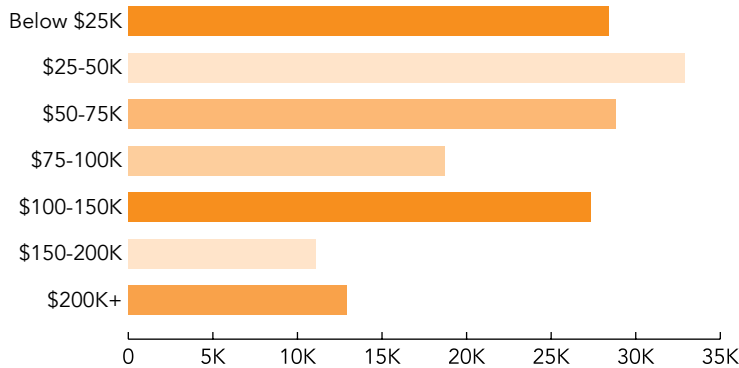
¹¹2018 Silicon Valley Index. February 2018. Joint Venture Silicon Valley. <https://jointventure.org/publications/institute-publications/1640-2018-silicon-valley-index>

¹²Integrated Public Use Microdata Series: Version 7.0 [dataset]. Steven Ruggles, Katie Genadek, Ronald Goeken, Josiah Grover, and Matthew Sobek. 2017. University of Minnesota. <https://doi.org/10.18128/D010.V7.0>. U.S Census 5-year American Community Survey, 2016, Earned Income by Location of Work.



Today, workers who make less than \$50,000 make up 40% of the people commuting in from outside San Mateo County (Figure 3).¹³ That’s because many cannot find homes they can afford here.

Figure 3. Number of In-Commuters to San Mateo County by Income Level¹⁴

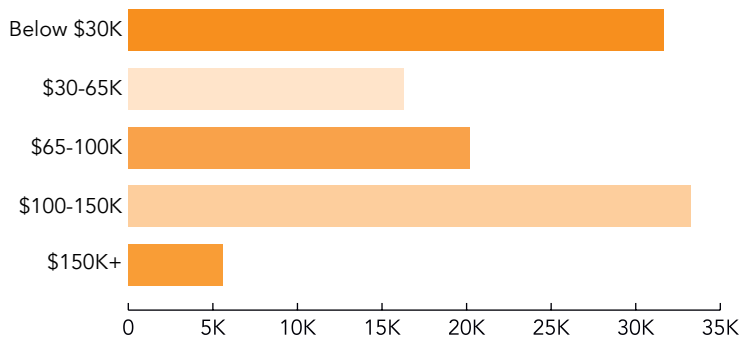


San Mateo County is projected to continue to add many more jobs. Many of those jobs will continue to pay low wages.

State projections for job growth in San Mateo County (which also include San Francisco County) anticipate that about 48,000 of the jobs that will be added by 2024, or 45%, will be in the bottom two income brackets (Figure 4).

Even in this booming economy, almost half of new jobs are projected to pay less than \$65,000 per year. And the people who do these jobs with these wages will need places to live.

Figure 4. Projected Job Growth in San Mateo and San Francisco Counties by Annual Salary, 2014–2024¹⁵



¹³Integrated Public Use Microdata Series: Version 7.0 [dataset]. 2017. Steven Ruggles, Katie Genadek, Ronald Goeken, Josiah Grover. University of Minnesota. <https://doi.org/10.18128/D010.V7.0>. U.S Census 5-year American Community Survey, Earned Income by Location of Work.

¹⁴Ibid.

¹⁵California Employment Development Department (EDD) Labor Market Information. January 2017. 2014-2024 Occupational Employment Projections, San Francisco and San Mateo Counties. 2016 wage equivalent.



THE GAP IS GROWING: HOME PRICES VS. INCOME

In San Mateo County, as of April 2018, the median cost of a single-family home was \$1.6 million (Table 1). Using the typical standard of housing affordability at 30% of income, a family (or an individual) would need to earn \$383,000 per year to buy that home.¹⁶ Buying the median condo would require earning \$225,000 per year.

The area median household income for San Mateo County (for the census area that includes San Francisco and Marin) is \$118,000; it is nowhere near high enough to afford these homes.

The homes being built and sold are far out of reach for most of the county's residents.

Often, stories are told in City Council hearings throughout San Mateo County about people like nurses and doctors, who are unable to find a home they can afford to buy—despite making more than the median income.

Imagine what it's like for people who make far less.

The problem is not just with ownership. Rentals are also out of reach for many. For example, a restaurant cook makes an average of about \$38,000, but to afford the average two-bedroom apartment in San Mateo County, an annual income of \$118,800 is needed (Figure 5): three times his or her salary. Rentals are priced far beyond what people in many other professions earn as well.

Table 1. Affordability Gap Analysis: Median Home Prices and Income Required¹⁷

San Mateo County	Median Home Price, April 2018	Annual Income Needed to Afford Median Price (with 10% down)	Percent of Area Median Income
Single-Family Residence	\$1,630,250	\$382,960	323%
Condominium	\$938,000	\$225,360	190%
Area Median Income (AMI)		\$118,400	

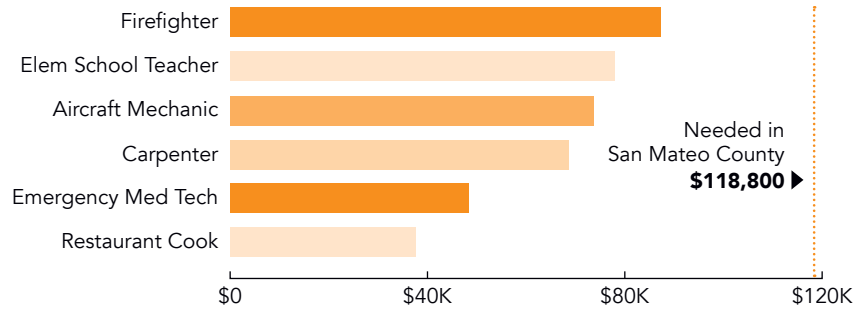
¹⁶"Defining Housing Affordability." U.S. Department of Housing and Urban Development. Office of Policy Development and Research. <https://www.huduser.gov/portal/pdredge/pdr-edge-featd-article-081417.html> Accessed May 24, 2018.

¹⁷San Mateo County Association of Realtors (SAMCAR) Median House and Condo Prices, March 2018; U.S. Department of Housing and Urban Development (HUD) FY 2018 Income Limits for Fair Market Rent; Zillow.com mortgage calculator with 10% down 30-year mortgage.

¹⁸Ibid.



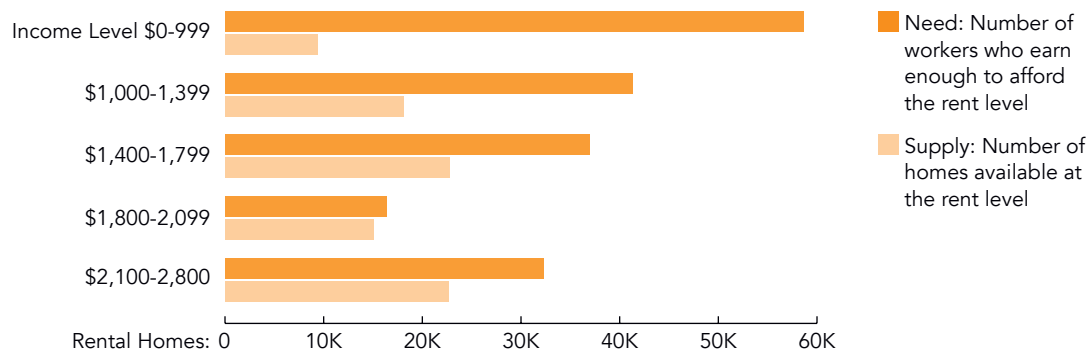
Figure 5. Typical Regional Salaries by Career vs. Salary Need to Afford an Apartment in San Mateo County¹⁹



The total home supply is inadequate, but far worse is the gross mismatch of supply to need. Most apartments are priced for higher incomes, and very few for low incomes—but the distribution of people’s actual incomes is the reverse (Figure 6). For almost 60,000 people in San Mateo County, their incomes mean they could only afford apartments under \$1,000 a month, but only 9,000 of those apartments exist.

That’s one rental home for every six people who need it.

Figure 6. Rental Housing Supply vs. Demand by Income Level, San Mateo County, 2016²⁰



“I live in San Jose and work at an automobile repair shop in San Mateo. I would like to live closer to work, but the cost of housing is just too high here. I pay \$600 a month for my room in a shared house. I can’t find anything close to that price in San Mateo.”

Tracy Low, San Jose resident

¹⁹California Employment Development Department (EDD) Occupational Employment Survey; Bureau of Labor Statistics (BLS); Zilpy.com Survey of San Mateo County 2-Bedroom Apartment Rents, March 2018. These averages are for the San Mateo-San Francisco-Marín census area.

²⁰U.S. Census 5-year American Community Survey, 2016. Table B25063 Gross Rent and Table S2001 Earnings in Last 12 Months.



The gap between incomes and housing cost is hard on many people. Almost everyone in San Mateo County knows people who are struggling with high housing costs, if they are not doing so themselves.

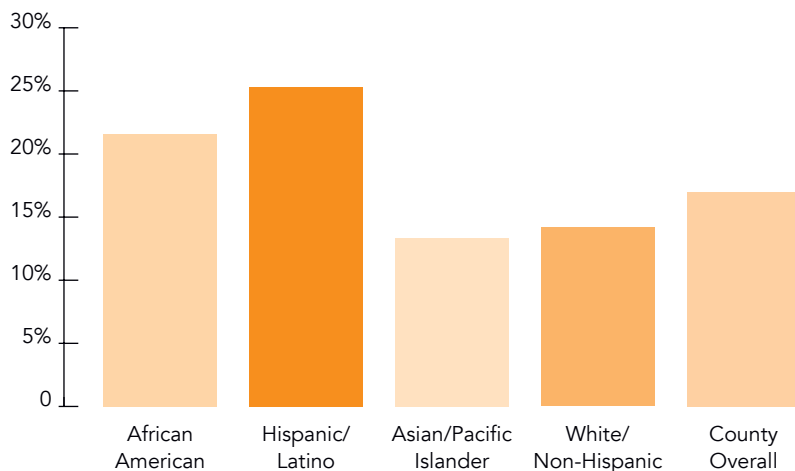
But the problem for some people is acute. The burden is by far the greatest in communities of color and in low-income households.

In San Mateo County, thousands of people are paying far too much for housing. As of 2016, federal data finds that more than 18,000 households are spending 50% or more of their income on rent.²¹ Countywide, this is over 15% of renter households.

Renters of color are bearing the greatest burden. One out of every four Latino households spends at least half of their income on rent, and almost as many African American households spend that much (Figure 7).

Figure 7. Severe Rent Burden by Ethnicity

San Mateo County Renter Households Spending 50% or More of Their Income on Rent²²



“I am a 23 year-old full-time worker and full-time student at SJSU, graduating in Fall 2018. My mother just graduated from SFSU and is also a full-time worker. Yet we still have to live together. There is no way we could live separately in San Mateo, even with both of our incomes.”

Larry Campbell,
San Mateo resident

²¹Integrated Public Use Microdata Series: Version 7.0 [dataset]. Steven Ruggles, Katie Genadek, Ronald Goeken, Josiah Grover, and Matthew Sobek. 2017. University of Minnesota. <https://doi.org/10.18128/D010.V7.0>.

²²U.S Census 5-year American Community Survey. Integrated Public Use Microdata Series. Comparing Rent and Household Earnings.



MORE TRANSPORTATION OPTIONS NEEDED

Transportation is the second-largest cost for many households, and the cost of people’s transportation, in large part, depends on the location of their home. If a family lives in a neighborhood that is close to good jobs and good public transit, even with higher housing costs, the total cost can be more manageable. But if, for example, workers join the record numbers of “super-commuters” driving from the Central Valley, the cost of housing may be lower—but the cost of transportation may be very high.²³



In San Mateo County, people want more, better, and more economical transportation options. Last year, TransForm staff and partner organizations surveyed 338 people who work near El Camino Real and around Caltrain Stations from Palo Alto to San Bruno.²⁴ The survey’s purpose was to identify the perspectives and priorities of area workers—in particular, low- and moderate-income workers in the service sector—to inform the Highway 101 Managed Lanes (express lanes) project. Nearly half (47%) of the workers surveyed carpool, bike, walk, or take public transportation to work. This is despite the fact that the vast majority (82%) do not receive transportation benefits of any kind from their employers, such as the free transit passes and shuttle services provided to many of the area’s higher-wage tech workers.

More than one in five respondents had quit or lost a job because it was hard to get to work. Many expressed frustration about long commutes and the lack of quality transportation options.

YOU GET WHAT YOU PAY FOR: QUALITY TRANSIT MEANS HIGHER RIDERSHIP

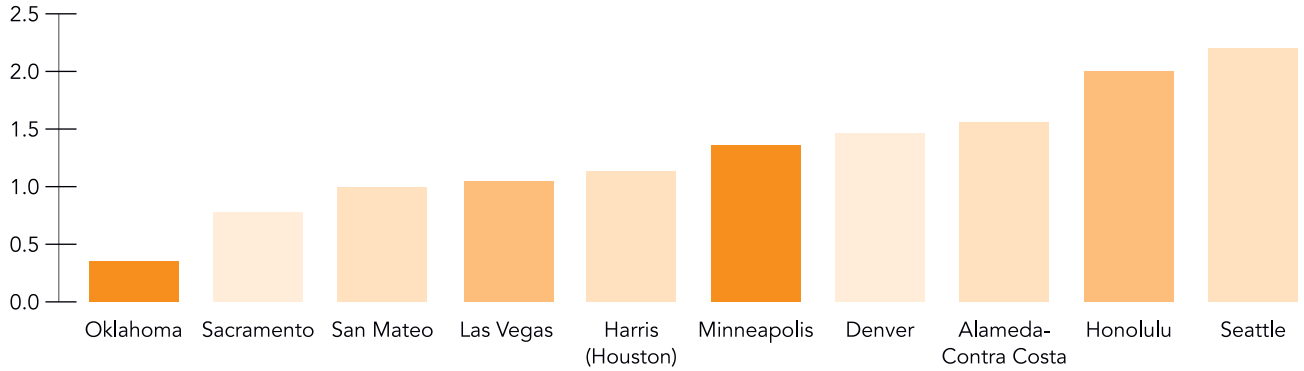
Despite the tremendous wealth being generated in Silicon Valley, not enough is going to support local transit services. TransForm recently compared SamTrans transit service levels (revenue hours per capita) with other comparable transit agencies across the United States and found that SamTrans does not have the resources to provide service at the level that cities with high ridership do (Figure 8).

²³“Stunning increase in Bay Area ‘super commuters’ in the last decade amid housing crisis. April 27, 2018. Michelle Robertson, SF Gate. <https://www.sfgate.com/traffic/article/Bay-Area-commute-San-Francisco-traffic-12861808.php>

²⁴“Beyond the Tech Commute: Examining Silicon Valley Workers’ Transportation Needs.” April 27, 2018. Chris Lepe. TransForm. <http://www.transformca.org/transform-blog-post/beyond-tech-commute-examining-silicon-valley-workers%E2%80%99-transportation-needs>

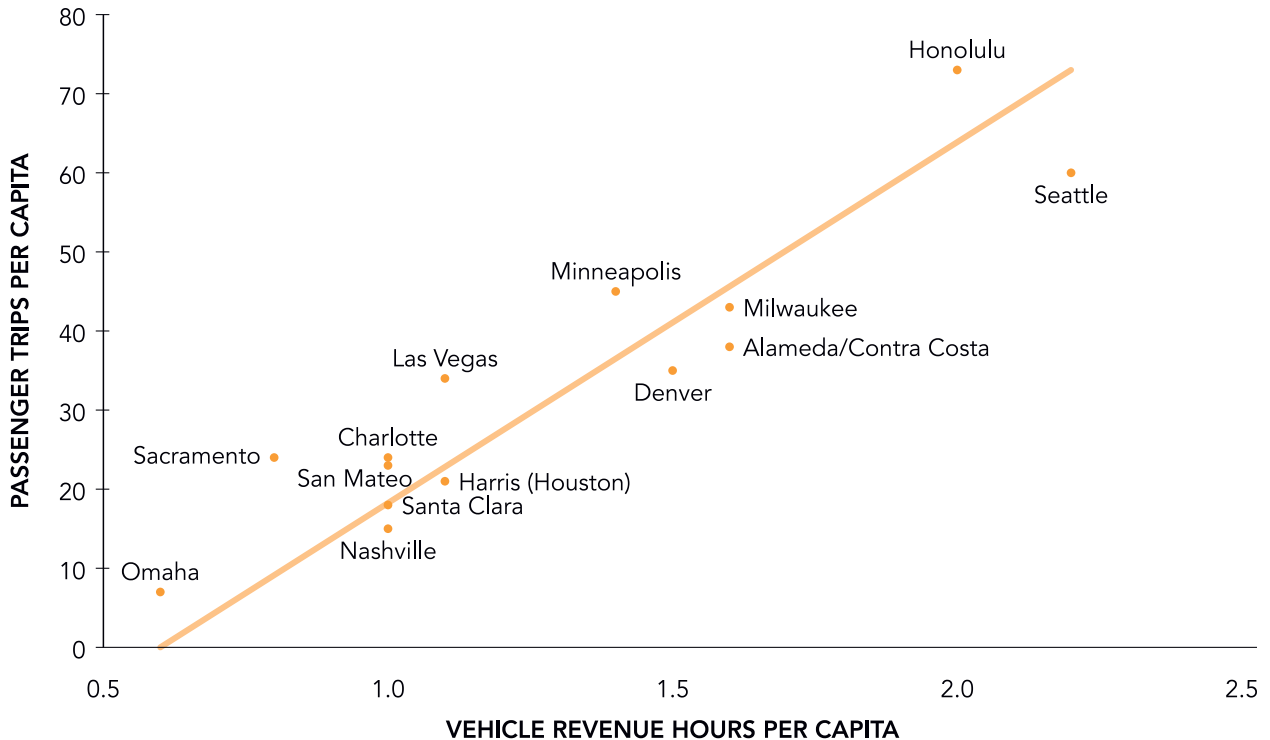


Figure 8. National Comparison of Transit Agencies: Transit Service Provided per Capita



Although factors such as traffic congestion, fare affordability, and parking pricing can also affect ridership, the analysis found that the correlation between the amount of service an agency provides and the amount people use transit is surprisingly strong (Figure 9). In a national comparison, San Mateo County is among a cohort of cities and counties that provide low levels of transit service and tend to have relatively low ridership.

Figure 9. Transit Service and Ridership, U.S. City and County Comparison





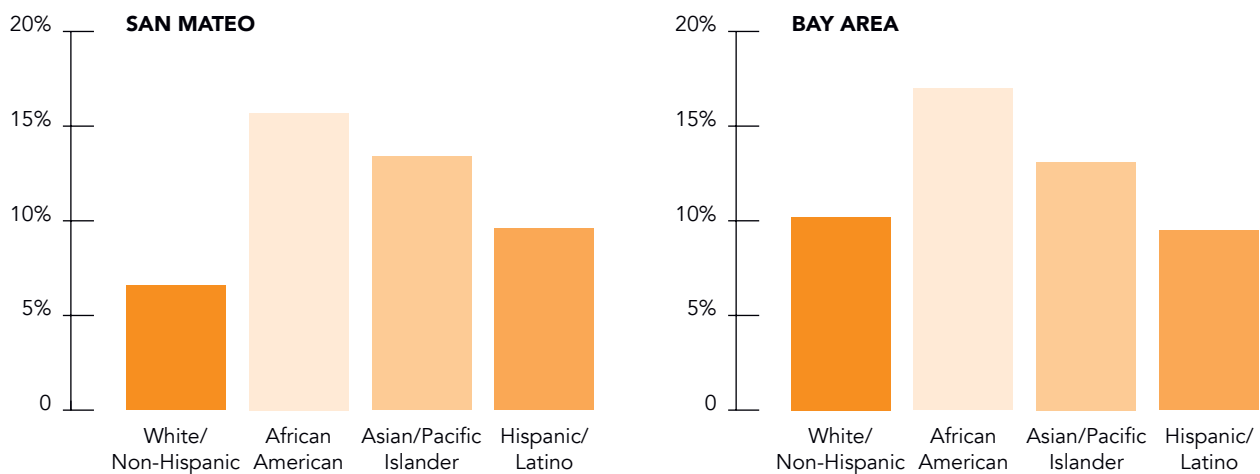
Worse yet, the SamTrans Board of Directors has recently discussed the possibility of cutting bus service due to ongoing budget shortfalls, unless new sources of funding are found.²⁵ Service cuts would likely result in fewer riders, as the graphs above demonstrate, and even more traffic.

Low investment in public transit and cuts in service, especially to buses, are hardest on the people already struggling most with unaffordable housing prices.

People with lower incomes and people of color use public transit more. In San Mateo County, 40% of people who commute using transit have annual incomes below \$35,000.²⁶

The difference in transit use among people of different races is particularly great in San Mateo County, more so than regionwide (Figure 10): here, people of color are almost twice as likely (on average, 11.9%) to commute via transit as white non-Hispanic people (6.6%). This translates into about 26,000 people (of color) using transit—and 26,000 cars that are not on the road every day.

Figure 10. Percentage of Households Commuting Via Transit – by Ethnicity²⁷



²⁵SamTrans Board of Directors meeting, May 2, 2018. <http://www.samtrans.com/about/boardofdirectors/video.html>

²⁶U.S. Census American Community Survey 5-year estimate. 2016. American Factfinder. Table S0802, Means of Transportation to Work by Selected Characteristics: Earnings in the Past 12 Months.

²⁷U.S. Census American Community Survey 5-year estimate. 2016. American Factfinder. Tables B08105A-I, Means of Transportation to Work by Racial Ethnic Group.



CATCHING UP ON WALKING AND BIKING

Walking and biking are transportation options that are low-cost for travelers and are also critical to making public transit work, by enabling riders to get between home, work, and the train station or bus stop. These options are only possible when the streets are made safe with good sidewalks, safe crossings, and protected bike lanes.

San Mateo County's investment in walking and biking projects has been insufficient to meet community needs. In the county's last (and current) sales tax transportation funding measure, only 3% of revenues were allocated to pedestrian and bicycling infrastructure. This is lower than many comparable counties; Alameda County's 2014 Measure BB, for example, allocated 8%.²⁸ Some local jurisdictions like San Luis Obispo are going further, allocating 20% for biking.²⁹



Photo by Andrew Boone

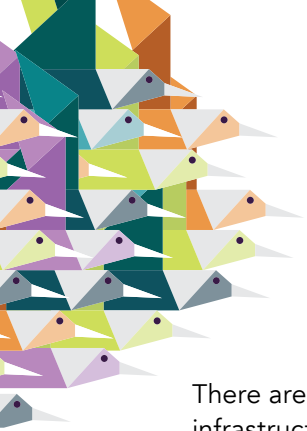
The demand for safe streets is high. Recent rounds of active transportation funding (primarily the sales tax) have seen applications for far more projects than the funds available. In 2017, there were 21 applications for capital projects requesting a total of \$6.9 million; of these, five were recommended to receive the available money: just \$1.9 million.³⁰ In 2018, the SMCTA approved funding for 10 projects totaling \$5.7 million after receiving 17 applications totaling \$8.8 million in requests.³¹

²⁸Bicycle and Pedestrian Funding. Alameda County Transportation Commission. https://www.alamedactc.org/app_pages/view/9641 Accessed May 24, 2018.

²⁹"How San Luis Obispo Established the Most Powerful Bike Funding Policy in the Nation." February 10, 2015. Eric Meyer and Dan Rivoire. Bike SLO County. <https://bikeslocounty.org/powerful-bike-funding-policy-nation/>

³⁰"San Mateo County Allocates \$2.26 Million in Bike and Pedestrian Funds but Good Projects Left Unfunded." October 30, 2017. Emma Shlaes. Silicon Valley Bicycle Coalition. <https://bikesiliconvalley.org/2017/10/san-mateo-county-allocates-2-26-million-bike-pedestrian-funds-good-projects-left-unfunded/>

³¹"Round Up of San Mateo County Bike Project Funding." March 6, 2018. Emma Shlaes. <https://bikesiliconvalley.org/2018/03/round-up-of-san-mateo-county-bike-project-funding/>



There are promising trends. Caltrain has helped to meet—and increase—the demand for bike infrastructure in San Mateo County as it has expanded its ability to carry bicycles. According to its most recent count, average weekday bike ridership has increased by 223% since 2004.³²

The best way to encourage biking is to create safe places to ride. A survey of cities across North America found that adding protected bike lanes increased bike ridership on those streets by up to 171%.³³ In these cities, as bike networks improved and ridership increased, the risk to bicyclists of injury and death dropped.

This is particularly important for low-income people and people of color: in the cities surveyed, 49% of the people who bike to work earn less than \$25,000 per year, and fatality rates for African-American and Latino bicyclists are 30% and 23% higher than white bicyclists respectively.³⁴

If destinations are close together and there are safe paths between them, people will walk and bike. San Mateo County's investment in these sustainable, healthy transportation options has a long way to go to catch up with the need.

DISPLACEMENT IS MAKING TRAFFIC WORSE

Adding to these pressures, and increasing the need to act quickly, is the rising occurrence of displacement. As the cost of living rises in San Mateo County, and not enough new homes are built, families are being pushed out of the county entirely.

The impacts are regional. San Mateo County commuters are not just causing traffic in San Mateo County. They are causing a ripple effect through the region: low-income workers in Alameda County and Contra Costa County are being displaced by San Mateo County workers, causing long drive times even to communities that have not benefited by the recent tech boom.

Displacement in San Mateo County has increased rapidly in recent years. Between 2012 and 2015, evictions of people unable to pay rent on time went up by 59%, and “no-cause” (no fault of the tenant) evictions went up by 300%.³⁵ Eviction numbers tend to understate displacement, as well, as many people are forced to move by “soft eviction,” such as landlord harassment and increases in rent. Additionally, displacement can threaten anyone paying too much for housing; when a family must spend more than half their income for rent, even if that rent doesn't change, a car accident, medical emergency, or family conflict can lead to the loss of their home.

³⁵San Mateo County Eviction Report 2016. 2016. The Legal Aid Society of San Mateo County, and Community Legal Services in East Palo Alto. <http://www.legalaidsm>

³²Caltrain 2017 Passenger Count Key Findings. http://www.caltrain.com/Assets/_Marketing/caltrain/pdf/2016/2017+Annual+Count+Key+Findings+Report.pdf

³³“Equitable Bike Share Means Building Better Places for People to Ride.” July 20, 2016. National Association of City Transportation Officials. <https://nacto.org/2016/07/20/high-quality-bike-facilities-increase-ridership-make-biking-safer/>

³⁴Ibid.



Displacement has direct effects on transportation. The people who are pushed out often compose the base ridership of public transit, particularly buses. Recently, when Portland's transit agency, TriMet, analyzed its declining rates of ridership, rather than the usual explanations—low fuel prices, fare increases, service cuts, and system performance—the agency found that the only factor that showed a correlation with dropping ridership was displacement.³⁶

Displacement, the Portland study found, reduced transit use and increased driving. This occurs because as higher-income people move to transit-rich areas, they displace low-income people who were dependent on that transit, and both groups of people end up driving more. Low-income people who rely on transit and do not own cars are pushed out to areas where they are forced to drive. In addition, higher-income people who move in still tend to own cars, and frequently drive despite living near many transit options.

There is a stark difference in car ownership across income levels—when people live near transit. A statewide (California) study, comparing higher-income and extremely-low-income households living within a quarter-mile of frequent transit, found that those with higher incomes drive more than twice as many miles and own more than twice as many cars.³⁷ This illustrates the mechanism by which displacement can drive up traffic. It also illustrates the potential for reducing traffic by building affordable homes near transit.

Another analysis by the Southern California Association of Governments found that declining transit ridership was associated with displacement and increasing car ownership.³⁸ It also found that buses throughout the region have slowed down, with a 13% decrease in speed between 2000 and 2016. As buses generally must contend with the same traffic as cars, they also suffer from increasing congestion. This can create a vicious cycle: as buses slow down, more riders shift to cars, which worsens congestion, and causes buses to go even slower.

Protecting local residents from displacement will help protect the county's existing affordable housing stock, prevent traffic from worsening, and preserve transit ridership. Additional solutions can go further.



“I’m a substitute teacher studying for a math credential. I grew up in San Mateo and went to schools here. Although the school districts generally pay more in this county, it is not enough. I’m moving to Stockton to start a teacher program and teach out there because with a teacher’s salary you can afford a home there.”

David Magaña-Ruiz,
San Mateo resident

³⁶In Portland, Economic Displacement May Be a Driver of Transit Ridership Loss.” November 14, 2017. TransitCenter. <http://transitcenter.org/2017/11/14/in-portland-economic-displacement-may-be-a-driver-of-transit-ridership-loss/>

³⁷“Why creating and preserving affordable homes near transit is a highly effective climate protection strategy.” May 2014. TransForm. Based on February 2013 Caltrans California Household Travel Survey (CHTS) data. <http://www.transformca.org/sites/default/files/CHPC%20TF%20Affordable%20TOD%20Climate%20Strategy%20BOOKLET%20FORMAT.pdf>

³⁸“Falling Transit Ridership: California and Southern California.” January 2018. Michael Manville, Brian D. Taylor, and Evelyn Blumenberg. https://www.scag.ca.gov/Documents/ITS_SCAG_Transit_Ridership.pdf and summarized in: “New UCLA Study Examines Transit Ridership Decline, Blames Car Ownership.” February 1, 2018. Joe Linton. Streetsblog LA. <https://la.streetsblog.org/2018/02/01/new-ucla-study-examines-transit-ridership-decline-blames-increased-car-ownership/>



MAXIMIZING THE BENEFITS OF AFFORDABLE HOMES NEAR TRANSIT

People living near proposed housing developments are sometimes concerned that adding new homes will cause additional local traffic—even as they are helping to reduce traffic at the regional level.

There are many smart strategies to reduce car use in new developments. Location, of course, is the most effective: if the new homes are located near jobs and high-quality transit, residents will need to drive far less. People who both live and work within a half-mile of rapid transit are 10 times more likely to use transit than people who do not.³⁹ In addition, if the homes are affordable to people with extremely-low and very-low incomes, residents are much less likely to drive or own cars at all.⁴⁰

Building transit-oriented development—new homes, jobs, shops, and services close to public transit—enables new residents to take the nearby train or bus, and shop nearby as well, for all their daily necessities. Existing residents also benefit from new grocery stores and other shops and amenities that get the customers they need when more people live nearby.

Other proven travel demand management strategies include free transit passes for residents, reduced parking requirements to both make homes more affordable and make them appeal to residents with fewer or no cars, and providing parking for carshare cars, so that residents don't need to own cars at all. Great examples of projects that are minimizing the trips they generate can be found at [GreenTRIP.org](http://www.greentrip.org).

“I’ve been working at a childcare facility in Millbrae since 1998. My son, my mother, and I have been living in San Bruno since 2002. Recently, my mother was diagnosed with Parkinson’s and she needs my help with picking up her prescription or taking her to the doctor. On top of this, I’m stressed out because our landlord told me to look for new housing because he wants to redo our apartment. I just need a stable, affordable home for my family.”

Froda Boquilon,
San Bruno resident

³⁹“Characteristics of Rail and Ferry Station Area Residents in the San Francisco Bay Area: Evidence from the 2000 Bay Area Travel Survey.” 2006. Metropolitan Transportation Commission. http://www.reconnectingamerica.org/assets/Uploads/bats2000_station_area_residents_study_pdf.pdf

⁴⁰“Why Creating and Preserving Affordable Homes Near Transit is a Highly Effective Climate Protection Strategy.” May 2014. TransForm. Based on February 2013 Caltrans California Household Travel Survey (CHTS) data. <http://www.transformca.org/sites/default/files/CHPC%20TF%20Affordable%20TOD%20Climate%20Strategy%20BOOKLET%20FORMAT.pdf>



TAKING ACTION: INTEGRATED SOLUTIONS

The entire Bay Area is in an affordable housing crisis, and the situation is exacerbated in San Mateo County, where jobs and housing are deeply mismatched. This is creating traffic that is hard on everyone. The crisis, however, is not insoluble. In the long term, three things are needed:

- 1 **Funding and Integrated Planning:** We must dramatically increase funding for both affordable housing and for affordable, efficient transportation options. We must ensure that housing and transportation are integrated in planning and financing.
- 2 **Land:** We need to make more sites available to build the homes people need where they need them—that is, near jobs and transit.
- 3 **Leadership:** We must all support action to build affordable homes and transportation options where they're needed, understanding the connection to traffic, climate change, air quality, public health, and quality of life.



“A few years ago, after my husband and I split up, my children and I spent nearly a month in a homeless shelter. Permanent affordable housing saved my life.”

Myrna Trujillo, Daly City resident

In the near term, there are clear actions that will help: smart strategies to make both transportation and housing dollars go further. Below are key decisions our public agencies and elected leaders can make now to move San Mateo County forward.

The County Board of Supervisors can help, using new transportation funds:

As the County's Board of Supervisors prepares to place a transportation funding measure on the November 2018 ballot, we have an exciting opportunity to get the county moving with effective, targeted solutions. Samtrans has done a strong job on outreach, but it is possible to get a measure with broader benefits. Here are key recommendations:

Leverage transportation funds to help create more affordable homes:

- **Reward cities that build affordable homes:** The measure's funding should be based in part on cities' performance on approving affordable homes.

The Metropolitan Transportation Commission's 2016 One Bay Area Grant program sets aside \$10 million to support existing affordable housing and offers \$30 million in challenge grants to cities to build new affordable homes, especially near transit.



- **Directly support development close to transit, and reward cities for jobs-housing fit:** Set aside 5% of sales tax revenue to fund infrastructure for transit-oriented development, connecting affordable homes to surrounding development with safe walking and biking routes to jobs, shopping, bus stops, and train stations. Consider making jobs-housing fit a criterion in project selection to reward jurisdictions that are responsibly planning for their workforce.

VTA's evaluation of projects for 2018-2022 One Bay Area Grant funds included proximity to affordable housing developments as one of the performance criteria in awarding funding to cities.

Invest in public transit with targeted strategies: Allocating significant funding for bus and train service will serve the people burdened most by high housing and transportation costs and provide high-quality options to help more people get out of cars. The draft measure proposes 60% of the funding for public transit. Funds should be prioritized for strategies like these:

- **Fund more SamTrans service** to enable buses to run more frequently and reliably, which will help increase ridership.
In 2014, Seattle voters approved a sales tax and vehicle license fee to raise \$45 million to expand bus service by 15%, increasing reliability and frequency—and ridership.⁴¹
- **Add transit-priority innovations** like transit-priority signals and lanes that will let buses go faster, helping more people beat traffic.
In San Francisco, installing transit-priority signals along the Mission Street corridor reduced travel time along the corridor's bus routes by 10%.⁴²
- **Expand affordable fare programs** to reduce the cost burden for low-income households and help more people choose transit over driving.
In Palo Alto, a subsidized monthly transit pass for low-income service workers reduced overall solo driving from 57% to 53% in one year; in the service sector, the drive-alone rate dropped from 80% to 70%, transit use increased by 6%, and rideshare increased by 7%.⁴³
- **Improve express/regional transit service**, with programs targeted to people with lower incomes, to reduce traffic and help address the needs of workers priced out of living in San Mateo County.
After Caltrain introduced its popular "Baby Bullet" express service in 2004, ridership increased by 25% in two years, and is now 150% higher than it was in 2004.^{44,45}

⁴¹"How Seattle Bucked a National Trend and Got More People to Ride the Bus." October 16, 2017. Andrew Small. CityLab. <https://www.citylab.com/transportation/2017/10/how-seattle-bucked-a-national-trend-and-got-more-people-to-ride-the-bus/542958/>

⁴²"Green Lights for Muni." January 19, 2015. <https://www.sfmta.com/blog/green-lights-muni>. Accessed May 14, 2018.

⁴³"2017 Downtown Palo Alto Employee Survey." June 2017. Palo Alto TMA and EMC Research. <http://www.paloaltotma.org/wp-content/uploads/2017/08/17-6393-Report-7.pdf>

⁴⁴"Caltrain's Project 2025: Moving Beyond the Baby Bullet." October 9, 2006. Passenger Transport. American Public Transport Association. http://www.apta.com/passengertransport/Documents/archive_3297.htm

⁴⁵2017 Annual Passenger Counts. June 21, 2017. Caltrain. http://www.caltrain.com/Assets/___Agendas+and+Minutes/JPB/CAC/Presentations/2017/2017-06-21+JPB+CAC+2017+Passenger+Counts+Presentation.pdf



Invest in better walking and biking connections, allocating 10% of revenue to increase access and safety for people who walk and bike. This can include Safe Routes to Schools programs, bike and pedestrian plans, and infrastructure such as protected bike lanes, secure bike parking, and multi-use trails, as well as sidewalks, crosswalks, and bulb-outs.

As part of the San Mateo County Safe Routes to School program in Daly City, Tobias Elementary School went from a small percentage of walkers to 77% participation in Walk and Roll to School Day in just three months. Nationally, each year of Safe Routes education and encouragement increases walking and bicycling rates by 5%, up to 25% in five years, and engineering improvements lead to an 18% increase in walking and bicycling to school.⁴⁶

Fund smart strategies to reduce travel demand, particularly for solo drivers. At least 5% of the measure should be dedicated to strategies such as free SamTrans/Caltrain transit passes for low-wage workers; subsidies and incentives to increase carpooling and ride-sharing; expansion of shuttle service; expanded bike share access and other bicycle encouragement programs; last-mile connectivity to transit; parking management programs; and incentives to increase travel during off-peak commute hours.

Since 2003, Stanford University has reduced single-occupancy car trips to and from its campus from 69% to 43% today as part of its No Net New Commute Trips, a goal it has achieved through parking pricing, pre-tax transit passes, ACE Train discounts, car rental and carshare programs, a free shuttle and real-time shuttle app, and a free folding bike rental program.⁴⁷

In addition to smart use of the proposed sales tax, the County Board of Supervisors can play a leadership role in two critical ways:

Invest in building affordable homes. Commit to putting at least 25% of funds from Measure K, the countywide sales tax passed in 2016, toward creating permanent affordable homes.

In 2017, the Board of Supervisors did allocate 25% of Measure K funds to building new affordable homes. At a time when federal funds are insecure, this local funding is critical and highly effective; already, through the Affordable Housing Fund, this is helping build 850 new homes.⁴⁸

Protect people from displacement. New transportation projects can lead to both direct and indirect displacement. Any major new infrastructure projects near low-income communities should be complemented by funding and policies to offset those impacts. These funds can, for example, help preserve existing affordable housing stock or provide legal counsel for residents threatened with eviction.

Alameda's 2014 Measure BB sales tax requires the sponsors of any transportation projects that directly cause displacement to mitigate its impacts.

⁴⁶"Impact of the Safe Routes to School Program on Walking and Bicycling." Noreen C. McDonald, Ruth L. Steiner, Chanam Lee, Tori Rhoulac Smith, Xuemei Zhu, and Yizhao Yang. 2014. Journal of the American Planning Association. <https://www.tandfonline.com/doi/abs/10.1080/01944363.2014.956654>

⁴⁷"Stanford Transportation Strategy: The Future of No Net New Commute Trips." Community Plan 2018 General Use Permit. <https://drive.google.com/file/d/1RKH5ilbUXSkCdA9rV0q8EntlMow7EmS0/view>

⁴⁸"County considering \$24M for new housing." October 31, 2017. Samantha Weigel. The Daily Journal. https://www.smdailyjournal.com/news/local/county-considering-m-for-new-housing/article_e22477ee-bdf0-11e7-af0c-2b13f79400ef.html



Cities can help:

Adopt impact fees to fund affordable homes.

Adopt affordable housing impact fees on commercial developments.

Eleven jurisdictions in San Mateo County, including Daly City, San Mateo, and Redwood City, have adopted these policies to ensure that new development that creates jobs also helps to create homes for the workers—or the people who serve those workers. Menlo Park has used the fees to support formerly homeless veterans, senior housing, and family housing in the Belle Haven neighborhood.

Adopt and strengthen inclusionary policies.

Pass or update policies that require a certain percentage of all new homes be affordable, particularly to people with incomes that are classified as “low” and “very low.”

Several cities in San Mateo County, including San Mateo, Redwood City, and Belmont, have adopted these policies to ensure that all residential developments include homes that are affordable and inclusive.

Streamline the approval of “granny flats.”

Reduce requirements on lot size, parking, unit size, and set-backs to allow accessory dwelling units, also called in-law units or granny-flats, which add an independent living space to an existing single-family home.

In Los Angeles, LA Más has taken this idea a step further with the Backyard Homes Project, which combines the accessory dwelling unit program with the federal Section 8 voucher program to make these new homes affordable to more people with lower incomes.⁴⁹

Protect people from displacement.

Adopt policies and programs, such as regulation of rent increases, condominium conversion ordinances, and prevention of evictions without cause, that have a proven track record of creating stable housing.

According to a Stanford study, in San Francisco rent control increased the likelihood that renters would stay in their home by close to 20%, an effect that was stronger for older residents.⁵⁰

⁴⁹The Backyard Homes Project. <https://www.mas.la/affordable-adus/>

⁵⁰“The Effects of Rent Control Expansion on Tenants, Landlords, and Inequality: Evidence from San Francisco.” Rebecca Diamond, Tim McQuade, and Franklin Qian. December 27, 2017. National Bureau of Economic Research. <https://web.stanford.edu/~diamondr/DMQ.pdf>



Caltrain and other public agencies can help:

Prioritize affordable homes on public land.

Caltrain can adopt a system-wide policy (which would cover three counties) that prioritizes housing production on Caltrain's publicly owned land (in areas like parking lots, that are non-essential for train operation), and requires that at least 25% of the homes be affordable.

BART adopted a similar policy in 2016 and systemwide, has built 4,247 homes on BART property, 981 of which (23%) are affordable. The policy also resulted in the approval of the first affordable housing development in Millbrae's history, with 80 veteran-preferred affordable homes. BART's long-term goal is to help build 20,000 homes, of which 7,000 are specifically designated as affordable.

San Mateo County's worsening traffic and its affordable housing crisis are closely linked. Solving both will require concerted action and leadership.

IT'S TIME TO ACT. It's time to move San Mateo County forward.





HOUSING
LEADERSHIP
COUNCIL

hlcsmc.org



transformca.org

