



MARIN COUNTY
COMMUNITY DEVELOPMENT AGENCY
BRIAN CRAWFORD, DIRECTOR

September 21, 2010

Board of Supervisors
County of Marin
3501 Civic Center Drive, Room 325
San Rafael, CA 94903

Dear Supervisors:

SUBJECT: Housing Element Work Plan

RECOMMENDED ACTION:

1. Review options for completing the housing element update.
2. Select option and approve work plan.

SUMMARY:

The County submitted the 2009 Draft Housing Element to the State Department of Housing and Community Development (HCD) for review in November 2009. In their January 2010 response to the County, HCD found that the Draft Housing Element did not meet statutory requirements of housing element law based on deficiencies in the County's proposed inventory of affordable housing sites. This list of potential housing sites is required to accommodate the County's share of the Bay Area's regional housing need by income category. Achieving State certification will involve amending the 2009 Draft Housing Element to include a revised sites inventory which demonstrates capacity for additional affordable housing in our community. Staff is presenting two options for the Board to consider, both of which are intended to achieve compliance with State housing element law.

DISCUSSION:

Housing Element Background

The State of California requires each city and county to adopt a General Plan containing at least seven elements, including one on housing. According to HCD, "Local governments must adopt land-use plans and regulatory schemes 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 approximately every five years. The State also mandates that housing elements, unlike other elements of the general plan, be reviewed and certified by HCD. Failure to receive State certification makes local governments ineligible to receive important sources of grant funding and, as outlined in more detail in Attachment 3, may expose the County to potential costly litigation. The County has enjoyed a good track record for receiving State certification of its housing elements and in the past has met and exceeded the minimum State requirements for providing affordable housing sites.

Housing Need

The high cost of living in Marin, in conjunction with low-paying jobs, an uncertain job market, and continued rising costs of basic necessities, has resulted in the inability of many of Marin's working families to meet their basic housing, food, and childcare needs. In 2008, the average wage earned at a Marin-based job was \$37,000 compared to \$67,750 for the median income of a one-person household residing in Marin. By way of example, using the income categories of the Regional Housing Needs Allocation (RHNA), 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 earn a low income (below 80% of area median income) and loan officers and social workers earn a moderate income (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.

Additionally, 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. The senior population in the unincorporated County is projected to experience an increase of 172% between 2008 and 2020. 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. It is estimated that 27% of the total unsheltered homeless people in the County reside in unincorporated areas of Marin. This translates into an unmet need of 96 year-round shelter beds, 4 units of transitional housing and 148 units of supportive housing. Well-placed and well-designed affordable housing can serve those with identified housing needs as well as strengthen the community as a whole.

State Housing and Community Development Findings

The County's November 2009 Draft Housing Element did not meet statutory requirements because the sites named in the Available Land Inventory were found to be inadequate to facilitate the development of affordable housing. State statute provides two ways to demonstrate that housing sites are likely to promote the development of affordable housing: 1) through a default density established for each jurisdiction (for unincorporated Marin County the default density is currently 30 dwelling units an acre); or 2) through a feasibility analysis which illustrates a history of lower density development and ways that a jurisdiction promotes affordable housing at these lower densities, primarily through development concessions and financial incentives.

Given the lack of adequate sites currently zoned at 30 units an acre which are sufficient to accommodate the County's need for affordable housing, staff prepared a feasibility analysis for development of affordable housing at lower densities. However, HCD found that the sites identified in the inventory did not reflect the history of affordable housing development in the County, which has been at higher densities than the sites proposed, and therefore did not accept the nexus between the feasibility analysis and the housing sites inventory.

In addition, based upon early consultation with HCD staff, County staff anticipated that a greater portion of the RHNA could be accommodated through the conversion of 153 market-rate units to affordable housing at the Ridgeway Apartments. However, in their January review letter, HCD staff clarified that "no more than 25% of the County's RHNA by income category may be utilized..." Therefore, the County can only take credit for 25% of the low-income category or 34 units, whereas, staff expected to count all of the 153 units undergoing conversion to low income rental.

While the actual need for housing affordable at a range of incomes may be greater than dictated by the State allocation process, the unincorporated area of the County has a RHNA of 320 units of housing affordable to lower income households, including extremely low, very low, and low income.

Although some of the affordable housing sites named in the Draft Housing Element, as well as second units that have been or are projected to be developed, can be credited toward meeting our regional share of affordable housing, a gap nonetheless remains and increased densities are needed to support additional affordable housing.

Options to Meet Statutory Requirements

Responding positively to the State's directive will entail revising the Draft Housing Element to place a greater emphasis on encouraging housing for lower income households by designating additional sites at the 30 unit per acre density. These rezoned sites should produce a minimum of approximately 145 additional units of lower income housing for the current planning cycle (2007-2014). This can be accomplished by amending County land use plans that establish limits on residential building intensities, including the Countywide Plan, Development Code (zoning ordinance) and possibly community plans that contain land use designations or policies that specify densities for identified sites.

Another way to meet statutory requirements is to include a program in the housing element that allows affordable housing as a "by right" use in specified zoning districts. "By right" means that affordable housing projects have an expedited review by foregoing the typical discretionary and public review processes. To accomplish this most effectively, multifamily design guidelines should be used to establish criterion for evaluating a development with respect to its consistency with County plan policies and development standards. Staff is not recommending this approach for the current housing element cycle because the County does not have multifamily design guidelines and the cost, timeline, and process associated with developing these guidelines would be difficult to accomplish within the budget and work program for completing the current housing element.

Staff has prepared two options and work programs for revising the Draft Housing Element.

Option One sets out a process for addressing the County's housing allocation shortfall of 145 units for the current housing element cycle (2007-2014). The basic steps of the work plan are as follows:

- Staff will select and analyze sites most suitable for increased density for affordable housing
- Site selection will be based on likelihood to develop, proximity to services and transportation and competitiveness for funding;
- Environmental review (CEQA) will analyze the effects of increasing densities on the proposed sites;
- The Planning Commission will review the sites and related land use changes before they are included in the Draft Housing Element;
- Revisions to the Countywide Plan and other land use plans will be completed through the public hearing process; and
- The Board of Supervisors will consider adopting the Housing Element at the conclusion of the public hearing process.

The major advantages of Option One are twofold. Limiting the housing sites analysis to the current housing element cycle would allow the timeliest process for identifying and analyzing additional affordable housing sites and presumably receiving a certified housing element from the State. This option would also allow the County and other interested parties to take into consideration how SB 375 and the emerging Sustainable Communities Strategy may affect the future RHNA requirement for Marin and the 2014-2022 housing element cycle. Under this option, staff should begin working on the next housing element in 2012 for completion by June 30, 2014.

Option Two covers the basic steps outlined above, but expands the scope of work by conducting a preliminary selection and analysis of additional housing sites that could be proposed to meet the State housing allocation requirements for the next housing element cycle (2014-2022). The Board would, however, postpone their decision on approving sites for the 2014-2022 housing element cycle until the next housing element is scheduled to be completed in 2014. The major distinctions in Option Two are as follows:

- Convene a community taskforce to identify and review adequate sites with the potential to meet the current 2007-2014 housing element cycle;
- In addition to the “A” list of sites to consider for increased densities in the 2007-2014 housing element cycle, the taskforce would also identify a “B” list of sites to consider for the 2014-2022 planning period; and
- The environmental review conducted would analyze units sufficient to meet the County’s current shortfall in affordable housing units and the estimated future need for additional housing that will be allocated to the County in the next housing element cycle (2014-2022).

Option Two has the benefit of efficiency and economy in preparing a single environmental review document for both the current and subsequent housing element cycles. The cost of conducting environmental review should not be substantially different if either one or two cycles are addressed. Staff anticipates that completion of the current housing element, according to the process described above, will occur in the fall of 2012. Under this option, staff should begin working on the next housing element in 2013 for completion by June 30, 2014.

Both options have pros and cons; however, they have the same goal of insuring that the County achieves a certified housing element, encouraging affordable housing near services and transit, and assuring continued opportunities for public participation in the planning process, including environmental review, Planning Commission hearings, and the Board of Supervisors hearing to adopt the Housing Element.

FISCAL/STAFFING IMPACT: Budget, allocated via a BCP in the amount of \$400,000 in FY 2010-11, is available to accomplish these tasks in Fund 10000, Fund Center 4000022000, GL 5210100.

REVIEWED BY:

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|--|---|
| <input type="checkbox"/> Auditor Controller | <input checked="" type="checkbox"/> N/A |
| <input checked="" type="checkbox"/> County Counsel | <input type="checkbox"/> N/A |
| <input type="checkbox"/> Human Resources | <input checked="" type="checkbox"/> N/A |

Respectfully submitted,

 Leelee Thomas
 Principal Planner

 Brian C. Crawford
 Director

Attachments:

1. Work Plan and budget for Housing Element Update Option One
2. Work Plan and budget for Housing Element Update Option Two
3. Housing Element FAQ’s