



C O M M U N I T Y D E V E L O P M E N T A G E N C Y
HOUSING AND FEDERAL GRANTS DIVISION

January 26, 2021

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

SUBJECT: Housing Element Update - Regional Housing Need Allocation (RHNA)

Dear Supervisors,

RECOMMENDATION:

Receive informational report on the Regional Housing Need Allocation (RHNA) which determines the number of housing units unincorporated Marin will need to plan for in the Housing Element update

SUMMARY:

The Community Development Agency is initiating the next Housing Element in order to plan for future housing needs for the planning period of 2022-2030. The process to determine how many housing units jurisdictions will plan for is called the Regional Housing Need Allocation (RHNA). To arrive at this number, the California Department of Housing and Community Development, or HCD, determines the total number of new homes the Bay Area needs to build—and how affordable those homes need to be—in order to meet the housing needs of people at all income levels.

The Association of Bay Area Governments (ABAG), working through its Housing Methodology Committee (HMC), distributes a share of the region's housing need (also referred to as the Regional Housing Needs Determination, or RHND) to each city, town and county. On December 18, 2020 ABAG released the Draft RHNA Methodology and Final RHNA Subregional Shares. The ABAG Regional Planning Committee and the Executive Board are scheduled to take action on the Draft RHNA Methodology and Final RHNA Subregional Shares in January 2021. Once approved, ABAG will submit the draft methodology to HCD for its consideration and review, in advance of RHNA finalization later this year.

This Report is intended to provide your Board with an overview of the draft RHNA, assigned to the unincorporated County (Attachment 1). The number of units of housing for the unincorporated County has increased from 185 units for the current Housing Element cycle to 3,510 units recommended for the upcoming cycle, by approximately 1,900%.

Draft RHNA: Unincorporated Marin County (2022-2030)

Income Level	Very Low	Low	Moderate	Above Moderate	Total
	1,063	611	512	1,324	3,510

DISCUSSION:

Regional Housing Need Allocation

Regional Housing Need Allocation (RHNA) is the state-mandated process to identify the number of housing units, by affordability level, that each jurisdiction must accommodate in the Housing Element of its General Plan (Government Code §65584). On June 9, 2020, HCD released the Regional Housing Needs Determination (RHND) for the 6th Housing Element cycle to the Association of Bay Area Governments (ABAG). A total of 441,176 housing units were allocated to the Bay Area for the planning period of 2022 to 2030. This number is approximately twice the housing needs determination the Bay Area received in February of 2012 for the last RHNA cycle and reflects changes to state law, the methodology for allocating housing need, and growth over the past eight years. With the overall increase in the Bay Area's RHND and the incorporation of new criteria such as equity, which is used to allocate those units, the unincorporated County also has a significant increase in the number of housing units it will be required to plan for in order to have a certified Housing Element. ABAG convened a Housing Methodology Committee (HMC) in October 2019 to advise and make recommendations on the RHNA methodology for allocating the RHNA to all Bay Area jurisdictions consistent with the State's new equity framework and the statutory objectives of RHNA.

The current allocation of 3,510 units for the unincorporated area of Marin reflects these changes. Marin County's total RHNA allocation, inclusive of units that are allocated to the 11 cities and towns, is increasing by 526%, from 2,298 to 14,380. As noted above, the unincorporated County's share of the RHNA was 185 units for the last eight-year cycle (2015-2023), which represents a decrease of approximately 76% from the prior RHNA and Housing Element (2007-2014). The County's 2007-2014 allocation was 773 units of housing and illustrates that the County has a history of planning for larger allocations than what was determined for the 2015-2023 cycle. However, because the current increase for this cycle is so significant, your Board submitted letters to ABAG objecting to the increase. (Attachment 2) The increased RHNA will be a challenge because nearly half of the county's land base is protected by park or open space status. With the largest amount of public land in the nine-county Bay Area, Marin County's 118,669 acres of park and open space make up 30 percent of the County's land base, while water area and watershed lands comprise another 20 percent. Approximately 15% remains undeveloped.

Staff will work with the Board Subcommittee on Affordable Housing to identify strategies to address the increase in RHNA and meet HCD's new requirements for sites, which may include:

- Consideration of by-right zoning¹ on some existing housing element sites which are designated to accommodate lower income housing, this would mean that the County would rely on the adopted Objective Design Standards to evaluate a project, rather than the typical discretionary review process
- Evaluating the use of tools like rezoning, overlay zoning to increase density on sites zoned for multifamily and mixed-use

¹ 'By right' means that no review is required under the California Environmental Quality Act (CEQA), unless a subdivision is required, and the project can only be reviewed using 'objective' design standards. (§ 65583.2(i).)

- Other incentives to encourage and facilitate lower income housing
- Apply equity framework when identifying sites which may be suitable for housing development.

Any of these proposed strategies would include a robust public outreach and opportunities for public comment and would be presented to your Board for consideration at a public hearing.

BACKGROUND

Marin County, like other communities in California, is initiating a planning process under State law to identify how to meet housing needs at all income levels. 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) one of the seven mandatory elements of a general plan to 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 timeframe for the next Housing Element is 2022-2030). The State also mandates that housing elements, unlike other elements of the general plan, be reviewed and certified by the State.

The State has previously certified six Marin County Housing Elements, dating back to 1970. The County adopted the 2015-2023 Housing Element in December 2015, which required the County to plan for a minimum of 185 units of housing at a variety of income levels and locations within unincorporated Marin. To ensure flexibility, the County included a sites list which could accommodate 378 units of housing. The Housing Element also includes 48 programs, over 87% of which have been completed or partially implemented. As required by State law, the County submits Annual Progress Reports (APR) on Housing Element implementation progress to the State. Timely submittal of APRs makes the County eligible for funding and impacts the applicability of some housing streamlined legislation. As part of the previous Housing Element approvals, the County also certified a Supplemental Environmental Impact Report (SEIR) to comply with State environmental review requirements under the California Environmental Quality Act (CEQA). The list of potential housing sites studied in the SEIR, along with those in the current Housing Element, provide the County a place to begin analysis for possible inclusion in the next housing element.

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 young adults, 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 contribute to the stress put on our lower income households, especially communities of color.

For example, special needs populations, such as lower income families with children, seniors, persons with disabilities and people who are homeless, face disproportionately difficult challenges and barriers to finding housing appropriate and

affordable for their individual needs. According to the Area Plan for Aging², 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 persons with disabilities in the unincorporated County, as well as the homeless and precariously housed in our community.

According to the 2020 Marin County Analysis of Impediments to Fair Housing Choice (AI), 30.4% of households in Marin have children, with 23% living below the Federal poverty level. The AI also showed that 712 students in Marin were experiencing some form of homelessness, which includes sharing housing with others due to loss of housing/economic hardship, living in a hotel or motel, living in a temporary shelter or being unsheltered. Additionally, the 2020-24 Marin County Consolidated Plan demonstrates that about 64% of families in poverty are renters.

The 2020 Marin County AI also illustrates racial disparities in housing, largely tied to the impacts of historic housing policies and practices that prevented equal opportunity in housing accessibility, quality, and financing. Marin County presents the starker racial inequities in housing tenure throughout the nine Bay Area counties: while over two thirds of non-Hispanic white residents are homeowners, roughly three quarters of both Black/African American and Hispanic/Latinx communities in Marin are renters.

Additionally, considering RHNA income categories and Marin's median income, farm workers, retail salespersons and childcare workers earn a salary that is considered by the State as very low income (below 50% of area median income); many county staff including 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, in addition to 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 the populations with identified housing needs, as well as reflect or reinforce attributes of the community as a whole.

Fair Housing Choice

Under Assembly Bill 686, the Housing Element is required to incorporate 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.

As a precursor to incorporating a fair housing assessment into the Housing Element, in 2020, the County completed an Analysis of Impediments to Fair Housing Choice (AI) which examined barriers to fair housing. The AI meets both the federal prerequisite for state and local governments receiving block grants for housing and community

² <https://www.marinhhs.org/area-agency-aging>

development projects as well as Marin's commitment to the promotion of fair housing choice, and to affirmatively further fair housing. The County's goal is to increase, expand and maintain its affordable housing inventory and to increase opportunities for housing choice for low income residents, people of color, people with disabilities and residents who have specifically been impacted by historic government policies and practices that created segregated communities in Marin and who continue to be marginalized today. The AI identified four overarching impediments to fair housing choice in Marin:

- Community opposition to developing new affordable housing
- Cost of developing affordable housing and the lack of available land for development
- Lack of affordable housing sites
- Lack of homeownership, particularly for African Americans, and ongoing concerns of gentrification.

The overarching conclusion of the AI is that whether it is national, regional or local, where you live matters - particularly for people of color, those with disabilities, families and other members of the protected classes. A person's zip code can predict their life expectancy, their ability to attend good schools, opportunities for employment, transportation options and quality housing. This is particularly relevant to Marin County, which is determined to be the most racially unequal county in California, according to the Advancement Project California, a Los Angeles-based civil rights organization³. "Most racially unequal" signifies that non-Hispanic Whites generally fare better in all categories measured than Blacks, Latinx, Asians and other people of color. For example, 62.6 percent of non-Hispanic Whites in Marin own their own home, compared with 59.8 percent of Asians, 27.7 percent of Blacks, 26.4 percent of Latinx and 8.5 percent of Native Americans. These findings will inform the assessment of fair housing as required under AB 686.

Changes from the previous Housing Element

In 2017, Governor Brown signed a 15-bill housing package aimed at addressing the state's housing shortage and rising housing costs. The package included bills aimed towards funding affordable housing, streamlining permits, increasing local accountability for housing production, inclusionary zoning, and preserving existing affordable housing.

The 2018 legislative session also brought new requirements to the criteria applied to suitable sites, now codified in [Government Code Section 65583.2](#). One of the principal outcomes of these changes is the potential for increased state housing allocations through the RHNA process with new state criteria that may increase the difficulty in identifying suitable and reusable housing sites to accommodate the projected growth because of the more stringent requirements for site selection.

The 2019 legislative session concluded with a new batch of legislative bills aimed at increasing production by removing barriers to entitlements, including project streamlining, fee reductions, and limiting local control, to name a few. Bills including Senate Bill 35, Senate Bill 330 and changes to the Housing Accountability Act (HAA), have established mandates for cities, towns and counties to streamline the review process for multi-family housing projects.

³ <https://www.racecounts.org/>

In the 2019-20 Budget Act, Governor Gavin Newsom allocated \$250 million for all regions, cities, and counties to prioritize planning activities that accelerate housing production to meet identified needs of every community. With this allocation, HCD established the Local Early Action Planning Grant Program (LEAP) for cities and counties and the Regional Early Action Planning Grants (REAP) for regional governments. LEAP and REAP provides one-time grant funding to cities and counties to update their planning documents and implement process improvements that will facilitate the acceleration of housing production and help local governments prepare for their 6th cycle Regional Housing Need Allocation (RHNA) and Housing Elements, much like the Senate Bill 2 Planning Grants that local governments in Marin have already received.

One particular area of continued scrutiny will be the inventory of housing sites which will be required to meet the County's share of projected residential growth as determined by the RHNA. Many of the legislative changes made to housing element law⁴ will affect the County's next Housing Element, especially as it relates to the selection of sites to accommodate our lower-income RHNA. For example, sites in the current housing element which are identified to accommodate lower income housing may not be reused unless additional actions are taken to encourage and facilitate housing on those sites. These actions could include by-right zoning or re-zoning at a higher density and could facilitate meeting the higher RHNA numbers.

Public Outreach

Extensive public outreach is both a critical component of Housing Element legislation and an important goal for the County. Engaging people of color, lower income and special needs community members is especially important since they are most at risk of being affected by the current housing crisis and have historically not been engaged in planning processes in the County. 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 has retained a consultant firm that specializes in community outreach, to supplement staff resources. This firm will work with staff to help facilitate the outreach process, and to improve access to and the quality of information provided to the public, with a focus on empirical data through surveys and focus groups.

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. Operating under the current pandemic will change the outreach process, requiring new ways of informing and engaging the public to ensure all voices are heard despite the digital divide experienced by many Marin communities. In accordance with Housing Element law, some methods of public outreach include:

- Updating the Housing Element website to improve access to the information needed to become familiar with housing issues in Marin
- Encouraging community members to participate in a Marin County Housing Survey, and to sign up for e-mail updates on the updated website at www.MarinCounty.org/HousingElement
- Engaging with local Design Review Boards, Community Service Districts and other community stakeholder groups to provide information on the Housing Element update and request feedback on conducting outreach

⁴ See Government Code Sections 65583 and 65583.2 for details

- Scheduling a series of on-line community focus groups to solicit public input on how best to satisfy our housing needs for the next Housing Element cycle (the public outreach 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 2022-2030 is due to the State by January 2023. Changes in housing element legislation now include incentives, such as eligibility for funding, for counties and cities to adopt a housing element by this deadline. More information can be found on [CDA's Housing Element webpage](#).

FISCAL/STAFFING IMPACT:

No Impact on the general fund, this is an informational report only.

REVIEWED BY:

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

SIGNATURE:

Leelee Thomas

Leelee Thomas
Planning Manager

Attachment 1: Draft RHNA (released 12/18/2020)

Attachment 2: Letters from Marin County Board of Supervisors to ABAG

Attachment 3: RHNA Development Timeline