



Staff Report

TO: Planning Commission

Meeting of 1/25/2022

FROM:

Elise Semonian, Planning Director

SUBJECT:

Housing Element 2023-2031 Receive presentation on proposed public engagement process and timeline for Housing Element 2023-2031 update and provide direction to staff.

RECOMMENDATION

Receive report and provide direction to staff.

BACKGROUND

Every eight years, every city, town and county must update the Housing Element of their General Plan and have it certified by the California Department of Housing and Community Development (HCD). This staff report is an introduction to the upcoming 6th Cycle 2023-2031 Housing Element Update for San Anselmo. The memo provides background information on state requirements as well as a proposed local process and timeline.

The Housing Element update is an opportunity for a community conversation about how to address local housing challenges and find solutions. The Housing Element addresses a range of housing issues such as affordability, design, housing types, density and location, and establishes goals, policies and programs to address existing and projected housing needs. The Housing Element must be internally consistent with other parts of the General Plan and is critical to having a legally adequate General Plan.

State law does not require that jurisdictions *build or finance* new housing, but they must *plan* for it. It is in the community's Housing Element that local governments make decisions about where safe, accessible, and diverse housing could be developed to offer a mix of housing opportunities for a variety of household incomes. The Housing Element must identify how the town will meet its share of the region's housing need, called the Regional Housing Needs Allocation, or RHNA.

Key Components of a Housing Element

State law outlines specific requirements for a Housing Element. All Housing Elements include:

- 1. Housing Needs Assessment:** Examine demographic, employment and housing trends and conditions and identify existing and projected housing needs of the community, with attention paid to special housing needs (e.g., large families, persons with disabilities).
- 2. Evaluation of Past Performance:** Review the prior Housing Element to measure progress in implementing policies and programs (See Attachment 1 to Agenda item 20).

3. **Housing Sites Inventory:** Identify locations of available sites for housing development or redevelopment to ensure there is enough land zoned for housing to meet the future need at all income levels.
4. **Community Engagement:** Implement a robust community engagement program, reaching out to all economic segments of the community plus traditionally underrepresented groups.
5. **Constraints Analysis:** Analyze and recommend remedies for existing and potential governmental and nongovernmental barriers to housing development.
6. **Policies and Programs:** Establish policies and programs to be carried out during the 2023-2031 planning period to fulfill the identified housing needs.

Penalties for Noncompliance

There are many consequences for not having a certified Housing Element. The town can be sued by individuals, developers, third parties or the State. The town may be fined. A court may limit local land use decision-making authority until the town brings its Housing Element into compliance. The town may lose the right to deny certain projects. The town would be ineligible for numerous sources of funding, such as Infill Infrastructure Grants and Regional Transportation Funds such as OneBayArea Grants.

Regional Housing Needs Allocation (RHNA) Process

Every city in California receives a target number of homes to plan for at various income levels. This is called the Regional Housing Needs Allocation (RHNA). RHNA starts with the Regional Housing Needs Determination (RHND) provided by HCD, which is the total number of housing units the San Francisco Bay Area needs over the eight-year period, by income group. The Association of Bay Area Governments (ABAG) develops the methodology to allocate a portion of housing needs to each city, town, and county in the region. ABAG adopted the [Final Regional Housing Needs Allocation \(RHNA\) Plan: San Francisco Bay Area, 2023-2031](https://abag.ca.gov/sites/default/files/documents/2021-12/Final_RHNA_Allocation_Report_2023-2031-approved_0.pdf) <https://abag.ca.gov/sites/default/files/documents/2021-12/Final_RHNA_Allocation_Report_2023-2031-approved_0.pdf> on December 16, 2021.

The RHNA allocation for San Anselmo increased from 106 units in the 2015-2023 cycle to 833 units in the 2023 -2031 cycle. The Town’s RHNA allocations:

Income Category	Income Range	2023-2031 6th Cycle RHNA
Extremely Low Income (0-30% of Area Median Income)	1 person household \$0-\$38,400 4-person household \$0-\$54,800	127
Very Low Income (30%-50% of Area Median Income)	1 person household \$38,401-\$63,950 4-person household \$54,801-\$91,350	126
Low Income (50-80% of Area Median Income)	1 person household \$63,951-\$102,450 4-person household \$91,351-\$146,350	145
Moderate Income (80-120% of Area Median Income)	1 person household \$102,451-\$125,650 4-person household \$146,351-\$179,500	121

Above Moderate Income (>120% of Area Median Income)	1 person household \$125,651 or more 4-person household \$179,501 or more	314
	Total	833

New Requirements for this Housing Element Update

Recent legislation resulted in the following key changes for this 6th cycle of RHNA and Housing Element updates:

- **Higher allocations** - There is a higher total regional housing need. HCD’s identification of the region’s total housing needs has changed to account for unmet existing need, rather than only projected housing need. HCD now must consider overcrowded households, cost burdened households (those paying more than 30% of their income for housing), and a target vacancy rate for a healthy housing market (with a minimum of 5%).
- **Affirmatively Furthering Fair Housing (AFFH)** - Local Housing Elements must affirmatively further fair housing. According to HCD, achieving this objective includes preventing segregation and poverty concentration as well as increasing access to areas of opportunity. HCD maps [Opportunity Areas](https://www.treasurer.ca.gov/ctcac/opportunity.asp) [and has developed guidance](https://www.hcd.ca.gov/community-development/affh/index.shtml) [for jurisdictions about how to address affirmatively furthering fair housing in Housing Elements.](https://www.hcd.ca.gov/community-development/affh/index.shtml) ABAG’s RHNA methodology allocated a higher share of low-income units to the Town based on its location in a High Resource Area and high housing costs.
- **Limits on Sites** - Identifying Housing Element sites for affordable units will be more challenging. The Town cannot reuse the sites identified to accommodate affordable housing in the last housing element unless the housing element has a program to allow residential use by-right (it may be an overlay zone). HCD now requires the Town to consider realistic development potential such as the extent existing uses may constitute an impediment to additional residential development (like existing leases), past experience converting existing uses to higher density residential development, and availability of incentives for development (like fee waivers or deferrals).
- **Safety Element** - State law requires that the Safety Element of the General Plan be updated concurrently with the Housing Element. The Safety Element must address new wildfire, evacuation routes, and climate adaptation and resilience requirements in an integrated manner. The town must adopt a Safety Element to meet this requirement.

DISCUSSION

New Resources Available This Cycle

The State of California Office of Planning and Research has updated State General Plan Guidelines for the preparation and content of general plans and has a “how to” resource for drafting a general plan, including the required Safety Element. HCD created [Building Blocks: A Comprehensive Housing-Element Guide](https://www.hcd.ca.gov/community-development/building-blocks/) [to assist jurisdictions in updating housing elements.](https://www.hcd.ca.gov/community-development/building-blocks/) HCD also provides a [Housing Element Completeness Checklist](https://www.hcd.ca.gov/community-development/housing-element/docs/housing%20element%20completeness%20checklist.pdf) [that outlines what HCD will be looking for to certify the housing element.](https://www.hcd.ca.gov/community-development/housing-element/docs/housing%20element%20completeness%20checklist.pdf)

HCD also makes all housing element review [letters <https://view.officeapps.live.com/op/view.aspx?src=https%3A%2F%2Fwww.hcd.ca.gov%2Fcommunity-development%2Fhousing-element%2Fdocs%2Fheweb_list.xlsx&wdOrigin=BROWSELINK>](https://view.officeapps.live.com/op/view.aspx?src=https%3A%2F%2Fwww.hcd.ca.gov%2Fcommunity-development%2Fhousing-element%2Fdocs%2Fheweb_list.xlsx&wdOrigin=BROWSELINK) available online so that staff may avoid issues by reviewing how other jurisdiction housing elements have been found inadequate.

The Association of Bay Area Governments (ABAG) received a \$24 million state grant and now offers a [Regional Housing Technical Assistance <https://abag.ca.gov/our-work/housing/housing-technical-assistance-program>](https://abag.ca.gov/our-work/housing/housing-technical-assistance-program) program that includes: data package for Town that meets HCD requirements; model staff reports, presentations and social media posts; staff training webinars; interpretation services; and public engagement tools. More materials will be coming out in 2022, such as guidance for Affirmatively Furthering Fair Housing (AFFH) through a partnership between ABAG and UC Merced.

Locally, staff is meeting monthly with planning directors in Marin to collaborate on housing work and share resources, such as meeting notices in Spanish and shared feedback from surveys and focus groups.

Draft Housing Element Timeline

The Town is required to have an HCD-approved Housing Element by January 31, 2023. Staff recommends completing any ordinance changes (such as adoption of Objective Design and Development Standards for multifamily housing, any rezoning, and eliminating conditional use permit requirement for housing in commercial districts) concurrent with the Housing Element update. This will assist with the indicating the redevelopment potential of sites.

The attached timeline lays out the process for updating San Anselmo's Housing Element.

Next Steps

Staff will seek contract staff to begin public outreach work. A proposed schedule and public engagement plan are attached (Attachments 1 and 2). Staff has no funding or time scheduled for an Environmental Impact Report, which we hope is not required. Concurrently, staff will be working on bringing the Objective Design and Development Standards and Inclusionary Housing Ordinance to the Planning Commission and Town Council.

FISCAL IMPACT

The Town Council has included update of the Housing Element, Safety Element and Circulation Element and Vehicle Miles Travelled (VMT) policy as two-year Council goals and has budgeted \$250,000 for the work to date. Staff has secured \$85,000 LEAP/REAP grants. Proposals received to date for these projects total \$734,000. Since the department lost one staff member in February 2021 that has not been replaced, staff is seeking a mid year budget adjustment to transfer unspent salary costs to the consultant budget for this project. Since the planning director cannot update the Circulation Element or prepare a Vehicle Miles Travelled policy in house, those projects are a priority for funding with the limited budget. Assistance with documenting the realistic development potential of individual housing element sites is a place where outside assistance would be very helpful.

All other Marin County jurisdictions have retained, or are in the process of retaining, firms to prepare their housing elements and have varied budgets:

Corte Madera	\$420,000 for Housing and Safety elements
Mill Valley	\$140,000 (recently comprehensively updated General Plan)
Marin County	\$1,627,784 for Housing and Safety elements
Fairfax	\$250,000 up to \$413,000 if EIR required
Belvedere	\$450,000
Tiburon	cost unknown, has consultant for General Plan/Housing Element update
Sausalito	\$860,000 (recently comprehensively updated General Plan)
Ross	Requesting proposals until January 28, 2022
Novato	\$928,225 (including EIR)
San Rafael	\$174,745 in consultants (\$250,000 est., recently updated General Plan)
Larkspur	\$425,000 with a spending authority up to \$660,000

GENERAL PLAN CONSISTENCY

The project is intended to bring elements of the General Plan into conformance with State law.

CEQA AND CLIMATE ACTION PLAN CONSISTENCY

Unknown at this time.

CONCLUSION

Provide staff with feedback on public engagement strategy and timeline.