

TOWN OF FAIRFAX

STAFF REPORT

August 2, 2017

TO: Mayor and Town Council

FROM: Garrett Toy, Town Manager GT

SUBJECT: Approve revised response to the Marin County Civil Grand Jury Report:
Overcoming Barriers to Housing Affordability

RECOMMENDATION

Approve the revised responses to the Marin County Civil Grand Jury Report: *Overcoming Barriers to Housing Affordability*.

DISCUSSION

At its July 12th meeting, the Town Council discussed and considered its responses to the Grand Jury report entitled *Overcoming Barriers to Housing Affordability*, and directed staff to work with Councilmember Coler to revise the responses to R1, R2, and R3 to expand on the examples of how the Town has already implemented those recommendations. The revised responses are before the Council tonight for its consideration.

The Grand Jury requested responses to R1, R2, R3, and R6. The Town has already implemented R1, R2, and R3, and believes that R6 is not warranted. The Town Council is required to respond in writing to Findings and Recommendations contained in Marin County Civil Grand Jury reports pursuant to Penal Code § 933.05.

FISCAL IMPACT

The significant staff time needed to prepare responses to the Grand Jury report.

ATTACHMENTS

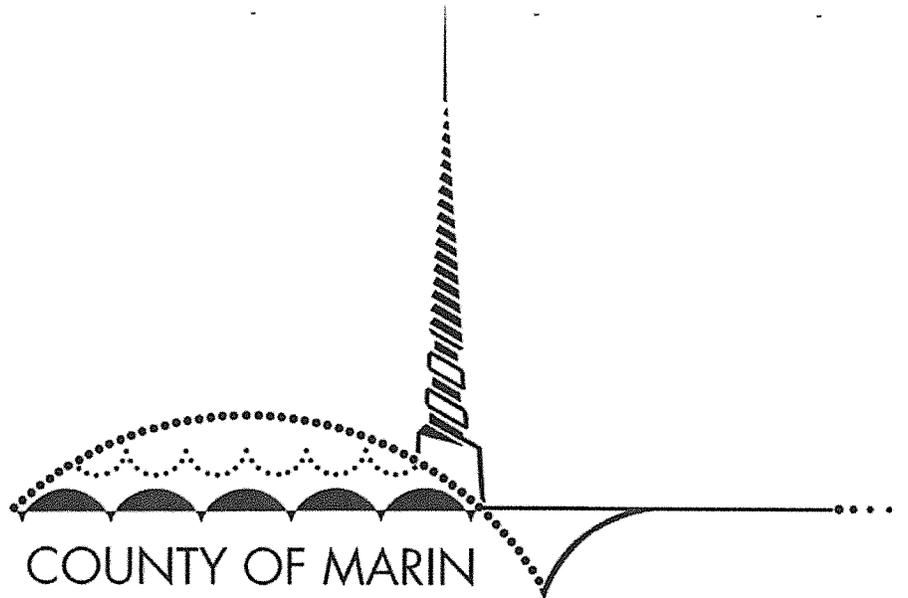
1. Marin County Civil Grand Jury Report: *Overcoming Barriers to Housing Affordability*
2. Town of Fairfax Response to Marin County Civil Grand Jury Report -revised

2016-2017 MARIN COUNTY CIVIL GRAND JURY

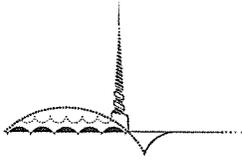
Overcoming Barriers to Housing Affordability

Report Date: April 6, 2017

Public Release Date: April 12, 2017



ATTACHMENT 1



Overcoming Barriers to Housing Affordability

SUMMARY

Marin is an expensive place to live, not only for low-income residents but also the average wage earner. This report offers solutions to improve housing affordability for all households. The residents of Marin experience the results of the high cost of housing in many ways, including the fact that our roadways are congested with the cars of commuters, the financial strain that high housing costs put on low and moderate income households, problems caused by homeless living on the streets, and the likelihood that our children will have to leave the county to find someplace where they can afford a home.

The Grand Jury researched how communities (both inside and outside of Marin County) have addressed key problems of housing affordability that could be applied throughout Marin:

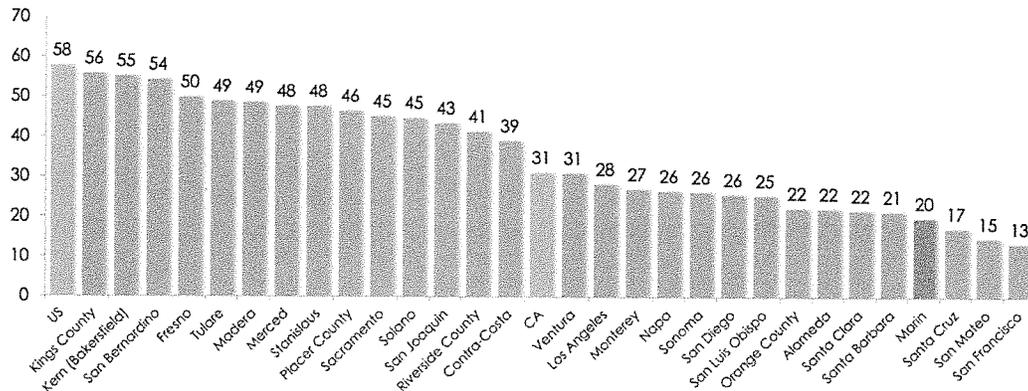
- **Community resistance** forms a barrier to virtually any new development in Marin. Vocal opposition serves to constrain the actions of civic leadership. Attempts to satisfy the needs of the developer and the needs of the community simultaneously are often ineffective. We highlight several examples where proactive involvement of the community with planners and developers has been successful in creating projects that are win-wins. We suggest that efforts to create early discussions between these parties will help to overcome this barrier.
- **It is expensive to build in Marin.** The high cost of land and construction form a formidable barrier to affordability, particularly in the case of low-income affordable housing. No one solution will completely overcome this barrier, but a creative approach to address some construction fees will make Marin more attractive for development.
- Developers cite **the planning process** in Marin as a clear barrier to progress. Regulatory delay becomes burdensome when developing low-income affordable housing. We suggest that models exist where successful early cooperation between developers, and planners, and neighborhoods has made the planning process more efficient. These models could easily be adopted across Marin's communities.
- **While housing affordability is a countywide problem, each of the 11 towns and cities of Marin and the County have their own approach to the problem.** Municipalities should coordinate available resources to develop low-income affordable housing that would benefit all of the citizens of Marin. This effort would be best coordinated through a central Housing Coordinator.

A problem as complicated as housing affordability is not easily solved and it will not be solved overnight. However, our research suggests that it should be possible to make incremental changes that will overcome some of the barriers to affordability. These changes form the recommendations made in this report.

BACKGROUND

Scarcely a week goes by without housing prices being featured in local news. According to the California Association of Realtors, only 20% of households in Marin County could purchase a median-priced home in the fourth quarter of 2016. The chart below indicates that Marin is one of the least affordable counties even in the extremely expensive Bay Area.

2016-Q4: % able to purchase median-priced home



From: "Housing Affordability in CA: by County." *California Association of Realtors*. Accessed on 8 Mar. 2017.

In this report, *housing affordability* refers to the measure of whether a typical household can afford to purchase or rent a typical home. The U.S. Department of Housing and Urban Development (HUD) guidelines suggest that housing is affordable if it requires less than 30% of household income. The latest HUD estimate for median household income in Marin County is \$107,720.¹

This is a distinctly different concept from *affordable housing*. Affordable housing is subsidized by the government and available for occupancy by households that meet income thresholds specified by HUD, which defines "low income" as earning less than 50% of median household income.

Why is affordability a problem? Housing is too expensive for middle-income and lower-income households that include many of our public employees, retail employees and maintenance workers.² Spending too much of a household's monthly budget on housing impacts a family's ability to buy other basic needs: food, clothing, transportation, insurance, utilities, etc. The U.S. Census Bureau's Center for Economic Studies³ reports that as of 2014, over 61,000 workers commuted into Marin each day, adding to the traffic problems that we see on our roads. The high cost of housing also increases the number of homeless on our streets, creates difficulties for senior citizens on fixed incomes keeping up with increasing rents, and challenges the most

¹ "FY 2017 Income Limits Documentation System." *Economic and Market Analysis Division, HUD*. Accessed March 2017.

² "County Of Marin: Workforce Housing." [video] *The County of Marin*. 14 May 2014.

³ "On The Map." *The United States Census Bureau*.

vulnerable segments of our population. Housing is unavailable as well for our next generation, resulting in an increasingly older population.

There are many benefits of creating a more affordable housing infrastructure. Environmental benefits will accrue if commutes can be shortened. Social benefits from increased diversity in our population will enrich our lives. Economic benefits will include an increased property tax base from new housing, as well as an increase in sales taxes if workers live here and shop here, rather than taking their dollars elsewhere.

The Grand Jury wrote this report in an effort to document the genesis of the Marin housing problem, understand the barriers, and offer some solutions that have worked elsewhere. We are under no illusion that there are quick or simple fixes. A problem that has taken decades to develop will not disappear overnight. However, we do suggest that it is time to address this problem in new ways.

METHODOLOGY

The Grand Jury recognized that the investigation of the barriers to housing affordability would require a broad approach. Accordingly, the Grand Jury pursued the following:

- Conducted research into the physical and economic demographics of Marin County, including: population and economic/financial data, land use policies/constraints, housing supply/demand/cost characteristics and transportation infrastructure.
- Interviewed County department managers and staff associated with planning and approval of housing projects in Marin.
- Distributed a questionnaire to planning staff of the County and the 11 cities and towns of Marin seeking information regarding their low-income affordable housing policies, processes and fees.
- Reviewed Comprehensive Annual Financial Reports (CAFRs) of the County, cities and towns with a focus on expenditures for low-income affordable housing development.
- Interviewed people in various capacities who are involved in developing market rate and low-income affordable housing within and outside the County.
- Conducted research into Federal, California, County and municipal laws and regulations applicable to real estate development and low-income affordable housing (including housing elements and *Plan Bay Area*⁴).

⁴ “Plan Bay Area 2040.” *Plan Bay Area*.

- Researched issues and interviewed people from advocacy groups in support of developing low-income affordable housing throughout the county.
- Issued questionnaires to advocacy groups in opposition to the development of high-density housing and low-income affordable housing.
- Researched published papers and books by the advocacy groups cited above.
- Conducted research into conflict resolution strategies, programs and best practices.
- Researched successful approaches to reconciling the positions of housing developers and opponents of developments.
- Reviewed the history of recent low-income affordable housing projects with attention to the processes, costs, development time frames and community acceptance.
- Obtained local utility district connection fee estimates.

DISCUSSION

California's Legislative Analyst Office 2015 report *California's High Housing Costs: Causes and Consequences*⁵ lists significant factors why coastal areas (like Marin) have not built enough housing, including community resistance to such new housing, environmental reviews that can be used to stop or limit housing development, and limited vacant developable land. The goal of this Marin County Civil Grand-Jury report is to showcase proven solutions to-affordability barriers. These solutions could be implemented separately. However, since many of the barriers are interconnected we believe that by integrating them together into civic practices, our citizens will see long-term improvements in housing affordability.

In this report, the Grand Jury focused on these specific barriers:

- Community Resistance
- Too Expensive to Build
- Planning Process
- Low-Income Affordable Housing Faces Unique Challenges
- Myths & Perceptions

⁵ "California's High Housing Costs: Causes and Consequences." *California Legislative Analyst's Office*.

Barrier: Community Resistance

If you show up at a planning hearing to complain about a proposed project in your neighborhood, your single voice is unlikely to matter. Therefore, you decide to form a coalition with your neighbors. The coalition would hold meetings, write letters, make phone calls, post signs, and demand the local officials *do something*. This is democracy in action.

What if a proposed project is upsetting: a high-density housing project (that will *add* to traffic), a homeless shelter (that will bring in *undesirable* people), a flood detention basin (that *might* cause local flooding), or a low-income housing development (that will *decrease* property values)? The coalition might agree that the project is for the “greater good,” but is not appropriate for the neighborhood. To protect yourselves from the “big guys,” you might hire the services of a lawyer to find a way to stop or slow down this project (“level the playing field”). In Marin County, these reactions are common for civic projects.⁶

Solution: Regular Developer Meetings. Before developers formally file plans for housing developments, they should meet with the local planning staff to anticipate likely challenges. Planning departments advise developers on regulatory issues, but often what frustrates planning approval are “the neighbors.” Planners can advise the developer on “hot button” issues they are likely to face before they set the formal public planning process in motion.

Example: Since 2012, the City of Petaluma has conducted weekly Development Review Committee meetings to brainstorm with developers. In attendance are a number of city departments including fire, building, planning, public works, water resources and conservation, code enforcement, economic development, and housing. City staff advise developers of what potential issues could be controversial and suggest ways to adjust the project scope to minimize issues. These might include proactive meetings with neighborhoods or increasing the scope of formal planning notices. Developers appreciate this streamlined approach that saves both time and money. The City staff benefit from an improved collaborative environment.

Solution: Community Outreach. The issue of where to place a civic project has been well studied for over 40 years and is referred to as “Facility Siting” (see Appendix A: Facility Siting). Nimbyism (“Not In My Backyard”) is the understandable reaction of a community to a poor public planning process and lack of trust in government. By proactively reaching out to the entire community, using “plain speak,” and with no hidden agenda, facilitators can help all the parties talk out the issues at outreach meetings with the goal that people will arrive at an agreeable understanding.

Example: In 2007, Homeward Bound of Marin was getting ready to design *The Next Key Center* (32 affordable studio apartments and room to grow their culinary program) on a parcel of the decommissioned Hamilton base in Novato. Before they started the formal planning process, they did a major outreach effort to their surrounding neighbors. Rather than holding large meetings, they chose to meet one-on-one with the neighbors. They shared their plans (“We’re thinking of...”), asked the neighbors about their concerns (“What do you think?”), and tried to address these concerns in their plan. Their goal was to ensure that everyone had a chance to be heard so that their public planning hearings would be well supported. Their new facility opened in November 2008.

⁶ Spotswood, Dick. “It’s hard to get anything done in our county.” *Marin IJ*. 27 Sep. 2016.

Example: In 2003, the Citizens Advisory Committee released to Mill Valley City Council the *Miller Avenue Precise Plan*,⁷ which detailed the “year-long process to examine the future of Miller Avenue in terms of land use and street character, traffic and circulation, market and economics, and implementation and sustainability.”⁸ In May 2007, City Planners conducted two community workshops to get feedback on possible improvements. Soon after, a nine-person steering committee founded the *Friends of Mill Valley* as a reaction when “...the committee's outline became, in effect, a draft plan because of a need to get the plan moving ahead.”⁹ City Council was “baffled by the growing opposition.”¹⁰ *Friends of Mill Valley* held a series of town meetings to discuss long-term policy changes (affecting land use and residential properties) that were proceeding without sufficient public input. After four years of planning, the project was now at a standstill. In response to community pressure, a Design Advisory Committee (with liaisons from City Council, Planning Commission, and five citizen experts) was formed by the City of Mill Valley in 2009, and during the next two years resulted in numerous workshops, focus groups, and extensive committee meetings. In 2011, the *Miller Avenue Streetscape Plan* was adopted by City Council¹¹ and groundbreaking on the project began on June 13, 2016.¹²

Solution: Specific Plans. In Marin County it is not uncommon to have a developer purchase a parcel, create a development plan, file the plan with the planning department, and because of community resistance, have their project slowed down, scaled back, or simply die. Such delays and uncertainty are expensive for the developers. The result is that developers choose to build in less “risky” counties. Municipalities are then planned piecemeal, on an individual parcel basis. If a community adopted a *Specific Plan*, many of these problems would disappear. A Specific Plan is a comprehensive planning and zoning document for a defined geographic region.¹³ The upfront work of creating the plan allows citizens to work together to define a specific community vision and have the municipality establish the detailed land use and design regulations. Developers wishing to build on a parcel in the Specific Plan would be able to move forward secure in the knowledge that extensive work to create building plans and construction documents would not be wasted.

Example: In 2011, Redwood City adopted the Downtown Precise Plan,¹⁴ designed to rejuvenate the city’s downtown area. It provided a blueprint for development of the city’s downtown through 2030, and as amended includes: plans for retail uses, building placement (including building heights and sizes), and housing development (including low-income affordable housing). To date over 2,336 new housing units have been approved or constructed (213 of which are affordable).¹⁵

The most frequent criticism of new projects in Marin is additional traffic congestion. With traffic on major roads at or nearly-at capacity during commute hours, even having a few additional cars on the road could make a bad situation intolerable. Traffic is a real problem, and in many locations congestion serves as an insurmountable barrier to new construction. While the subject

⁷ “Historical Information - Streetscape Plan Meetings and Documents (2003-2011).” *City of Mill Valley*.

⁸ “Miller Avenue Precise Plan.” *City of Mill Valley*, 3 Feb. 2003

⁹ Speich, Don. “Citizen brigade, Mill Valley council clash on vision for city.” *Marin IJ*, 28 May 2007

¹⁰ *Ibid.*

¹¹ “Miller Avenue Streetscape Plan (adopted 2011).” *City of Mill Valley*.

¹² “Miller Avenue Streetscape Plan: History & Background.” *City of Mill Valley*.

¹³ “The Planner’s Guide to Specific Plans.” *Governor’s Office of Planning and Research*.

¹⁴ “Downtown Precise Plan.” *Redwood City*.

¹⁵ Silverfarb, Bill. “Redwood City allows for more affordable housing.” *The Daily Journal*. 2016 May 2016.

of transportation infrastructure is sufficiently complex to warrant its own Grand Jury report, we believe that careful study of traffic, and a creative approach to local conditions can serve as a starting point towards mitigating the effects of new construction.

Solution: Reduce School-Related Commute Hours Traffic. School-related traffic is a significant component of commute traffic. Displacing cars with school buses will reduce traffic congestion during school transit hours.

Example: Coordinated Countywide Student Transportation Study. To address congestion caused by parents ferrying their children to and from schools the Marin Transportation Authority and the Marin County Office of Education cooperated in a study of widespread adoption of school busing in the county in 2015.¹⁶ The study concluded that while the geographic features of Marin make large scale busing difficult in some residential areas, the majority of county schools would benefit from extended bus service.

While the funding of a comprehensive school bus program is significant, costs are substantially less than those required by increasing road capacity. The recent adoption of a subsidized school bus program in Tiburon is an excellent example of the benefits. An article in the Marin Independent Journal¹⁷ noted a 40% reduction in commute-hour traffic after the implementation of a voluntary bus program by the Reed Union School District.

Solution: Concentrate on Local Traffic Congestion Issues. Not all congestion issues are a result of California Highway 101 commute traffic. Investigating local road congestion could also have significant benefits. Changing local traffic flow is less expensive than costly new road construction.

Example: Mill Valley Traffic and Congestion Reduction Advisory Task Force. In 2015, the City of Mill Valley studied traffic capacity¹⁸ with a goal of restoring transit times in the city's two main arteries – Blithedale Avenue and the Almonte Boulevard/Shoreline Highway – to that of 2012-2013.

The study noted a number of projects that contributed to reductions in traffic, including a pilot school bus program (as noted above), staggering of school hours, and retiming of traffic lights at critical intersections. Mill Valley, County and state agencies met, shared traffic data, and quickly resolved jurisdictional issues.

¹⁶ "Coordinated Countywide Student Transportation Study," *Marin Transit*. Nov. 2015.

¹⁷ Krawitt, Carl. "Marin Voice: Tiburon Peninsula school buses are worth the investment." *Marin IJ*. 18 Jul. 2016.

¹⁸ "Traffic Task Force Subcommittee Meeting - City Concludes Traffic Task Force, Sends Detailed Report to Council." *City of Mill Valley*.

Barrier: Too Expensive to Build

Long heralded for its strong environmental stewardship, Marin County has designated 80% of its land for either open space or agricultural use.¹⁹ Because residents did not want to compromise Marin's natural beauty and small-town character, municipalities have enacted low-density zoning laws. The limited amount of suitable vacant land for housing has caused parcel prices to dramatically increase. Zoning regulations hamper developers, who would normally build more units on such expensive land to maximize their return on investment. While these constraints are particularly severe in the case of developers wishing to build housing that is affordable to low- and moderate-income families, they are significant for any housing construction.

Solution: Stimulate Public-Private Partnerships. In 1945, the California Legislature gave local governments the power to form a redevelopment agency (RDA) to revitalize a deteriorated area. While most of this initial funding came from the Federal government, it allowed local governments to issue bonds and attract private investment. In 1952, Proposition 18 established a new financing structure, which allowed local governments to redistribute property tax revenue for the project area. However, it was not until legislation was passed in the late 1970s (Senate Bill 90 and Proposition 13) that RDAs became widespread because of loosened definitions of "deteriorated" and increased funding choices; this in turn caused public-sponsored construction to grow dramatically (which required that 15 percent of all new housing in an RDA be affordable to low- and moderate-income residents). RDAs grew so much in number (and size) that by 2008, they received 12 percent of state property tax revenue, and were putting other government programs in jeopardy.²⁰ By 2012, the RDAs were dissolved, and the successor agencies (usually local governments) were assigned the responsibility of paying off the RDAs' debt. During their existence, RDAs built over 100,000 units of housing.²¹

The Low-Income Housing Tax Credit (LIHTC) currently gives local governments the ability to issue tax credits to private investors for "the acquisition, rehabilitation, or new construction of rental housing targeted to lower-income households."²² Since 1995, over 107,000 units of low-income housing were created.

Example: In 2011, the Dublin (California) Housing Authority, Housing Authority of the County of Alameda (HACA), affordable housing developer Eden Housing, and for-profit homebuilder KB Home were able to revitalize 150 units of old public housing and convert them into a vibrant, mixed-use, mixed-income community (130 affordable family rentals, 50 affordable seniors' rentals, 184 market-rate homes, and 14 below-market-rate homes). The Urban Land Institute awarded this project the 2014 winner of the "Jack Kemp Excellence in Affordable & Workforce Housing Awards."²³

Example: In 2013, ROEM Development Corporation, the City of Mountain View, Google, and Citi Community Capital built Franklin Street Family Apartments with 51 units for households earning up to 50% of the area's median income.²⁴

¹⁹ "Marin At a Glance 2015 Annual Report." *County of Marin*.

²⁰ "Redevelopment Agencies in California: History, Benefits, Excesses, and Closure." *U.S. Department of Housing and Urban Development/Office of Policy Development and Research*.

²¹ "Spotlight on Redevelopment." *Seifel Consulting, Inc.*

²² "Low-Income Housing Tax Credits." *Office of Policy Development and Research (PD&R) U.S. Department of Housing and Urban Development*. 15 May 2016.

²³ Johnson, Alison. "2014 Jack Kemp Award Winners and Finalists." *Urban Land Institute*. 23 Oct. 2014.

²⁴ "Public-Private Partnership Funds Affordable Housing near Transit." *Office of Policy Development and Research (PD&R) Edge Magazine*.

Solution: Junior Accessory Dwelling Units. Effective January 2017, Assembly Bill 2299²⁵ and Senate Bill 1069²⁶ amended state law to make it easier for homeowners to create legal accessory dwelling unit (ADU) rentals on their property: reducing minimum lot sizes, reducing utility connection fees, and reducing parking requirements. Furthermore, Assembly Bill 2406²⁷ established a new type of second unit called a “junior accessory dwelling unit” – created by adding an “efficiency kitchen” (no gas or 220 volt appliance) to an existing underutilized bedroom (maximum 500 square feet).

Example: In 2014, Novato City Council adopted Ordinance 1595 amending its zoning code to allow for junior accessory dwelling units (JADUs) and reduced their development fee. Based on Novato’s request, local sanitary and water districts eliminated their connection fees for JADUs, and the Novato Fire Marshall waived sprinkler and fire separation requirements. The result saves homeowners wishing to create a JADU over \$40,000 in fees.²⁸ In 2016, Novato received applications for and approved two junior accessory dwelling units. In 2017, the Marin Community Foundation awarded Lilypad a \$200,000 grant to help homeowners turn spare bedrooms or other spaces into accessory dwelling units.²⁹

Solution: School Districts’ Teacher Housing. California Senator Mark Leno authored the Teacher Housing Act of 2016 (Senate Bill 1413) that was signed into law by Governor Brown on September 27, 2016. This bill provides that “a school district may establish and implement programs that address the housing needs of teachers and school district employees who face challenges in securing affordable housing. To the extent feasible, the school district may establish and implement programs that, among other things, do the following: (a) Leverage federal, state, and local public, private, and nonprofit programs and fiscal resources available to housing developers, (b) Promote public and private partnerships, (c) Foster innovative financing opportunities.”³⁰ Before this bill was passed, taxpayer funds could not be used for restricted (school staff only) housing.

The nonprofit and nonpartisan Learning Policy Institute’s report *Solving the Teacher Shortage*³¹ agreed that “lack of affordable housing is one reason teachers leave the profession or leave districts with high costs of living.” Because of teacher turnover, school districts have to continually invest in recruitment, since new teachers cannot afford to live in Marin County. Providing subsidized housing for teachers will give school district administration another tool to attract top-quality staff.

Example: In 2002, the Santa Clara Unified School District built Casa Del Maestro (“House of the Teacher”) on land it owned (and is now operated and managed by the nonprofit Santa Clara Teacher Housing Foundation) using no taxpayer funds. With a typical monthly rent of \$1,500 for a two bedroom unit in the complex (compared to an average market rent of \$3,134³²), the school district has seen teacher turnover drop to below average.³³

²⁵ “AB-2299 Land use: housing: 2nd units. (2015-2016).” *California Legislative Information*.

²⁶ “SB-1069 Land use: zoning. (2015-2016).” *California Legislative Information*.

²⁷ “AB-2406 Housing: junior accessory dwelling units. (2015-2016).” *California Legislative Information*.

²⁸ “Junior Accessory Dwelling Units.” *League of California Cities*.

²⁹ Mara, Janis. “Lilypad gets grant to help Marin homeowners create in-law units.” *Marin IJ*. 7 Feb. 2017.

³⁰ “Teacher Housing Act of 2016 [53570 - 53574].” *California Legislative Information*.

³¹ “Solving the Teacher Shortage.” *Learning Policy Institute*.

³² “Rent trend data in Santa Clara, California.” *Rent Jungle*, Accessed Jan 11, 2017

³³ “How one Bay Area school district is making sure teachers aren’t priced out.” *KALW Public Radio*.

Example: Beginning in 2005, the San Mateo Community College District created two housing developments for faculty and staff. “The District is able to build first class, market rate housing and offer below-market rents because 1) it owns the land (land costs do not need to be included in the cost of ownership or operations); 2) it financed the project with a tax-exempt issue; 3) the property is property-tax exempt; and 4) the District does not have a profit motive. Rents from the project are set at a level that is sufficient to pay back all costs of construction, financing, maintenance and operations and fund a long-term capital reserve.”³⁴

Solution: Identify Underutilized Parcels. “Marin County has an abundance of many things: hiking trails, water views and great farm-to-table food. But try buying a vacant lot here and you’ll discover what we lack most. Simply put: We have no lots.”³⁵ California State Law “mandates that local governments adequately plan to meet the existing and projected housing needs of all economic segments of the community.”³⁶ This plan is referred to as a *Housing Element*. Contained in the housing element is a land inventory that includes both vacant and underutilized parcels that may be considered development opportunities. Before a housing element is finalized, the public is invited to comment.³⁷ In Marin, because of fears of showcasing growth opportunities, citizens often request that many vacant and underutilized parcels be removed from the Housing Element’s land inventory.

Rather than depend upon a highly politicized process, it would be more transparent for the County to prepare a publicly available and easily obtainable map of all incorporated and unincorporated vacant and underutilized parcels in Marin.

Example: As part of the development of the 2012-2035 Portland Plan, the City of Portland, Oregon’s Bureau of Planning & Sustainability released the *Development Capacity Analysis geographic information systems (GIS) model*.³⁸ The model was used to create the Buildable Lands Inventory (BLI),³⁹ which was used to provide data to address their “big” questions.⁴⁰ As a result, “permitting continues to exceed production levels, offering an indicator that the city may continue to see growth in the number of new housing units added to the city stock in 2016 and 2017.”⁴¹

³⁴ “Staff Housing Development.” *San Mateo Community College District*.

³⁵ Hilgers, Laura. “Not a Lot of Lots.” *Marin Magazine*. April 2014.

³⁶ “Housing Elements and Regional Housing Need Allocation.” *California Department of Housing and Community Development*.

³⁷ “Marin County - List of sites to be evaluated in the SEIR for the 2007-2014 and 2014-2022 Housing Element planning periods.” *County of Marin*.

³⁸ “Development Capacity Analysis GIS model.” *City of Portland*.

³⁹ “Buildable Lands Inventory (BLI).” *City of Portland*.

⁴⁰ “The Portland Plan.” *City of Portland, Oregon*.

⁴¹ “State of Housing Report in Portland.” *Portland Housing Bureau*. December 2016.

Barrier: Planning Process

The planning process in Marin cities and towns is unpredictable and time-consuming. A developer faces different regulations in every municipality. In addition, developers in every city, town, and the unincorporated County face the costs of compliance with the California Environmental Quality Act (CEQA) that may require extensive environmental reviews as well as time consuming public comment. As stated in a report issued by the McKinsey Global Institute entitled *A Tool Kit to Close California's Housing Gap*,⁴² “the statute has come under scrutiny for enabling any opponent to a project ... to delay or block the project by threatening a lawsuit under CEQA. Generally speaking, if a project opponent files a CEQA lawsuit, the project cannot commence until the litigation is resolved in favor of the government and the project sponsor. This can delay projects by months or years, and adds substantial risk to the entitlement process.”

Approvals for new housing can take anywhere from six months to over three years depending upon the complexity of the project and public opposition. Long delays in the approval process can lead to lost opportunities and high costs for land holding, architectural planning, and legal expenses. McKinsey's report estimates that such costs can account for 30% of the total cost of a housing unit.

Solution: Regular Developer Meetings. As mentioned previously in “Barrier: Community Resistance,” arranging regularly scheduled meetings with developers, city or county planning officials, advocacy groups and the general public would better allow all interested parties to offer their input during each stage of the process.

Solution: Improved Noticing. Planning departments comply with legal noticing requirements for development projects. However, these notices are often filled with confusing legal terms that the average resident might not understand and instead choose to ignore. Later, when the project has moved to an advanced stage, a resident might hear rumors about the project and become angry that they were not adequately informed. Using *plain speak* and increasing noticing to a wider radius (than the minimum requirements) would lead to a more informed community much earlier in the process and fewer delays by opposition later.

Example: A few examples of municipal planning notices are showcased in Appendix B: Municipal Planning Notices. The Tiburon and Marin County notices are printed with small single-spaced type and filled with legal jargon. From Tiburon's: “The Planning Division is recommending a Mitigated Negative Declaration be adopted for the project pursuant to section 21080 of...” If a resident makes it through the first three paragraphs of the letter without his eyes glazing over, he might discover that written comments on the Draft Mitigated Negative Declaration/Initial Study will be accepted until 5:30pm. This type of language makes little sense to ordinary residents outside of planning commission circles. A better example might be the card circulated by Mill Valley that has the meeting date, location, and project contact in bold typeface at the top of the card, followed by a brief description of the project. It concludes with instructions for interested parties on submitting comments, relevant meeting dates and sources for further information. All relevant details are presented in very clear, precise and simple language.

Solution: Community Outreach. As previously discussed, developers should reach out to neighbors and other interested parties from the very beginning of the planning process, address concerns and incorporate suggestions whenever possible. By involving the public from the

⁴² “A Tool Kit To Close California's Housing Gap: 3.5 Million Homes By 2025.” *McKinsey Global Institute*.

outset, many objections can be resolved in open dialogue. Meetings should be held as often as necessary until everyone's opinions have been heard. It is difficult to find examples of good community outreach for Marin projects. The same public concerns, however, exist in other Bay Area locations. In Napa, objections are often seen to the construction of new wineries. An example of how to reach out to the community in a positive way is seen in the following:

Example: Constructing a new winery in Napa County evokes strong neighborhood reactions. “Questions from neighboring residents, growers and vintners about impacts on groundwater, traffic and rural character in the form of opposing public-hearing comments and letters as well as appeals of approvals have led the county Board of Supervisors over the past several months to call for better analysis of current conditions and community input.”⁴³ In 2016, Beau Vigne Winery did an extensive outreach before its hearing, resulting in “a show of support that the Planning Commission seldom sees in often-contentious winery times.”⁴⁴

⁴³ Quackenbush, Jeff. “Counties grapple with winery outreach directly to consumers.” *North Bay Business Journal*. 12 May 2015.

⁴⁴ Eberling, Barry. “New Napa winery wins planner praise for neighborhood outreach.” *Napa Valley Register*. 8 Sep. 2016.

Barrier: Low-Income Affordable Housing Faces Unique Challenges

The current approach to planning low-cost affordable housing in Marin County is fragmented and lacks coordination. Each municipality has its own community development agency (CDA) that is focused on specific goals and priorities identified within its own boundaries. In addition, Marin County has a CDA that serves only the unincorporated areas of Marin. No single agency is tasked with the coordination and facilitation of solutions to housing-related issues that affect the entire region. For example, affordable housing that addresses the needs of the most vulnerable portion of Marin's population is administered by a combination of the Marin Housing Authority, Marin County Health and Human Services and a wide range of non-profit operators in locations scattered among the County, cities and towns. Section 8 housing vouchers provide federal funding to supplement housing costs for low-income families. The long waiting list for these vouchers is a clear indicator of unmet demand for additional subsidized affordable housing. Individually, each of the municipalities and the County has its own plan to address low-income affordable housing, but these plans have been ineffective at solving the problem.

Economic barriers add to the difficulty of constructing new housing and protecting existing low-income housing stock. The cost of buildable property is a major consideration, but in addition, developers face high costs for permits, energy and water hookups, and legal expenses. Complex requirements for environmental review and transportation infrastructure limitations are also complicating factors. Developers are economically motivated to look to areas with fewer restrictions and less uncertainty than in Marin County.

Solution: In-Lieu Housing Fee Pooling. Many communities require that developers of multi-unit housing set aside a percentage of units as affordable housing. Of the 12 jurisdictions in Marin (11 incorporated municipalities plus the unincorporated county) 7 allow the payment of housing fees in-lieu of building affordable housing units. These funds are then deposited in an account to be spent to increase the supply of housing (generally to be affordable to low and moderate-income residents). Outside of the City of Novato very little of this money has been expended for affordable housing, and for most of the jurisdictions, the account balances are too low to be useful (for a fund overview, see Appendix C: Affordable Housing In-Lieu Fees). Pooling these funds, with central administration at the County level, would best leverage the power of this money to stimulate the construction of affordable housing.

Solution: In-Lieu Housing Fee Recalculation. *"The Board of Supervisors concur that the in-lieu fees fail to generate sufficient revenue to support the amount of affordable housing needed in Marin County."*⁴⁵ The City of San Rafael reported, *"our experience shows that accepting fees in lieu of providing units in developments under construction does not result in an increase in the number of affordable units."*⁴⁶ If the goal of in-lieu housing fees is to stabilize and increase the amount of low-income affordable housing in the County, then there are insufficient in-lieu fund account balances to achieve this. Therefore, either local governments need to either not allow the payment of in-lieu housing fees (so low-income affordable housing is created) or in-lieu fees need to reflect the true cost of developing such housing.

Example: In 2016, the City of Pasadena commissioned the *Affordable Housing In Lieu Fee Analysis* study⁴⁷ in support of an inclusionary housing ordinance.⁴⁸ By analyzing the

⁴⁵ Marin County Board of Supervisors response to 2002-03 "Financing Affordable Housing" Grand Jury report. 16 Sep. 2003.

⁴⁶ City of San Rafael response to 2002-03 "Financing Affordable Housing" Grand Jury report. 30 Jun. 2003.

⁴⁷ "Pasadena Affordable Housing In Lieu Fee Analysis." David Paul Rosen & Associates.

⁴⁸ "Inclusionary Housing Ordinance." City of Pasadena.

rental housing affordability gap and predicting likely numbers of new construction, they were able to calculate a truer value for an in-lieu housing fee.

Solution: Fast-track Low-income Affordable Housing Applications. Low-income affordable housing developers face many obstacles that add costs to their projects. Giving priority to the processing of their applications through the various planning departments would be an easy way to shorten the timeline to construction and thus reduce cost. Several of Marin’s communities have procedures in place for fast-tracking. The County of Marin proposes to implement fast-tracking for unincorporated areas in 2017. Tiburon gives “highest processing priority” to affordable housing projects, and San Rafael reports that it has some policies in place “that encourage streamlined approaches of projects that qualify as affordable housing.” San Anselmo offers expedited processing for secondary units but not multifamily construction. Other Marin towns and cities do not have such provisions in place. Each of the towns and cities of Marin should implement fast-tracking of affordable housing projects, bringing these projects to the top of the planning review queue.

Example: Below-market-rate projects are fast-tracked through the City of Petaluma’s approval process. All processing time limits required by state law are adhered to.⁴⁹

Solution: Community Outreach. Often community fears of the local impact of low-income affordable housing turn into vocal demonstrations. Contributing to these fears are perceptions of the impact of affordable housing on neighborhoods, for example the belief that affordable housing developments will drive down property values and attract undesirable residents. As noted in our section on planning process above, an aggressive program of involvement of nearby stakeholders should alleviate unsupported fears, and will allow developers and homeowners to work together to ensure that development works to benefit the community.

Example: Oma Village. Homeward Bound of Marin has recently opened Oma Village, a development of 14 units in Novato intended for residence by families that are leaving homelessness. Before entering into the planning review process, Homeward Bound contacted nearby residents individually to explain what they hoped to do. By carefully explaining the criteria for approval of applicants, and by making some changes to their architectural drawings to meet neighborhood concerns, they were able to smoothly move through planning review and begin construction of the Village.

Solution: Reduce Costs Of Utility Connections. Sewer, water, electricity, and gas connections add significantly to the cost of any new development (see Appendix D: Utility Connection Fee Estimates). Developers of market-rate housing are able to recoup these fees upon successful completion of a profitable project. These fees burden developers that follow a mission to provide low-cost affordable housing. Waiving or reducing connection fees would provide a major incentive to the developers of low-cost affordable housing.

Example: The City of Santa Cruz’s (California) municipal code allows for waivers of many development fees if they will assist in providing residential units that are affordable to low and very-low income households.⁵⁰ The fees eligible for waivers include: sewer and water connection fees, planning application and plan-check fees, building permit and plan-check fees, park land and open space dedication in-lieu fees, and fire fees.

⁴⁹ “Housing Element 2015-2023.” *City of Petaluma*.

⁵⁰ “Chapter 24.16 Affordable Housing Provisions.” *Santa Cruz Municipal Code*.

Barrier: Myths & Perceptions

“The great enemy of truth is very often not the lie – deliberate, contrived and dishonest – but the myth – persistent, persuasive and unrealistic. Too often we hold fast to the clichés of our forebears. We subject all facts to a prefabricated set of interpretations. We enjoy the comfort of opinion without the discomfort of thought.”

– John F. Kennedy

Perhaps the most challenging barrier to tackle is that of altering long held misperceptions of a community. These beliefs are deeply entrenched and in many cases are based on myths. We collected a sampling of oft-repeated refrains from community meetings and the media and analyzed them for accuracy. We researched these issues to see if they had any merit (see Appendix E: Marin Housing Perceptions).

Solution: Education. Myths that continue to circulate in the community eventually become embedded in the belief system when they are continually repeated as if they were facts. Psychologists understand that to overcome misinformation, three psychological effects need to be considered: familiarity effect (emphasize the facts, not the myth), overkill backfire effect (simplify the message), and the worldview backfire effect (don’t argue, reframe the message).⁵¹ Leadership must take a stance in public support of facts, using properly considered psychology, rather than reacting solely to community-wide fears.

Example: As a counterpoint to active NIMBY groups, YIMBY (*yes in my backyard*) activism and education has been spreading worldwide. YIMBYs are “generally younger than their opponents, mainly renters, many of them employed in the tech industry, they were driven to activism after they found themselves unable even to rent in San Francisco or Berkeley or Oakland, let alone buy.”⁵²

Solution: Deliberative Polling[®] was created in 1988 by Professor James Fishkin of Stanford University. “Citizens are often uninformed about key public issues. Conventional polls represent the public's surface impressions of sound bites and headlines. The public, subject to what social scientists have called "rational ignorance," has little reason to confront tradeoffs or invest time and effort in acquiring information or coming to a considered judgment.”⁵³ The Deliberative Polling[®] process involves bringing together a sample of an affected population, sharing balanced briefing materials, and then having a dialogue with competing experts and political leaders.

Housing affordability has been a “hot topic” in Marin County for years. Former Supervisor Susan Adams “faced an unsuccessful recall effort in part due to her support for developing affordable housing at Marinwood”⁵⁴ and was voted out of office in 2014. From October 2015 to February 2016, the Board of Supervisors convened a series of *Preserving Housing Affordability* public workshops.⁵⁵ The Marin IJ wrote: “All but conceding that the drive to provide adequate affordable housing in Marin has been a failure, county officials are shifting gears, hoping that an aggressive strategy aimed at saving the housing that does exist while considering initiatives to slow soaring rents will bear fruit.”⁵⁶ As former Supervisor Steve Kinsey stated, “We’re becoming a rich, white, old community, and yet California is becoming a much more

⁵¹ Cook, John and Lewandowsky, Stephan. “[The Debunking Handbook](#).” *Skeptical Science*. 23 Jan. 2012.

⁵² Lucas, Scott. “[The YIMBYs Next Door](#).” *San Francisco Magazine*. 30 Nov. 2016.

⁵³ “[What is Deliberative Polling[®]?](#)” *Center for Deliberative Democracy, Stanford University*.

⁵⁴ Halstead, Richard. “[Bill to ease pressure on Marin to build more housing moves forward](#).” *Marin IJ*. 20 May 2014.

⁵⁵ “[Affordable Housing](#).” *Marin County Community Development Agency*.

⁵⁶ Johnson, Nels. “[Marin County officials: Rent control among strategies to preserve affordable housing](#).” *Marin IJ*. 11 Oct. 2015.

demographically diverse community, so there is a conflict there that has to be addressed.”⁵⁷
While protecting the affordable housing status quo is a good goal, it is not enough.

Example: In March 2008, 238 scientifically randomly selected San Mateo County residents gathered for a weekend at Threshold 2008’s Countywide Assembly on Housing Choices. Commonly held housing beliefs changed as a result of this process:⁵⁸

Housing Poll Question	Agree Before	Agree After
There is a need for more housing in the County	38%	68%
Any new housing should be located in already developed areas	61%	72%
New housing developments would be good for the environment	33%	44%
The County’s vital services like education, fire, police and health would suffer if there continues to be a shortage of affordable housing	46%	68%

⁵⁷ Halstead, Richard. “Marin Supervisor Kinsey reflects on 20-year career.” *Marin IJ*. 1 Jan. 2017.

⁵⁸ Greenway, Greg and Fishkin, James. “Results of the San Mateo Countywide Assembly on Housing Choices.” *Center for Deliberative Democracy, Stanford University*. March 2008.

Introducing: The Regional Housing Coordinator

The Grand Jury believes that a number of the previous solutions (community outreach, in-lieu housing fee pooling, in-lieu fees to stimulation public-private partnerships, education, and case studies) could best be served through the creation of a County Regional Housing Coordinator. The coordinator would:

- Commission a study to quantify the demand for new housing units.
- Work with funding sources and developers
- Work with cities, towns and the County to develop Specific Plans
- Identify underutilized parcels
- Explore opportunities for public-private partnerships
- Create a County-wide Civic mediation program for all civic project community dialogues
- Conduct Deliberative Polling[®] to build the public voice on housing choices
- Coordinate and analyze in-lieu housing fee usage

While each municipality would maintain local planning control, the Regional Housing Coordinator would ensure that County-wide issues such as subsidized housing, civic development, and funding would be a shared resource. Regional housing coordinators are found in other states, including:

- Nevada (Southern Nevada Regional Housing Authority)
- North Carolina (The Arc of North Carolina)
- Pennsylvania (Self-Determination Housing Project of Pennsylvania, Inc.)

Ironically, the June 2003 Marin County Grand Jury report (*Financing Affordable Housing: Local In-Lieu Fees And Set-Aside Funds*) recommendations included:

- The Board of Supervisors and the cities and towns should establish an appropriate mechanism for the coordination of all affordable housing activities in the County.
- The Board of Supervisors should support and cooperate with the various nonprofit housing agencies and developers within the County by including them in the implementation of the countywide housing programs.

In their September 16, 2003 response to the June 2003 Report, the Marin County Board of Supervisors wrote:

“Marin County, the Marin Community Foundation and the Major Employers of Marin are working collaboratively to develop a countywide housing trust fund. Each entity will be contributing cash and in-kind services to match funds established by the state for housing trusts. The goal is to generate six million dollars over the next five years to be used for affordable housing. All the cities and towns will be invited to participate in the Marin Workforce Housing Trust Fund. Their contribution will be matched dollar for dollar, which is a substantial incentive.

The Community Development Agency will begin to engage the Countywide Planning Agency that represents all the cities, towns and the County, to develop an effective strategic approach to address the housing needs of Marin County.”

The *Marin Workforce Housing Trust* (MWHT) was established in 2003 as a “public-private collaboration between various local businesses, the Marin Community Foundation and the County of Marin to support and encourage the development of affordable workforce housing throughout Marin County.”⁵⁹ Over the years, the MWHT issued a pre-development loan of \$283,210 to Eden Housing (for the construction of Warner Creek Senior Housing in Novato) and \$231,593 to EAH Housing (for the construction of Shelter Hill in Mill Valley). Because of difficulties finding other loan recipients, in 2010 the business community pulled out. By 2014, the Marin Community Foundation also stopped participating. In 2016, the Marin Workforce Housing Trust decided to cease operations (“The purpose of the Trust was to use funds raised for loans to support workforce housing. While this is a worthy and important endeavor, there is not enough affordable housing development in Marin County for a standalone organization to be feasible”⁶⁰), and transfer its funds into Marin County's Affordable Housing Trust Fund.

While the Grand Jury applauds the establishment of the Marin Workforce Housing Trust, it is clear that simply offering affordable housing funds to low-income affordable housing developers will not improve the situation. During our investigation, we heard repeatedly from both nonprofits and funding sources that the challenge to building low-income and middle-income affordable housing isn't identifying funding sources, it is overcoming local political and community resistance.

That is why we suggest that the role of the regional housing coordinator must be financial (work with funding sources and coordinate in-lieu housing fee usage), research (identify underutilized parcels), and political (civic mediation and public polling). Unlike the June 2003 Report recommendations, the housing coordinator would not only focus on low-income affordable housing, but housing that is affordable for people who currently live and work in Marin.

⁵⁹ “Transfer of Marin Workforce Housing Trust Assets to the County's Affordable Housing Trust.” *County of Marin*. 15 Nov. 2016.

⁶⁰ *Ibid.*

CONCLUSION

The Marin County Civil Grand Jury believes, based on success in the Bay Area and nationwide, that many of the barriers that challenge housing affordability can be overcome using solutions detailed in our Discussion:

- Community Outreach
- Concentrate on Local Traffic Congestion Issues
- Deliberative Polling[®]
- Education
- Fast-track Low-income Affordable Housing Applications
- Identify Underutilized Parcels
- Improved Noticing
- In-Lieu Housing Fee Recalculation
- In-Lieu Housing Fees Pooling
- Junior Accessory Dwelling Units
- Reduce Commute Hours Traffic
- Reduce Costs Of Utility Connections
- Regular Developer Meetings
- School Districts' Teacher Housing
- Specific Plans
- Stimulate Public-Private Partnerships

The Grand Jury is under no illusion that implementing these solutions will magically transform our housing affordability situation overnight. Some of these solutions may not work well in Marin. Some of these solutions require a combination of new policies and new skills. Nevertheless, we suggest that it is time to establish agreed-upon baseline metrics for housing affordability, perform tests of these solutions, re-measure these efforts against the baseline, and fine-tune the solutions to optimize results.

Implementing these solutions require public agencies and officials to change “business as usual.” Approaching tough issues (such as housing) with the question “What do we want our County to become?” (rather than “What don’t we want?”), we believe our leaders will be able to guide our citizens more comprehensively and efficiently.

FINDINGS

- F1. Political will for the construction of new housing is constrained by County-wide vocal citizen opposition.
- F2. The costs of land and development make it too expensive to build low-income affordable housing in Marin.
- 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.
- 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.
- F5. Active planning for the creation of low-income affordable housing does not occur within our cities, towns, and the County.
- F6. Over 60,000 people commute each day to jobs in Marin, many living outside the County.
- 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.

RECOMMENDATIONS

- R1. Each planning department should begin regularly scheduled meetings at which developers can speak, early in the process, with all relevant members of staff to discuss impacts of proposed development and potential solutions to problems.
- 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).
- R3. Each planning department should use succinct “plain-speak” to convey issues in their outreach.
- R4. Each school district should investigate building teacher and staff workforce housing on their land.
- R5. Each utility district should adopt waivers for hook-up fees for low-income housing projects and accessory dwelling units.
- R6. Each jurisdiction should adopt procedures so that low-income housing projects are fast-tracked through the planning and permitting process.
- R7. 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.

REQUEST FOR RESPONSES

Pursuant to Penal Code section 933.05, the grand jury requests responses as follows:

From the following governing bodies:

- Almonte Sanitary District (R5)
- Alto Sanitary District (R5)
- Bolinas Community Public Utility District (R5)
- Bolinas-Stinson Union School District (R4)
- City of Belvedere (R1, R2, R3, R6)
- City of Larkspur (R1, R2, R3, R6)
- City of Mill Valley (R1, R2, R3, R5, R6)
- City of Novato (R1, R2, R3, R6)
- City of San Rafael (R1, R2, R3, R6)
- City of Sausalito (R1, R2, R3, R6)
- Corte Madera Sanitary District No 2 (R5)
- County of Marin (R1, R2, R3, R6, R7)
- Dixie School District (R4)
- Homestead Valley Sanitary District (R5)
- Inverness Public Utility District (R5)
- Kentfield School District (R4)
- Laguna Joint School District (R4)
- Lagunitas School District (R4)
- Larkspur-Corte Madera School District (R4)
- Las Gallinas Valley Sanitary District (R5)
- Lincoln School District (R4)
- Marin Community College District (R4)
- Marin County Office of Education (R4)
- Marin Municipal Water District (R5)
- Mill Valley School District (R4)
- Nicasio School District (R4)
- North Marin Water District (R5)
- Novato Sanitary District (R5)
- Novato Unified School District (R4)
- Reed Union School District (R4)
- Richardson Bay Sanitary District (R5)
- Ross School District (R4)
- Ross Valley School District (R4)
- San Quentin Village Sewer Maintenance District (R5)
- San Rafael City Schools (R4)
- San Rafael Sanitation District (R5)
- Sausalito - Marin City Sanitary District (R5)
- Sausalito Marin City School District (R4)
- Shoreline Unified School District (R4)
- Sewerage Agency of Southern Marin (R5)
- Stinson Beach County Water District (R5)
- Tamalpais Community Service District (R5)
- Tamalpais Union High School District (R4)
- Tiburon Sanitary District #5 (R5)

- Tomales Village Community Services District (R5)
- Town of Corte Madera (R1, R2, R3, R6)
- Town of Fairfax (R1, R2, R3, R6)
- Town of Ross (R1, R2, R3, R6)
- Town of San Anselmo (R1, R2, R3, R6)
- Town of Tiburon (R1, R2, R3)
- Union Joint School District (R4)

The governing bodies indicated above should be aware that the comment or response of the governing body must be conducted in accordance with Penal Code section 933 (c) and subject to the notice, agenda and open meeting requirements of the Brown Act.

Note: At the time this report was prepared information was available at the websites listed.

Reports issued by the Civil Grand Jury do not identify individuals interviewed. Penal Code Section 929 requires that reports of the Grand Jury not contain the name of any person or facts leading to the identity of any person who provides information to the Civil Grand Jury. The California State Legislature has stated that it intends the provisions of Penal Code Section 929 prohibiting disclosure of witness identities to encourage full candor in testimony in Grand Jury investigations by protecting the privacy and confidentiality of those who participate in any Civil Grand Jury investigation.

This report was issued by the Grand Jury with the exception of a juror who was a former elected official in a named municipality. This grand juror was excluded from all parts of the investigation, including interviews, deliberations, and the writing and approval of this report.

GLOSSARY

ADU: Accessory Dwelling Unit – A new dwelling unit added entirely within an existing building or an existing authorized auxiliary structure in areas where residential use is allowed.

Affordable Housing: Housing subsidized by the government and available for occupancy by households that meet income thresholds specified by HUD.

CDA: Community Development Agency – coordinates planning, building, and environmental health departments within unincorporated areas in Marin County.

CEQA: California Environmental Quality Act – A statute that requires state and local agencies to identify the significant environmental impacts of their actions and to avoid or mitigate those impacts, if feasible. Enacted 1970.

Fast-tracking: Prioritizing and expediting the review process by a Planning Commission.

Housing Affordability: The measure of whether a typical household can afford to purchase or rent a typical home.

Housing Element: A law enacted in 1969 requiring local governments to create comprehensive long-term plans to address projected future housing needs in a community.

HUD: U.S. Department of Housing and Development

In Lieu Housing Fees: A fee paid by developers to local government in lieu of incorporating mandated affordable housing into a project. These funds are intended to be used by the government agency to support other low-income housing projects.

JADU: Junior Accessory Dwelling Unit

MHA: Marin Housing Authority – A public-private agency overseen by a governing board including private tenants and members of the Board of Supervisors to promote affordable housing in Marin.

NIMBY: “Not in my backyard”

PDA: Priority Development Area

Plain Speak: Using simple, direct language in place of confusing legal jargon.

Plan Bay Area: Contains strategies for meeting the anticipated demand for transportation, housing, and land use in local Priority Development Areas (PDAs) through 2040.

RDA: Redevelopment Agency – Program created in 1945 by the California Legislature to allow local governments to revitalize deteriorated areas. Over 100,000 housing units were created by RDAs before the end of the program in 2012.

Specific Plan: A comprehensive planning and zoning document for a defined geographic region.

APPENDIX A: Facility Siting

The issue of where to place a civic project has been well-studied for over 40 years and referred to as “Facility Siting.” The process for siting a project can be: regulatory, market, or voluntary.⁶¹ A *regulatory process* imposes a project on a community through legal actions (such as eminent domain). With a *market process*, incentives to the community are offered as conditions of project approval. A *voluntary process* involves significant community dialogue, collaboration, and negotiation.

The *MIT-Harvard Public Disputes Program* has found that the voluntary process of “mediation, when used properly, produces fairer outcomes, more efficient results, and more stable political commitments, as well as wiser use of the best scientific and technical information available.”⁶² The well-tested *Facility Siting Credo*⁶³ details the various objectives that should be considered in a voluntary process:

- Institute a broad participatory process
- Achieve agreement that the status quo unacceptable
- Seek consensus
- Work to develop trust
- Choose the solution that best addresses the problem
- Guarantee that stringent safety measures will be met
- Fully address all negative aspects of the facility
- Make the host community better off
- Use contingent agreements
- Seek acceptable sites through a volunteer process
- Consider a competitive siting process
- Work for geographic fairness
- Set realistic timetables
- Keep multiple options open at all times

As elected officials understand, it is important to be “people-focused” (actively listening to all constituent needs) – or else they won’t be re-elected. Contractors or municipality staff members, who are responsible for achieving their milestones, tend to be much more “problem-focused.” The *Facility Siting Credo* balances both “problem-focused” and “people-focused” needs to arrive at solutions that are “win-win” instead of “win-lose.”

⁶¹ Lesbirel, S. Hayden and Shaw, Daigee. “Facility Siting: Issues and Perspectives.” *Columbia Earthscape*.

⁶² *MIT-Harvard Public Disputes Program*.

⁶³ Susskind, Lawrence. “The Facility Siting Credo.” *Negotiation Journal*, Volume VI, Issue 4, October 1990, pp. 309-314

APPENDIX B: Municipal Planning Notices

The following are recent examples of planning committee hearing notices that have been sent to nearby homeowners and business owners:

**TOWN OF TIBURON
NOTICE OF PUBLIC MEETING
TRESTLE GLEN CIRCLE PRECISE DEVELOPMENT PLAN**

Notice is hereby given that the Tiburon Planning Commission will hold a public meeting to consider the Trestle Glen Circle Precise Development Plan application, which depicts the creation of three (3) single-family residential lots on a 14.46-acre site. The subject property is located on the south side of Trestle Glen Boulevard between Tiburon Boulevard and the upper intersection of Juno Road. The proposed homes would be served by a private roadway leading from Trestle Glen Boulevard opposite the upper Juno Road intersection with Trestle Glen Boulevard. The property is Marin County Assessor's No. 039-061-91.

The Planning Commission will also review a Mitigated Negative Declaration for the project. The Tiburon Planning Division is recommending that a Mitigated Negative Declaration be adopted for the project pursuant to Section 21080 of the California Environmental Quality Act (CEQA). Adoption of a Mitigated Negative Declaration would indicate that all potentially significant environmental impacts of the project can be mitigated to a level of insignificance. The role of the Planning Commission is to make a recommendation to the Town Council regarding the Precise Development Plan application and to consider the Mitigated Negative Declaration in making its recommendation.

Plans and application materials for the project and the Draft Mitigated Negative Declaration & Initial Study are available for review at the Planning Division, Tiburon Town Hall, 1505 Tiburon Boulevard, Tiburon, CA 94920 and at the Belvedere-Tiburon Public Library. Inquiries regarding the Trestle Glen Circle project should be directed to Dan Watrous, Planning Manager at (415) 435-7393.

Written comments on the Draft Mitigated Negative Declaration/Initial Study will be accepted until 5:30 P.M. on **Monday, December 12, 2011**, and should be sent to Dan Watrous, Planning Manager, Town of Tiburon, 1505 Tiburon Boulevard, Tiburon, CA 94920

The Planning Commission public hearing will be held at the Town Council Chambers, 1505 Tiburon Boulevard, Tiburon, California. The Planning Commission will meet on **Wednesday, December 14, 2011. The meeting will begin at 7:30 P.M.**

APPENDIX B: Municipal Planning Notices (cont'd)



COMMUNITY DEVELOPMENT AGENCY
PLANNING DIVISION

NOTICE OF MARIN COUNTY DEPUTY ZONING ADMINISTRATOR HEARING
Husband Coastal Permit and Design Review
Project ID P1210

NOTICE IS HEREBY GIVEN that the Marin County Deputy Zoning Administrator (DZA) will consider issuing a decision on the Husband Coastal Permit and Design Review during a public hearing scheduled on Thursday, September 15, 2016. The applicant for the project is Rebecca Husband and Tom Meyer, and the property is located at 320 Drakes View Drive, Inverness, and further identified as Assessor's Parcel 114-100-19.

The applicant requests Coastal Permit and Design Review approval to construct a new 2,270 square foot house with a detached 616 square foot carport on a wooded vacant lot in Inverness. The 2,886 square feet of proposed development would result in a floor area ratio of 3.98 percent on the 57,028 square foot lot. The proposed house would reach a maximum height of 25 feet above surrounding grade and would have the following setbacks from the exterior walls: 110 feet from the south front property line; 100 feet from the west side property line; 46 feet from the east side property line; 108 feet from the north rear property line. The proposed carport would reach a maximum height of 13 feet 3 inches above surrounding grade, and would have the following setbacks from the exterior walls: 60 feet 2 inches from the south front property line, 25 feet 10 inches from the west side property line, 132 feet 9 inches from the east side property line, and 176 feet 9 inches from the north rear property line.

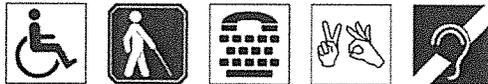
For more information about the Husband Coastal Permit and Design Review, please visit the Planning Division's project webpage at: <http://www.marincounty.org/depts/cd/divisions/planning/projects>. Project plans and other documents related to the application are available on the project's webpage, where you can subscribe to receive email notifications and updates. Hard copies of all of the application materials, including project plans and any technical reports, are available at the Planning Division's public service counter, which is normally open from 8 AM until 4 PM, Mondays through Thursdays. For more information about the DZA hearing, please visit the Planning Division's DZA hearings webpage at: <http://www.marincounty.org/depts/cd/divisions/planning/boards-commissions-and-public-hearings/dza>.

The DZA hearing on the application will be held in the Marin County Hearing Chambers (Rooms 328/330, Administration Building), Civic Center, San Rafael, California, where anyone interested in this matter may appear and be heard. DZA hearings generally begin at 9:00 AM, but a more precise time will be indicated on the hearing agenda posted on the DZA hearing webpage one week before the hearing. A staff report will be available on the project webpage and the DZA hearing webpage on Friday, September 9, 2016.

The decision on this application may be appealed to the Planning Commission. If you challenge the decision on this application in court, you may be limited to raising only those issues you or someone else raised at the public hearing described in this notice, or in written correspondence delivered to the Planning Division during or prior to the public hearing. (Government Code Section 65009(b)(2).)

August 25, 2016

Tammy Taylor
Planner



All public meetings and events sponsored or conducted by the County of Marin are held in accessible sites. Requests for accommodations may be made by calling (415) 473-4381 (Voice) 473-3232 (TDD/TTY) or by e-mail at disabilityaccess@marincounty.org at least four work days in advance of the event. Copies of documents are available in alternative formats, upon request.

APPENDIX B: Municipal Planning Notices (cont'd)

The following is an example of a "plain speak" formal notice:

	City of Mill Valley PLANNING AND BUILDING	NOTICE OF PUBLIC HEARING – PLANNING COMMISSION Design Review and Categorical Exemption Application ADDRESS: 156 Sycamore Ave Project ID: PL16-4487 APN: 023-222-25
MEETING DATE: August 23, 2016 at 7:00PM MEETING LOCATION: Council Chambers, 26 Corte Madera Ave, Mill Valley, CA 94941 PROJECT CONTACT: Kari Svanstrom, Senior Planner, Mill Valley Planning Department (415) 388-4033 ksvanstrom@cityofmillvalley.org		
PROJECT DESCRIPTION: Address – 156 Scyamore Avenue – Design Review for a 711 square foot addition to an existing single family residence. The proposed project has been determined to be exempt from further environmental review under Section 15301(e) of the California Environmental Quality Act (CEQA) Guidelines.		
<ul style="list-style-type: none">• All interested persons are welcome to attend and to comment, in person or in writing at the hearing.• All Planning Commission meetings are webcast live and may be viewed at www.cityofmillvalley.org/meetings• For any questions or further information on this project, or to submit a written statement prior to the public hearing contact the project contact (listed above).		
IF YOU CANNOT ATTEND: You can comment on the project in writing, prior to the meeting via email, mail, or in person to the project contact. Project plans and other information about the project is available for public review at the public library and in the Planning Department at Mill Valley City Hall. Hours are Monday, Tuesday, and Thursday 8:00am to 12:00pm and 1:00pm to 5:00pm, and Wednesday 1:00pm to 5:00pm. Meeting agendas and staff reports can also be downloaded at the above-referenced website.		
<hr/> <small>If you challenge any subsequent action of the Planning Commission regarding this matter in court, you will be limited to raising only those issues you or someone else raised at the public hearing described in this notice, or in written correspondence delivered to the Planning Commission at, or prior to, the public hearing (Government Code Section 65009 (b)).</small>		
<hr/> <small>The City of Mill Valley does not discriminate against any individual with a disability. City publications will be made available upon request in the appropriate format to persons with a disability. If you need an accommodation to attend or participate in this meeting due to a disability, please contact the Planning and Building Department in advance of the meeting at 415 388-4033. TDD phone number is 711.</small>		

APPENDIX C: Affordable Housing In-Lieu Fees

Many communities require developers of multi-unit housing to set aside a percentage of new units as affordable housing. Instead of building affordable housing units, some of these municipalities allow the payment of fees in-lieu.

Municipality	Has In-Lieu Fees?	In-Lieu Fund Account Balance (FY2016)	In-Lieu Fund 5-Year Expenditures
Belvedere	NO	N/A	N/A
Corte Madera	YES	\$165,391	None
Fairfax	NO	N/A	N/A
Larkspur	YES	\$34,380	Marin Housing Authority for administering 39 deed-restricted units
Mill Valley	YES	\$123,895	None
Novato	YES	Cash: \$497,232 Assets: \$2,397,232	\$400,000 loan to Homeward Bound for Oma Village transitional housing (14 extremely-low-income family units)
Ross	NO	N/A	N/A
Sausalito	NO	N/A	N/A
San Anselmo	NO	N/A	N/A
San Rafael	YES	\$1,107,422	\$40,000 to Marin Housing Authority for BMR Rental Project Contract Payment; some loans to the MHA
Tiburon	YES	\$1,224,780	Homeward Bound: \$5,000 MHA: \$76,327 Legal Aide: \$47,531 Community Homeless Pgm (REST): \$12,425
County Of Marin	YES	\$5,774,727	Staff time: \$879,123 Contracts: \$94,922 Loans: \$983,000 Grants: \$375,000

APPENDIX D: Utility Connection Fee Estimates

To better understand costs that developers incur, the Grand Jury surveyed agencies to get an estimate of what it would cost for a service connection for: a new multi-family home (6 units) – both market rate and affordable (low-income subsidized), an accessory dwelling unit (ADU), and a junior accessory dwelling unit (JADU).

Agency	6 Market Rate Units	6 Affordable Rate Units	1 Accessory Dwell Unit	1 Jr. Accessory Dwell Unit	
Almonte Sanitary District	\$24,000	\$24,000	\$1,600	\$0	
Alto Sanitary District	\$25,672	\$25,672	\$4,450	\$0	
Bolinas Community Public Utility District (BCPUD)	N/A ⁶⁴	N/A	\$0	\$0	
Central Marin Sanitation Agency (CMSA)	\$33,992	Member % ⁶⁵	\$354	\$0	
City of Mill Valley	\$30,000	\$30,000	\$0	\$0	
Corte Madera Sanitary District No 2	\$46,610	\$46,610	\$7,768	\$0	
Homestead Valley Sanitary District	\$7,800	\$7,800	\$1,600	\$0	
Inverness Public Utility District	\$5,800	\$5,800	\$5,800	\$0	
Las Gallinas Valley Sanitary District	\$34,566	\$34,566	\$5,184	\$0	
Marin Municipal Water District	\$56,000	\$32,200	\$13,532	\$0	
North Marin Water District	\$67,200	\$67,200	\$10,000	\$0	
Novato Sanitary District	\$65,160	\$65,160	\$10,860	\$0	
Richardson Bay Sanitary District	\$9,769	\$9,769	\$1,242	\$0	
Ross Valley Sanitary District (RVSD)	\$68,557	\$0 ⁶⁶	\$11,426	\$0	
San Quentin Village Sewer Maintenance District	\$38,988	\$38,988	\$6,498	\$0	
San Rafael Sanitation District	\$20,566	\$20,566	\$1,424	\$0	
Sausalito - Marin City Sanitary District	\$36,780	\$36,780	\$6,130	\$0	
Stinson Beach County Water District	Sewer \$7,000 Water \$17,500	Negotiated	Sewer \$7,000 Water \$17,500	Sewer \$0 Water \$0	
Tamalpais Community Service District	\$27,081	\$27,081	\$4,581	\$0	
Tiburon Sanitary District #5	Belvedere	\$99,684	\$99,684	\$16,614	\$0
	Paradise Cove	\$33,072	\$33,072	\$5,512	\$0
	Tiburon	\$71,916	\$71,916	\$11,986	\$0
Tomales Village Community Services District	\$4,600	\$4,600	\$4,600	\$0	

⁶⁴ BCPUD has moratoria in place on any new service connections to both their water system and sewer system.

⁶⁵ CMSA Ordinance 2013-2: "Those residential construction projects which a Member Agency designates and determines are qualified for reduced local sewer connection fees shall also automatically qualify for a reduced regional capacity charge. However, the Agency's regional capacity charge shall be reduced only by the same proportionate amount as the Member Agency's fee."

⁶⁶ RVSD Ordinance 64, Section 29: "On adoption of a resolution by the Board, the District may make an exemption of Connection Fees for low and moderate income or senior citizen housing that is available to the general public operated by a non-profit corporation or by a government agency."

APPENDIX E: Marin Housing Perceptions

Increased housing issues are being forced upon Marin County

FACT: All housing issues are under local government control. Established in 2008, the Sustainable Communities Act's (Senate Bill 375) goal was to target greenhouse gas (GHG) emissions from passenger vehicles. To achieve that, each of California's regional planning agencies must develop a *Sustainable Communities Strategy* that "contains land use, housing, and transportation strategies that, if implemented, would allow the region to meet its GHG emission reduction targets."⁶⁷ In 2013, our local regional planning agencies, Metropolitan Transportation Commission (MTC) and Association of Bay Area Governments (ABAG), jointly approved *Plan Bay Area*⁶⁸ to satisfy the Sustainable Communities Act. *Plan Bay Area* contains strategies for meeting the anticipated demand for transportation, housing, and land use in local *Priority Development Areas* (PDAs). Municipalities that approve PDAs are awarded with transportation grant funds and cannot be legally forced to approve the housing allocations for the PDAs.

Marin County has insufficient resources for an increased population

FACTS:

- ✓ **Fire** - With improved technology and improved fire agency cooperation, fire staffing has decreased in recent years while still providing excess capacity. With more people, the 9-1-1 demands for EMS and fire will likely increase, and response times may suffer (without additional staffing).
- ✓ **Hospitals** - The long term national trend is a decreased inpatient hospital demand.⁶⁹ If the increased population were mostly younger and agile, then demand for inpatient services would be considerably less than an increased older population with pre-existing conditions. Both (the new) Marin General Hospital and Novato Community Hospital have excess capacity to adapt to at least a 20% increase in population.
- ✓ **Open Space** - Marin County open spaces and parks receive approximately 6 million total visitors per year. The County's active land management goals are to encourage visitation and recreation while balancing the physical infrastructure, programing and communications to ensure that both facilities and recreation have minimal impacts on ecosystems, neighbors and visitor experience.
- ✓ **Police** - Given the level of crime in Marin, adding 10-15% to the population would not likely have a major impact on the ability of the police force to suppress or investigate criminal behavior. Additional population would likely necessitate a change in staffing levels.
- ✓ **Schools** - Many Marin County public schools have demographic study updates in which consultants attempt to project future district size to plan accordingly for the future. For 2016-2017 school year, Marin County public schools have an enrollment of 38,941. Kentfield School District has a capacity of 1,560 students and a current enrollment of 1,246 (utilization factor of 79.9%). By 2020 the projected utilization factor will be 89.6%. As of 2013, Larkspur-Corte Madera School had enrollment of 1,462 students and project by 2023 an enrollment of 1,593. As of 2016, Dixie School District had 2,005 students enrolled and projected to grow to 2,089 by 2025.

⁶⁷ "Sustainable Communities." *California Environmental Protection Agency*.

⁶⁸ "Plan Bay Area." *Plan Bay Area 2040*.

⁶⁹ Evans, Melanie, "Inpatient services fall at hospitals as ACA expands insurance." *Modern Healthcare*.

APPENDIX E: Marin Housing Perceptions (cont'd)

Marin County has insufficient resources for an increased population (cont'd)

- ✓ **Sewers** - Central Marin Sanitation Agency (CMSA) (serving 120,000 customers in Corte Madera, Larkspur, Ross Valley, and San Rafael) has capacity to treat over 125 MGD (million gallons of water/day). Normal use is 7-12 MGD, and during storms, peak rainwater incursion temporarily has increased to 116 MGD. Additional population (with better sewer laterals) would not overflow the system. On a smaller scale for example, Sewerage Agency of Southern Marin (SASM) normally processes 2.3MGD, with peak storm processing of 30-32 MGD. SASM's total processing of 32.7MGD (with an additional 3.2MG equalization basins) would likewise not cause system overflow problems with increased population in the SASM service area.
- ✓ **Water** - Water Districts are state mandated to produce a Urban Water Management Plan every five years to confirm that water supply will be available to meet projected water demand considering the population and jobs projections of local or regional land use planning agencies. Marin Municipal Water District (MMWD) has capacity to handle over 210,000 customers (currently 189,000 customers) with an assumption of three consecutive dry years. North Marin Water District (NMWD) has 20,535 customers and has capacity to handle over 67,482 customers. Both MMWD and NMWD have plans in place for customer outreach and water conservation projects that can be expanded in an effort to extend the time when the water district may need to increase capacity or importation.

RESPONSE TO GRAND JURY REPORT FORM

Report Title: Overcoming Barriers to Housing Affordability

Report Date: April 6, 2017

Public Release: April 12, 2017

Response By: Town of Fairfax

RECOMMENDATIONS 1 2 3 6

- Recommendations numbered R1, R2, and R3 have been implemented. *(See attached explanation.)*
- Recommendations numbered n/a have not yet been implemented, but will be implemented in the future.
- Recommendations numbered n/a require further analysis.
- Recommendation numbered R6 will not be implemented because it is not warranted or are not reasonable. *(See attached explanaton.)*

DATED: _____

Signed: _____
Garrett Toy, Town Manager

ATTEST: _____
Town Clerk

Number of pages attached: 3

**Town of Fairfax Response to Marin County Civil Grand Jury Report:
Overcoming Barriers to Housing Affordability**

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

Response: The Town offers “predevelopment meetings” with developers of large and small projects. We agree these meetings can provide valuable information that can inform prospective applicants of potential policy/zoning issues and/or technical problems that should be seriously considered and addressed before moving forward to the application process. Where appropriate, the Planning Department coordinates these meetings with other departments, including Public Works, Fire, and Building.

Recommendation 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: The Town already implements a proactive outreach strategy for potentially controversial projects. For projects that staff anticipates to be controversial, staff schedules a “study session/workshop” where the community is noticed regarding the public meeting by mail, social media, and posted agendas. At the study session, the community and Planning Commission (PC) provide input on the project and request additional information from the applicant and staff, but no action is taken on the application. Comments are often made on the building design, form and mass as well as potential environmental impacts, such as parking and traffic. The developer is then able to revise the project in response to any concerns, prior to a formal hearing. The study session can occur prior to the developer submitting a formal application and/or during the approval process. For example, several study sessions/workshops were scheduled with the PC both before and after formal application submittal for the 100% affordable senior housing project (Victory Village).

While not specific to housing, the Town’s bridge projects are an example where the Town has been extremely proactive in its outreach. The Town is engaged in a multi-year project to rehabilitate six bridges which span San Anselmo and Fairfax Creeks on Azalea Avenue, Marin Road, Spruce Road, Canyon Road, Creek Road, and Meadow Way in Fairfax. Several workshops/public meetings have been held on all of the bridges with more than one workshop held for Meadow Way due to a high level of public interest. The Town has a separate website <http://fairfaxbridges.com> where the projects are outlined and regular updates are posted. FAQs were developed and posted. An online forum (“Peak Democracy”) was used to facilitate community input on bridge designs. Key documents are posted (fact sheets, updates and

related materials including a video). Regular updates are sent to the community via email, and the community can also submit comments via the website.

Another example is that the developer of the 100-acre “Wall Property” did present his conceptual plan for 10 homes at two study sessions with the PC in 2016. While the developer has yet to submit an application, the developer indicated he was incorporating the feedback from the study session into the application.

Town staff also recommends to developers that they proactively meet with the neighbors prior to submitting an application. Both the developers of the senior housing project and the Wall property did reach out and meet with the adjacent neighbors.

Recommendation R3. *Each planning department should use succinct “plain-speak” to convey issues in their outreach.*

Response: Town staff strives to use plain-speak to describe projects and uses detailed project descriptions so that residents understand the scope of the project. The Town uses a standard public noticing template, which contains a lot of information that attempts to provide the reader with enough information to understand a project proposal. Much of the information on the notice is required by state and federal laws, which must be included in the notice. Because there are legal requirements for noticing, merely scaling back the language in the notice would make the City vulnerable to a legal challenge. A good example is the requirement to include the noticing of environmental (CEQA) review for the project. The language and jargon used for environmental review noticing can be foreign to most people. As the template (language/jargon) for notices may also result in legally complex language, the Town intends to augment the language with a short “plain-speak” summary. Staff will continue its efforts to craft notices and other public outreach materials in a way to be understandable to the layperson.

Recommendation R6. *Each jurisdiction should adopt procedures so that low-income housing projects are fast-tracked through the planning and permitting process.*

Response: While this recommendation sounds reasonable on the surface, it can create conflict with the Grand Jury’s Recommendation R2 regarding community outreach. We find that fast-tracking or streamlining is only effective if there is limited or no controversy regarding a project. The downsides of fast-tracking are: a) procedures that add time to the process, but can be helpful in ensuring the community is well-informed and has opportunity to provide input, may not be followed; b) prioritizing speed over thoroughness can make the project vulnerable to litigation; and c) there can be public criticism that the review process has been compromised which can give the impression that project action has been “rubber-stamped.” Effective community outreach will usually extend the approval process time as more effort is made solicit

community input and participation. In the case of the Town’s approval of Victory Village, we initially attempted to streamline an existing zoning district which would have only applied to affordable housing projects. However, the Town Council received significant complaints and “push back” from the community. In response to the community’s concerns, after a long series of meetings, the Town ultimately crafted a new zoning district for senior housing which achieved the same goal.

Below is a listing of the thirteen (13) Town Council (TC), Planning Commission (PC), and other Town Committee meetings that have been conducted since late 2015 to discuss one aspect or another of Victory Village. These meetings do not include any meetings the developer may have had with local organizations such as a Homeowners Association (HOA) – at least two were held.

11/12/15	PC workshop
June 2016	Project application submitted
7/26/16	Open Space Committee
8/3/16	TC (Town Council) meeting
11/1/16	PC hearing on the project
12/15/16	PC workshop
1/19/17	PC meeting
1/23/17	Tree Committee
2/1/17	TC meeting
3/1/17	TC meeting
3/16/17	PC meeting
4/20/17	PC meeting
5/3/17	TC meeting
6/7/17	TC meeting

The project was recommended for approval by the PC and approved by the Council. By the end of this lengthy process, the project had garnered significant community support.

The Town rarely receives applications for new affordable housing projects or large multi-family developments. The last such project of this scale was the highly controversial Bennett House (affordable senior housing) in the mid-1980’s.

For this project, the Town ultimately created a new zoning district which allowed the project to be considered in the same manner as projects developed in the existing multi-family district. In essence, we applied an existing, less onerous process to the project. In the case of Fairfax, creating a more “streamlined” process for an affordable housing project would have been counter-productive to the goal of encouraging as much community feedback as possible.

However, the Town did develop a “fast-track” approach for a specific type of affordable housing unit, so called “Junior Units,” (JU) which consist of a living, sleeping, food preparation area (e.g.,

wet bar and microwave), and a private or shared bath. JUs have a private entrance and are separate from the main living area. These are a relatively new type of second unit, which are limited in size and thus are inherently affordable. The Council adopted a JU zoning ordinance in February 2016 which provides a streamlined and low cost process for JUs (e.g., ministerial, “over the counter” approvals, no application fee or additional parking required, etc.).

In addition, “fast-tracking” comes in several forms and is now being administered on new accessory (second) dwelling units (ADUs). In January 2017, the State laws mandating ADUs were significantly changed, resulting in a requirement for local jurisdictions to adopt and administer a permit process that is ministerial (non-discretionary provided that specified standards are met) and subject to processing time limits (applications must be processed and action taken within 120 days). Since January 2017, the Town has been operating under the new ADU provisions set forth in the State law. The Council will formally incorporate the revisions in the Town Code by September 2017.