

OFFICE OF THE
COUNTY ADMINISTRATOR

June 20, 2017

Matthew H. Hymel
COUNTY ADMINISTRATOR

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ADMINISTRATOR

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ASSISTANT COUNTY
ADMINISTRATOR

Board of Supervisors
Marin County Civic Center
3501 Civic Center Drive
San Rafael, California 94903



SUBJECT: Response to 2016-17 Grand Jury Report: "Overcoming Barriers to Housing Affordability" (April 6, 2017)

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Dear Board Members:

RECOMMENDATION: Concur in and adopt the attached proposed response to the 2016-17 Civil Grand Jury report regarding Overcoming Barriers to Housing Affordability and authorize the Board President to forward the response to the Presiding Judge of the Marin County Superior Court.

SUMMARY: The 2016-17 Civil Grand Jury released a report on April 6, 2017 entitled: "Overcoming Barriers to Housing Affordability." The report included a request for response from your Board and the Community Development Agency, as well as the county's 11 cities and towns regarding Recommendations R1, R2, R3, R6 and R7. Recommendation R4 was for school districts to investigate building teacher and staff workforce housing on their land, and R5 was specifically to utility districts, recommending that they adopt waivers for hook-up fees for low-income housing projects and accessory dwelling units.

Attached for your consideration, in accordance with §933 of the California Penal Code, is a proposed response to R1, R2, R3, R6 and R7, as well as a response to Findings F1-F7. A copy of the Grand Jury report is also attached for your information.

FISCAL IMPACT: None currently. Depending on what actions are taken following further analysis there may be future undetermined fiscal impacts.

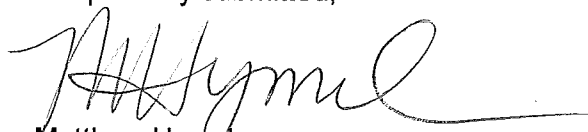
ALTERNATIVE: The Board may amend any suggested response.

REVIEWED BY:

<input checked="" type="checkbox"/>	County Counsel	<input type="checkbox"/>	N/A
<input type="checkbox"/>	Human Resources	<input checked="" type="checkbox"/>	N/A
<input type="checkbox"/>	Dept of Finance	<input checked="" type="checkbox"/>	N/A

8

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'M. Hymel', with a long horizontal flourish extending to the right.

Matthew Hymel
County Administrator

cc: Jay Hamilton-Roth, Foreperson
Brian Washington, County Counsel
Brian Crawford, Director, Community Development Agency



COUNTY OF MARIN RESPONSE TO GRAND JURY REPORT

REPORT TITLE: "Overcoming Barriers to Housing Affordability"
REPORT DATE: April 6, 2017
RESPONSE BY: County of Marin Board of Supervisors

FINDINGS

- We agree with the finding(s) numbered: **F1, F3 and F6.**
- We disagree wholly or partially with the finding(s) numbered: **F2; F4-5; and F7.**

RECOMMENDATIONS

- Recommendation(s) numbered **R1-R2 and R6** have been implemented.
- Recommendation numbered **R3** has not yet been implemented, but will be implemented in the future.
- Recommendation numbered **R7** will not be implemented because is not warranted or reasonable.

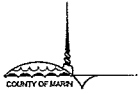
Date: June 20, 2017

Signed: _____

Judy Arnold

President, Board of Supervisors

Number of pages attached: 6



Response to Findings and Recommendations
"Overcoming Barriers to Housing Affordability"
April 6, 2017

FINDINGS

F1. Political will for the construction of new housing is constrained by County-wide vocal citizen opposition.

Response: Agree.

Decisions by local elected officials to approve or deny housing proposals may be influenced by public input as well as the extent to which a proposal meets the local jurisdiction's land use plans and policies.

F2. The costs of land and development make it too expensive to build low-income affordable housing in Marin.

Response: Partially Disagree.

The feasibility of affordable housing proposals in Marin is determined by several factors, including, but not limited to land values and development costs. Affordable housing developers typically cobble together funding from a number of different sources and the high market value of land in Marin certainly contributes to the challenge of achieving a financial return that a successful development proposal is likely to require.

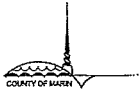
The development of affordable housing occurs within a regional context and Marin competes with other, often larger Bay Area jurisdictions that have passed local bond or sales tax measures to support development of affordable housing. These jurisdictions have an advantage in attracting affordable housing proposals due to the relatively large amount of local funding available to subsidize the affordability of housing units.

To be competitive for state and federal funds, especially tax credits, significant local matching funds are required. The County has an affordable Housing Trust fund with a balance of approximately \$6 million to assist in this regard. During last year's budget process the Board of Supervisors addressed this problem by allocating \$1 million dollars to augment the Housing Trust fund.

F3. Developers routinely respond that they do not try to build housing in Marin because of the difficulties imposed by the local regulatory requirements and citizen complaints.

Response: Agree.

According to a panel of affordable housing providers convened by the Community Development Agency, community opposition and the resulting delay and uncertainty in project approval and potential litigation are the most frequently cited deterrents to pursuing affordable housing developments in Marin.



Response to Findings and Recommendations
"Overcoming Barriers to Housing Affordability"
April 6, 2017

F4. Responsibility for housing in Marin is fragmented with little overall coordination among different agencies in the County as well as the Cities and Towns.

Response: Disagree.

Under state law, each municipality and the unincorporated county is responsible for reviewing and making decisions on housing proposals within their jurisdictional boundaries. However, there are examples of interjurisdictional coordination within this governance structure.

For larger or complex housing proposals, lead agencies may route application materials to the adjacent jurisdiction and special districts for review and comment on potential impacts that may cross jurisdictional boundaries. Comments received by the lead agencies are usually taken into consideration in the agency's analysis and the governing body's decision.

Community Development Agency staff work with housing providers and coordinate with other departments and special districts in the interest of streamlining the review process for affordable housing projects. For example, when the Toussin Senior Housing developed in Kentfield, staff worked with water and school districts to pursue fee waivers. Interagency coordination is central to proactively managing the review process by providing direct assistance to permit applicants in navigating the multiple layers of agency review and helping to resolve issues across jurisdictional boundaries that may otherwise cause delays.

Another example of interjurisdictional coordination is LAFCO's dual annexation policy. This policy offers a city or town in Marin the opportunity to annex property in the adjacent unincorporated county when the proposed development site requires annexation to a special service district and is located within a city or town's sphere of influence.

F5. Active planning for the creation of low-income affordable housing does not occur within our cities, towns, and the County.

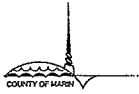
Response: Disagree.

California requires that all local jurisdictions (cities and counties) adequately plan to meet the housing needs in the community at all income levels. California's local governments meet this requirement by adopting housing plans, known as "housing elements" as part of their "general plan," which is referred to as the Countywide Plan in Marin County. General plans serve as the local government's "blueprint" for how the city and/or county will grow and develop.

The County, cities and towns of Marin all have State-certified Housing Elements demonstrating how to meet the housing needs in our communities through zoning and other housing programs. The Housing Element update process occurs every 8 years and involves years of planning and broad community engagement.

F6. Over 60,000 people commute each day to jobs in Marin, many living outside the County.

Response: Agree.



Response to Findings and Recommendations
"Overcoming Barriers to Housing Affordability"
April 6, 2017

Commute patterns and the high number of workers who commute from surrounding counties into Marin and the related congestion and greenhouse gas emission are a concern. According to a recent data from the Transportation Authority of Marin:

- a. 124,660 workers work in Marin County
- b. 44,062 (35%) of workers travel into Marin County for work

<http://www.tam.ca.gov/Modules/ShowDocument.aspx?documentid=10702>

F7. Proposals to build low-income affordable housing create immediate neighbor opposition. Efforts to mediate with neighborhood groups are often too late in the process and have been ineffective.

Response: Partially Disagree.

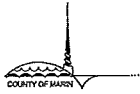
As noted in F1 and F2 above, opposition can be a major barrier to the development of new housing. However, community outreach and engagement frequently occurs throughout the planning process, including the early phases before developments are proposed. Examples of these efforts are evident in the update of Housing Elements and in local planning efforts such as the Marinwood Village and the Victory Village proposals. Nonetheless, these efforts have not been completely effective in dissipating opposition. While engagement with the immediate neighborhood is important and should be included in any significant development proposal, a more effective strategy has been to build widespread community support as evidenced by the recent Victory Village approvals in Fairfax.

RECOMMENDATIONS

The Marin County Civil Grand Jury recommends the following:

R1. Each planning department should begin regularly scheduled meetings at which developers can speak, early in the process, with all relevant members of the staff to discuss impacts of proposed development and potential solutions to problems.

Response: This recommendation has been implemented by the County of Marin. This is a good practice which the County supports by providing a variety of services before a formal application is submitted. Potential developers may request a planning consultation, which includes an initial review of information and then a meeting with the developer. During the meeting, the planner will provide general feedback about a project and recommend the path of least resistance for the developer to consider. Consultations are often requested during the initial due diligence and development feasibility phases potential developers go through before purchasing a property. Potential developers may also request a pre-application, which provides for a more thorough analysis of a conceptual development scheme. Pre-applications often involve review and comment by a number of public agencies, including the Department of Public Works, the Fire department, the Environmental Health Services Division, and a local community advisory group if one exists in the project area. Potential developers receive written comments from the Planning Division in response to their pre-application, which identify policies and regulations for the developer to consider before completing their formal submittal to the County for processing.



Response to Findings and Recommendations
"Overcoming Barriers to Housing Affordability"
April 6, 2017

Developers may also request a meeting with staff members taking part in the pre-application services.

R2. Each planning department should develop a proactive community outreach strategy for any project that might be considered potentially controversial (including going beyond legal noticing minimums and initiating outreach efforts as early as possible in the development cycle).

Response: This recommendation has been implemented. The Community Development Agency has increasingly taken the opportunity to connect applicants for affordable housing projects and community groups in the pre-application process by noticing, facilitating, or funding community engagement and visioning exercises. Early community outreach by the developer is a critical component of success, and planning staff encourages developers to conduct this outreach before they submit an application for planning approval.

The Homeward Bound and Beau Vigne projects noted in the Grand Jury report exemplify developers that conducted direct outreach to the local community before starting the formal planning process. Although not as effective as direct outreach by a developer, the Community Development Agency is committed to facilitating community engagement by publicizing pre-applications and involving community groups at this early stage, and also providing public notice well beyond State requirements.

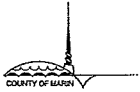
The Community Development Agency offers a web-based subscription service to the public that notifies subscribers about new development proposals and updates in the review process. Information regarding current discretionary development applications is available through the agency's web site, www.marincounty.org/depts/cd. Plans and written material can be accessed by community planning area.

Although the Grand Jury discusses "Deliberative Polling" under the heading of "Myths and Perceptions," this could also be seen as a proactive community outreach measure to help foster better communication. The Community Development Agency is committed to evaluating "Deliberative Polling" and other forms of empirical opinion research as a means to bridge the gap between housing developers and local community members. The current Housing Element includes a program which addresses this issue.

R.3 Each planning department should use succinct "plain-speak" to convey issues in their outreach.

Response: This recommendation will be implemented as the Community Development Agency continues to improve its communications by using language that avoids or minimizes technical terms and jargon.

R.6 Each jurisdiction should adopt procedures so that low-income housing projects are fast tracked through the planning and permitting process.



Response to Findings and Recommendations
"Overcoming Barriers to Housing Affordability"
April 6, 2017

Response: This recommendation has been implemented in the County's Development Code; Chapter 22.24 Affordable Housing Incentives, Section 22.24.020 provides for priority processing for affordable housing developments.

L. Priority processing. The County shall priority process projects developed pursuant to Housing Overlay Designation policies and affordable housing developments that are affordable to income qualifying households.

The Community Development Agency fast tracks affordable housing projects in several ways, including:

- Reducing processing times below those required by State law
- Assigning two planners to larger affordable housing projects
- Allowing concurrent review of Planning applications and Building Permit applications

The Community Development Agency is committed to continuing to fast track affordable housing projects. The County's Housing Element also includes a program, scheduled for implementation in FY 2017-18, to further define this process and to reduce constraints for affordable and special needs developments:

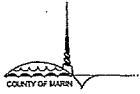
2.p Expedite Permit Processing of Affordable and Special Needs Housing Projects.

Define fast-tracking and establish milestones for expedited permit processing for affordable housing projects, as well as green projects, childcare facilities, special needs housing, and agricultural worker housing projects. Specific timelines for fast-tracked projects that will result in expedited review will be established. Coordinate this process with appropriate County departments and outside agencies to establish clear and specific timelines for review. Employ updated information technology to track turn-around times and monitor the permitting process.

R.7 The County should create and fund the position of Regional Housing Coordinator. The Coordinator's responsibilities should include: working with funding sources and developers, identifying underutilized properties, working with jurisdictions to create specific plans, and creating a County-wide Civic mediation program for all civic project community dialogues.

Response: This recommendation will not be implemented because it is not reasonable. The County's Affordable Housing Program and staff already apply their skills and resources countywide, though not in the scope and context recommended by the Grand Jury. It would not be reasonable or realistic for a single Regional Housing Coordinator to have full responsibility in each Marin jurisdiction. As explained in response to Finding 4 above, under state law each municipality and the unincorporated county is responsible for reviewing and making decisions on housing proposals within their individual jurisdictional boundaries. However, the County and other housing organizations are already working in several areas that reflect these recommendations, as described below:

The Board of Supervisors has opened up the County's Affordable Housing Trust Fund to projects within cities and towns, breaking from a longstanding policy of reserving those funds for the unincorporated areas of Marin. The benefit of that decision was recently reflected in the



Response to Findings and Recommendations
"Overcoming Barriers to Housing Affordability"
April 6, 2017

Board's authorization of \$675,000 toward acquisition of the Piper Court apartment complex in the Town of Fairfax that preserves affordable homes for 27 families.

A group of local housing officials from the County, City of San Rafael and Marin Housing Authority, known as the Marin Housing Acquisitions Strategy Committee, has been meeting recently with the Marin Community Foundation to explore opportunities for creating affordable housing throughout Marin. This collaborative effort involves very capable people with a range of expertise looking at potential sites and how to mobilize acquisition and funding efforts quickly.

In the past, the County of Marin held regular meetings with housing planners from cities and towns to discuss policy and best practices related to affordable housing. In Fiscal Year 2017-18, the County will reinstitute these meetings to provide a venue for collaboration and learning. In the first year, County staff will organize the meetings and set the agendas to address best practices, possible development opportunities and to explore a shared housing trust.

In light of the above efforts, the County questions whether a new paid staff position is the best way to facilitate collaboration between Marin jurisdictions. Funds may be better utilized for direct financial support of affordable developments.

