

3 Housing Resources

The Housing Element is a component of the General Plan which guides planning for housing to meet the current and projected needs of all households in the community. This chapter summarizes the various resources available for the preservation, improvement, and development of housing in Fairfax. The analysis includes an evaluation of the availability of land resources available to accommodate the Town's share of the region's future housing needs, as well as the administrative resources available to assist in implementing the Town's housing programs and policies, and the financial resources available to support housing activities.

Land Resources

Government Code (GC) Section 65583(a)(3) requires local governments to prepare an inventory of land suitable for residential development, including vacant sites and sites with the potential for redevelopment. The inventory must identify specific parcels that are available for residential development and be accompanied by an analysis of public facilities and services capacity to serve the identified sites. Further, the inventory must have sufficient capacity to accommodate the jurisdiction's share of the regional housing need, as determined by applicable the metropolitan planning organization, in this case Association of Bay Area Governments (ABAG).

This section presents the Town's inventory, identifying sites available for residential development and their realistic capacity for housing. It identifies planned and recently approved residential projects in Fairfax and it details the process for identifying suitable sites, the methodology for calculating capacity, and the availability of public facilities and services available to serve new housing.

LEGAL REQUIREMENTS FOR INVENTORY AND SITES

State law requires that a community identify an adequate number of sites to accommodate and facilitate production of the Town's regional share of housing. To determine whether the Town has sufficient land to accommodate its share of regional housing needs for all income groups, the Town must identify "adequate sites." Land considered suitable for residential development includes the following:

- Vacant sites zoned for residential use.
- Vacant sites zoned for nonresidential use that allow residential development.
- Residentially zoned sites that are capable of being developed at a higher density (non-vacant sites, including underutilized sites).
- Sites owned or leased by a city, town, or county

- Sites zoned for nonresidential use that can be redeveloped for residential use and a program is included in the Housing Element to rezone the site to permit residential use within three years of adoption.

Further, State law stipulates criteria for the adequacy of sites included on the inventory, including that they be zoned to accommodate housing, have appropriate development standards, and be served by public facilities as needed to facilitate the development of a variety of housing products suitable for all income levels. Vacant sites included on the prior period inventory and non-vacant sites included on prior inventories in two or more consecutive planning periods cannot be carried forward to the current planning period to satisfy the need for housing affordable to lower income households unless they are rezoned to allow residential use by right at the default density for the jurisdiction, which in Fairfax's case is 20 dwelling units per acre.

Additional suitability criteria apply to sites identified to accommodate lower income RHNA, including that they be of appropriate size, be free from environmental constraints, be zoned to accommodate housing, have appropriate development standards, and be served by public facilities. The intent of these criteria is to help ensure that sites identified for lower income RHNA are viable candidates for housing and can be feasibly developed in the near term. In view of feasibility considerations, parcels that are less than 0.5 acres in size are generally not considered suitable for lower income housing development as smaller parcels may not allow development of a sufficient number of units for proposed affordable housing projects to compete effectively for limited funding resources. Parcels larger than 10 acres in size are also not considered suitable by HCD as development of very large projects may lead to an over concentration of affordable housing in one location or may render proposed affordable housing projects ineligible for funding.

REGIONAL HOUSING NEEDS ALLOCATION

The Regional Housing Needs Allocation (RHNA) is the total number of new housing units that the Town must plan to accommodate in the 2023-31 planning period. RHNA is split into four categories representing different levels of affordability, based on median income level in the county. RHNA is established through the following process: the California Department of Housing and Community Development (HCD) first determines the estimated need for new housing in each region of California for the planning period, based on population projections and other factors including rates of vacancy, overcrowding, and cost-burden. Each regional planning agency then allocates a target to each city or town within its jurisdiction, considering factors such as access to jobs, good schools, and healthy environmental conditions. For the San Francisco Bay Area, the Bay Area Association of Governments (ABAG) developed and refined a methodology for 2023-31 RHNA allocations with input from local jurisdictions. The ABAG Regional Council adopted the 6th Cycle Final RHNA Allocation, Methodology, and Regional Housing Needs Determinations on December 16, 2021.

Fairfax's Regional Housing Needs Assessment (RHNA) allocation for the 2023-31 planning period has been determined by ABAG to be 490 housing units, including 149 units for very low-income households, 86 units for low-income households, 71 units for moderate-income households, and 184 units for above moderate-income households (Table 3-1). AB 2634 mandates that localities calculate the subset of the very low-income regional need that constitutes the communities need for extremely low income housing. As an alternative to calculating the subset, local jurisdictions may assume that 50 percent of the very low income category is represented by households of extremely low income (less than 30 percent of the Area Median Income or AMI).

Table 3-1: Fairfax Regional Housing Needs Assessment, 2023-2031

<i>Income Level</i>	<i>AMI</i>	<i>Needed Units</i>	<i>Percent of Needed Units</i>
Very-Low-Income	0-50%	149	30.4%
Low-Income	51-80%	86	17.6%
Moderate-Income	81-120%	71	14.5%
Above-Moderate-Income	>120%	184	37.5%
Total		490	100.0%

Source: HCD State Income Limits, 2021; Town of Fairfax, 2022; Dyett & Bhatia, 2022

PIPELINE PROJECTS

According to HCD Guidance, projects that have been approved, permitted, or received a Certificate of Occupancy during the projection period (June 30, 2022 – January 15, 2031) can be counted toward the 2023-31 cycle RHNA. As shown on Table 3-2, there are 11 pipeline projects in Fairfax expected to generate a total of 194 new housing units during the planning period. These include nine projects involving single-family residential development and two projects proposing multifamily development.

- Fairfax Market** - The property owner has submitted pre-application materials to the Town for a mixed use project involving eight rental apartments and 5,000 square feet of commercial space in a two-story building on the northern portion of a surface parking lot onsite. The site is located on Sir Francis Drake Boulevard in Downtown Fairfax, with excellent access to transit and within easy walking distance of shops, services, and parks. The unit mix includes six 2-bedroom units and two 1-bedroom units which would be available at market rate rents.
- School Street Plaza** - The property owner has had pre-application consultations with Town staff regarding redevelopment of this 1.92 acre with a mixed income residential development involving up to 175 new housing units, including an affordability component. A letter of interest is included in Appendix G. The project would be located on the large, terraced portion of the site accessible from Broadway, which currently contains an expansive surface parking lot and several single-story school buildings now used as live-work spaces. The site is centrally located on Broadway in Downtown Fairfax, adjacent to Contratti Ball Field and within easy walking distance of shops, restaurants, parks, and services. Through Program 1-B in the Action Plan (Chapter 4), the Town commits to working with the property owner to facilitate development of the project. Townwide objective design and development standards for mixed use and multifamily residential projects will be prepared and refined with community input in 2023. Anticipated for adoption by January 2024, these standards will guide the School Street project.

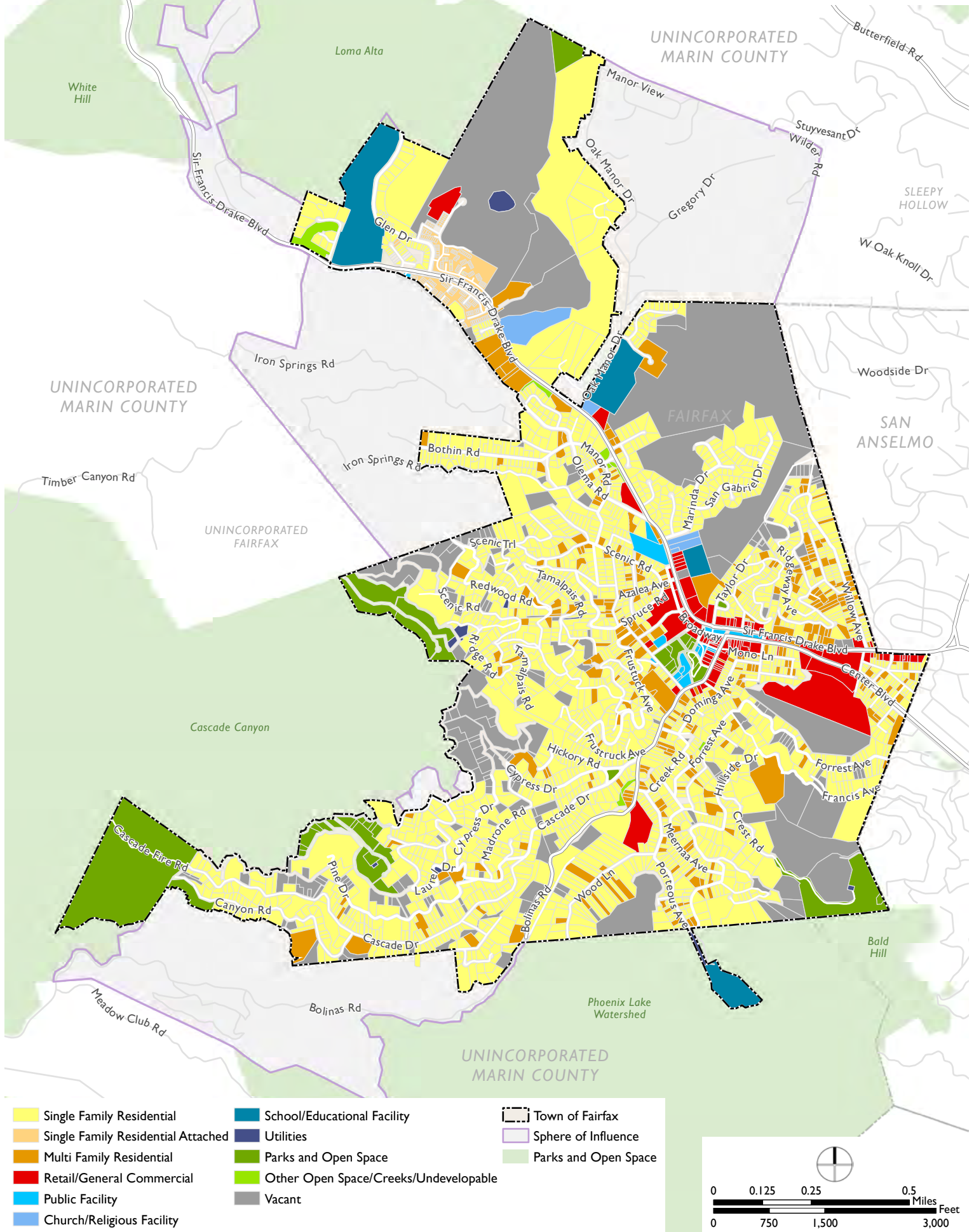
TABLE 3-2: PIPELINE PROJECTS

No.	APN	Address	Existing Land Use	Acres	Zoning	Project Description	SFR Units	MFR Units	Status
1	001-123-03	67 Tamalpais	Single Family Residential	0.13	RS-6	SFD/ADU	1		Under review
2	001-236-03	125 Live Oak Avenue	Single Family Residential	0.11	RD-5.5-7	SFD/ADU	1		Approved
3	002-032-23	350 Bolinas Road	Multi Family Residential	0.15	RS-6	SFD/ADU	1		Approved
4	002-071-01	Vacant Lot - Barker	Vacant	9.20	UR-7	SFD/ADU/JADU	1		Under review
5	002-181-12	100 Summit Road	Vacant	11.75	UR-10	SFD	1		Under review
6	002-192-50	155 Forrest Avenue	Single Family Residential	0.82	RS-6	SFD	1		Pre-application
7	002-214-01	34 Hill Avenue	Vacant	0.82	RD-5.5-7	SB 9 LAND DIVISION	3		Under review
8	003-101-06	75 Pine Drive	Single Family Residential	0.15	RS-6	SFD	1		Approved
9	003-161-01	200 Toyon Road	Vacant	1.92	RS-6	SFD/ADU	1		Approved
10	002-112-13	6 School St	Retail/General Commercial	1.92	CC	Multifamily Development		175	Pre-application
11	001-183-04	2040 Sir Francis Drake Blvd	Retail/General Commercial	1.04	CH	Multifamily Development		8	Pre-application
						Subtotal	11	183	
						TOTAL		194	

LAND INVENTORY

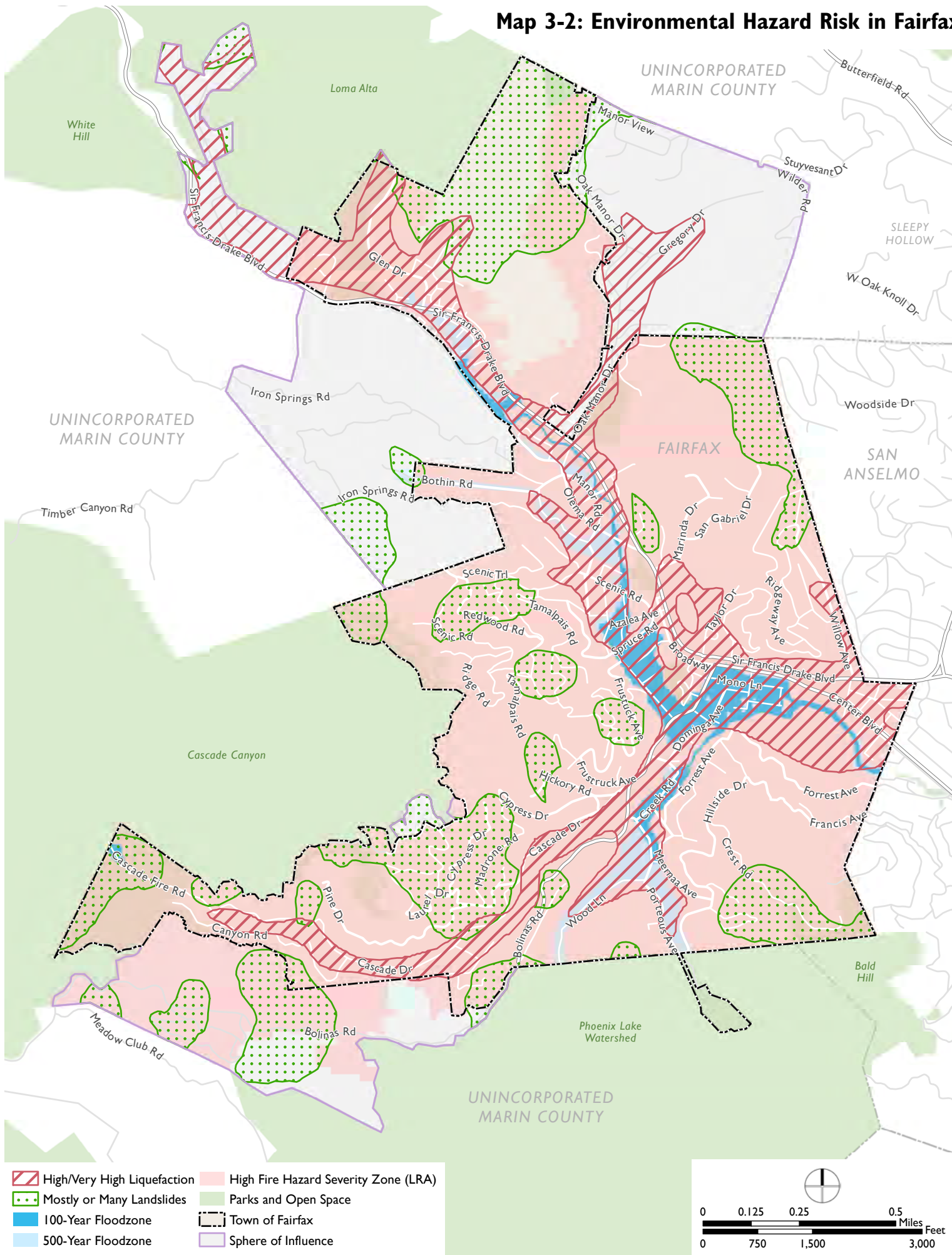
Fairfax is located in the Upper Ross Valley, set amid scenic hills that rise dramatically from the valley floor. Sir Francis Drake Boulevard, a major regional thoroughfare, bisects the town, connecting the agricultural part of the county to more urbanized areas of Marin and the Bay Area along the valley floor. As shown in Map 3-1, most parcels within the Town limit are developed, with commercial uses concentrated downtown, centered on Sir Francis Drake Boulevard, Broadway, and Bolinas Drive, and residential uses throughout most of the rest of the community. Almost all the remaining vacant land is located in steeply sloped hillside areas. Significant portions of Fairfax are in areas of environmental hazard, including areas of high liquefaction risk that cover all of the land downtown and much of the land along Sir Francis Drake Boulevard; areas of 100-year flood risk in much of the downtown area, particularly near the confluence of San Anselmo and Fairfax Creeks; and areas of landslide risk in the hills (see Map 3-2). Land within the Town limit is classified as a Moderate and High Fire Hazard Severity Zone given the risk of wildfire in the region. These environmental hazards can be mitigated through design and construction techniques; however, this adds cost and complexity for new development in Fairfax.

Map 3-1: Existing Land Use



Sources: MarinMap, 2022; Town of Fairfax, 2022; Dyett & Bhatia, 2022

Map 3-2: Environmental Hazard Risk in Fairfax



Sources: MarinMap, 2022; Town of Fairfax, 2022; Dyett & Bhatia, 2022

Vacant Land

There are 21 vacant residential properties with zoning that currently allows for single-family housing, as shown in Table 3-3. The majority of these sites range in size from one to two acres, with several larger vacant hillside properties. Zoning districts applicable to these sites include Single Family Residential (RS-6 and RS-7.5), Upland Residential (UP-7 and UP-10), and Planned Development (PDD) zones, which have a minimum lot size requirement that ranges from 6,000 square feet to 10 acres, based on site topography. The Town has adopted a Hill Area Residential Development Overlay which establishes standards applicable to projects in areas of steep slope and landslide risk. These standards include requirements for fire management, grading plans, retaining structures, preservation of natural vegetative cover, and erosion control. Since 2015, as shown on Map 3-3, Fairfax has seen construction of 17 single-family residential projects, many of which are in areas of steep topography, including some in areas of landslide risk. While mitigation to address site constraints adds to the cost of development in hillside areas, as evidenced by the development trend for single-family housing in Fairfax between 2015 and 2022, this has not proven to be a major development constraint.

Additionally, the large hillside sites have adequate access, potential for utility services, and topography that might accommodate a clustered housing development, including both attached and detached single-family dwellings and accessory dwelling units. Through Program 2-D in the Action Plan, the Town will review standards for clustered hillside development in peer jurisdictions and determine whether they might be adapted to help the Town meet its RHNA obligations for above moderate income housing. Zoning Code amendments then will be prepared as appropriate to allow for this type of housing and to establish development standards and design review criteria, including requirements for discretionary review by the Planning Commission. Therefore, based on past performance trends and the implementation of Program 2-D, the inventory projects a total of 60 housing units for above moderate income households as the realistic capacity for these vacant residential sites.

TABLE 3-3: VACANT SINGLE-FAMILY

<i>APN</i>	<i>Address</i>	<i>Existing Land Use</i>	<i>Avg Slope</i>	<i>Acres</i>	<i>Zoning</i>	<i>Capacity</i>
003-142-36	Taylor Property	Vacant	56.01	1.02	RS-6	1
003-032-42	Elterman Property	Vacant	46.99	1.02	RS-6	1
002-174-04	Tomlinson Property	Vacant	50.70	1.02	RS-6	1
003-022-05	Gilevskaya Property	Vacant	66.56	1.04	RS-6	1
001-241-38	Hubbel Property	Vacant	67.32	1.22	RS-7.5	1
002-051-04	Taylor Property	Vacant	76.56	1.23	RS-6	1
001-021-03	Godwin Property	Vacant	55.35	1.36	RS-6	1
002-181-22	Patel Property	Vacant	45.59	1.40	RS-6	1
002-041-21	Read Property	Vacant	54.92	1.48	RS-6	1
001-015-07	Godwin Property	Vacant	45.28	1.62	RS-6	1
001-093-37	Piombo Property	Vacant	46.84	1.63	RS-6	1
003-191-24	Morales Property	Vacant	56.81	1.74	RS-6	1
003-181-07	Kuhler Property	Vacant	64.07	1.82	RS-6	1
001-014-02	Cummins Property	Vacant	45.29	2.01	RS-6	1
003-171-02, 003-171-05, 003-171-08	Ross Property	Vacant	69.60	6.82	RS-6	4

TABLE 3-3: VACANT SINGLE-FAMILY

<i>APN</i>	<i>Address</i>	<i>Existing Land Use</i>	<i>Avg Slope</i>	<i>Acres</i>	<i>Zoning</i>	<i>Capacity</i>
002-181-20	Second Prospect	Vacant	34.19	6.99	UR-10	4
002-181-04, 002-181-05	Island Pickle Property	Vacant	50.76	10.53	UR-10	6
174-060-21	Standard Properties	Vacant	47.16	11.42	PDD	6
174-300-05	RFC Property	Vacant	58.19	11.77	UR-7	6
174-070-71	615 Oak Manor Dr	Vacant	49.12	39.34	RS-6	10
001-251-31, 001-150-12, 001-160-09	Miranda Heights	Vacant	50.04	102.00	UR-10	10
					TOTAL	60

Town-Owned Sites

Two adjacent properties owned by the Town (APNs 002-123-17; 002-144-01) have been identified as candidates for redevelopment with workforce housing to increase opportunities for restaurant employees, service workers, teachers, public servants and others who earn less than 80 percent of the area median income. Located along Forrest Avenue within walking distance to downtown, these two parcels have a total area of approximately 0.5 acres. Through Program 1-C in the Action Plan, the Town will seek to partner with a non-profit developer for the construction of workforce housing to meet the needs of lower income households in Fairfax. In making these properties available for affordable housing development, the Town will comply with the requirements of the Surplus Lands Act.

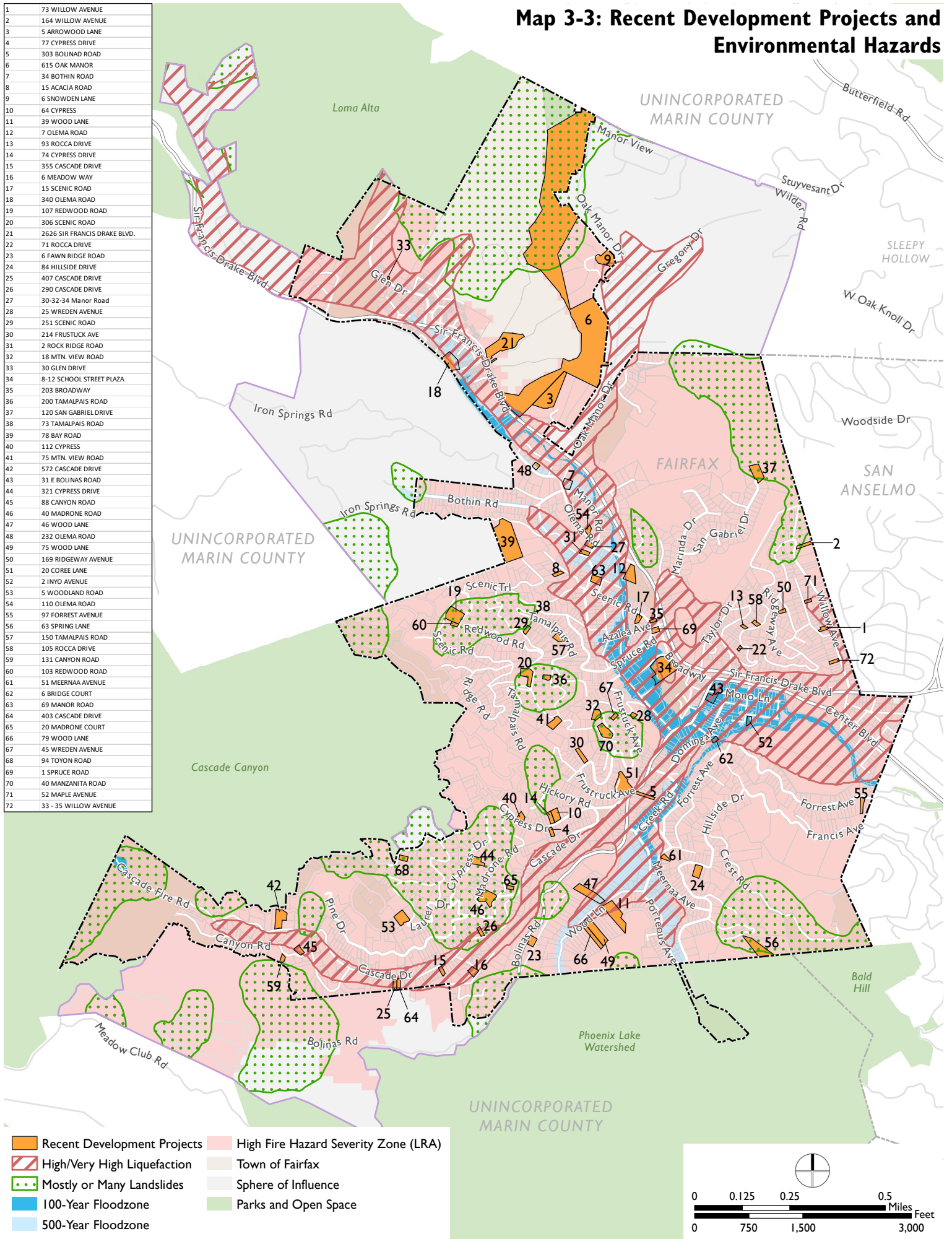
Accessory Dwelling Units

Residential land uses comprise more than 50 percent of all existing land use in Fairfax, meaning there is significant opportunity for development of accessory dwelling units (ADUs) and Junior accessory dwelling units (JADUs). Since they are typically smaller than a single-family home, ADUs and JADUs can be “affordable by design,” meaning they cost less to build, buy, or rent. As such they can offer affordable opportunities for older adults living on fixed incomes, employees of Fairfax's small local businesses, artists, musicians, and others in the community. Demographic factors point to a growing need for this type of housing in Fairfax. Older adults now account for nearly 25 percent of the local population and their share has tripled since 2000, with 30 percent of older adults facing some level of housing cost burden. Additionally, employment data shows that there are now more jobs in retail, service, and other sectors with monthly wages between \$1,250 and \$3,300 than can be met by the local labor pool, indicating a need for workforce housing that can be met in part with ADUs and/or JADUs.

Fairfax has had an amnesty program in place to incentivize the legalization of unpermitted ADUs/JADUs and the Town currently offers an incentive program that provides a 50 percent reduction in processing and building permit fees to encourage legalization and creation of ADUs/JADUs (this 50 percent fees reduction also constructing legal ADUs/JADUs). Also, for legalizing unpermitted ADUs/JADUs, as part of the amnesty program the Town will not assess penalties. Since 2018, the Town has seen strong interest from local property owners in developing this type of housing and has issued a total of 54 construction permits for new ADUs and JADUs, as summarized in Table 3-4. Safe harbors in State Housing Element law allow for the use of trends since 2018 to

Map 3-3: Recent Development Projects and Environmental Hazards

- 1 73 WILLOW AVENUE
- 2 164 WILLOW AVENUE
- 3 5 ARROWOOD LANE
- 4 77 CYPRESS DRIVE
- 5 303 BOLINAS ROAD
- 6 615 OAK MANOR
- 7 34 BOTHIN ROAD
- 8 15 ACACIA ROAD
- 9 6 SNOWDEN LANE
- 10 64 CYPRESS
- 11 39 WOOD LANE
- 12 7 OLEMA ROAD
- 13 93 ROCCA DRIVE
- 14 74 CYPRESS DRIVE
- 15 355 CASCADE DRIVE
- 16 6 MEADOW WAY
- 17 15 SCENIC ROAD
- 18 340 OLEMA ROAD
- 19 107 REDWOOD ROAD
- 20 306 SCENIC ROAD
- 21 2626 SIR FRANCIS DRAKE BLVD.
- 22 71 ROCCA DRIVE
- 23 6 FAWN RIDGE ROAD
- 24 84 HILLSIDE DRIVE
- 25 407 CASCADE DRIVE
- 26 290 CASCADE DRIVE
- 27 30-32-34 Manor Road
- 28 25 WREDEN AVENUE
- 29 251 SCENIC ROAD
- 30 214 FRUSTUCK AVE
- 31 2 ROCK RIDGE ROAD
- 32 18 MTN. VIEW ROAD
- 33 30 GLEN DRIVE
- 34 8-12 SCHOOL STREET PLAZA
- 35 203 BROADWAY
- 36 200 TAMALPAIS ROAD
- 37 120 SAN GABRIEL DRIVE
- 38 73 TAMALPAIS ROAD
- 39 78 BAY ROAD
- 40 112 CYPRESS
- 41 75 MTN. VIEW ROAD
- 42 572 CASCADE DRIVE
- 43 31 E BOLINAS ROAD
- 44 321 CYPRESS DRIVE
- 45 88 CANYON ROAD
- 46 40 MADRONE ROAD
- 47 46 WOOD LANE
- 48 232 OLEMA ROAD
- 49 75 WOOD LANE
- 50 169 RIDGEWAY AVENUE
- 51 20 COREE LANE
- 52 2 INYO AVENUE
- 53 5 WOODLAND ROAD
- 54 110 OLEMA ROAD
- 55 97 FORREST AVENUE
- 56 63 SPRING LANE
- 57 150 TAMALPAIS ROAD
- 58 105 ROCCA DRIVE
- 59 131 CANYON ROAD
- 60 103 REDWOOD ROAD
- 61 51 MEERNAA AVENUE
- 62 6 BRIDGE COURT
- 63 69 MANOR ROAD
- 64 403 CASCADE DRIVE
- 65 20 MADRONE COURT
- 66 79 WOOD LANE
- 67 45 WREDEN AVENUE
- 68 94 TOYON ROAD
- 69 1 SPRUCE ROAD
- 70 40 MANZANITA ROAD
- 71 52 MAPLE AVENUE
- 72 33 - 35 WILLOW AVENUE



project the future rate of ADU production. By this measure, Fairfax can project at least 11 ADUs annually throughout the planning period. However, as noted in HCD's Housing Element Site Inventory Guidebook, this methodology represents "a conservative option [that] only account[s] for the effect of the new laws without local promotional efforts or incentives." The Housing Action Plan contains a robust suite of strategies to further facilitate and incentivize ADU/JADU production (Programs 1H through 1-M). On this basis, the Town projects 20 new ADUs/JADUs annually throughout the planning period for a total of 160 new ADUs by 2031.

Based on the findings of the ABAG ADU Affordability Study for the San Francisco Bay Area, it is assumed that 60 percent of these units (48 units total) would be affordable to low and very low-income households, 30 percent of these units (24 units total) would be affordable to moderate-income households, and 10 percent (8 units total) would be affordable for above moderate income households.

Table 3-4: Fairfax ADU Permitting Trend 2018-2022

<i>APN</i>	<i>Address</i>	<i>ADU/JADU</i>	<i>Count</i>	<i>Construction Permit Date</i>
001-131-08	7 OLEMA ROAD	ADU	1	2018
001-225-27	93 ROCCA DRIVE	ADU	1	2018
003-201-34	74 CYPRESS DRIVE	JADU	1	2018
003-102-11	355 CASCADE DRIVE	JADU	1	2018
003-102-19	6 MEADOW WAY	ADU	1	2018
001-146-03	15 SCENIC ROAD	JADU	1	2018
003-201-34	74 CYPRESS DRIVE	ADU	1	2018
174-141-52	340 OLEMA ROAD	ADU	1	2018
001-023-16	107 REDWOOD ROAD	ADU	1	2018
001-051-19	306 SCENIC ROAD	ADU DETACHED	1	2018
001-225-20	71 ROCCA DRIVE	ADU	1	2018
002-052-10	6 FAWN RIDGE ROAD	ADU	1	2018
002-152-04	84 HILLSIDE DRIVE	ADU	1	2018
003-121-06	290 CASCADE DRIVE	JADU	1	2018
001-092-17	30-32-34 Manor Road	ADU	1	2019
002-013-07	25 WREDEN AVENUE	ADU	1	2019
003-192-07	214 FRUSTUCK AVE	JADU	1	2019
001-092-22	9 IRON SPRINGS ROAD	ADU	1	2019
002-011-34	18 MTN. VIEW ROAD	ADU	1	2019
174-170-03	30 GLEN DRIVE	ADU	1	2019
001-149-03	203 BROADWAY	ADU	1	2020
001-052-28	200 TAMALPAIS ROAD	ADU	1	2020
001-261-81	120 SAN GABRIEL DRIVE	ADU	1	2020
001-123-02	73 TAMALPAIS ROAD	ADU DETACHED	1	2020
001-093-21	78 BAY ROAD	ADU	1	2020
003-163-18	112 CYPRESS	ADU DETACHED	1	2020
001-063-39	75 MTN. VIEW ROAD	ADU	1	2020

Table 3-4: Fairfax ADU Permitting Trend 2018-2022

<i>APN</i>	<i>Address</i>	<i>ADU/JADU</i>	<i>Count</i>	<i>Construction Permit Date</i>
003-153-29	321 CYPRESS DRIVE	ADU	1	2020
003-031-23	88 CANYON ROAD	ADU	1	2020
003-132-06	40 MADRONE ROAD	JADU	1	2020
002-041-25	46 WOOD LANE	ADU DETACHED	1	2020
002-013-07	25 WREDEN AVENUE	ADU	1	2021
01-272-09	232 OLEMA ROAD	ADU	1	2021
002-062-02	75 WOOD LANE	ADU DETACHED	1	2021
002-022-39	20 COREE LANE	ADU	1	2021
002-123-37	2 INYO AVENUE	ADU DETACHED	1	2021
003-053-10	5 WOODLAND ROAD	ADU DETACHED	1	2021
001-103-19	110 OLEMA ROAD	ADU	1	2021
002-192-23	97 FORREST AVENUE	ADU	1	2021
001-121-80	150 TAMALPAIS ROAD	ADU DETACHED	1	2021
001-215-17	105 ROCCA DRIVE	JADU	1	2021
001-023-08	103 REDWOOD ROAD	ADU	1	2021
002-092-19	51 MEERNAA AVENUE	ADU DETACHED	1	2022
002-105-13	6 BRIDGE COURT	ADU	1	2022
001-131-37	69 MANOR ROAD	ADU DETACHED	1	2022
001-112-31	15 ACACIA ROAD	ADU	1	2022
003-133-05	20 MADRONE COURT	JADU	1	2022
002-014-07	45 WREDEN AVENUE	ADU	1	2022
003-081-15	94 TOYON ROAD	ADU DETACHED	1	2022
001-148-10	1 SPRUCE ROAD	ADU	1	2022
003-121-06	290 CASCADE DRIVE	ADU	1	2022
002-011-08	40 MANZANITA ROAD	ADU	1	2022
001-204-30	52 MAPLE AVENUE	JADU	1	2022
001-236-44	33 - 35 WILLOW AVENUE	JADU	1	2022
		TOTAL	54	
		Annual Average	10.8	

Underutilized Commercial Properties

There are 19 underutilized commercial properties with potential for redevelopment with housing during the planning period. These sites are located along Sir Francis Drake Boulevard and Broadway, two of the Town's primary commercial corridors. These sites all provide convenient access to transit and the local transportation network. Most of the sites are also within the Town Center area, which includes downtown Fairfax, and as such provide easy walking access to shops, services, employment, and parks. Some of the sites have businesses that have closed in recent years, such as the former Pancho Villa restaurant or the Bank of America building on Broadway, which no longer offers walk-in client services and is currently for sale.

A two-step process was used to identify underutilized sites that are candidates for redevelopment with housing. First, a parcel-based analysis of properties within the Town limit was conducted using County Assessor data. Several metrics were used to identify underutilized parcels: assessed value ratio (A/V), low as-built floor area ratio (FAR), existing use, and age of existing structures. A/V ratio considers the relationship between the value of the land and the improvements constructed on it. Where the value of the land is worth substantially more than the value of the structures on it, there is an incentive for the owner to redevelop with new uses that command higher rents or sales prices. Similarly, a low FAR means that the square footage of buildings is small compared to the overall size of the site, indicating the potential for redevelopment with other uses. A commercially zoned property containing a low-slung shopping center with large areas of surface parking could be considered underutilized. Next, having identified a list of candidate commercial properties, the Town conducted a series of property owner forums between January and March 2023 to discuss potential changes to land use and zoning regulations that could facilitate housing development for interested owners, as well as other related opportunities and challenges. In total, seven small group discussions with owners were conducted and the list of candidate sites was refined based on owner interest.

A feasibility analysis was then conducted on the 19 sites that resulted from the process to evaluate the viability of redevelopment with housing during the planning period. The results are summarized below in Table 3-5. The following five criteria were considered for each site, and in general, if a site met at least three of the five it was deemed feasible:

- **Existing FAR:** As described above, a low as-built FAR means that the square footage of buildings is small compared to the overall size of the site, indicating the potential for redevelopment with other uses. A typical suburban community commercial shopping center may have an existing FAR of 0.3. Therefore, for the purpose of this analysis sites with as-built FAR of less than 0.3 were deemed feasible.
- **Assessed Value (A/V) Ratio:** As described above, an AV ratio of less than one (meaning existing buildings/structures on site are worth less than the land) is an indicator of redevelopment potential. For the purpose of this analysis, sites with an AV ratio of less than 1.0 were deemed feasible and sites with an AV ratio of less than 0.5 are considered strong candidates for redevelopment.
- **Existing Use:** The nature of current activities on the site can be an indicator of redevelopment potential, such as if the business has ceased operations or if a lease will not be renewed.
- **Age of Existing Structures:** For the purpose of this analysis, sites with existing structures 30 years or older were deemed feasible.
- **Property Owner Interest:** Expressions of interest from property owners were taken as an indicator of redevelopment potential.

These indicators are consistent with the characteristics of non-vacant commercial sites in Fairfax and surrounding Marin County communities that have recently been redeveloped with housing, as documented in Appendix G, Housing Precedents, of this Draft Housing Element.

The zoning applicable to the 19 underutilized commercial sites is Limited Commercial (CL), Highway Commercial (CH), and Central Commercial (CC). Multifamily residential uses are permitted by right on upper stories in the CC district and with a use permit in the CL and CD districts. While no density range is specified, high densities may be allowed subject to approval of a Use Permit in these zoning districts.

TABLE 3-5: UNDERUTILIZED COMMERCIAL PROPERTIES

APN	Address	Existing Land Use	Zoning	Acres	AV Ratio	FAR	Built year	Owner Interest	Lotsqft	Bldg sqft	Net Acreage	Capacity
001-104-12	10 OLEMA	Retail/General Commercial	CL	1.21	0.52	0.12	1903	Y	52,795	6,113	1.07	31
174-070-50	2600 SIR FRANCIS DRAKE BLVD	Church/Religious Facility	UR-7	6.22	0.69	0.01	1973	Y	271,109	3,600	1.00	29
002-122-47	95 BOLINAS RD	Retail/General Commercial	CC	0.51	0.96	0.50	0	-	22,155	10,975	0.26	7
001-226-53	1810 SIR FRANCIS DRAKE BLVD	Retail/General Commercial	CC	0.33	0.43	0.48	1914	--	14,525	6,940	0.17	5
001-183-17	2000 SIR FRANCIS DRAKE BLVD	Retail/General Commercial	CH	0.51	0.00	0.06	1956	Y	22,331	1,274	0.48	14
002-213-25	1577 SIR FRANCIS DRAKE BLVD	Retail/General Commercial	CH	0.25	0.30	0.11	0	--	10,962	1,238	0.22	6
002-213-04	1591 SIR FRANCIS DRAKE BLVD	Retail/General Commercial	CH	0.09	2.52	0.76	1955	Y	3,740	2,852	0.09	2
002-211-20	1601 SIR FRANCIS DRAKE BLVD	Retail/General Commercial	CH	0.23	1.07	0.21	0	--	10,050	2,150	0.18	5
002-211-21	1625 SIR FRANCIS DRAKE BLVD	Retail/General Commercial	CH/RD -5.5-7	0.26	1.50	0.46	0	Y	11,272	5,144	0.14	4
001-183-10	1626 SIR FRANCIS DRAKE BLVD	Vacant	CH	0.41	0.00	0.00	0	Y	18,042	0	0.41	12
001-183-12	2090 SIR FRANCIS DRAKE BLVD	Retail/General Commercial	CH	0.17	2.39	0.55	1955	--	7,304	4,000	0.17	5
001-183-14	2086 SIR FRANCIS DRAKE BLVD	Retail/General Commercial	CH	0.19	1.53	0.39	1955	--	8,362	3,296	0.19	6
001-183-15	2082 SIR FRANCIS DRAKE BLVD	Retail/General Commercial	CH	0.19	0.78	0.51	1960	--	8,303	4,230	0.19	6
002-211-05	1607 SIR FRANCIS DRAKE BLVD	Retail/General Commercial	CH	0.11	0.88	0.57	1930	Y	4,904	2,781	0.11	3
002-213-05	1589 SIR FRANCIS DRAKE BLVD	Retail/General Commercial	CH	0.05	1.75	0.96	1939	Y	2,261	2,164	0.05	2
002-213-06	1585 SIR FRANCIS DRAKE BLVD	Retail/General Commercial	CH	0.10	1.33	0.33	1934	Y	4,376	1,428	0.10	3
002-213-07	1583 SIR FRANCIS DRAKE BLVD	Retail/General Commercial	CH	0.08	1.33	0.99	1933	Y	3,613	3,577	0.08	2
002-213-10	1573 SIR FRANCIS DRAKE BLVD	Retail/General Commercial	CH	0.20	0.64	0.15	1906	Y	8,662	1,302	0.20	6
002-113-08	89 BROADWAY	Retail/General Commercial	CC	0.35	2.01	0.36	1960	--	5524	15445	0.35	10
											Total	159

Map 3-4: Prior Town of Fairfax Housing Element Sites

Income Level Category

- Above Moderate Income (Solid Cyan)
- Low Income (Solid Purple)
- Mixed Income (Blue and White Striped)
- Sites reused from prior Inventory (Red Outline)

Parks and Open Space

- Parks and Open Space (Green)

Town of Fairfax

- Town of Fairfax (Dashed Black Line)
- Sphere of Influence (Purple Outline)

Scale

0 0.125 0.25 0.5 Miles
0 750 1,500 3,000 Feet

Map Labels:

- UNINCORPORATED MARIN COUNTY
- SAN ANSELMO
- White Hill
- Loma Alta
- Butterfield Rd
- Manor View
- Stuyvesant Dr
- Wildcat Rd
- SLEEPY HOLLOW
- W Oak Knoll Dr
- Woodside Dr
- Timber Canyon Rd
- Iron Springs Rd
- Bothin Rd
- Manor Rd
- Olema Rd
- Scenic Rd
- Tamapais Rd
- Azalea Ave
- Spruce Rd
- Marinda Dr
- San Gabriel Dr
- Ridgeview Ave
- Valley Ave
- Center Blvd
- Forrest Ave
- Francis Ave
- Crest Rd
- Meerma Ave
- Porteous Ave
- Wood Ln
- Bolinas Rd
- Cascade Dr
- Canyon Rd
- Pine Dr
- Cascade Fire Rd
- Meadow Club Rd
- Phoenix Lake Watershed
- Bald Hill
- Cascade Canyon

Sources: MarinMap, 2022; Town of Fairfax, 2022; Dyett & Bhatia, 2022

State law allows jurisdictions to use higher density as a proxy for lower income affordability if the zoning allows at least the 20 du/acre Marin County default density deemed sufficient density to accommodate the economies of scale needed to produce affordable housing. Therefore, to ensure these properties having adequate zoning, Program 2-A has been added to the Housing Action Plan in Chapter 4. Under this program, the Town will adopt a workforce housing overlay applicable to these 19 sites that permits multifamily housing in either a standalone or mixed use format at a maximum base density of 20 du/ac, with allowance for more density in exchange for greater affordability. Further, as shown on Map 3-4, several of these sites were included on the Town's 2009 and 2015 Housing Element inventories to accommodate lower income RHNA. As such, Program 2-B has been included in the Housing Action Plan to permit residential development by right pursuant to Government Code section 65583.2(i) for projects that make at least 20 percent of the proposed units available to lower income households through long term affordability agreements.

As described above, State law stipulates stringent criteria for the adequacy of sites included on the inventory to accommodate lower income RHNA, including that they be of appropriate size, be free from environmental constraints, be zoned to accommodate housing, have appropriate development standards, and be served by public facilities. All of the 19 underutilized commercial properties are located in areas classified as having high liquefaction risk and 16 of 19 are less than 0.5 acres in size. As such, none of the parcels meets the established criteria. Given the extent of natural hazard risk areas in Fairfax and the small size of many parcels in the Town Center area, there are not more than a handful of parcels in Fairfax that meet the established site suitability criteria for lower income RHNA sites, and none of those parcels was found to be a viable candidate for multifamily housing. Therefore, based on consultations with HCD staff, the Town undertook additional analysis to assess the feasibility of housing development on similarly constrained parcels in Fairfax. Map 3-3 shows the location of all housing construction in Fairfax between 2015 and 2022 in relation to areas of environmental hazard. In total, there were six multifamily projects constructed in Fairfax during the period. Three of the six were located in high liquefaction risk areas and four of these were on sites between 0.13 and 0.18 acres in size. As such, while environmental hazards add cost and complexity for new development in Fairfax, they do not appear to have been a significant constraint on multifamily development in the community. Nevertheless, to facilitate housing development in areas of high liquefaction risk in the Town Center area, Program 2-J has been added to the Action Plan, under which the Town will undertake a focused geologic study to identify a range of measures that developers could incorporate to reduce project costs and codify specific standards to address associated risks. The intent of this program is to reduce the time and cost of development in areas of high liquefaction risk where workforce housing is envisioned by reducing the need for applicants to apply for additional permits, hire their own consultants, and pay for any outside consultants the Town needs to assist staff with project review.

On this basis, the Town has determined that redevelopment of these 19 properties with housing at densities sufficient to accommodate lower income RHNA during the planning period is feasible.

REALISTIC CAPACITY ASSESSMENT

As described above, a survey of recently approved and constructed affordable housing projects in Fairfax and surrounding peer jurisdictions in the region was conducted and the results are documented in Appendix G. The findings of the survey indicate an average density of 29 du/ac in multifamily residential projects on sites of comparable size and conditions. This has been used for the purpose of capacity projections. Sites with a business that has closed or where leases are set to expire, realistic capacity was determined by applying an assumed density of 29 du/ac to the total gross site acreage. For sites with an operating business or an active existing use, the square footage of existing buildings and structures was subtracted from the total lot area, and an assumed density of 29 du/ac was applied to the remaining net site area to establish realistic capacity. This methodology provides a conservative estimate of development

potential, essentially allowing for the possibility of non-residential uses on the site together with housing. On this basis, the realistic capacity of the 19 underutilized properties is projected to be 159 new housing units over the planning period.

CAPACITY TO ACCOMMODATE RHNA

Map 3-5 shows the sites identified to accommodate Fairfax's 2023-31 RHNA and Table 3-6 summarizes the capacity of the sites, with a breakdown by RHNA category. The inventory identifies sites with a total realistic capacity of 583 new housing over the planning period, sufficient to meet RHNA obligations for all income categories with a buffer to ensure the Town can navigate the no net loss provisions of State law in the event that sites do not develop as projected.

Table 3-6: Sites Inventory

	<i>Total Units</i>	<i>Low/Very Low</i>	<i>Moderate</i>	<i>Above Moderate</i>
Vacant Single-Family Sites	60			60
Pipeline Projects				
<i>School Street Plaza</i>	175	35		140
<i>Fairfax Market</i>	8			8
<i>Various Single Family</i>	11			11
Town-Owned Sites (002-123-17/144-01)	10	10		
Underutilized Commercial Sites	159	129	30	
ADU/JADU Projection (@20/yr)	160	96	48	16
Total	583	270	78	235
RHNA	490	235	71	184
Buffer	93	35	7	51

Administrative and Financial Resources

This section describes the public agencies involved in housing activities and the funding sources potentially available to support development in Fairfax.

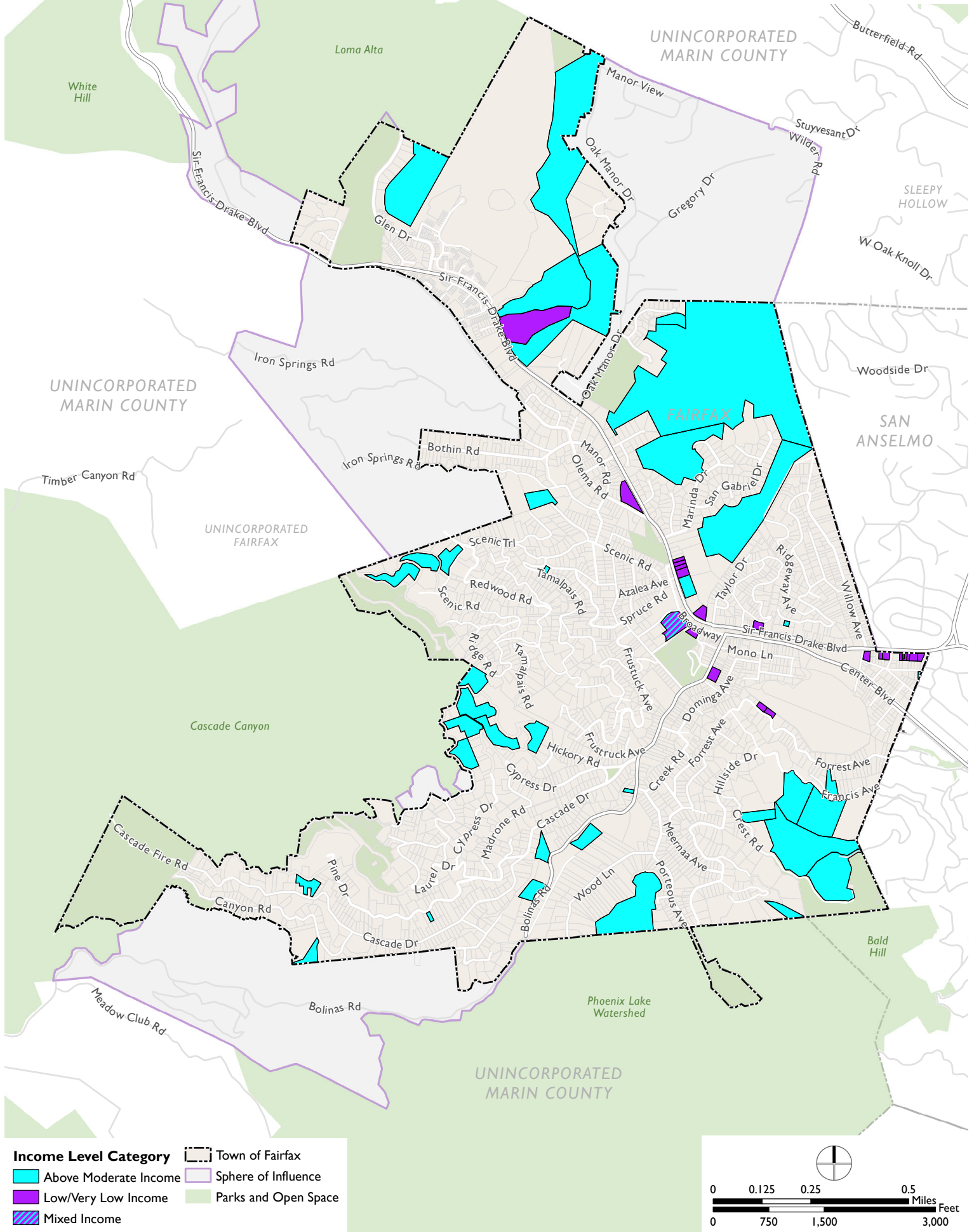
TOWN OF FAIRFAX

As a small jurisdiction, Fairfax has a relatively limited number of housing resources and programs. Furthermore, due to its population size, the Town does not receive direct federal or State funding allocations. The Planning and Building Department is responsible for coordinating the review and approval of new housing and for administering housing-related grants and programs.

MARIN COUNTY

Due to its population size, the Town does not receive direct federal funding allocations; instead, Community Block Development Grants (CBDG) and other federal funds are provided to Marin County by the U.S. Department of Housing and Urban Development (HUD) on an annual formula basis for use within constituent jurisdictions. The County acts as the administrative jurisdiction for these funds that are available to support various services and activities, including housing related activities, that would benefit residents of urbanized areas.

Map 3-5: Sites Available for Housing



Sources: MarinMap, 2022; Town of Fairfax, 2022; Dyett & Bhatia, 2022

HUD Community Planning and Development Grants

The County is the lead agency for purposes of receiving HUD Community Planning and Development entitlement grants on behalf of all jurisdictions within Marin County, including Fairfax. The County receives approximately \$1.6 million in Community Development Block Grants (CDBG) and \$800,000 in HOME Investment Partnership (HOME) funds for a variety of housing and community development activities annually. The CDBG program provides funds for a range of community development projects that benefit low- to moderate-income people. The program can fund a variety of activities such as: acquisition and/or disposition of real estate or property, public facilities and improvements, public services, relocation, rehabilitation of housing, and homeownership assistance. HOME funds can be used for activities that provide affordable housing opportunities for low to moderate income households, such as development of new affordable units, owner-occupied housing rehabilitation, homebuyer assistance, and tenant-based rental assistance. The County uses HOME funds to gap-finance affordable housing projects throughout the County. The County's Priority Setting Committee (PSC, a Fairfax councilmember is a member) makes recommendations to the Board of Supervisors as to allocation of CDBG and HOME funds each year.

Permanent Local Housing Allocation (PLHA)

In 2017, Governor Brown signed a 15-bill housing package aimed at addressing the State's housing shortage and high housing costs. Specifically, it included the Building Homes and Jobs Act (SB 2, 2017), which establishes a \$75 recording fee on real estate documents to increase the supply of affordable homes in California. As the number of real estate transactions recorded varies from year to year, the revenues collected will fluctuate. The first year of SB 2 funds are available as planning grants to local jurisdictions. For the second year and onward, 70 percent of the funding will be allocated to local governments for affordable housing purposes. A large portion of year two allocations will be distributed using the same formula used to allocate federal Community Development Block Grants (CDBG). SB2 PLHA funds can be used to:

- Increase the supply of housing for households at or below 60 percent of AMI
- Increase assistance to affordable owner-occupied workforce housing
- Assist persons experiencing or at risk of homelessness
- Facilitate housing affordability, particularly for lower and moderate income households
- Promote projects and programs to meet the local government's unmet share of regional housing needs allocation

The County anticipates receiving between \$750,000 to \$1,500,000 in PLHA annually and has committed funds to projects for allocations received to date, although no funds have been committed in Fairfax. As above, the PSC makes recommendations to the BOS as to allocations for PLHA funds.

Affordable Housing Trust Fund

The County's Affordable Housing Trust Fund was established in 1980 by Resolution 88-53. Projects throughout Marin County, which serve low, very low and extremely low income households, are eligible for funding, but priority is given to rental projects located in the unincorporated County that serve the lowest income levels. Funding is to be used for land and property acquisition, development, construction, or preservation of affordable units. Applications are submitted to the Community Development Agency, and staff makes funding recommendations to the Board of Supervisors as grant requests are received. The Affordable Housing Trust Fund is primarily funded through residential in-lieu fees, commercial linkage fees, and, since 2009, the County's Affordable Housing Impact Fee. In recent years, the Board of Supervisors has allocated \$250,000 annually from the general fund to the Affordable Housing Trust Fund. In the last

twenty years, the Housing Trust has been a major funder of every affordable housing development in the unincorporated County. During the Fifth Cycle Housing Element period (2013-2021), \$13,545,980 from the Housing Trust Fund was dispersed and helped develop 120 units and rehabilitate 83 units. As of April 30, 2022, the Fund's balance is \$10,822,352.60.

In January 2023, the Marin County Board of Supervisors approved a loan in the amount of \$4 million from the Affordable Housing Trust Fund to MidPen Housing Corporation ("MidPen") for the acquisition and rehabilitation of the 80-unit Sherwood Oaks Apartments in Fairfax. Located at 200 Bolinas Avenue, Sherwood Oaks Apartments is comprised of five 2- and 3-story residential buildings adjacent to downtown Fairfax. Located in a high resource area, the property is in an excellent school district and within walking distance of amenities such as grocery stores, parks, and public transit. MidPen will convert the naturally unregulated affordable property into a regulated affordable housing asset. Making the units permanently affordable with restrictions will help prevent future displacement of existing residents and add to the affordable housing inventory.

STATE OF CALIFORNIA

The State of California has several active funding programs for the planning and construction of new affordable housing development, including several new or recently expanded sources. These funding sources have different criteria and goals, and Fairfax's competitiveness is therefore likely to vary by program.

- Affordable Housing and Sustainable Communities (AHSC) is a competitive state grant program that promotes infill development and the reduction of greenhouse gas emissions. AHSC favors combined investments in affordable housing, transit, and active transportation infrastructure.
- Multifamily Housing Program (MHP) provides deferred long-term loans for the construction and acquisition-rehabilitation of permanent and transitional affordable rental housing.
- No Place Like Home Program (NPLH) provides funding for the development of permanent supportive housing to assist persons with mental illness and/or experiencing homelessness. This program includes both competitive and noncompetitive allocations to counties.
- SB 2 (Building Homes and Jobs Act) imposed a new real estate recording fee of \$75 on selected real estate transactions. In the first year, SB 2 Planning Grants were made available to local governments for planning and technical assistance to streamline housing development. Subsequent phases of the program will include funds for the development or preservation of affordable housing.
- Infill Infrastructure Grant (IIG) Program and Transit Oriented Development (TOD) Housing Program. These are recently expanded programs that primarily target the construction of new affordable housing and related infrastructure near transit.
- Local Early Action Planning (LEAP) is a one-time planning grant program to support cities and counties as they plan for the upcoming 6th RHNA cycle.

FEDERAL

Several funding sources are available at the federal level for affordable housing development and preservation.

Low Income Housing Tax Credits

The LIHTC program is a federal tax subsidy that gives investors a roughly dollar-for-dollar credit on their tax liability in exchange for equity contributions to subsidize affordable housing development projects. LIHTC equity is often the largest source of subsidy for affordable housing production and may also be used for affordable housing preservation. The California Tax Credit Allocation Committee administers and allocates tax credits throughout the State of California.

Other Federal Sources

Other federal programs include Emergency Solutions Grants (ESG) and the Affordable Housing Program (AHP). Marin County is responsible for administering federal programs including HOME, Community Development Block Grants (CDBG), and Housing Opportunities for People with AIDS (HOPWA).

Quantified Objectives

California Government Code Section 65583[b] requires that housing elements contain quantified objectives for the maintenance, preservation, and construction of housing. The quantified objectives shown in Table 3-7 set a target goal for Fairfax to strive for, based on needs, available resources, and constraints.

Table 3-7: 2023-2031 Town of Fairfax Quantified Objectivities

<i>Income Category</i>	<i>New Construction¹</i>	<i>Rehabilitation²</i>	<i>Conservation/Preservation³</i>
Very-Low	149	--	--
Low	86	80	--
Moderate	71	--	--
Above Moderate	184	--	--
TOTALS	490	80	--

1. The new construction objective is equal to Fairfax's RHNA allocation.
2. The rehabilitation objective represents the 80 units in the Sherwood Oaks project on Bolinas Drive to be rehabilitated by MidPen Housing Corporation.
3. There are no assisted units at moderate, high, or very high risk of conversion in Fairfax during the planning period.