

# FAIRFAX TOWN COUNCIL MEETING STAFF REPORT

**MEETING DATE:** September 6, 2023

**PREPARED FOR:** Mayor and Town Council

**PREPARED BY:** Heather Abrams, Town Manager

Jeffrey Beiswenger, Planning & Building Services Director

**SUBJECT:** Receive Status Report on the Sixth Cycle Housing Element Update

### RECOMMENDATION

Staff recommends that the Council receive the following status report on the Housing Element Update project.

## **BACKGROUND**

The Housing Element Update is a significant project spanning multiple years. The Town began work on the 6<sup>th</sup> Cycle Housing Element in 2021. The previous Council actions shown below are provided for additional information on this project. Council, staff, consultants, and the community have been hard at work on this project for some time.

## Context

The State of California has mandated since 1969 that local jurisdictions plan for their future housing needs by updating their General Plan's Housing Element. This 6th cycle Housing Element Update is a significantly more robust process than previous cycles due to increased state regulation, oversight, and potential penalties, and tightened timelines.

The California Housing and Community Development Department's (HCD's) 6th Regional Housing Needs Allocation (RHNA) is significantly larger than in previous cycles. The 6<sup>th</sup> cycle runs from 2023 to 2031. HCD assigns each region of the state an overall RHNA allocation. For the nine-county Bay Area region, ABAG distributes a "fair share" portion of that allocation to each local jurisdiction. Each city and county must then identify adequate sites with a realistic capacity for development sufficient to meet this RHNA. For the 2023-2031 period, Fairfax must identify sites sufficient to accommodate 490 new housing units in various income categories.

In addition to identifying sites to satisfy RHNA, the Housing Element also contains policies and programs to address local housing needs in compliance with State Law, while also seeking to retain Fairfax's village-like quality, with distinct neighborhoods and large areas of surrounding open space.

## **Previous Council Actions**

On March 3, 2021, the Council was scheduled to discuss a consulting agreement for services to lead the Housing Element project, and this item was continued to the April 7, 2021 Council Meeting, and then rescheduled to the April 21, 2021 Council Meeting.

On April 21, 2021, the Town Council and Planning Commission held a joint study session to discuss the Housing Element and directed staff.

On September 22, 2021, the Town Council and Planning Commission held a second joint study session to discuss Housing Element topics.

On October 20, 2021, the Council received a presentation on Countywide efforts and an update on the Housing and Safety Elements.

On January 19, 2022, the Council discussed community engagement with the Housing Element project and potential sites.

On April 6, 2022, the Council discussed a potential list of sites for the Housing Element.

On June 15, 2022, the Council received a Housing Element Update.

On October 13, 2022, the Council approved a new agreement for Housing Element consulting services with Dyett & Bhatia.

On November 16, 2022, the Council received an oral update on the Housing Element from Interim Planning and Building Services Director David Woltering and Dyett & Bhatia.

On January 10, 2023, staff provided a detailed Housing Element Update, including next steps, and summaries of the capacity calculations and assumptions.

On February 1, 2023, staff provided a detailed Housing Element Update, including next steps and attaching a copy of the ABAG Builder's Remedy Overview.

### **Drafted Submission Documents**

On March 31, 2023, the Town released a Public Review Draft Sixth Cycle Housing Element for the legally required 30-day local review period. A Revised Notice of Preparation (NOP) of a Draft Environmental Impact Report for the Fairfax General Plan Housing Element Update was released on April 3, 2023. Both documents were posted on the <u>Town website</u> and promoted via Town Newsletter.

On April 5, 2023, Staff provided a Housing Element Update that included a summary of the work completed and a listing of the numerous public meetings held for the Housing Element prior to that date.

On April 19, 2023, a Special Council Meeting was held to provide two presentations from Dyett & Bhatia and elicit additional comments from the public on: a) Public Review Draft Sixth Cycle Housing Element; and b) Revised Notice of Preparation (NOP) of a Draft Environmental Impact Report for the Fairfax General Plan Housing Element Update Scoping Meeting. This Special Council Meeting was scheduled to provide a Scoping Meeting with the NOP and elicit additional public comments, at approximately the mid-point in the Public Review Draft period, thus giving readers time to digest the content. The 30-day public comment period for the Draft Housing Element concluded on April 30, 2023.

The scoping period for the revised NOP closed on May 2, 2023. Staff and the consultant are working on preparation of the Draft EIR, reflecting comments received.

On May 3, 2023, the Council received a presentation from Dyett & Bhatia summarizing the comments received and addressing those comments. The Council directed Dyett & Bhatia and staff to incorporate the responses, and authorized staff to send the updated Draft Housing Element to HCD and the Draft Housing Element was sent to HCD on May 12, 2023. This began the legally required 90-day HCD review period.

Staff and Dyett & Bhatia reached out to HCD to track the review process; a positive meeting of HCD, staff, and Dyett & Bhatia occurred in late June; Town staff invited HCD staff for a Fairfax tour, which is scheduled for September 1, 2023.

On August 2, 2023 the Council received a Housing Element update as part of the Consent Calendar.

#### DISCUSSION

HCD sent a Housing Element review letter on August 11, 2023, and Town staff and consultants have been working expeditiously to address comments from HCD and prepare a response to HCD on the letter and achieve certification. The HCD letter is attached.

As part of the Housing Element Update project, certain zoning code amendments will be required. The amendments are outlined as *Programs* in the draft Housing Element and are part of the Element's early implementation. The Planning Commission is scheduled to review the following code updates at the meetings in September, October, and November. Following Planning Commission review and recommendation, the proposed amendment would be forwarded to the Town Council for consideration at subsequent meetings:

- Affordable housing in-lieu fees and commercial /non-residential linkage fees, affordable housing requirements and program regulations.
- Technical amendments to definitions and development standards to enhance usability of the code and to bring it into compliance with State law.
- Hillside preservation residential standards, to provide additional regulatory tools to protect valuable hillsides and open space.
- Workforce housing overlay to allow for some limited residential development in commercial zoning districts.

Work on the EIR is moving ahead and the Public Review Draft EIR is nearly complete and public release is anticipated in early September. Once released, a legally required 45-day public review period is required, after which a Final EIR can be prepared. The Final EIR would respond to any public review comments received and must be completed prior to any public hearing related to Housing Element adoption.

Work on the Safety Element is also progressing. A background memo on countywide wildfire prevention initiatives was prepared to identify existing initiatives and characterize measures and programs already in place to help establish the baseline. New policies for wildfire safety and prevention will only need to be incorporated into the Town of Fairfax Safety Element to the extent related issues and risks are not already addressed by other initiatives. Additionally, the Marin Wildfire Prevention Authority (MWPA) is finalizing a new evacuation analysis model to assist with scenario modeling to inform strategies for the Safety Element. MWPA used Fairfax as a test case in validating the model for existing conditions.

Through carefully considered code updates and new housing programs, Fairfax remains committed to adopting a 6th Cycle Housing Element that complies with State law and allows for housing to be built for residents and the workforce. Fairfax seeks to accomplish this in the Fairfax way, by maintaining its unique sense of place. Making the additional housing fit with the small-town aesthetic, environmentally conscious methods, and highly engaged resident culture is important to all involved.

## **FISCAL IMPACT**

None at this time.