

# Board of Supervisors Workshop #3: Preserving Housing Affordability December 15, 2015



Community Development Agency  
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# Workshop agenda

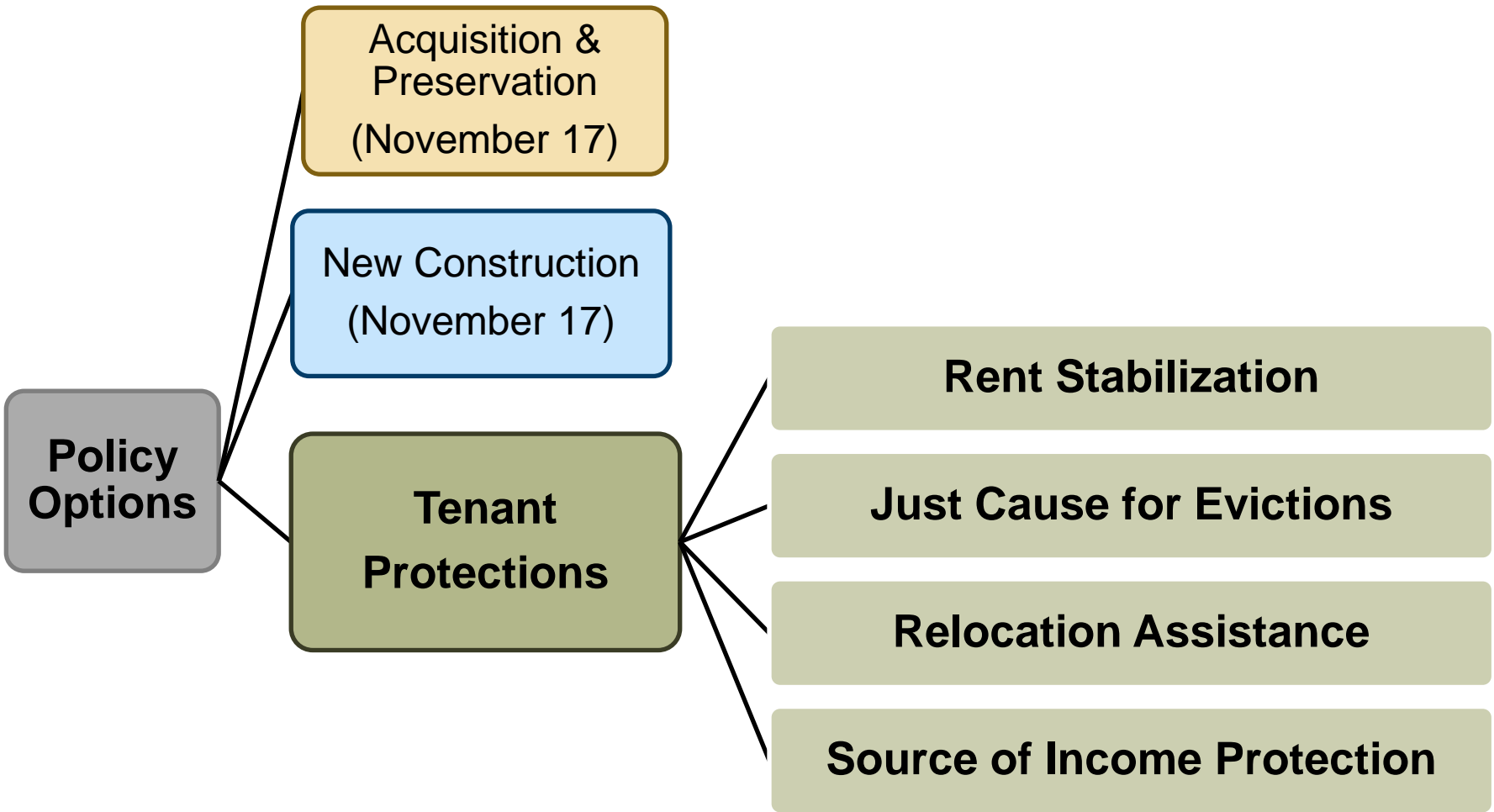
DECEMBER 15, 2015

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- **Continue discussion from October 13 and November 17**
- **Consider and provide direction to staff on Tenant Protection policy options**
- **Confirm Board direction from Nov. 17**



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# Marin County Housing Costs: October 2015

	Median Sales Price/ Rent	Income Needed	Actual Income
Single-Family Home	\$1,140,000	\$223,000+	\$101,900 <sup>1</sup>
Condo/ Townhome	\$570,500	\$115,000+	\$81,500 <sup>2</sup>
House Rental	\$5,000	\$200,000+	\$101,900 <sup>1</sup>
Apartment Rental	\$2,800	\$112,000+	\$62,408 <sup>3</sup>

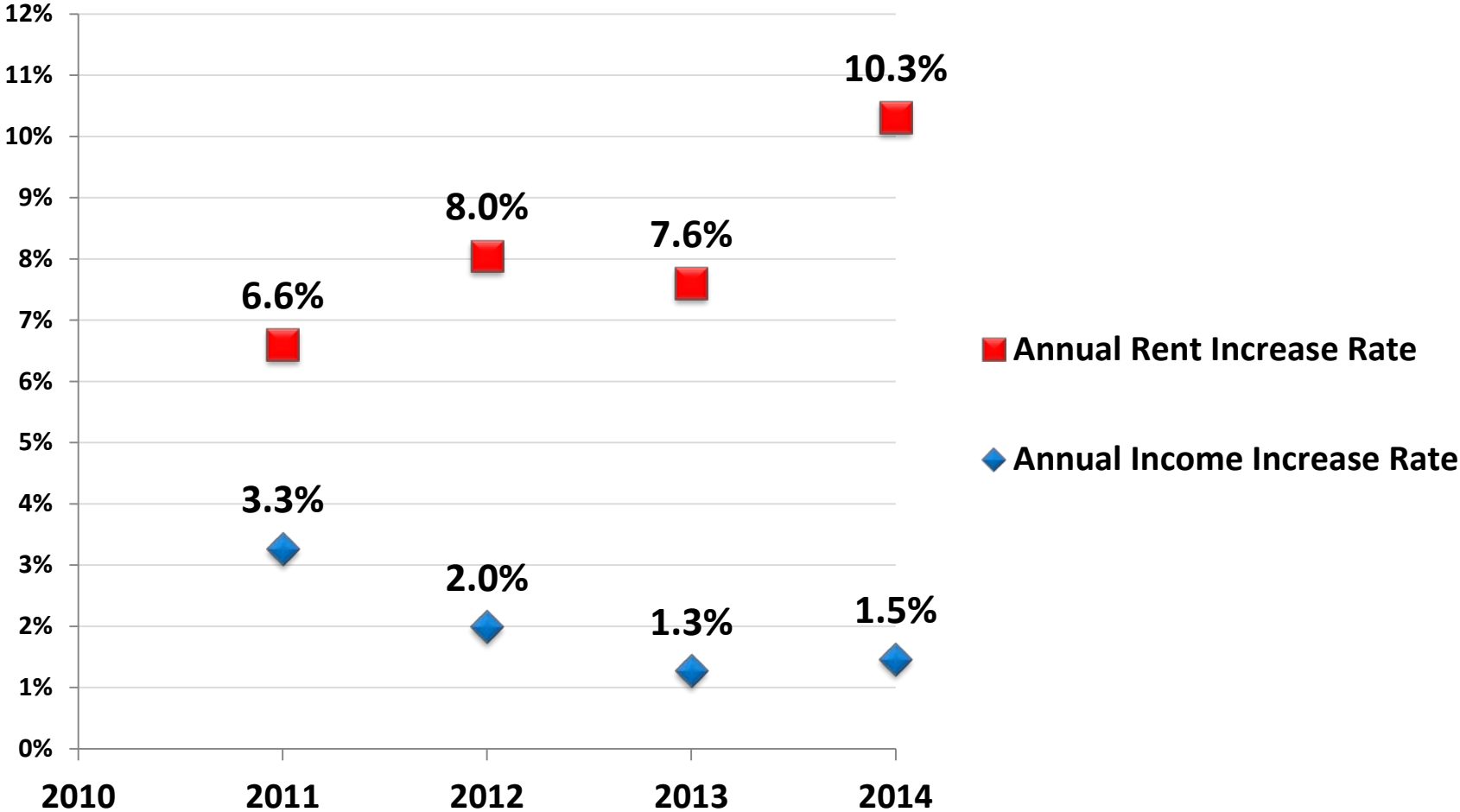
<sup>1</sup> Area Median Income for 4-person household, 2015

<sup>2</sup> Area Median Income for 2-person household, 2015

<sup>3</sup> Average income for Marin-based job, 2014



# Rent vs. Income, Rate of Increase 2010 - 2014



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\*Data shown is for Marin-based jobs and apartment rentals

# Rent Stabilization: Overview

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- Secures and stabilizes existing affordable housing for low and moderate income households
- Allows modest annual rent increases, providing security for tenants and return on investment for property owners
- Can not be applied to multi-family development built after February 1, 1995, or any single-family homes or condominiums
- Rents can increase to market rate after unit is vacated
- Potential to have immediate and significant impact toward preserving housing affordability and community stabilization in unincorporated Marin
  - *Estimated 3,600+ multi-family rental units*



# Rent Stabilization: Concerns

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- Disincentive to maintain buildings
  - Capital improvements and increased utility costs can be passed through to tenants
- Disincentive for new development
  - State law exempts all post-1995 development
- Unfair distinction between pre- and post-1995 properties
  - Very few multi-family developments built in unincorporated area since 1995 and all are deed-restricted as affordable housing
- Taking of property rights
  - Courts have yet to find that it results in a regulatory taking
  - Required to allow annual rent increases, which provide ROI every year
- Further limits housing supply and leads to higher rents
  - Limited supply and rising rents characterize the housing market in areas both with and without rent stabilization
  - Very few development opportunities in Marin



# Regulatory Approach: Rent Stabilization Ordinance

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## ○ Opportunities:

- Stabilizes rents for more than 3,600 renter households
- Prevents further displacement of low and moderate income households
- Provides renters with the stability and security that owners benefit from
- Provides owners with return on investment every year

## ○ Challenges:

- Rent can be raised any amount once a unit is voluntarily vacated
- Only protects renters as long as they occupy an applicable unit
- Does not apply to renters of single-family homes or condos
- Without short-term rental regulation, does not prevent conversion from long-term rental housing to vacation rentals





# Voluntary Approach: Rent Guidelines

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## ○ Opportunities:

- Voluntary guidelines would signal the County's request for rental property owners to commit to fair practices regarding rent increases, noticing periods and housing maintenance
- County could encourage a modest annual rent increase of 2 – 3% and a 90-day notice period for all rent increases

## ○ Challenges:

- Guidelines are voluntary, not mandated, therefore effectiveness depends entirely on interest of property owners to comply
- San Rafael guidelines have been in place for 14 years now, but rents have increased as dramatically as the rest of the county and current median rents are on par with countywide rates



# Just Cause for Evictions

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## ○ Opportunities:

- Prevent “no-fault” eviction of responsible tenants
- Reduce displacement of low and moderate income tenants
- Provide stability for month-to-month tenants who do not have the security of a long-term lease agreement
- Can be applied to all renters; not limited by Costa-Hawkins

## ○ Challenges:

- Has less impact without rent stabilization
- On its own does not prevent displacement caused by rent increases



# Relocation Assistance

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- Opportunities:

- Reduce “no-fault” evictions of low income tenants
- Provide assistance for displaced low income tenants
- Prevent displaced tenants from becoming homeless

- Challenges:

- Has less impact without rent stabilization and just cause evictions
- On its own does not prevent displacement caused by rent increases and no-fault evictions
- Displaced tenants may still have to leave Marin due to lack of affordable housing options currently available



# Source of Income Protection

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## ○ Opportunities:

- Prohibit discrimination against subsidized low income renters
- Increase housing opportunities for subsidized renters
- Prohibit advertising “no Section 8” in rental listings
- Most effective with landlord incentives program

## ○ Challenges:

- Most effective if combined with financial incentive in order to compete with potential profit from market rate rent
- Difficult to enforce and establish proof of violation
- Most Marin rents are too high to qualify for subsidy programs
- On its own unlikely to significantly increase housing opportunities for subsidized renters



# Recap of Nov 17 workshop

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- Directed staff to initially focus on implementation of:
  - ✓ Acquisition for Preservation
  - ✓ Incentives for Landlords
  - ✓ Second Unit/ Junior Second Unit Regulations
  
- Staff requires further direction on:
  - Short-Term Rental Regulations
  - Second Unit Amnesty



Questions/Comments? Contact:  
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# Recap of Nov 17 workshop (cont.)

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- Other policies considered:
  - Streamlined Review of Affordable Housing
    - *Housing Element Program 1.d, scheduled for 2020*
  - Evaluate Multi-Family Zoning
    - *Housing Element Program 1.b, scheduled for 2016*
  - Evaluation Housing Overlay Designation
    - *Housing Element Program 1.c, scheduled for 2016*
  - Tiny Home Village for Homeless
  - Expand Below Market Rate Ownership Program
  - Workforce Home Ownership Program
  - Pre-approved Plans for Small Second Units



# Housing Stock, Marin County

	Unincorporated	Countywide
Single-Family Homes	24,659	79,781
Multi-Family Homes, 2-4 units	1,408	8,284
Multi-Family Homes, 5+ units	2,993	21,766
Mobile Homes	100	1,975
<b>Total</b>	<b>29,628</b>	<b>111,806</b>
<b>Affordable Units</b>	<b>1,070</b>	<b>4,372</b>
<b>% Affordable</b>	<b>3.6%</b>	<b>3.9%</b>





# HUD Income Limits: Marin County 2015

Household size	Extremely Low 0-30% HAMFI	Very Low 30-50% HAMFI	Low 50-80% HAMFI	Median (HAMFI)	Moderate 80-120% HAMFI
<b>1</b>	<b>24,650</b>	<b>41,050</b>	<b>65,700</b>	<b>71,350</b>	<b>85,600</b>
<b>2</b>	<b>28,150</b>	<b>46,900</b>	<b>75,100</b>	<b>81,500</b>	<b>97,800</b>
<b>3</b>	<b>31,650</b>	<b>52,750</b>	<b>84,500</b>	<b>91,700</b>	<b>110,050</b>
<b>4</b>	<b>35,150</b>	<b>58,600</b>	<b>93,850</b>	<b>101,900</b>	<b>122,300</b>
<b>5</b>	<b>38,000</b>	<b>63,300</b>	<b>101,400</b>	<b>110,050</b>	<b>132,050</b>
<b>6</b>	<b>40,800</b>	<b>68,000</b>	<b>108,900</b>	<b>118,200</b>	<b>141,850</b>
<b>7</b>	<b>43,600</b>	<b>72,700</b>	<b>116,400</b>	<b>126,350</b>	<b>151,600</b>
<b>8</b>	<b>46,400</b>	<b>77,400</b>	<b>123,900</b>	<b>134,500</b>	<b>161,400</b>

