COUNTY OF SAN MATEO
PLANNING AND BUILDING DEPARTMENT

DATE: September 9, 2026

TO: Planning Commission

FROM: Planning Staff

SUBJECT: Consideration of an ordinance amending the County Ordinance Code, Title 8, Article 1 (zoning Districts, Overlay, and Combining Districts), Chapters 8.29 (R3-MD Zoning District), 8.115 (PC-HD Zoning District), and 8.116 (TS-MU Zoning District) to modify the inclusionary housing requirements applicable in each district

PROPOSAL

The proposal adds a provision to each of the PC-HD (Planned Colma High Density), R3-MD (Multifamily Residential Mixed Density), and TS-MU (Transit Supportive Mixed Use) zoning districts, modifying the inclusionary housing requirements applicable to each district, to require that all below-market rate housing provided in compliance with the County's Inclusionary Housing Ordinance must be provided at sales prices or rents at or below the level affordable to low-income households, and that all units required must be provided on-site.

RECOMMENDATION

That the Planning Commission recommend that the Board of Supervisors adopt an ordinance amending the County Ordinance Code, Title 8, Article 1 (Zoning Districts, Overlay, and Combining Districts), Chapters 8.29 (R3-MD Zoning District), 8.115 (PC-HD Zoning District), 8.116 (TS-MU Zoning District) to modify the inclusionary housing requirements applicable in each district.

BACKGROUND

Report Prepared By: Will Gibson

Applicant: San Mateo County Planning and Building Department

Public Notification: A notice of the hearing was posted in the San Mateo County Times 20 days prior to the hearing date, and again 10 days prior to the hearing date.

Location: Unincorporated Colma, unincorporated Broadmoor, unincorporated Harbor Industrial Area

Existing Zoning: PC-HD, R3-MD, TS-MU

Sphere-of-Influence: Daly City, Belmont

Environmental Evaluation: The proposal is exempt from environmental review pursuant to the "common sense" exemption, California Environmental Quality Act, (CEQA) Guidelines 15061(b)(3).

Setting: The zoning districts proposed for amendment cover various areas of unincorporated Colma, Broadmoor, and the Harbor Industrial District, all of which are developed with a variety of urban land uses

DISCUSSION

A. KEY ISSUES

1. Housing Element Rezoning

On April 21, 2026, the San Mateo County Board of Supervisors adopted three new zoning districts, the R3-MD, PC-HD, and TS-MU districts, implementing the Rezoning Program, Program HE 11.2, of the County's Housing Element. All of these districts allow high density multifamily residential development and are intended to facilitate new residential development opportunities sufficient to meet the County's assigned share of regional housing need and to bring the County's Housing Element into compliance with the requirements of State law.

2. Inclusionary Housing Requirements and State Below Market Rate Housing Requirements

The County's current Inclusionary Housing Ordinance requires that all multifamily residential development projects of five units or more must dedicate 20% of units as lower income housing. These inclusionary requirements apply to all zoning districts, including the new zoning districts adopted to implement the Rezoning Program.

These requirements are largely consistent with state law, which requires that, in areas rezoned to implement a Housing Element Rezoning Program, 20% of units must be provided at levels affordable to lower-income households, including low-income, very-low income, and extremely low-income levels.

However, the County's Inclusionary Housing Ordinance, in limited cases, allows the inclusionary requirement to be met through the provision of units affordable to moderate income households. For rental projects of between five and nine units only, the single unit required to meet the inclusionary requirement may be provided as moderate-income housing, and for ownership projects, up to half of the required below-market rate units may be provided as moderate-income housing. In addition, the County's ordinance allows the County, at its sole discretion, to offer alternatives to construction of units on-site, including in-lieu fees, land dedication, acquisition and rehabilitation of existing affordable housing, or provision of units in a different location.

The proposed amendments to the new zoning districts eliminate these inconsistencies, requiring that all projects in these districts provide 20% of units affordable to households at or below the low-income level, and that all units must be directly provided on site, with no possibility of in-lieu fee, land dedication, or transfer.

B. ALTERNATIVES

Alternatives to the Planning Commission recommending that the Board of Supervisors adopt the proposed amendments is that the Planning Commission recommend that the Board reject the amendments, or that the Planning Commission makes no recommendation regarding Board action.

C. ENVIRONMENTAL REVIEW

The proposed amendment has no potential impact on the type, extent, or intensity of development, and adoption of the ordinance is therefore exempt from environmental review pursuant to the "common sense" exemption, CEQA Guidelines 15061(b)(3).

D. REVIEWING AGENCIES

County Attorney's Office

ATTACHMENTS

A. Recommend Findings and Recommendation
B. Ordinance

Attachment A

County of San Mateo
Planning and Building Department

RECOMMENDED FINDINGS AND RECOMMENDATION

Permit or Project File Number: N/A Hearing Date: September 9, 2026

Prepared By: Will Gibson For Adoption By: Planning Commission

RECOMMENDED FINDINGS

1. That the Planning Commission find that the proposed amendments to the Inclusionary Housing Ordinance are consistent with the County's General Plan, and particularly with the County's Housing Element, and that they advance the County's goals of incentivizing production of affordable housing and achieving consistency with state housin laws.

2. That the Planning Commission find that adoption of the proposed amendments to the Inclusionary Housing ordinance is exempt from environmental review pursuant to the "common sense" exemption, CEQA Guidelines 15061(b)(3) they have no potential impact on the type, extent, or intensity of development.

RECOMMENDATION

That the Planning Commission recommend that the Board of Supervisors adopt an ordinance amending the County Ordinance Code, title 8, article 1 (zoning Districts, Overlay, and Combining Districts), Chapters 8.29 (R3-MD Zoning District), 8.115 (PC-HD Zoning District), 8.116 (TS-MU Zoning District) to modify the inclusionary housing requirements applicable in each district.

COUNTY OF SAN MATEO - PLANNING AND BUILDING DEPARTMENT

ATTACHMENT B

ORDINANCE NO.
BOARD OF SUPERVISORS, COUNTY OF SAN MATEO,
STATE OF CALIFORNIA

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AN ORDINANCE AMENDING THE COUNTY ORDINANCE CODE, TITLE 8, ARTICLE 1 (ZONING DISTRICTS, OVERLAY, AND COMBINING DISTRICTS) CHAPTERS 8.29 (R3-MD ZONING DISTRICT), 8.115 (PC-HD ZONING DISTRICT), AND 8.116 (TS-MU ZONING DISTRICT) TO MODIFY THE INCLUSIONARY HOUSING REQUIREMENTS APPLICABLE IN THESE DISTRICTS

The Board of Supervisors of the County of San Mateo, State of California, **ORDAINS** as follows

WHEREAS, on April 21, 2026, this Board also adopted three new zoning districts, the R3-MD, PC-HD, and TS-MU zoning districts, applicable in various portions of unincorporated Colma, Broadmoor, and the Harbor Industrial Area; and

WHEREAS, adoption of these three new zoning districts implemented the Rezoning Program, Program HE 11.2 of the County's Housing Element, rezoning various sites identified in the Rezoning Program to allow high-density multifamily residential development; and

WHEREAS, adoption of these three new zoning districts ensured that the County's sufficiently meets its share of regional housing need and that the County's Housing Element is consistent with State law; and

WHEREAS, State law also requires that, in areas rezoned as part of a Housing Element Rezoning Program, 20% of units built must be provided at levels affordable to lower-income households, including households at low, very-low, or extremely-low income levels; and

WHEREAS, the County's current Inclusionary Housing Ordinance requires that 20% of units in any multifamily residential project must be affordable to lower income households, addressing this requirement; and

WHEREAS, however, in limited circumstances, the County's current Inclusionary Housing Ordinance allows the inclusionary requirement to be met in part through the provision of units affordable to moderate-income households; and

WHEREAS, in limited circumstances, at the County's discretion, the County's current Inclusionary Housing Ordinance also allows alternatives to direct construction of below market rate units, including payment of in-lieu fees, transfer of required units to alternate sites, land dedication, and acquisition and rehabilitation of existing units; and

WHEREAS, provision of moderate-income units and the possibility of alternatives to direct construction of units are inconsistent with state law requirements for areas rezoned as part of a Housing Element Rezoning Program; and

WHEREAS, the proposed ordinance amends the County's current Inclusionary Housing Ordinance to rectify these inconsistencies with state law; and

WHEREAS, the proposed ordinance is exempt from environmental review pursuant to the "common sense" exemption, California Environmental Quality Act(CEQA) Guidelines 15061(b)(3), because the amendment has no potential impact on the type, extent, or intensity of development; and

WHEREAS, the San Mateo County Planning Commission considered the proposed amendments to the R3-MD, TS-MU, and PC-HD zoning chapters at its regularly scheduled and duly noticed public hearing on September 9, 2026; and

WHEREAS, this Board has considered the proposed amendments to the R3-MD, TS-MU, and PC-HD zoning chapters at its regularly scheduled and duly noticed public hearing on October 6, 2026.

NOW THEREFORE, the Board of Supervisors of the County of San Mateo, State of California, ordains as follows:

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SECTION 1.

The San Mateo County Ordinance Code, Title 8, Article 1 (Zoning Districts, Overlay, and Combining Districts), Chapter 8.29 (R3-MD), is hereby amended to add the following section:

SECTION 8.29.111. INCLUSIONARY HOUSING REQUIREMENTS

All housing development projects located in the R3-MD zoning district are subject to the requirements of the San Mateo County Inclusionary Housing Ordinance (Zoning Regulations Article 9, Special Housing Requirements, Chapter 8.432), with the following modifications:

1. All units provided by projects of any size must be affordable to low-, very low-, or extremely low-income households. Projects that would otherwise be required to provide units affordable to moderate-income households pursuant to the Inclusionary Housing Ordinance must instead provide units at rents or sale prices at or below levels affordable to low-income households.
2. Alternatives to constructing units, including in-lieu fee options, transfer to alternative development sites, land dedications, and

acquisition/rehabilitation/enforcement options, are not allowed. All required units must be provided on site.

All other provisions of the Inclusionary Housing Ordinance apply as specified in Zoning Regulations Article 9, Special Housing Requirements, Chapter 8.432).

SECTION 2.

The San Mateo County Ordinance Code, Title 8, Article 1 (Zoning Districts, Overlay, and Combining Districts), Chapter 8.115 (PC-HD), is hereby amended to add the following section:

SECTION 8.115.114. INCLUSIONARY HOUSING REQUIREMENTS

All housing development projects located in the PC-HD zoning district are subject to the requirements of the San Mateo County Inclusionary Housing Ordinance (Zoning Regulations Article 9, Special Housing Requirements, Chapter 8.432)), with the following modifications:

1. All units provided by projects of any size must be affordable to low-, very low, or extremely low-income households. Projects that would otherwise be required to provide units affordable to moderate-income households pursuant to the Inclusionary Housing Ordinance must instead provide units at rents or sale prices at or below levels affordable to low-income households.
2. Alternatives to constructing units, including in-lieu fee options, transfer to alternative development sites, land dedications, and

acquisition/rehabilitation/enforcement options, are not allowed. All required units must be provided on site.

All other provisions of the Inclusionary Housing Ordinance apply as specified in Zoning Regulations Article 9, Special Housing Requirements, Chapter 8.432).

SECTION 3.

The San Mateo County Ordinance Code, Title 8, Article 1 (Zoning Districts, Overlay, and Combining Districts), Chapter 8.116 (TS-MU), is hereby amended to add the following section:

SECTION 8.116.111. INCLUSIONARY HOUSING REQUIREMENTS

All housing development projects located in the TS-MU zoning district are subject to the requirements of the San Mateo County Inclusionary Housing Ordinance (Zoning Regulations Article 9, Special Housing Requirements, Chapter 8.432)), with the following modifications:

1. All units provided by projects of any size must be affordable to low-, very low, or extremely low-income households. Projects that would otherwise be required to provide units affordable to moderate-income households pursuant to the Inclusionary Housing Ordinance must instead provide units at rents or sale prices at or below levels affordable to low-income households.
2. Alternatives to constructing units, including in-lieu fee options, transfer to alternative development sites, land dedications, and

acquisition/rehabilitation/enforcement options, are not allowed. All required units must be provided on site.

All other provisions of the Inclusionary Housing Ordinance apply as specified in Zoning Regulations Article 9, Special Housing Requirements, Chapter 8.432).

SECTION 4.

Adoption of this ordinance is exempt from environmental review pursuant to pursuant to the "common sense" exemption, CEQA Guidelines 15061(b)(3)).

SECTION 5.

If any section, subsection, subdivision, paragraph, sentence, clause, phrase, or word of this ordinance is for any reason held to be invalid or unenforceable by the decision of a court of competent jurisdiction, such invalidity or unenforceability shall not affect the validity or enforceability of the remaining sections, subsections, subdivisions, paragraphs, sentences, clauses, phrases, or words of this ordinance.

SECTION 6.

This ordinance shall be effective thirty (30) days from the date of adoption.

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