

## MEMORANDUM

To: Ms. Julia Klein, Principal Planner, City of San Mateo  
From: Matthew Taecker, AIA AICP  
Date: March 27, 2019  
Re: **Transcript for GPU Subcommittee Presentation**

### Page 1

#### About the presenter.

I'm Matt Taecker, an architect, urban designer and planner for 30 years. I also have a degree in Economics from University of Chicago. My career has been focused on how to make walkable communities by encouraging compact mixed-use development, to create places like your downtown. I've been involved in numerous General Plans and have been asked by the Bohannon's to contribute constructively to your General Plan process.

#### Housing demand presents a big problem.

I've looked hard at the demographic and economic information in your Existing Conditions report. I've also used Geographic Information System tools to look at the extent of available land in the City. After careful review, I need to tell you that you have a serious problem. There is a mismatch between your projected population growth and the availability of sites that are likely to develop.

#### Homes needed by 2040.

In your Existing Conditions Economics report, Tables 1 and 18 present City population over time. Table 1 shows past trends. Table 18 shows future ABAG projections. I've made a graph using these same population numbers for your consideration. I used simple math to convert population numbers into housing units, and applied San Mateo's current household size of 2.6 persons per household. If I had used your historic household size of 2.4, housing demand would be even higher. If you rely on ABAG's estimates, the General Plan needs to accommodate roughly 10,600 new homes.

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#### Land available for development.

It's important to get at least a rough idea available acreage to see how things might fit. How much land is available for San Mateo to grow?

San Mateo's been fortunate to have extremely large development sites, like Bay Meadows, up to this point. Growth will need to rely on small and medium-sized infill sites from this point. For infill to make economic sense, development occurs on underutilized sites. In the case of San Mateo, these would include vacant sites, large surface parking lots, and 1-story commercial buildings.

Using these criteria, I identified the location of underutilized parcels by walking your city, examining aerial photographs, and leaving entitled projects out of the analysis.

Community members have said they want to protect San Mateo's residential neighborhoods, so residential areas, residential building, and downtown's historic district are not included.

Based on this underutilized land analysis, about 225 acres are likely candidates for development, across the whole city.

Only a fraction of available land will be built on.

We can expect that only a fraction of these underutilized parcels will be built on with housing. Property owners don't redevelop for a variety of reasons. Foremost, cash flow on the existing use may be just fine as is. Family trusts and other ownership situations can complicate things. Commercial uses might be built instead of housing. And land owners often hold out to build something bigger later.

Do the math.

It's a simple calculation to get a sense of the problem: 10,600 homes should be built and about 100 acres can be expected to come into play. There may be disagreements around some assumptions I've made, but the mismatch between housing demand and land availability should be of great concern.

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Higher job growth may increase housing demand.

Employment growth is what drives population growth and housing demand. San Mateo is in the center of the nation's fastest growing subregion.

ABAG's forecast may be an underestimate. As shown in Figure 9 of your Existing Conditions Economics report, and explained in its text, ABAG population forecasts do not include informal employment sector jobs, like people working out of their home or working free lance – the "gig economy." Your report cites Woods & Poole, an independent economics firm that does include informal sector jobs, and its forecast for job growth is considerably higher: an estimated 150,000 new jobs in San Mateo County versus 77,000 new jobs estimated by ABAG.

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Woods & Poole projections mean higher housing demand than ABAG's.

The graph on page 4 compares the trends based on Woods & Poole versus ABAG. By taking Woods & Poole's job forecast and applying the city's current jobs per household ratio, it translates to demand for about 15,000 new homes.

Since job growth drives housing demand, a prudent approach to your General Plan would be to assume that you will experience much more job growth – and a greater need for housing -- than ABAG projects.

Address housing vs. land mismatch in General Plan and land use scenarios.

What I have presented is either based on your consultant's analysis or can be replicated independently. While there may be disagreements around minor points, the order of magnitude mismatch between housing demand and available land is overwhelming, and is something you'll want to address in your General Plan, and especially as you develop your land use scenarios.

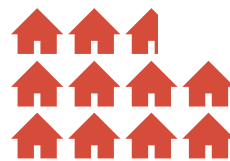
# HOUSING GROWTH (ABAG)

# 10,600

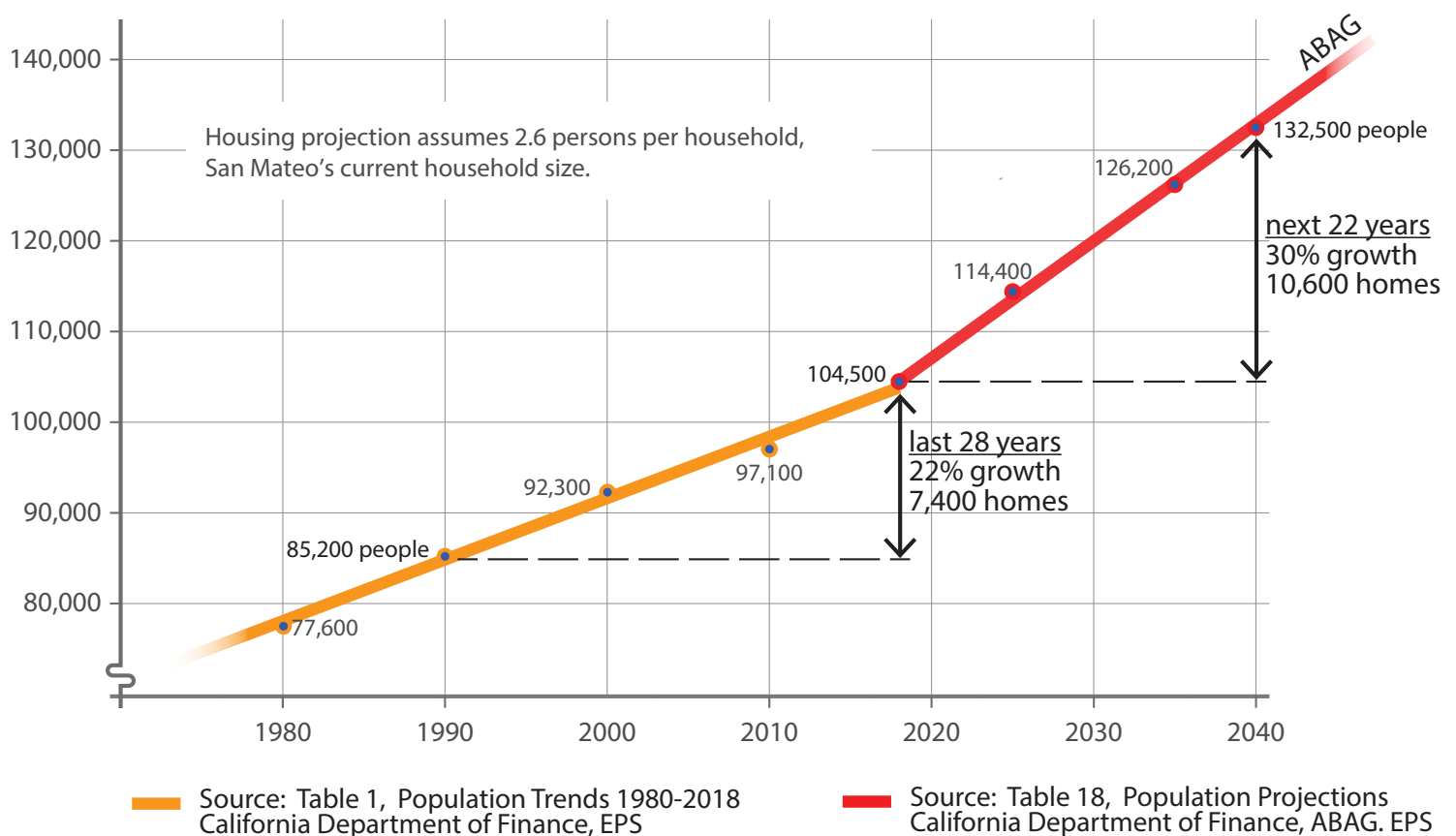
## New Homes In City Projected By 2040



7,400 units



10,600 units



# AVAILABLE LAND

225

Underutilized  
Acres

About Half  
Will Yield  
Development

Underutilized land identified by parcel-by-parcel survey. Includes: 1) vacant lots, 2) large parking lots, and 3) 1-story commercial buildings. Does not include residential homes or historic district. 50% yield rate reflects varying property owner circumstances, and commercial development that will compete for some sites.

SAN FRANCISCO BAY

CALTRAIN

1/2 MILE

DOWNTOWN  
STATION

US 101

1/2 MILE

EL CAMINO TRANSIT

HAYWARD  
PARK  
STATION

SR 92

HILLSDALE  
STATION

1/2 MILE

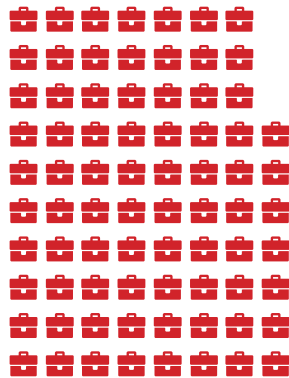
LAURELWOOD

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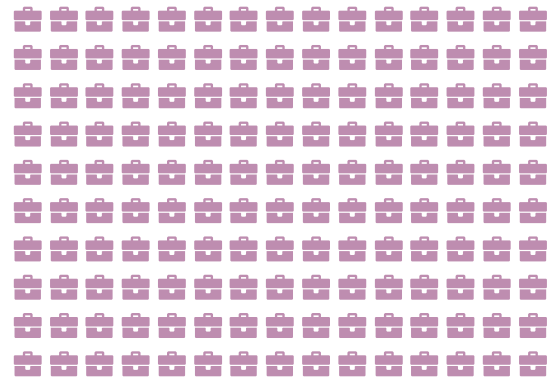
# COUNTY JOB GROWTH

Higher job growth drives higher demand for housing.

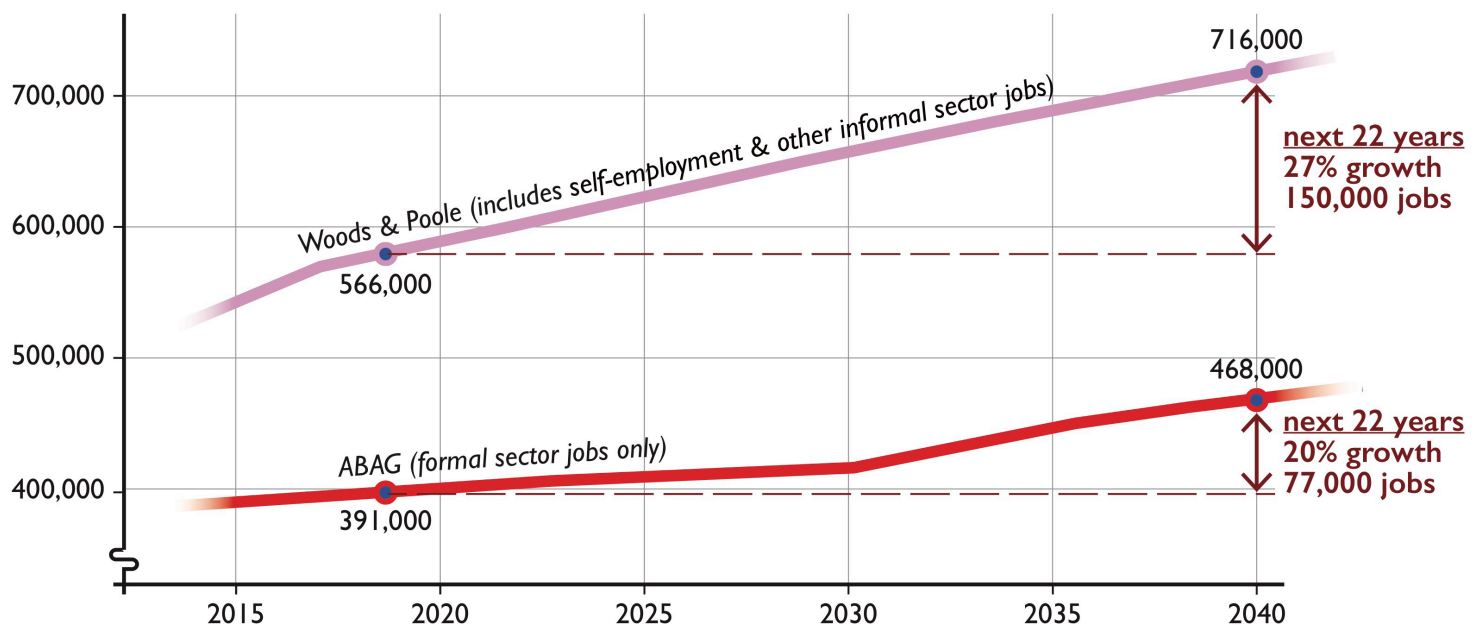
JOBS PROJECTED BY 2040:



**77,000** jobs  
ABAG Projections



**vs. 150,000** jobs  
Woods & Poole Projections



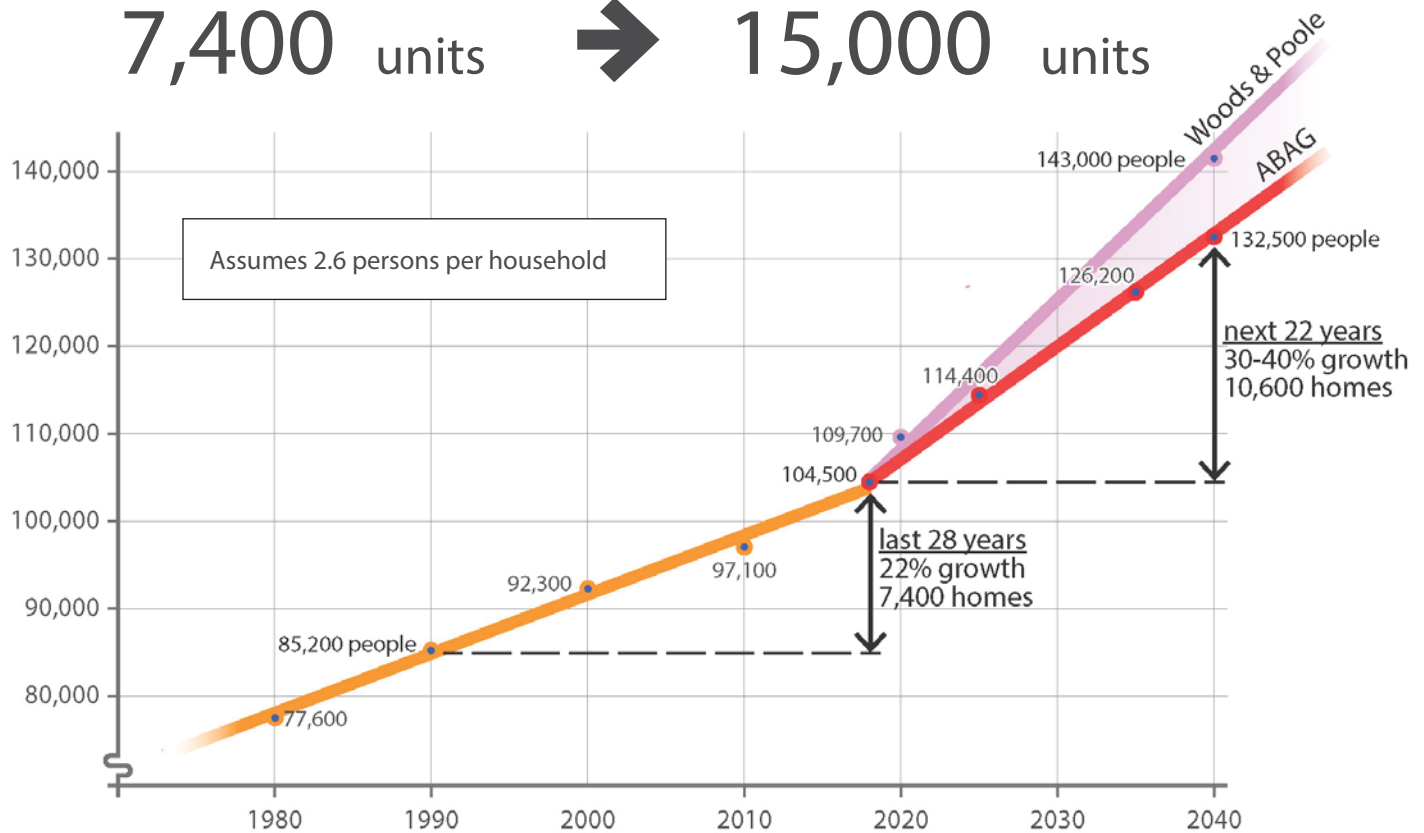
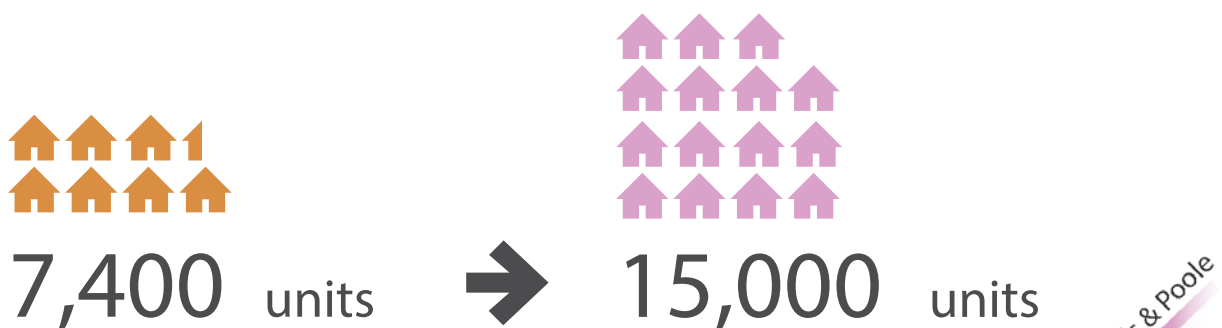
Sources: Figure 9, Existing Conditions Report; Economics.  
Economic & Planning Systems; Association of Bay Area Governments; Woods & Poole Economics.



# HOUSING GROWTH (WOODS & POOLE)

# 15,000

## New Homes In City Projected By 2040



Source: Table 1, Population Trends 1980-2018  
California Department of Finance, EPS

Source: Table 18, Population Projections  
California Department of Finance, ABAG. EPS

Source: Figure 9, Jobs Projections for County of San Mateo  
Based on Woods & Poole employment growth, 1.37 jobs/household (city), 5% vacancy rate