

# COMMUNITY DEVELOPMENT AGENCY

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Marin County Board of Supervisors  
3501 Civic Center Drive  
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**SUBJECT:** Housing Element Update

Dear Supervisors,

**RECOMMENDATION:**

Review and provide input on the basic approach and schedule for the next Housing Element update.

**SUMMARY:**

The Community Development Agency is initiating the next Housing Element to plan for future housing needs for the planning period of 2014-2023. In accordance with timelines established by the State, the Board of Supervisors should adopt the forthcoming Housing Element and submit it to the State no later than January 31, 2015. All cities and towns in Marin are subject to this deadline. This report represents a work program that sets out strategies for maximizing public outreach, while ensuring a timely submission of the Housing Element.

**FISCAL/STAFFING IMPACT:**

No impact on the general fund. Funds are available in the Administrative Encumbrance set aside by the Board in 2010 for the prior Housing Element update.

**ALTERNATIVE TO RECOMMENDED ACTION(S):**

This item involves an informational report to the Board of Supervisors. However, if the County chooses not to adopt a Housing Element by the January 2015 deadline, the next Housing Element will be due to the State in four years rather than eight years. Failure to receive State certification of housing elements may also jeopardize the ability of local governments to receive important sources of grant funding and may result in exposure to potential litigation.

**REVIEWED BY:** (These boxes must be checked)

- Department of Finance                     N/A
- County Counsel                                 N/A
- Human Resources                                N/A

Building and Safety  
Environmental Health Services  
Planning  
Environmental Review  
Housing  
Sustainability  
Code Enforcement  
GIS  
Federal Grants

[www.marincounty.org/cda](http://www.marincounty.org/cda)

## **BACKGROUND**

Marin County, like other communities in California, is initiating a planning process under State law to identify how to meet our future housing needs. This process involves updating the County's Housing Element, which is a required component of the Countywide Plan (the County's general plan). The California Department of Housing and Community Development (HCD) mandates that among the seven mandatory elements of a general plan, one element must address local housing needs. According to State housing element legislation, all local governments must adopt land use plans and regulations that provide opportunities for, and do not unduly constrain, housing development. Because housing availability is a critical issue with statewide implications, and most housing decisions occur at the local level, State law requires housing elements to be updated on a regular cycle. The State also mandates that housing elements, unlike other elements of the general plan, be reviewed and certified by the State.

The County adopted the 2007-2014 Housing Element in September 2013 and received certification in December; since the current Housing Element was recently completed, much of the information in the document will not require significant changes to prepare the next Housing Element. The County also certified a Supplemental Environmental Impact Report (SEIR) for the recently certified Housing Element to comply with State environmental review requirements under the California Environmental Quality Act (CEQA). The analysis of housing sites in the SEIR represents a programmatic level of review, meaning the SEIR is not intended to replace more detailed environmental review required for specific projects in the future in accordance with CEQA.

## **HOUSING NEED**

While Marin continues to have one of the highest median incomes in the State and has been identified as one of the healthiest counties, many working families and seniors struggle to meet their basic housing, food, and childcare needs. The high cost of living in Marin and continued rising costs of basic necessities contributes to the stress put on our lower income households.

For example, special needs populations, such as seniors, persons with disabilities and the homeless, face difficult challenges to finding housing which is appropriate and affordable given their needs. According to the Area Plan for Aging, the senior population is projected to increase to 48% of the County's total population by 2035, a 30% increase. With approximately 5% of the County's seniors with incomes currently below the poverty line, the need for affordable housing opportunities for seniors will only become more acute in the years to come. Affordable housing is also necessary to address the housing needs of the persons with disabilities in the unincorporated County as well as the homeless and precariously housed in our community.

Additionally, using the income categories of the Regional Housing Needs Allocation and the Marin's median income, farm workers, retail salespersons and childcare workers earn a salary that is considered very low income (below 50% of area median income); police, fire, and ambulance dispatchers typically earn a low income salary (below 80% of area median income) and loan officers and social workers typically earn a moderate income salary (below 120% of area median income). These workers are critical to supporting the services, amenities, and local businesses that contribute to Marin's quality of life and diversity, and the

health of our local economy. However, these low to moderate wage earners and their families either struggle or are unable to live in the communities where they work, magnifying concerns about both ecological and economic sustainability.

Well-placed and well-designed affordable housing can serve those populations with identified housing needs as well as reflect or reinforce attributes of the community as a whole. The County has received State certification of five Housing Elements dating back to 1970. The County has thus far been successful in satisfying its statutory obligations without affecting the integrity of the Countywide Plan or local control over land use decisions, as evidenced most recently by the Toussin Affordable Senior Homes in Kentfield.

### **CONSIDERATIONS FOR NEXT HOUSING ELEMENT**

As mentioned above, much of the information in the recently certified Housing Element can be used for the next Housing Element without making significant changes. However, one particular area of continued scrutiny will be the inventory of housing sites which is required to meet the County's share of projected residential growth. This housing goal is called the Regional Housing Needs Allocation (or RHNA) and it has decreased by approximately 76% since the last Housing Element cycle, down from a total of 773 homes to 185 homes. This new objective establishes the minimum number of homes which the County must plan for at all income levels, although it may fall short of the actual need for housing in our community.

Because the current Housing Element was adopted only 5 months ago and is very much a contemporary planning document, staff recommends that appropriate sites for the next Housing Element cycle (2014-2023) be selected from the existing housing sites inventory (Attachment #1). The sites identified in the existing Housing Element sites inventory have undertaken environmental review at a programmatic level, are appropriately zoned and have development feasibility. This inventory was vetted through a lengthy public process, sites were evaluated and found appropriate by the State, and are still available for development.

Because the County must now plan for a substantially lower RHNA as compared to the recent Housing Element, there is more flexibility in identifying housing sites. Relying upon sites in the recently certified Housing Element is advantageous insofar as these sites have recently been reviewed and accepted by the State. For example, a number of sites could be removed from the existing housing sites inventory in the recently certified Housing Element to reflect the new lower RHNA of 185 homes. If this option is pursued, the County should consider including as sufficient number of housing units in the sites inventory to provide a buffer. The buffer would account for actual projects that may be approved at densities lower than those indicated in the Housing Element's sites inventory (the State requires that if a reduction in density for an identified affordable housing site would render the sites inventory inadequate to accommodate a local jurisdiction's RHNA, the local jurisdiction must identify additional sites so there is no net loss in residential capacity). Alternatively, the entire existing sites inventory from the recently certified Housing Element could be carried forward into the next Housing Element, thereby resulting in a larger buffer than necessary to receive State certification.

### **PENDING LEGISLATION**

A critical aspect of housing element legislation requires counties and cities to include an analysis of sites identified for housing. The sites must demonstrate density standards that can accommodate the housing need for all income levels, including for lower-income households. The sites must also demonstrate a feasibility to develop during the planning period. This latter criterion can be difficult to satisfy in the unincorporated County.

In 2003, the State established specific "default densities" for cities and counties to provide a proxy for affordability and for determining development feasibility for lower income housing. The default density for the unincorporated County is currently 30 units per acre. The County was assigned this density because it is located within a Metropolitan Statistical Area (MSA) with a combined population of more than 2 million that also includes San Francisco and San Mateo counties and has a jurisdictional population of over 50,000.

During the recent Housing Element update, the County's metropolitan classification generated significant public discussion centered on the concern that the prescribed default density may lead to future housing developments that are out of character with a more suburban community like Marin and lower density development patterns that are typical of many single-family residential neighborhoods in the unincorporated County. In response to these concerns, and consistent with the County's support, Assembly Member Mark Levine introduced AB 1537 to allow Marin, Yolo, Placer and El Dorado Counties to have their default density classifications changed from metropolitan to suburban. This is intended to help Marin and the other counties maintain their character while accommodating a diverse workforce and population. If signed into law, this bill would reduce the default density for future housing elements from 30 units per acre to 20 for these counties.

The legislation is currently pending review and if passed by the Legislature and signed by the Governor, would go into effect January 1, 2015. If the bill continues to move forward, staff will evaluate alternatives in the sites inventory to provide options at the lower 20 units per acre density. If the pending legislation becomes law and the default density is changed for Marin, the Board may wish to postpone adoption of the Housing Element until after January 1, but no later than January 31, 2015, to include the revised densities in the Housing Element update.

### **FEASIBILITY ANALYSIS**

To meet the statutory requirement of providing housing sites and establishing feasibility for housing for lower income households, local governments may either use the default density described above or provide an analysis demonstrating how lower densities can accommodate and facilitate the RHNA for lower income households. The analysis would include factors such as market demand, financial feasibility, and history of development projects that provide housing for lower income households.

The County initially submitted a Housing Element for the period of 2007-2014 to the State in 2009 with a feasibility analysis. Staff prepared an analysis for development of affordable housing at lower densities than the default density of 30 units per acre.

In staff's opinion, the feasibility analysis was thorough, well prepared and put forth a reasonable basis for accepting densities below 30 units per acre. However, the State found that the County's 2009 Draft Housing Element did not meet statutory requirements because sites identified in the inventory did not reflect the history of affordable housing development in the County. As a result, the State did not accept the nexus between the feasibility analysis and the housing sites inventory as proposed by the County.

During the last housing element cycle, the city of Novato prepared a feasibility analysis in connection with their housing element which established a lower density (20-23 units per acre) than their default density of 30 units per acre for the lower income housing sites required by the RHNA. The analysis was based on a combination of Novato's housing market and the history of development in Novato. Novato's housing market is more affordable than other parts of the County, and median rents, as well as real estate prices for condos and single-family homes are lower than other Marin Jurisdictions. Novato also evaluated the development patterns of multi-family and affordable housing in the City's jurisdiction. Substantially more development has occurred in Novato as compared to the unincorporated County and therefore, the City was able to point to more examples of housing developed at a variety of densities. In addition, the City included a "by-right" policy in their Housing Element to compensate for an insufficient number of housing sites to accommodate the City's RHNA for lower income housing units. County staff is recommending against a similar "by-right" approach for our next Housing Element. In staff's opinion, the intent of the "by-right" provision in State housing law is to remove discretionary review and environmental review from the decision making process for housing proposals on affordable housing sites listed in the local jurisdiction's housing element. The local review process should be limited to a non-discretionary design review process that is based on adopted objective standards. The City has a broader interpretation of the "by-right" law.

While AB 1537 is pending, the County could pursue a feasibility analysis to seek approval for a density below the current 30 unit per acre default density. It is noted, however, that conditions in the unincorporated county have not changed significantly since the initial analysis was conducted in 2009: based on data from the Assessor's records housing costs in the unincorporated County remain higher than many Marin towns and cities, there is a limited number of multi-unit rentals, comparable developments are limited, and most zoning is low density.

#### **PUBLIC OUTREACH**

Extensive public outreach is both a critical component of housing element legislation and an important goal for the County. Engaging lower income and special needs community members is especially important since their involvement in the process can be overshadowed by the magnitude of the debate. Staff is seeking to improve outreach efforts and is working to involve all members of the community throughout the update process. To accomplish this, the Community Development Agency (CDA) has engaged a consultant to help facilitate the outreach process, and to improve the access to and quality of information provided to the public. Staff is working to provide a variety of opportunities for the community to contribute ideas, and is seeking new

ways to reach those less likely to participate in the process. Methods of public outreach that have been identified to date include:

- The Housing Element website has been updated to improve access to the information needed to become familiar with housing issues in Marin
- Community members are also invited to participate in the new 2014 Marin County Housing Survey, and to sign up for e-mail updates on the updated website at [www.MarinCounty.org/HousingElement](http://www.MarinCounty.org/HousingElement)
- Staff is providing information on the Housing Element update and is requesting feedback on conducting outreach at local Design Review Boards, Community Service Districts and community stakeholders
- A series of community workshops have been scheduled to solicit public input on how best to satisfy our housing needs for the next Housing Element cycle (the workshops will occur prior to the completion of the Draft Housing Element and before the Planning Commission begins its hearings on the Housing Element)


**TIMELINE**

The Housing Element update for the planning period of 2014-2023 is due to the State by January 31, 2015. Changes in housing element legislation now include incentives for counties and cities to adopt a housing element on or prior to this deadline. The County will move to an eight year planning cycle for the Housing Element if adopted by the deadline, rather than being required to submit another update in only 4 years. To meet this deadline and combine it with broad public outreach, staff is proposing the following schedule:

1. Initiate public outreach: update website, materials; meetings with stakeholders, Design Review Boards and Community Service Districts (January – March)
2. Launch the Marin County Housing Survey (March – June)
3. Host Community Workshops (April – May)
4. Update the Housing Element (May - June)
5. Planning Commission Hearings (Two to three estimated July – August)
6. Board of Supervisors Hearings (November - January)
7. Submittal to the State for certification (December – January)

**SIGNATURE:**

  
 Leelee Thomas  
 Principal Planner

  
 Brian C. Crawford  
 Director

Attachment 1: Figure IV-6: Available Land Inventory Summary