



COMMUNITY DEVELOPMENT AGENCY  
**HOUSING AND FEDERAL GRANTS DIVISION**

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March 19, 2024

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**SUBJECT:** 2023 Housing Element Annual Progress Report

Dear Board Members:

**RECOMMENDATIONS:**

1. Accept the Housing Element Annual Progress Report substantially in the form attached, subject to County Counsel approval as to form.
2. Authorize staff to submit the Annual Progress Report to the California State Department of Housing and Community Development (HCD) and the California Office of Planning and Research (OPR).

**BACKGROUND:**

State housing law requires California cities and counties to submit a prescribed Housing Element Annual Progress Report by April 1 of each year to the California Department of Housing and Community Development (HCD) and the California Office of Planning and Research (OPR). The 2023 Annual Progress Report contains a numeric and narrative review of the County's achievements in implementation of the 6<sup>th</sup> cycle Housing Element (2023-2031) programs during calendar year 2023. This report is a standard procedural requirement and is being submitted to your Board as an informational update. Preparation or review of the Annual Progress Report does not involve or propose any amendment to the Housing Element.

Senate Bill (SB) 35 is a Statewide law that provides streamlined review for housing projects in jurisdictions that are not meeting their Regional Housing Needs Allocation (RHNA). Over the next four years, the County is not subject to SB 35 because it met its prorated goals across the lower and above-moderate income categories and submitted its latest Annual Progress Report in 2022<sup>1</sup>.

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<sup>1</sup> CA Department of Housing and Community Development (HCD). SB 35 Statewide Determination Summary. <https://www.hcd.ca.gov/sites/default/files/docs/planning-and-community/sb35-determination-summary.pdf>

**DISCUSSION:**

The 2023 Annual Progress Report represent the first report in the 6<sup>th</sup> cycle Housing Element (2023-2031), which was adopted by the Board of Supervisors on January 24, 2023, and certified by the California Department of Housing and Community Development (HCD) on June 19, 2023.

In this Housing Element cycle, the County’s total RHNA is 3,569 units including the following income categories<sup>2</sup>:

- 1,100 units for households earning a very-low income and below;
- 634 units for households earning a low-income;
- 512 for households earning a moderate-income; and
- 1,323 units for households earning an above-moderate income.

This report contains the following required categories of information:

- The number of units applied for and disapproved each year, and any sites rezoned to accommodate Marin County’s Regional Housing Needs Allocation (RHNA).
- Analysis of how locally adopted ordinances impact the cost and supply of housing development, the impact of processing timelines, and local efforts to remove nongovernmental constraints that result in a shortfall of a jurisdiction’s achievement of its RHNA requirements at all income levels.
- Reporting around locally owned surplus sites and tasks awarded with Local Early Action Planning (LEAP) funds.
- Reporting on whether housing developments included were subject to either a ministerial or a discretionary approval process, and whether the development utilized these streamlining provisions.

These requirements are exemplified in tables A, A2, C, E, F, H and LEAP Reporting of the Annual Progress Report.

As per these new requirements, Table B of the Annual Progress Report summarizes new residential building permits issued during the 2023 calendar year by income category as a measure of the unincorporated County’s progress toward meeting the 2023-2031 RHNA cycle.

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<sup>2</sup> U.S. Department of Housing and Urban Development (HUD) 2023 income limits state that a household of four earning \$148,650 or less is considered low-income (earning 80% of the Area Median Income (AMI) or below) in Marin County.

**Figure 1: Permitted Units Issued by Affordability (Table B of the Annual Progress Report)**

Income Level		RHNA Unit Allocation	2023 Units Permitted	Units Remaining to Achieve RHNA
Very Low	Deed Restricted	1,100	-	1,057
	Non-Deed Restricted		43	
Low	Deed Restricted	634	-	574
	Non-Deed Restricted		60	
Moderate	Deed Restricted	512	-	493
	Non-Deed Restricted		19	
Above-Moderate		1,323	37	1,286
<b>Total</b>		<b>3,569</b>	<b>159</b>	<b>3,410</b>

In 2023, the County received 130 building permit applications for residential units. Eighty-six (86) building permits were issued for 159 units, including 27 single-family (single-unit) residences, 77 units in multi-unit residences, and 55 Accessory Dwelling Units (ADUs). Twenty-six (26) units received certificates of occupancy in 2023, including 11 single-unit residences and 15 ADUs.

Pursuant to State law, the County may credit potential ADUs to the RHNA requirements by using trends in ADU construction to estimate new production. According to ABAG’s “Using ADUs to Satisfy RHNA” Technical Memo, the estimate should be based on the average number of ADU building permits issued each year, multiplied by eight (because there are eight years in a housing element cycle)<sup>3</sup>. Most cities base their determination of annual ADU permits by averaging the building permits approved each year since 2019 when state law made it easier to construct the units. Since 2019, the County has issued an average of 35 building permits for ADUs, and projects 280 ADUs over the eight-year cycle. As noted previously, the County issued 57 ADU building permits in this first year of the reporting cycle, which leaves 223 ADUs remaining.

<sup>3</sup> Association of Bay Area Governments (ABAG). “Using ADUs to Satisfy RHNA”. <https://abag.ca.gov/sites/default/files/documents/2022-03/ADUs-Projections-Memo-final.pdf>

Table D of the report summarizes progress achieved in the implementation of statutory requirements and programs of the 2023-2031 Housing Element during that same period. The table below summarizes the status of programs. This is the first year of this Housing Element Cycle, programs are distributed throughout the Housing Element Cycle to account for the Needs Assessment, Staff time, and departmental goals.

Status	Percent
Complete	12%
In Progress	21%
Not Started	27%
On-going	40%

**CONCLUSION:**

The County is statutorily obligated to annually account for implementation of its Housing Element and achievement of its RHNA. Completion and timely submission of the Annual Progress Report fulfills this obligation. Staff recommend that your Board accept the 2023 Annual Progress Report and direct staff to submit it to HCD and OPR, with authorization to provide such corrections or additional information as HCD may require.

**EQUITY IMPACT:**

The County is committed to advancing equitable communities, where all community members have access to healthy, affordable housing. Evidence shows that access to stable, affordable housing in high-resourced communities has broad, positive impacts, leading to better health and education outcomes and higher lifetime earnings, especially for children.

Under state law, the Housing Element is required to include an assessment of fair housing to address barriers to fair housing choice and identify sites and programs that provide housing opportunity for lower income families and individuals near high quality schools, employment opportunities and public transportation. State law also requires local governments to identify meaningful goals to address the impacts of systemic issues such as residential segregation, housing cost burden, and unequal educational or employment opportunities to the extent these issues create and/or perpetuate discrimination against protected groups. These requirements have been incorporated into the Housing Element, including the site selection recommendation.

Marin County’s 2023-2031 Housing Element Needs Assessment (Chapter 2) and Affirmatively Furthering Fair Housing (Appendix D) exemplify continued disparities in housing access, quality, and financing and highlight the severe need for affordable housing in the community. Findings show that members of

the protected classes<sup>4</sup> experience higher levels of discrimination, exclusion, and housing cost-burden<sup>5</sup>. This Annual Progress Report, as part of the Housing Element, monitors the annual development of affordable housing across four income levels in unincorporated Marin (very-low, low, moderate and above-moderate incomes) against the goals set by the Regional Housing Needs Analysis (RHNA) over a cycle of eight years.

**FISCAL IMPACT:**

None.

**REVIEWED BY:**

- |                                                        |                                         |
|--------------------------------------------------------|-----------------------------------------|
| <input type="checkbox"/> County Administrator’s Office | <input type="checkbox"/> N/A            |
| <input checked="" type="checkbox"/> County Counsel     | <input type="checkbox"/> N/A            |
| <input type="checkbox"/> Department of Finance         | <input checked="" type="checkbox"/> N/A |
| <input type="checkbox"/> Human Resources               | <input checked="" type="checkbox"/> N/A |

Respectfully submitted,



Aline Tanielian  
Senior Planner



Leelee Thomas  
Deputy Director

**Attachments:**

1. Housing Element Progress Report, Table D (Policies and Programs)

To conserve resources the following materials are provided to your Board electronically only:

2. Full 2023 Annual Housing Element Progress Report  
The Board letter and all attachments are available online at:  
<https://www.marincounty.org/depts/cd/divisions/housing/housing-element/annual-progress-reports>

<sup>4</sup> In California, protected characteristics include race, color, ancestry, religion, sex (including gender identity and sexual orientation), disability, familial status, marital status, national origin, or income source.

<sup>5</sup> A household is considered housing cost-burden if they are spending more than 30% of their gross income towards housing expenses.