



# SPRING 2017

## KEY INDICATOR: COST OF LIVING

### TWENTY-FIRST ANNUAL

# INDICATORS REPORT

# SUSTAINABLE

## SAN MATEO COUNTY

SUSTAINABILITY: A HEALTHY ENVIRONMENT, SOCIETY  
AND ECONOMY FOR THE LONG TERM

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# Key Indicator: Cost of Living

## HOUSING CRISIS

**64,531** Jobs Created **San Mateo County**  
**3,844** Housing Units Built **2010 - 2015**

**8%** Increase in Median Income

**49%** Increase in Average Market Rent

**52%** Increase in Median Home Sales Price



Only 23% of San Mateo County's housing was constructed between 1980 and 2015; the majority was constructed prior to 1979.

Zoning and land use restrictions, as well as public pressure to suppress growth, have prevented housing development.



Boosted demand for housing construction results in a labor shortage that increases the cost of construction and extends the time to complete projects, which further increases the cost.

Low supply and high demand for housing forces low-income residents to compete with high-income residents for the limited stock of low priced homes.



The dissolution of state redevelopment agencies and the loss of other funding sources has decreased funding for affordable housing projects by 83% or \$33 million annually since 2008.



A shortage of government owned or donated land suitable for non-profit home development limits opportunities for affordable housing projects, especially in the vicinity of transit.



The county contains less than 10,000 rental homes that are affordable to those who earn less than \$50,000 annually. 25,882 affordable homes must be added to meet the need.

Data Source: U.S. Census Bureau, American Community Survey 1-Year Estimates; Association of Bay Area Governments (ABAG); SPUR, Non-Profit Housing Association of California, Housing Leadership Council San Mateo County, Legislative Analysts Office.

**Housing costs and traffic congestion are two of the biggest problems facing the Bay Area, prompting more residents to consider relocating,**

according to a poll conducted by the Bay Area Council. Though the regional workforce has expanded, the rate of residential construction has not kept pace, and traffic congestion has increased. As of 2015, San Mateo County had 111,262 more jobs than housing units.<sup>1</sup>

The cost of homeownership and home rental in the county increased by approximately 50% in 2015 compared with 2010. Only 29% of first-time buyers can afford to purchase a home, and 48% of renters spend over 30% of their income on rent.<sup>2</sup>

Compared with some neighboring counties, San Mateo County residents are increasingly more open to development of new housing.<sup>3</sup> Growing awareness of housing issues and the impacts of transportation on air quality and Greenhouse Gas (GHG) emissions is shifting trends in development design and city planning.

1. U.S. Census Bureau, American Community Survey, California Employment Development Department
2. U.S. Census Bureau, American Community Survey
3. Bay Area Council

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**Learn more about housing and transportation in the Cost of Living section of the Indicators Report**

# Housing and Transportation Costs

**Housing and transportation costs are interrelated as home location affects transportation options and expenses.** The cost of public transit may be shared by housing developers and employers that purchase passes in bulk at a discount. However, there are no transit discount programs specifically for low-wage riders who work in San Mateo County, though 12% of low-wage workers rely on public transit for their commute.<sup>4</sup>

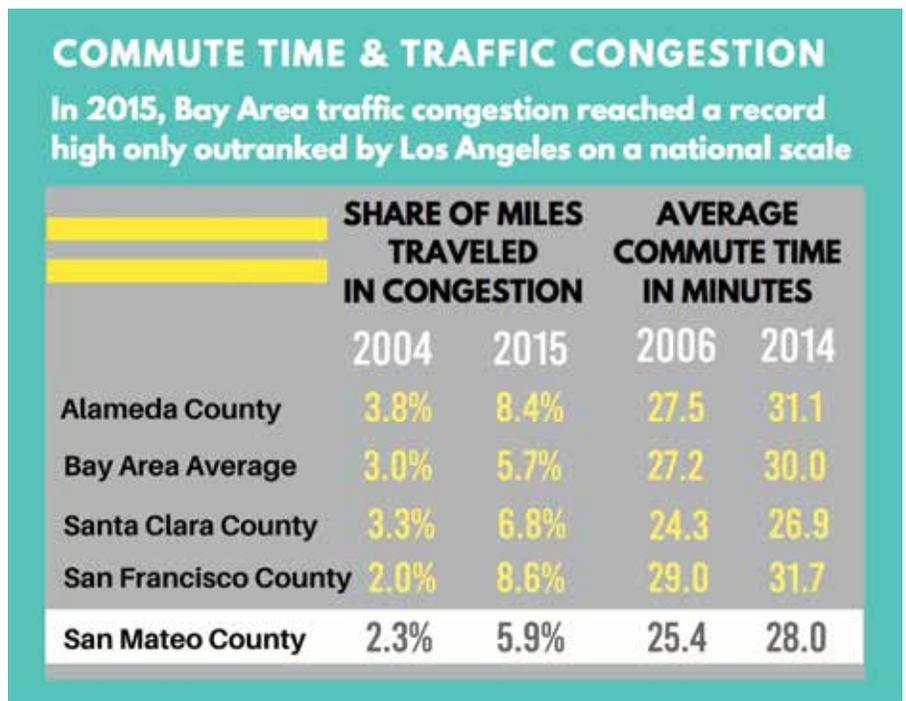
Improving neighborhood walkability, bike routes, and access to transit is an opportunity to reduce transit costs, relieve traffic congestion, enhance air quality, and encourage physical activity in daily life. Transit Oriented Development (TOD) policies favor infill development that sits close to transit. The Grand Boulevard Initiative is a local effort to increase access to buses and trains and concentrate development within a half-mile of El Camino Real to revitalize what was once the backbone of the Peninsula.

Given the high cost of construction and real estate, affordable-home developers are challenged to find central locations that are close to transit. In new developments, the cost of parking construction is passed on to the consumer regardless of whether they are car owners. Public-private shared parking facilities, reduction of parking space requirements, or unbundling the price of housing and parking spaces may reduce construction costs and prevent unused parking spaces.

4. Equity Analysis Report, Plan Bay Area



Data Source: H + T Index. U.S. Census Bureau American Community Survey 2013, Census LEHD-LODES, 2013 National Transit Database, Consumer Expenditure Survey (CES) from the US Bureau of Labor Statistics

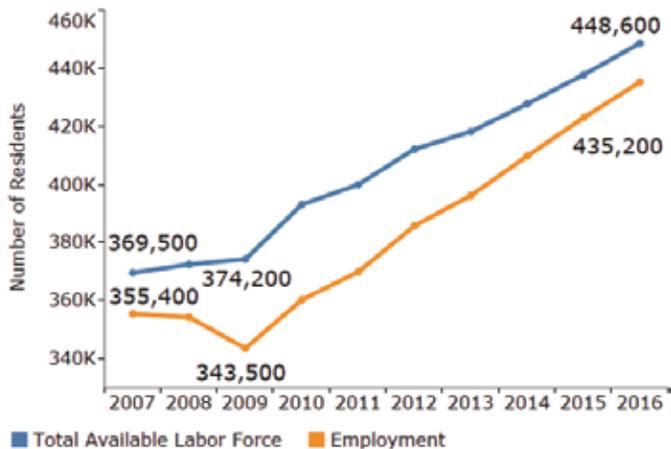


Data Source: Metropolitan Transportation Commission (MTC)

**More about commute modes and safe routes to school on our website**

# Indicators Updates

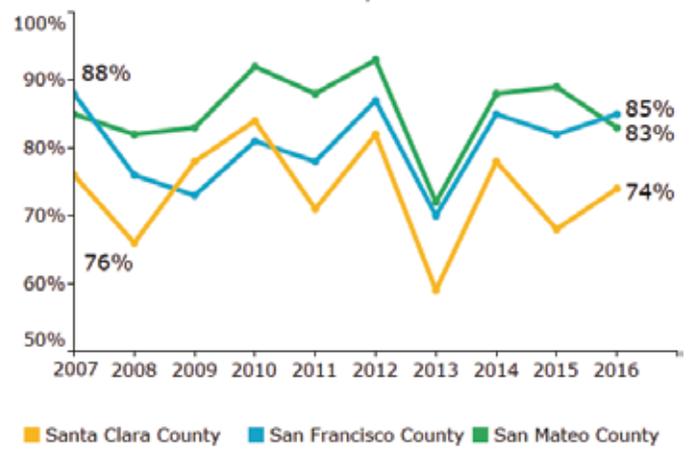
**Employment  
San Mateo County, 2007-2016**



Data Source: California Employment Development Department

In 2016, employment in the county rose by 2.9% compared with the previous year, a smaller increase than the growth in 2015, which showed a 3.2% gain. Employment surpassed 2000's high of 387,000 in 2013 and continues its upward trend.

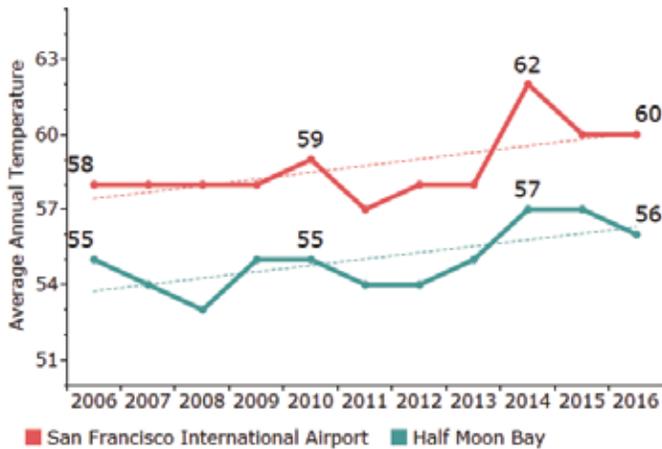
**Percent of Monitored Days with Good Air Quality  
Select Counties, 2007-2016**



Data Source: U.S. Environmental Protection Agency

The U.S. Environmental Protection Agency's Air Quality Index combines measurements of six air pollutants. In 2016, San Mateo County experienced 63 days in the "moderate" range of pollution, and zero days fell into the "unhealthy" range.

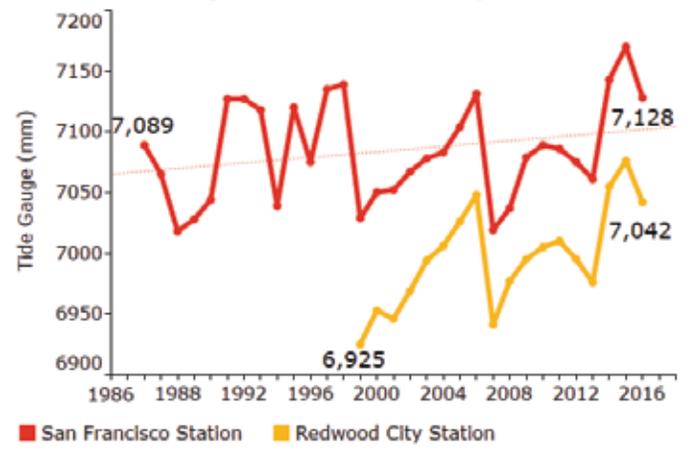
**Average Annual Temperature  
San Mateo County, 2006-2016**



Data Source: National Oceanic and Atmospheric Administration (NOAA)

The increase in average temperature is a measurable indication of climate change. Higher temperatures affect weather patterns and storms, contribute to wildfires, and stimulate insect outbreaks. In winter, low temperatures ensure snow rather than rain, securing the Sierra snow pack, the state's largest water storage system. Reducing Greenhouse Gas (GHG) emissions slows climate change. In San Mateo County and California overall, transportation and energy production are the largest sources of GHG.

**Average Sea Level  
Redwood City and San Francisco, 1986-2016**



Data Source: Permanent Service for Mean Sea Level (PSMSL)

The combination of sea level rise, high tide, and wind caused by storms poses a major threat of flooding in low lying areas on the bay side of the county and erosion along the coast. Sea level rise of 3.3 feet and a 1% annual chance storm poses a threat to 7,000 acres of marshland, \$34 billion in assessed property value, 380 miles of roads, and over 100,000 people (San Mateo County Sea Level Rise Vulnerability Assessment Draft).