



SPECIAL FAIRFAX TOWN COUNCIL MEETING

STAFF REPORT

MEETING DATE: October 18, 2023
PREPARED FOR: Mayor and Town Council
PREPARED BY: Jeffrey Beiswenger, AICP, Planning and Building Services Director
Andrew Hill, Dyett & Bhatia
SUBJECT: Supplemental to Agenda Item #3: Status Update on the Town of Fairfax
2023-31 Housing Element Update

RECOMMENDATION

Consider the additional materials as part of Agenda Item #3 and receive a status update on the Town of Fairfax 2023-31 Housing Element Update and provide comments to staff.

DISCUSSION

This agenda item provides an overview of comments on the Draft Housing Element from the California Department of Housing and Community Development (HCD), a summary of revisions in progress to address the comments, and an outline of meetings and milestones for finalization of the project.

We are in the process of vetting revisions with HCD, working iteratively with them for informal review and feedback on the revised content to help ensure it adequately addresses their comments. The objective of that is to prepare a hearing draft to present to Fairfax decision makers that we are confident responds adequately to HCD comments.

In addition to the staff report and attachments provided in the Town Council packet, please consider the following additional materials attached to this supplemental staff report:

- Updated Table 3-7 (Sites Inventory) shows a revised summary of the capacity of the inventory, accounting for the possibility of the Wall Property being purchased for open space and the reclassification of 1577 and 1625 Sir Francis Drake Boulevard from sites for lower income RHNA to moderate income.
- Updated Appendix B (Housing Needs Assessment) shows in redline where additional details of the challenges faced by special needs groups, the existing resources to meet those needs, and an assessment of any gaps in resources for these groups has been added in response to HCD comments.
- Updated Appendix C (Housing Constraints) shows in redline how additional data and analysis has been incorporated to address HCD comments related to local fees and exactions, permit processing times, code enforcement procedures, and the cumulative effect of local land use and zoning controls on housing production.

FISCAL IMPACT

None

ATTACHMENTS

- A. Updated Table 3-7 (Sites Inventory)
- B. Updated Appendix B (Housing Needs Assessment)
- C. Updated Appendix C (Housing Constraints)

Table 3-7: Sites Inventory

	<i>Total Units</i>	<i>Low/Very Low</i>	<i>Moderate</i>	<i>Above Moderate</i>
<u>Vacant Single-Family Sites</u>	<u>36</u>			<u>36</u>
<u>Pipeline Projects</u>				
<i>School Street Plaza</i>	175	35		140
<i>Fairfax Market</i>	8			8
<i>Various Single Family</i>	11			11
<u>Town-Owned Sites (002-123-17/144-01)</u>	<u>10</u>	<u>10</u>		
<u>Workforce Housing Overlay Sites</u>	<u>188</u>	<u>137</u>	<u>52</u>	
<u>ADU/JADU Projection (@20/yr)</u>	<u>160</u>	<u>96</u>	<u>48</u>	<u>16</u>
<u>Total</u>	<u>588</u>	<u>278</u>	<u>100</u>	<u>211</u>
<u>RHNA</u>	<u>490</u>	<u>235</u>	<u>71</u>	<u>184</u>
<u>Buffer</u>	<u>98</u>	<u>43</u>	<u>29</u>	<u>27</u>

Appendix B

Housing Needs Assessment

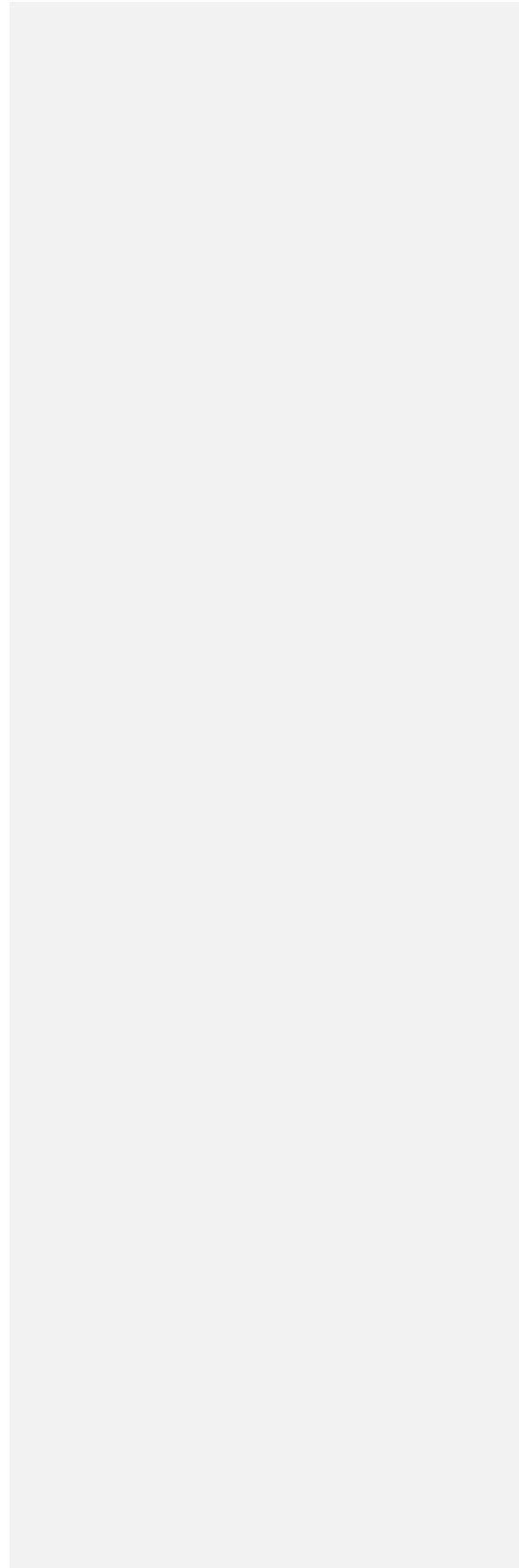


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B Fairfax Housing Needs Assessment

This section outlines the characteristics of Fairfax and identifies those characteristics that may have significant impacts on housing needs in the community, including anticipated population and household growth. This assessment is essential for developing a successful strategy to meet a variety of housing needs in the Town. Both local and regional changes since the previous Housing Element are assessed to provide the full scope of housing needs. Analysis in each of the sections below will inform the housing programs and policies.

Local housing needs data for Fairfax and Marin County largely rely on data compiled by the Association of Bay Area Governments (ABAG) in the “Housing Needs Data Report: Fairfax” (ABAG/MTC, Baird + Driskell Community Planning, April 2, 2021). This data packet was approved by the California Department of Housing and Community Development (HCD).

B.1 Population Characteristics

The Bay Area is the fifth-largest metropolitan area in the nation and has seen a steady increase in population since 1990, except for a dip during the Great Recession. Many cities in the region have experienced significant growth in jobs and population. While these trends have led to a corresponding increase in demand for housing across the region, the regional production of housing has largely not kept pace with job and population growth.

According to the data from the California Department of Finance (DOF), the population of Fairfax was estimated to be 7,399 in 2020. The population of Fairfax makes up 2.8 percent of Marin County.¹ In Fairfax, roughly 13.1 percent of its population moved during the past year, on par with the regional rate of 13.4 percent. As shown in Table B-1, Fairfax’s population has increased by 1.1 percent since 2000, well below the rate for the region as a whole, at 14.8 percent. From 1990 to 2000, the population increased by 5.6 percent, while it increased by 1.7 percent during the first decade of the 2000s. In the most recent decade, the population decreased by 0.6 percent.

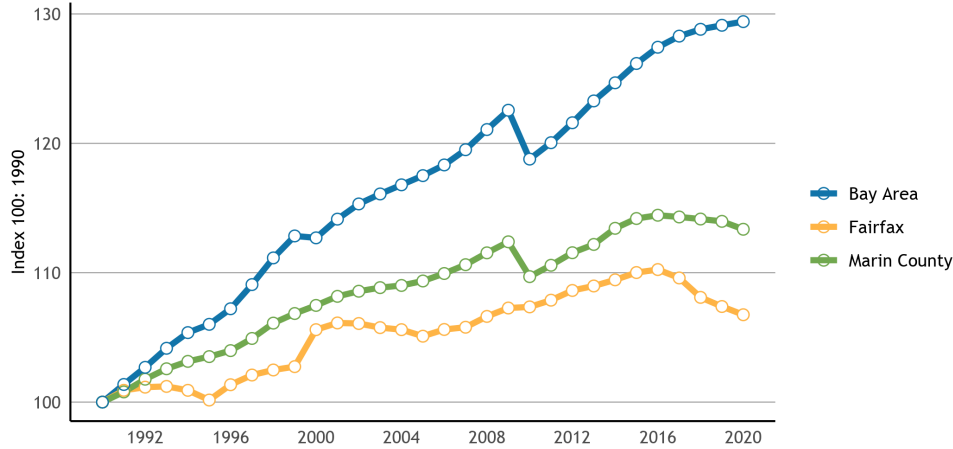
Table B-1: Fairfax and Regional Population Growth (1990-2020)

	1990	1995	2000	2005	2010	2015	2020
Fairfax	6,931	6,942	7,319	7,284	7,441	7,625	7,399
Marin County	230,096	238,185	247,289	251,634	252,409	262,743	260,831
Bay Area	6,020,147	6,381,961	6,784,348	7,073,912	7,150,739	7,595,694	7,790,537

¹ To compare the rate of growth across various geographic scales, Chart B-1 shows population for the jurisdiction, county, and region indexed to the population in the year 1990. This means that the data points represent the population growth (i.e., percent change) in each of these geographies relative to their populations in 1990.

Source: California Department of Finance, E-5 Series

Chart B-1: Town of Fairfax and Regional Population Growth Trends



Note: The data shown on the graph represents population for the jurisdiction, county, and region indexed to the population in the first year shown. The data points represent the relative population growth in each of these geographies relative to their populations in that year. For some jurisdictions, a break may appear at the end of each decade (1999, 2009) as estimates are compared to census counts. DOF uses the decennial census to benchmark subsequent population estimates. For the data table behind this figure, please refer to the Data Packet Workbook, Table POPEMP-01.

Source: California Department of Finance, E-5 series

POPULATION BY AGE

Current and future housing needs are usually determined in part by the age characteristics of a community’s residents. Each age group has distinct lifestyles, family type and size, incomes, and housing preferences. Consequently, evaluating the age characteristics of a community is important in determining its housing needs.

According to the 2019 American Community Survey (ACS) five-year estimates, the Town’s median age is 48, which is slightly higher than Marin County’s median age of 46.8. Fairfax’s median age was 41 years in 2000, and thus has increased since 2000. Table B-2 displays population by age in Fairfax since 2000. Notably, the proportion of middle age groups between 35 and 54 years old has decreased 33.3 percent since 2000. Meanwhile, older adults aged 65 and over have increased significantly the share of the population from 9.5 percent in 2000 to 22.9 percent in 2019. This table is based on data from the U.S. Census and the American Community Survey five-year data set.

Table B-2: Population by Age, Town of Fairfax (2000-2019)

Age Group	2000		2010		2019	
	Number	Percent	Number	Percent	Number	Percent
0-4 years	377	5.15%	336	4.52%	280	3.69%
5-14 years	782	10.68%	828	11.13%	672	8.87%
15-24 years	588	8.03%	614	8.25%	798	10.53%
25-34 years	962	13.14%	648	8.71%	667	8.80%
35-44 years	1,493	20.40%	1,158	15.56%	970	12.80%
45-54 years	1,677	22.91%	1,438	19.33%	1,222	16.13%
55-64 years	747	10.21%	1,469	19.74%	1,237	16.32%
65-74 years	370	5.06%	623	8.37%	1,155	15.24%
75-84 years	253	3.46%	241	3.24%	427	5.63%
85+ years	70	0.96%	86	1.16%	150	1.98%
Total	7,319	100%	7,441	100%	7,578	100%

Source: U.S. Census Bureau, Census 2000 SF1, Table P12; U.S. Census Bureau, Census 2010 SF1, Table P12; U.S. Census Bureau, American Community Survey 5-Year Data (2015-2019), Table B01001

RACE AND ETHNICITY

Table B-3 presents the racial and ethnic composition of the Town of Fairfax's population in 2000, 2010, and 2019, as reported in U.S. Census (for 2000 and 2010) and the American Community Survey five-year data (for 2019). Since 2000, the share of White, Non-Hispanic residents has decreased by 7.9 percent. The Hispanic or Latinx population increased substantially from 5.9 percent in 2000 to 9.4 percent in 2019, and the Asian, Non-Hispanic population increased 4.34 percent, with smaller increases in population for all other racial or ethnic groups except for non-Hispanic American Indian or Alaska Native and Black or African American residents.

Table B-3: Population by Race, Town of Fairfax (2000-2019)

Racial/Ethnic Group	2000		2010		2019	
	Number	Percent	Number	Percent	Number	Percent
American Indian or Alaska Native, Non-Hispanic ¹	30	0.41%	19	0.26%	0	0.00%
Native Hawaiian and Other Pacific Islander alone, Non-Hispanic	8	0.11%	4	0.05%	29	0.38%
Asian, Non-Hispanic	143	1.95%	201	2.70%	329	4.34%
Black or African American, Non-Hispanic	77	1.05%	103	1.38%	34	0.45%
White, Non-Hispanic	6,445	88.06%	6,352	85.36%	6,233	82.25%
Other Race or Multiple Races, Non-Hispanic	198	2.71%	258	3.47%	240	3.17%
Hispanic or Latinx	418	5.71%	504	6.77%	713	9.41%
Total	7,319	100%	7,441	100%	7,578	100%

Table B-3: Population by Race, Town of Fairfax (2000-2019)

Racial/Ethnic Group	2000		2010		2019	
	Number	Percent	Number	Percent	Number	Percent

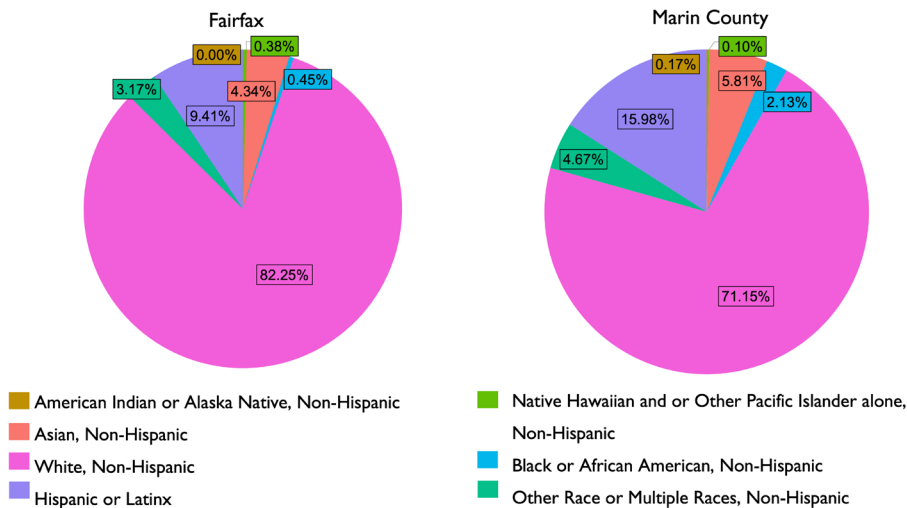
Note

1. The U.S. Census aggregates race based on Hispanic/Latinx ethnicity.

Source: U.S. Census Bureau, American Community Survey 5-Year Data (2015-2019), Table B03002

The racial or ethnic composition of the Town of Fairfax shows similar trends to the County as a whole. However, they are distinguished by Fairfax’s much larger share of White, Non-Hispanic residents (82.3 percent) than in the County (71.2 percent). Marin County has larger proportions of all other racial or ethnic groups.

Chart B-2: Fairfax and Surrounding Area Population by Race/Ethnicity, 2019



Source: U.S. Census Bureau, American Community Survey 5-Year Data (2015-2019), Table B03002

B.2 Household Characteristics

HOUSEHOLD SIZE

According to ACS five-year estimates data, the average household size in Fairfax in 2019 was around 2.25, which is slightly lower than the Town’s 2010 average of 2.31. Fairfax’s average is slightly lower than the average for Marin County as a whole (2.59). As seen in Table B-4, the share of Fairfax’s population in 2019 living in a one-person household (30.27) was greater than that of Marin County (29.92). Similarly, three and four-person households account for 32.39 percent of the households in Fairfax compared to Marin County (28.0 percent). Marin County has a much larger share of households of five or more persons (7.2 percent) than Fairfax (1.8 percent).

Table B-4: Fairfax and Surrounding Areas Household Size, 2019

Household Size	Fairfax		Marin County	
	Number	Percent	Number	Percent
1-Person Household	1,014	30.27%	31,548	29.92%
2-Person Household	1,192	35.58%	36,883	34.98%
3-4-Person Household	1,085	32.39%	29,440	27.92%
5-Person or More Household	59	1.76%	7,561	7.17%
Total	3,350	100%	105,432	100%

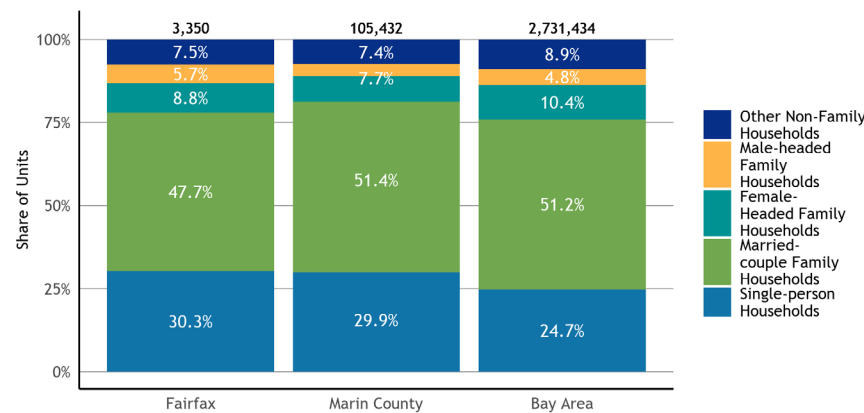
Source: U.S. Census Bureau, American Community Survey 5-Year Data (2015-2019), Table B11016

HOUSEHOLD CHARACTERISTICS

A summary of household characteristics in the Town of Fairfax, Marin County, and the Bay Area is provided in Chart B-3. A family household is a household consisting of two or more people residing together and related by birth, marriage, or adoption. A non-family household consists of a householder living alone (a one-person household) or in which the householder shares the home exclusively with people to whom they are not related.

According to the ACS data (2016-2020), the greatest share (47.70 percent) of households in Fairfax are married-couple family households. Overall, family households account for 62.2 percent of households in Fairfax, which is on par with Marin County (62.7 percent) and slightly lower than the Bay Area (66.4 percent). However, Fairfax has a greater share of single-person households (30.3 percent) than Marin County (20.51 percent) and the Bay Area (24.7 percent).

Chart B-3: Fairfax and Surrounding Areas Household Types, 2019



Source:

U.S. Census Bureau, American Community Survey 5-Year Data (2015-2019), Table B11001.

Notes: For data from the Census Bureau, a “family household” is a household where two or more people are related by birth, marriage, or adoption. “Non-family households” are households of one person living alone, as well as households where none of the people are related to each other.

HOUSEHOLD INCOME

Household income is one of the most significant factors affecting housing choice and opportunity. Income largely determines a household's ability to purchase or rent housing. While higher-income households have more discretionary income to spend on housing, lower- and moderate-income households are limited in the range of housing they can afford. Typically, as household income decreases, cost burdens and overcrowding increase.

For the purpose of evaluating housing affordability, housing need, and eligibility for housing assistance, income levels are defined by guidelines adopted each year by the California State Department of Housing and Community Development (HCD). For Marin County, the applicable Area Median Income (AMI) for a family of four in 2022 is \$166,000. This is an increase of 70.96 percent from the 2014 median income of \$97,100. HUD has defined the following income categories for Marin County, based on the median income for a household of four persons for 2022:

- Extremely low-income: 30 percent of AMI and below (\$0 to \$55,900)
- Very low-income: 31 to 50 percent of AMI (\$55,951 to \$93,200)
- Low-income: 51 to 80 percent of AMI (\$93,201 to \$149,100)
- Moderate-income: 81 to 120 percent of AMI (\$149,101 to \$166,000)
- Above moderate-income: 120 percent or more of AMI (\$199,200 or more)

Table B-5 shows the HUD definitions for Marin County's maximum annual income level for each income group, adjusted by household size. This data is used when determining a household's eligibility for federal, state, or local housing assistance and used when calculating the maximum affordable housing payment for renters and buyers.

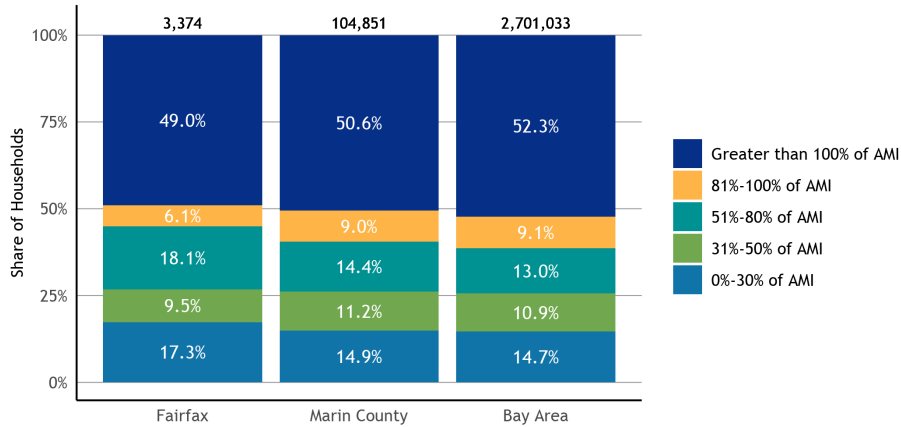
Table B-5: HUD Income Levels by Household Size (Marin County, 2022)

Household Size	Maximum Income Level				
	Extremely Low	Very Low	Low	Median	Moderate
1 Person	\$39,150	\$65,250	\$104,400	\$116,200	\$139,450
2 Persons	\$44,750	\$74,600	\$119,300	\$132,800	\$159,350
3 Persons	\$50,350	\$83,900	\$134,200	\$149,400	\$179,300
4 Persons	\$55,900	\$93,200	\$149,100	\$166,000	\$199,200
5 Persons	\$60,400	\$100,700	\$161,050	\$179,300	\$215,150
6 Persons	\$64,850	\$108,150	\$173,000	\$192,550	\$231,050
7 Persons	\$69,350	\$115,600	\$184,900	\$205,850	\$247,000
8 Persons	\$73,800	\$123,050	\$196,850	\$219,100	\$262,950

Source: HUD Income Limits 2022

The HUD Comprehensive Housing Affordability Strategy 2013-2017 release also provides income data. This income data is based on the ACS 2013-2017 estimates, and thus does not align exactly with categories assigned to the 2022 HUD established income levels. Chart B-4 provide data for Fairfax, Marin County, and the Bay Area. The Town of Fairfax and the region have relatively similar distributions of households at each income level. However, Fairfax has a slightly greater number of households that made between zero and 30 percent of AMI (17.3 percent) compared to the county (14.9 percent) and the Bay Area (14.7 percent).

Chart B-4: Town of Fairfax and Region Households by Household Income Level



Source: U.S. Department of Housing and Urban Development (HUD), Comprehensive Housing Affordability Strategy (CHAS) ACS tabulation, 2013-2017 release.

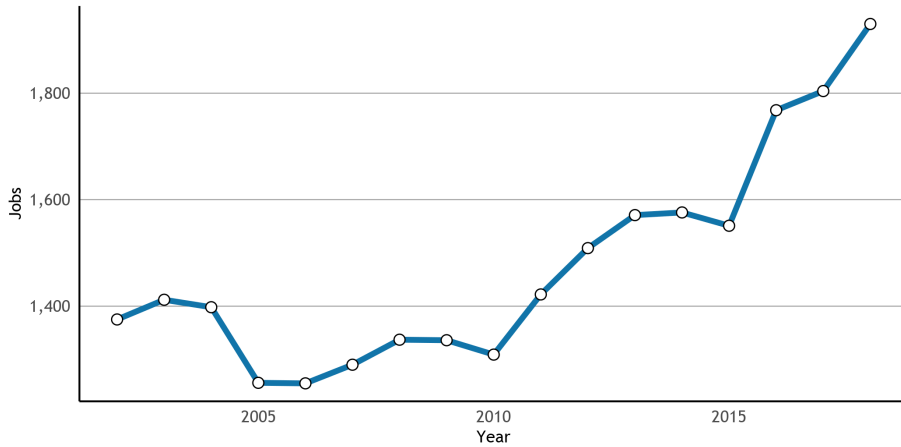
B.3 Employment

BALANCE OF JOBS AND WORKERS

A town houses employed residents who either work in the community where they live or work elsewhere in the region. Conversely, a town may have job sites that employ residents from the same town, but more often employ workers commuting from outside of it. Smaller cities typically will have more employed residents than jobs there and export workers, while larger cities tend to have a surplus of jobs and import workers. To some extent the regional transportation system is set up for this flow of workers to the region’s core job centers. At the same time, as the housing affordability crisis has illustrated, local imbalances may be severe, where local jobs and worker populations are out of sync at a sub-regional scale.

One measure of this is the relationship between workers and jobs. A town with a surplus of workers “exports” workers to other parts of the region, while a town with a surplus of jobs must conversely “import” them. Between 2002 and 2018, the number of jobs in Fairfax increased by 40.4 percent. Chart B-5 shows the number of jobs in the Town from 2002 through 2018.

Chart B-5: Town of Fairfax Jobs, 2002-2018



Notes: Jobs from unemployment insurance-covered employment (private, state and local government) plus United States Office of Personnel Management-sourced Federal employment. The data is tabulated by place of work, regardless of where a worker lives. The source data is provided at the census block level. These are crosswalked to jurisdictions and summarized.

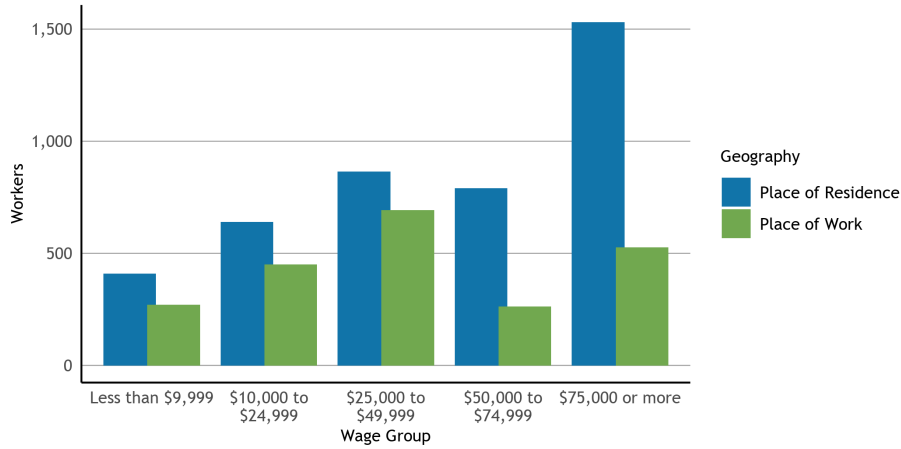
Source: U.S. Census Bureau, *Longitudinal Employer-Household Dynamics, Workplace Area Characteristics (WAC) files, 2002-2018*.

Chart B-6 shows the balance when comparing jobs to workers, broken down by different wage groups, offering additional insight into local dynamics. A community may offer employment for relatively low-income workers but have relatively few housing options for those workers - or conversely, it may house residents who are low wage workers but offer few employment opportunities for them. Such relationships may cast extra light on potentially pent-up demand for housing in particular price categories. A relative surplus of jobs relative to residents in a given wage category suggests the need to import those workers, while conversely, surpluses of workers in a wage group relative to jobs means the community will export those workers to other jurisdictions. Such flows are not inherently bad, though over time, sub-regional imbalances may appear.

Fairfax has more low-wage residents than low-wage jobs (where low-wage refers to jobs paying less than \$25,000). At the other end of the wage spectrum, the town has more high-wage residents than high-wage jobs (where high-wage refers to jobs paying more than \$75,000).²

² The source table is top-coded at \$75,000, precluding more fine-grained analysis at the higher end of the wage spectrum.

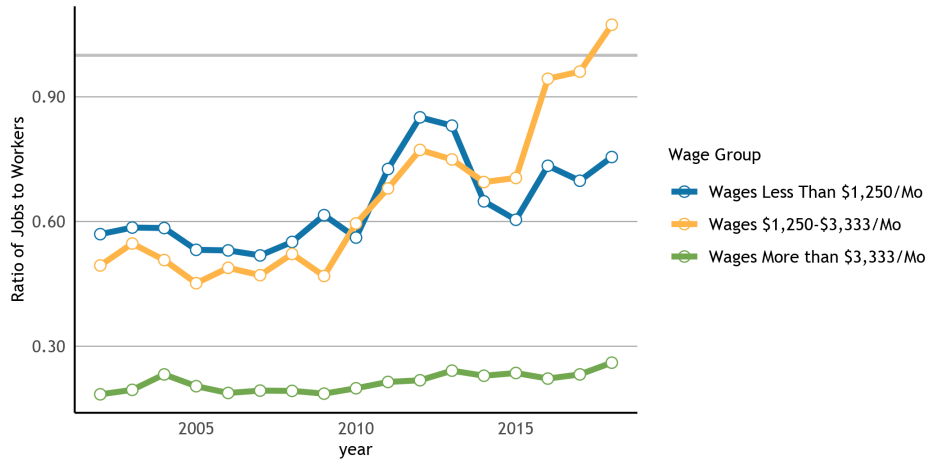
Chart B-6: Workers by Earnings, in Fairfax as Place of Work and Place of Residence, 2019



Source: U.S. Census Bureau, American Community Survey 5-Year Data 2015-2019, B08119, B08519.

Chart B-7 shows the ratio of jobs to workers, by wage group. A value of 1.00 means that a town has the same number of jobs in a wage group as it has resident workers, in principle, a balance. Values above 1.00 indicate a jurisdiction will need to import workers for jobs in a given wage group.

Chart B-7: Town of Fairfax Jobs-Worker Ratios, By Wage Group, 2002-2018



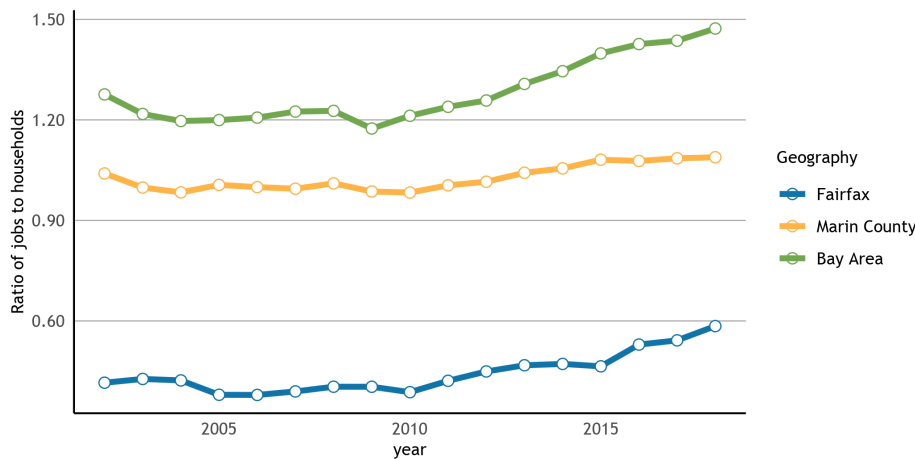
Notes: Universe: Jobs in a jurisdiction from unemployment insurance-covered employment (private, state and local government) plus United States Office of Personnel Management-sourced Federal employment. The ratio compares job counts by wage group from two tabulations of LEHD data: Counts by place of work relative to counts by place of residence. See text for details.

Source: U.S. Census Bureau, Longitudinal Employer-Household Dynamics, Workplace Area Characteristics (WAC) files (Jobs); Residence Area Characteristics (RAC) files (Employed Residents), 2010-2018.

Such balances between jobs and workers may directly influence the housing demand in a community. New jobs may draw new residents, and when there is high demand for housing relative to supply, many workers may be unable to afford to live where they work, particularly where job growth has been in relatively lower wage jobs. This dynamic not only means many workers will need to prepare for long commutes and time spent on the road, but in the aggregate, it contributes to traffic congestion and time lost for all road users.

If there are more jobs than employed residents, it means a town is relatively jobs-rich, typically also with a high jobs-to-household ratio. Thus, bringing housing into the measure, Chart B-8 shows Fairfax’s jobs-household ratio in Fairfax has increased from 0.42 in 2002, to 0.58 jobs per household in 2018. In short, Fairfax is a net exporter of workers.

Chart B-8: Town of Fairfax Jobs-Household Ratio, 2002-2018



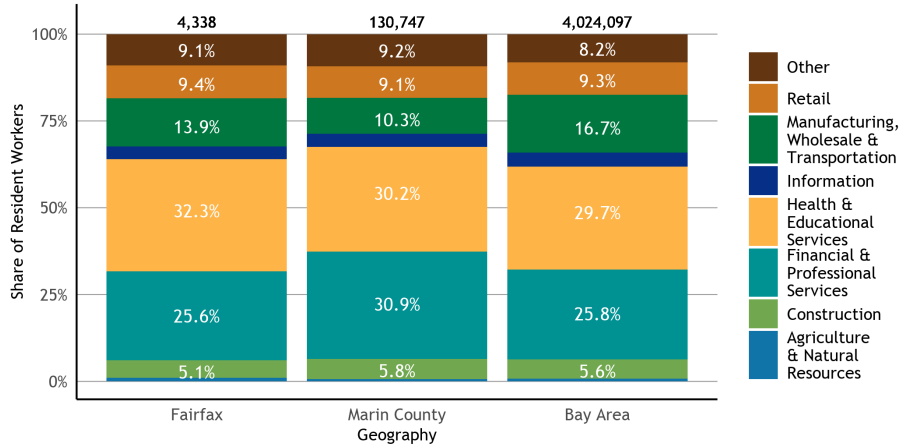
Notes: The data is tabulated by place of work, regardless of where a worker lives. The source data is provided at the census block level. These are crosswalked to jurisdictions and summarized. The ratio compares place of work wage and salary jobs with households, or occupied housing units. A similar measure is the ratio of jobs to housing units. However, this jobs-household ratio serves to compare the number of jobs in a jurisdiction to the number of housing units that are actually occupied. The difference between a jurisdiction’s jobs-housing ratio and jobs-household ratio will be most pronounced in jurisdictions with high vacancy rates, a high rate of units used for seasonal use, or a high rate of units used as short-term rentals.

Source: U.S. Census Bureau, Longitudinal Employer-Household Dynamics, Workplace Area Characteristics (WAC) files (Jobs), 2002-2018; California Department of Finance, E-5 (Households).

OCCUPATION AND LABOR FORCE

According to ACS 2020 five-year estimates, there are 4,338 persons in the labor force in the Town of Fairfax. As seen in Chart B-9, the largest industry represented among Fairfax workers is Health and Educational Services (32.3 percent) which is a greater share of the workforce represented in the industry compared to the county (30.2 percent) and to the Bay Area (29.7 percent). Compared to Marin County, employees in the Financial and Professional Services industry account for less of Fairfax’s employment distribution (25.6 percent) than that of the county (30.9 percent).

Chart B-9: Town of Fairfax and Surrounding Areas Resident Employment by Industry, 2019



Source: U.S. Census Bureau, American Community Survey 5-Year Data (2015-2019), Table C24030.

EMPLOYMENT GROWTH TRENDS

According to California Employment Development Department Local Area Unemployment Statistics (LAUS), Fairfax experienced an unemployment rate of 10.2 percent in 2021. While this rate is a 72.9 percent increase from unemployment rates in 2010, it is a 436.8 percent increase from the 2019 unemployment rate (1.9 percent). Fairfax noticeably held a decreasing, then steady and low unemployment rate between 2010 and 2019. Fairfax’s significant increase in unemployment in 2020 to 15.2 percent is likely due to the impacts of the COVID-19 pandemic.

Table B-6: Fairfax Unemployment Rate (2010-2021)

2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
5.9%	5.5%	4.7%	3.8%	3.2%	2.6%	2.2%	2.1%	2.2%	1.9%	15.2%	10.2%

Source: California Employment Development Department, Local Area Unemployment Statistics (LAUS), Sub-county areas annual updates, 2010-2021

B.4 Special Needs Groups

Certain groups have greater difficulty in finding suitable affordable housing due to their special needs and circumstances. This may be a result of employment and income, family characteristics, disability, or household characteristics. Consequently, certain residents in the Town of Fairfax may experience more instances of housing cost burdens, overcrowding, or other housing problems. The categories of special needs addressed in this Element include:

- Extremely low-income households
- Older adults
- Persons with disabilities, including developmental disabilities
- Female-headed households
- Large households
- Persons experiencing homelessness
- Farmworkers
- Students
- Military employees and veterans
- Group quarters populations

EXTREMELY LOW-INCOME HOUSEHOLDS

California State Housing Law requires local governments to address the needs of “Extremely Low-Income” populations, which refers to households with incomes below 30 percent of the AMI for the community. In addition to those families making less than 30 percent of AMI, the Federal Poverty Level (FPL) is a threshold established by the federal government that remains constant throughout the country (and thus does not correspond to AMI). Federal statistics can also help the Town quantify the extent of the extremely low-income population. The federal government defines poverty as a minimum level of income (adjusted for household size and composition) necessary to meet basic food, shelter, and clothing needs. For 2021, the FPL for a family of four is \$26,500, which is much lower than Marin County’s threshold for 30 percent of AMI at \$55,900. This means that households that qualify as extremely low-income in Fairfax are not living below the FPL.

As seen in Table B-7, [approximately 590 \(17.3 percent\)](#) of Fairfax ~~residents~~ [households](#) fall below 30 percent of AMI. At 61.5 percent, Asian/API households in Fairfax area most likely to fall below 30 percent of AMI. Households that identify as Hispanic or Latinx or White (non-Hispanic) have a prevalence of 23.6 percent and 15.5 percent, respectively, of those who are below 30 percent of AMI.

Table B-7: Household Income Distribution by Race (Town of Fairfax)

Racial/Ethnic Group	0%-30% of AMI	31%-50% of AMI	51%-80% of AMI	81%-100% of AMI	>100% of AMI
American Indian or Alaska Native (Non-Hispanic)	0.00%	0.00%	0.00%	0.00%	0.00%
Asian/API (Non-Hispanic)	61.54%	0.00%	11.54%	0.00%	26.92%
Black or African American (Hispanic and Non-Hispanic)	0.00%	0.00%	0.00%	0.00%	100.00%
White (Non-Hispanic)	15.53%	8.55%	19.02%	5.76%	51.13%
Other or Multiple Races (Non-Hispanic)	0.00%	9.09%	18.18%	0.00%	72.73%
Hispanic or Latinx	23.62%	25.59%	11.81%	15.75%	23.23%
All Households	17.34%	9.48%	18.08%	6.08%	49.02%

Source: U.S. Department of Housing and Urban Development (HUD), Comprehensive Housing Affordability Strategy (CHAS) ACS tabulation, 2013-2017 release

According to ACS 2020 five-year estimates, Fairfax has a poverty rate of 5.4 percent. This is lower than the poverty rate of 7.2 percent in Marin County. Poverty rates have dropped in Fairfax and Marin County overall since 2015, from 6.8 percent and 8.3 percent, respectively. Chart B-10 displays the poverty status by race among Fairfax residents. Poverty is highest among those who identify as American Indian or Alaska Native (100 percent), followed by Native Hawaiian and Other Pacific Islander (27.6 percent) and Asian (13.1 percent) and lowest among those who identify as other race or multiple races (0 percent).

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Table B-8: Poverty Status by Race (Town of Fairfax)

Racial/Ethnic Group	Percent Below Federal Poverty Line
American Indian or Alaska Native (Hispanic and Non-Hispanic)	100.0%
Native Hawaiian and Other Pacific Islander (Hispanic and non-Hispanic)	27.6%
Asian (Hispanic and Non-Hispanic)	13.1%
Black or African American (Hispanic and Non-Hispanic)	7.4%
White (Hispanic and Non-Hispanic)	5.1%
White (Non-Hispanic)	4.8%
Other Race (Hispanic and Non-Hispanic)	0.0%
Multiple Races (Hispanic and Non-Hispanic)	0.0%
Hispanic or Latinx	8.7%

Source: U.S. Census Bureau, American Community Survey 5-Year Data (2015-2019), Table B1701

To accommodate the housing needs of Extremely-Low-Income households, appropriate housing types include units affordable (ie for residents that fall below 30 percent of the AMI) a range of strategies is typically required, including deeper income targeting for subsidies; housing with supportive services; single-room occupancy and/or shared housing; and rent subsidies (housing vouchers). To meet this need, the Town will work to facilitate the production of affordable housing through strategies outlined in programs 3-E (Inclusionary Housing Program and Commercial Linkage Fee) and 4-A (Affirmative Marketing of Affordable Housing Opportunities). The current RHNA allocation for very-low-income households in Fairfax is 149. Per HCD guidance, assuming that 50 percent of the very-low-income households qualify as extremely-low-income-households, the projected number of extremely-low-income units needed is estimated to be approximately 75. According to Chapter 3, a total of 289 low and very low-income multifamily units are projected through the future development of workforce overlay sites, sites at school street Plaza, and additional ADU development. As shown, there is sufficient capacity to meet RHNA obligations for extremely low-income households.

OLDER ADULTS

Older adults (elderly residents) have many different housing needs, depending on their age, level of income, current tenure status, cultural background, and health status. Elderly households may need assistance with personal and financial affairs, networks of care to provide services and daily assistance, and even possible architectural design features that would accommodate disabilities that would help ensure continued independent living.

In Fairfax, there are 1,740 residents aged 65 or older, which is 23.4 percent of the total population. This is slightly less than the proportion of residents aged 65 or older compared to Marin county- Marin County as a whole (24.5 percent). Table B-9 shows the distribution of Fairfax residents aged 65 and over by racial group compared to the population of other age groups. The majority of those aged 65 and over in Fairfax identify as White (93.8 percent), followed by Asian (4.6 percent), and American Indian or Alaska Native (0.9 percent). In Fairfax, the proportion of those 65 and older who identify as White is greater than it is among younger age groups. In contrast, the proportion of younger residents who identify as Native Hawaiian or Other Pacific Islander, Black or African American, Multiple Races and Other Race is greater. In the sources for this table, the Census Bureau does not disaggregate racial groups by Hispanic/Latinx ethnicity.

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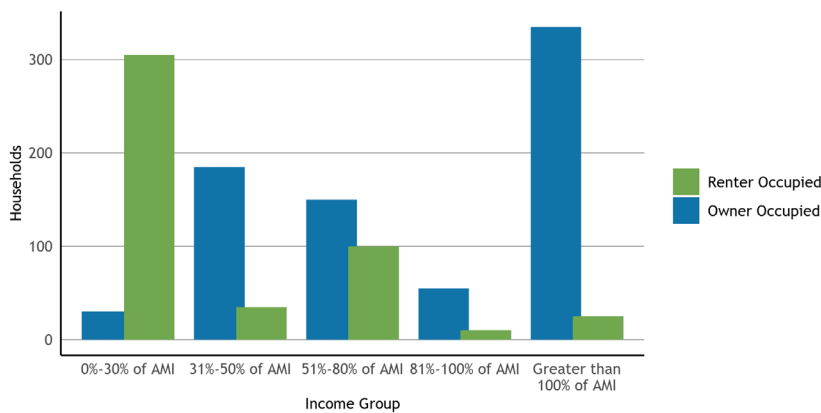
Table B-9: Senior and Youth Population by Race (Town of Fairfax)

Race	Age 0-17		Age 18-64		Age 65+	
	Number	Percent	Number	Percent	Number	Percent
American Indian or Alaska Native (Hispanic and Non-Hispanic)	0	0.0%	0	0.0%	15	0.9%
Native Hawaiian and Other Pacific Islander (Hispanic and Non-Hispanic)	22	1.7%	45	1.0%	0	0.0%
Asian (Hispanic and Non-Hispanic)	36	2.8%	213	4.6%	80	4.6%
Black or African American (Hispanic and Non-Hispanic)	0	0.0%	34	0.7%	0	0.0%
Multiple Races (Hispanic and Non-Hispanic)	122	9.5%	241	5.2%	7	0.4%
Other Race (Hispanic and Non-Hispanic)	26	2.0%	159	3.4%	6	0.3%
White (Hispanic and Non-Hispanic)	1,075	83.9%	3,963	85.1%	1,632	93.8%
Total	1,281	100.0%	4,655	100.0%	1,740	100.0%

Source: U.S. Census Bureau, American Community Survey 5-Year Data (2016-2020), Table B01001(A-G)

A specific governmental response may be required to address the housing needs of older adults due to low incomes. As seen in Chart B-10, according to the U.S. Department of Housing and Urban Development (HUD) Comprehensive Housing Affordability Strategy (CHAS), senior renters are much more likely to fall into the extremely low-income (zero to 30 percent of AMI) category than seniors who own their homes. Conversely, senior owners are much more likely to fall into the moderate income category (greater than 100 percent of AMI). As they age, older adults may face additional housing costs to maintain their homes and ensure they remain accessible, a situation exacerbated by the fact that many older adults live on fixed incomes. Like all lower income older residents, many older adult residents may be facing overpayment problems or are unable to find affordable rental units at all.

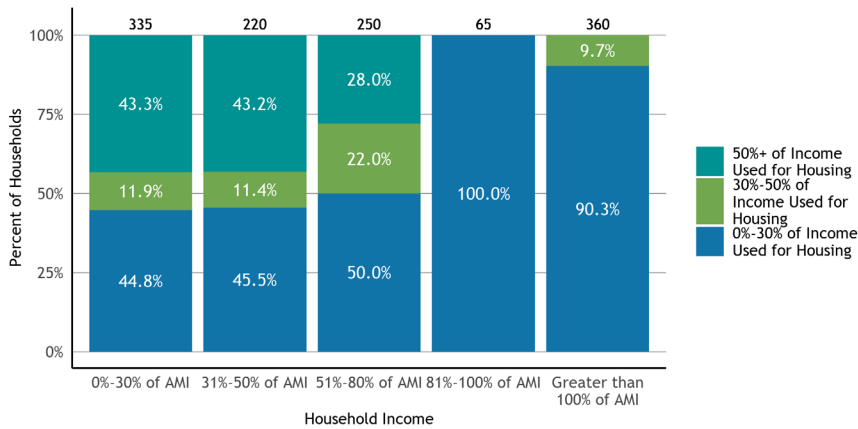
Chart B-10: Town of Fairfax Senior Households by Income and Tenure



Source: U.S. Department of Housing and Urban Development (HUD), Comprehensive Housing Affordability Strategy (CHAS) ACS tabulation, 2013-2017 release

Chart B-11 shows the percentage of those senior households at each income level that spend less than 30 percent of their income on housing costs, between 30 and 50 percent of their income on housing costs, and more than 50 percent of their income on housing costs. Those senior households considered extremely low-income (making between 0 and 30 percent of AMI) are the group most likely to be spending more than 50 percent of their overall household income on housing costs at 43.3 percent, followed by very low-income and low-income households at 43.2 and 28.0 percent respectively.

Chart B-11: Town of Fairfax Cost-Burdened Senior Households by Income Level



Source: U.S. Department of Housing and Urban Development (HUD), Comprehensive Housing Affordability Strategy (CHAS) ACS tabulation, 2013-2017 release.

Other potential elderly housing needs that may require a specific governmental response include:

- **Assisted living facilities.** Assisted living facilities provide elderly residents with the opportunity to maintain an independent housing unit while receiving needed medical services and social support. Congregate care facilities include housing with medical and health services.
- **Relocation assistance.** Some elderly residents need assistance in relocating to a dwelling that better suits their space and income needs.
- **Mobility impairment.** Mobility-impaired elderly residents requiring special accessibility features in their dwelling units. Mobility impairment may require that special accessibility features be included in the design and construction of a home. Mobility impairment can also create a need for a living arrangement that includes health, meals, cleaning, and/or other services as part of the housing package. A number of living arrangements are possible, from senior citizen developments with individual dwelling units to assisted living facilities to 24-hour support services. Table B-10 shows the prevalence of different types of disabilities among seniors over age 65 in Fairfax. The most prevalent type of disability is an ambulatory difficulty, experienced by 16.0 percent of Fairfax seniors. An ambulatory difficulty refers to having serious difficulty walking or climbing stairs.

Table B-10: Seniors (Age 65 and Over) by Type of Disability (Town of Fairfax)

<i>Disability</i>	<i>Number of Seniors (65+)</i>	<i>Percentage of Seniors</i>
With an ambulatory difficulty	276	16.03%
With an independent living difficulty	206	11.96%
With a cognitive difficulty	134	7.78%
With a self-care difficulty	137	7.96%
With a hearing difficulty	208	12.08%
With a vision difficulty	137	7.96%
Total	1,098	

Notes:

1. Ambulatory difficulty refers to having serious difficulty walking or climbing stairs.
2. Independent living difficulty refers to having difficulty doing errands alone due to a physical, mental, or emotional problem.
3. Hearing difficulty refers to those who are deaf or have serious difficulty hearing.
4. Self-care difficulty refers to having difficulty bathing or dressing.
5. Cognitive difficulty refers to having difficulty remembering, concentrating or making decisions due to a physical, mental, or emotional problem.
6. Vision difficulty refers to those who are blind or have serious difficulty seeing.

Source: U.S. Census Bureau, American Community Survey 5-Year Data (2016-2020), Table S1810

Senior Housing

Currently, Fairfax has 123 units across two properties specifically reserved for senior housing (Table B-11) - both are independent living facilities (as opposed to assisted living). Senior housing may be most attractive to the oldest cohort (85 years and older), as younger seniors often prefer to continue living independently. Housing types such as ADUs are also suited to accommodate the needs of

seniors because they can allow seniors to age in place. An ADU or JADU can provide housing for caregivers or family members to live in proximity, or for the seniors themselves. Many of the programs in the Housing Action Plan are intended to stimulate the development of ADUs, such as programs 1-I (Pre-Approved ADU Plans), 1-J (Technical Assistance), 1-K (Fee Discounts), and 1-L (Financial Assistance Program), and 1-M (Zoning Incentives for ADUs/JADUs) which are intended to reduce barriers to the ADU development process.

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Table B-11: Senior Housing

Facility Name	Address	Units	Affordable	Project Type
Bennet Housing, LP	53 Taylor Drive	69	69	Seniors 62 and older with income limits
Victory Village Senior Housing	2626 Sir Francis Drake Blvd	54	53	Seniors 62 and older with income limits

Source: Marin Health and Human Services Community Resource Guide, 2022

PERSONS WITH DISABILITIES

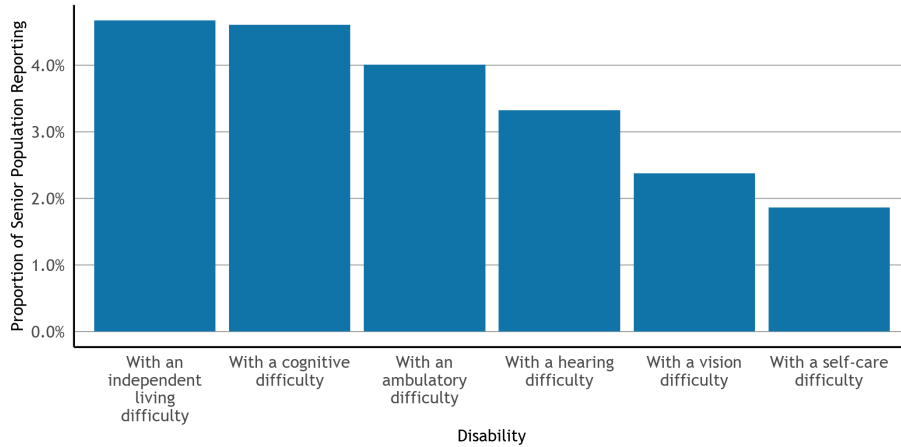
Persons with disabilities have physical or mental impairments that require special housing designed for self-sufficiency. According to 2019 American Community Survey estimates, 736 persons (9.7 percent of the non-institutionalized population) in the Town had a disability, compared to 23,346 (9.1 percent) of residents in Marin County.

Disability can further be broken down into six categories. The Census Bureau provides the following definitions for these disability types:

- Hearing difficulty: deaf or has serious difficulty hearing.
- Vision difficulty: blind or has serious difficulty seeing even with glasses.
- Cognitive difficulty: has serious difficulty concentrating, remembering, or making decisions.
- Ambulatory difficulty: has serious difficulty walking or climbing stairs.
- Self-care difficulty: has difficulty dressing or bathing.
- Independent living difficulty: has difficulty doing errands alone such as visiting a doctor’s office or shopping.

These disability types are counted separately and are not mutually exclusive, as an individual may report more than one disability; thus, these counts should not be summed. Chart B-12 provides a breakdown of Fairfax’s population by disability type. The most prevalent disability was independent living difficulty.

Chart B-12: Town of Fairfax Disability by Type, 2019



Source: U.S. Census Bureau, American Community Survey 5-Year Data (2015-2019), Table B18102, Table B18103, Table B18104, Table B18105, Table B18106, Table B18107.

Further, residents with disabilities may have more difficulty in finding employment. In Fairfax, according to 2019 ACS estimates, approximately 0.40 percent of the civilian noninstitutionalized population 18 years to 64 years in the labor force with a disability were unemployed, while 3.3 percent of those with no disability were unemployed. The census considers individuals to not be in the labor force if they are not employed and are either not available to take a job or are not looking for one. This category typically includes discouraged workers, students, retired workers, stay-at-home parents, and seasonal workers in an off season who are not looking for work.

Given the barriers faced by persons with disabilities, the provision of affordable and barrier-free housing is essential to meet their housing needs. There are two approaches to housing design for residents with disabilities: adaptability and accessibility. Adaptable housing is a design concept in which a dwelling unit contains design features that allow for accessibility and use by mobility-impaired individuals with only minor modifications. An accessible unit has the actual special features installed in the house (grab bars, special cabinetry). To address these needs, the State requires design or accessibility modifications, such as access ramps, wider doorways, assist bars in bathrooms, lower cabinets, elevators, and the acceptance of service animals.

Developmental Disabilities

Since January 2011, per SB 812 as codified in Section 65583, housing elements are required to address the housing needs of individuals with a developmental disability within the community. The analysis must include an estimate of the number of persons with developmental disabilities, an assessment of the housing need, and a discussion of potential resources. According to Section 4512 of the Welfare and Institutions Code a "developmental disability" means a disability that originates before an individual attains age 18 years, continues—or can be expected to continue—indefinitely, and constitutes a substantial disability for that individual, which includes intellectual disability, cerebral palsy, epilepsy, and autism. This term shall also include disabling conditions found to be closely related to intellectual disability or to require treatment similar to that required for

individuals with an intellectual disability, but shall not include other disabling conditions that are solely physical in nature.

Many developmentally disabled persons can live and work independently within a conventional housing environment. More severely disabled individuals require a group living environment where supervision is provided. The most severely affected individuals may require an institutional environment where medical attention and physical therapy are provided. Because developmental disabilities exist before adulthood, the first issue in supportive housing for the developmentally disabled is the transition from the person’s living situation as a child to an appropriate level of independence as an adult.

The California Department of Developmental Services (DDS) is responsible for overseeing the coordination and delivery of services to more than 330,000 Californians with developmental disabilities including cerebral palsy, intellectual disability, Down Syndrome, autism, epilepsy, and related conditions through a network of 21 regional centers and state-operated facilities. In Fairfax, Creekwood offers a group home setting for adults with developmental disabilities and Neuro-Restorative offers residential long-term pediatric care for children with brain-related injuries.

DDS consumer data provides an estimate of the number of Fairfax residents with a developmental disability. The most common living arrangement for individuals with developmental disabilities was the home of a parent/family/guardian, as shown in Table B-12. Further, approximately 17 individuals (51.5 percent) of the Fairfax population with a developmental disability was under the age of 18, while 16 individuals (48.5 percent) were older than 18.

Table B-12: Fairfax Population with Developmental Disabilities by Residence¹

<i>Residence Type</i>	<i>Number</i>	<i>Approximate Percent</i>
Home of Parent/Family/Guardian	23	74.2%
Community Care Facility	4	12.9%
Independent/Supported Living	4	12.9%
Intermediate Care Facility	0	0.0%
Foster/Family Home	0	0.0%
Other	0	0.0%
Total	31	100%

1. The California Department of Developmental Services provides ZIP code level counts. To get jurisdiction-level estimates, ZIP code counts were crosswalked to jurisdictions using census block population counts from Census 2010 SF1 to determine the share of a ZIP code to assign to a given jurisdiction. Independent living difficulty refers to having difficulty doing errands alone due to a physical, mental, or emotional problem.

Source: California Department of Developmental Services, Consumer Count by California ZIP Code and Residence Type, 2020

Housing types that may be appropriate for people living with a developmental disability include rent subsidized homes, licensed and unlicensed single-family homes, inclusionary housing, Section 8 vouchers, special programs for home purchase, HUD housing, and SB 962 homes³. The design of housing-accessibility modifications, the proximity to services and transit, and the availability of group living opportunities represent some of the types of considerations that are important in serving the needs of this group. As multifamily housing is constructed in Fairfax, incorporating 'barrier-free' design in all new multifamily developments (as required by California and Federal Fair Housing laws) is important to provide the widest range of choices for disabled residents. Special consideration should also be given to the affordability of housing, as people with disabilities may be living on a fixed income.

To address the needs of residents with disabilities, programs 4-A (Affirmative Marketing of Affordable Housing Opportunities) is intended to help increase access to housing opportunities for special needs populations including the disabled and developmentally disabled. Additionally, Program 4 E (Support for Individuals with Disabilities) in the housing action plan is intended to help promote the availability of programs and services for individuals with disabilities in Fairfax. Furthermore, Program 3-D (Provide Reasonable Accommodation) will bring the Zoning Code into compliance with State law regarding reasonable accommodations for persons seeking disabilities.

LARGE HOUSEHOLDS

Large households are those of five or more related individuals. The special need of this group is for housing of sufficient size and number of bedrooms that would prevent overcrowding. Cost is an important consideration, as many large families especially in California do not have sufficient income to afford larger homes or apartments. As shown in Table B-13, the 2019 American Community Survey reported 59 large households with five or more members (1.8 percent) in the Town, including 50 owner-occupied households and 9 renter-occupied households. About 2.36 percent of owner-occupied households and 0.73 percent of renter-occupied households were considered large households. This is compared to 7,157 (6.9 percent) large households in the County.

Table B-13: Fairfax Household Size by Tenure

Housing Type	Owner-Occupied		Renter-Occupied	
	Number	Percent	Number	Percent
1 Person Household	453	21.42%	561	45.43%
2 Person Household	827	39.10%	365	29.55%
3 Person Household	377	17.83%	199	16.11%
4 Person Household	408	19.29%	101	8.18%
5 Or More Person Household	50	2.36%	9	0.73%
Total	2,115	100%	1,235	100%

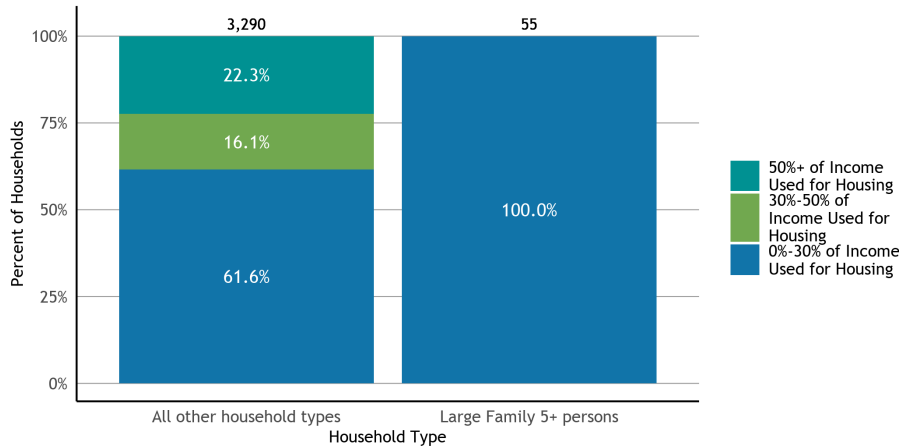
Source: U.S. Census Bureau, American Community Survey 5-Year Data (2015-2019), Table B25009

In addition to household income, cost burden can be used to determine the extent of housing needs for large family households. Cost burden indicates that a household is paying between 30 percent

³Senate Bill (SB) 962 (2005) established the Adult Residential Facility for Persons with Special Health Care Needs Pilot Project. SB 962 homes are community-based care facilities specifically for persons with developmental disabilities that are licensed and regulated by the State.

and 50 percent of their income towards rent, while severe cost burden indicates that a household is paying over 50 percent of their income towards rent. As shown in Chart B-13, no large families experience any level of cost burden (either regular or severe), while 38.4 percent of all other household types experience cost burden.

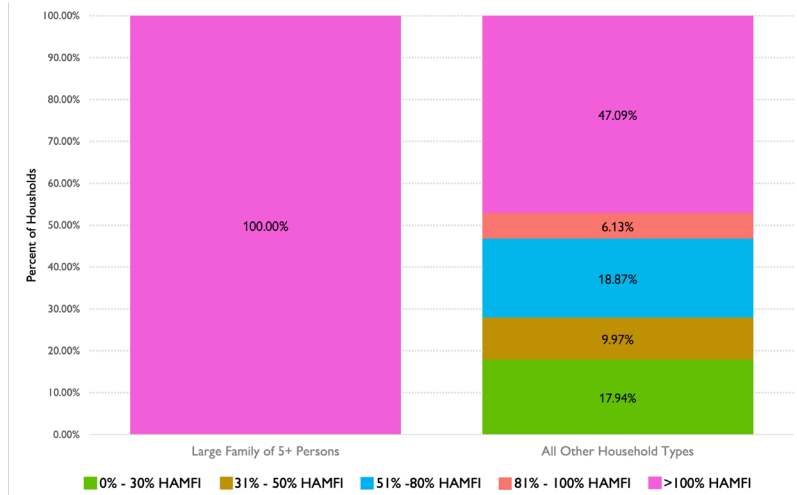
Chart B-13: Fairfax Cost Burden by Household Size



Source: U.S. Department of Housing and Urban Development (HUD), Comprehensive Housing Affordability Strategy (CHAS) ACS tabulation, 2013-2017 release.

Of the large families within Fairfax, 100 percent are considered above moderate income. This is greater than the proportion for all other household types at 47.09 percent (see Chart B-14). As seen in Table 2-13, there were only 59 large households in 2019. All other household types have a similar proportion of extremely-low and very-low-income households at 18.0 and 18.9 percent, respectively. Furthermore, 2021 ACS estimates indicates a sufficient number of housing units containing three or more bedrooms (1,565 total units) to accommodate the 59 large family households in Fairfax. Given that 100 percent of the large households in Fairfax are above moderate income and the characteristics of the existing housing stock, there is little to no indicated need for additional housing or programs for this special needs group.

Chart B-14: Fairfax Household Size by Household Income Level



Source: U.S. Department of Housing and Urban Development (HUD), Comprehensive Housing Affordability Strategy (CHAS) ACS tabulation, 2013-2017 release

FEMALE-HEADED HOUSEHOLDS

Female-headed families, including those with children, are identified as a special needs group, because they are more likely to be low-income, have higher living expenses, and may lack resources needed for childcare or other support programs, which can and face difficulty in make the search for finding affordable housing more difficult. As shown in Table B-14 there are 295 female-headed households and 192 male-headed households in Fairfax. These groups constitute 8.8 percent and 5.7 percent, respectively, of Fairfax’s total number of households. Since the adoption of the 2015-2023 housing element, there has been an 8.2 percent decrease in female headed households in Fairfax. Female-headed households represented about 8.0 percent of owner-occupied households and 10.1 percent of renter-occupied households.

Table B-14: Fairfax Household Type by Tenure

Household Type ¹	Owner-Occupied		Renter-Occupied	
	Number	Percent	Number	Percent
Married-Couple Family Households	1,311	61.99%	287	23.24%
Householders Living Alone	453	21.42%	561	45.43%
Female-Headed Family Households	170	8.04%	125	10.12%
Male-Headed Family Households	43	2.03%	149	12.06%
Other Non-Family Households	138	6.52%	113	9.15%
Total	2,115	100%	1,235	100%

Notes

1. For data from the Census Bureau, a “family household” is a household where two or more people are related by birth, marriage, or adoption. “Non-family households” are households of one person living alone, as well as households where none of the people are related to each other.

Source: U.S. Census Bureau, American Community Survey 5-Year Data (2015-2019), Table B25011

There are 113 female-headed households with children in Fairfax (66.4 percent of all female headed households) and 182 female-headed households without children. Table B-15 below shows the number of female-headed households that were below the poverty line. ~~About~~ There are 17 (15.0 percent) of female-headed households with children were under the poverty line, while ~~no~~ (0 percent) of households without children were. While the proportion of female headed households below the poverty level represents a small proportion of total households in Fairfax (less than 1 percent), increasing the number and type of affordable housing opportunities throughout Fairfax will help address the needs of this group.

Table B-15: Fairfax Female-Headed Households by Poverty Status¹

Poverty Level	Households With Children		Households Without Children	
	Number	Percent	Number	Percent
Above Poverty Level	96	84.96%	182	100%
Below Poverty Level	17	15.04%	0	0.0%

Notes

1. The Census Bureau uses a federally defined poverty threshold that remains constant throughout the country and does not correspond to Area Median Income.

Source: U.S. Census Bureau, American Community Survey 5-Year Data (2015-2019), Table B17012

PERSONS EXPERIENCING HOMELESSNESS

Individuals and families who are homeless have perhaps the most immediate housing need of any group. They also have one of the most difficult sets of housing needs to meet, due to both the diversity and complexity of the factors that lead to homelessness, and to community opposition to the siting of housing that serves homeless clients. Homelessness is a countywide issue that demands a strategic, regional approach that pools resources and services. A common method to assess the number of homeless persons in a jurisdiction is through a Point-in-Time (PIT) Count. The PIT Count is a biennial census of sheltered and unsheltered persons in a Continuum of Care (CoC) completed over a 24-hour period in the last ten days of January. The unsheltered PIT Count is conducted annually in Marin County and is a requirement to receive homeless assistance funding from HUD. The PIT Count does not function as a comprehensive analysis and should be considered in the context of other key data sources when assessing the state of homelessness in a community.

According to HUD, a CoC is a “a community plan to organize and deliver housing and services to meet the specific needs of people who are homeless as they move to stable housing and maximize self-sufficiency. It includes action steps to end homelessness and prevent a return to homelessness.” Table B-16 provides an estimate of the homeless population by household type and shelter status in Marin County. According to the 2022 PIT Count, there were 291 sheltered homeless persons and 830 unsheltered persons in Marin County including 124 homeless youth and children. In Fairfax there were 13 unsheltered persons and 0 sheltered persons in 2022.

Table B-16: Homelessness by Household Type and Shelter Status in Marin County, 2019

<i>Shelter Status</i>	<i>People in Households Composed Solely of Children Under 18</i>	<i>People in Households with Adults and Children</i>	<i>People in Households without Children Under 18</i>	<i>Total</i>
Sheltered - Emergency Shelter	0	37	122	159
Sheltered - Transitional Housing	0	96	36	132
Unsheltered	2	91	737	830

Source: Marin County Department of Health and Human Services Point-in-Time Count

The PIT Count can be further divided by race or ethnicity, which can illuminate whether homelessness has a disproportionate racial impact within a community. The data from HUD on Hispanic/Latinx ethnicity for individuals experiencing homelessness does not specify racial group identity. Accordingly, individuals in either ethnic group identity category (Hispanic/Latinx or non-Hispanic/Latinx) could be of any racial background.

The racial/ethnic breakdown of Marin County's homeless population is shown in Table B-17. In Marin County, White (Hispanic and Non-Hispanic) residents represented the largest proportion of residents experiencing homelessness and accounted for 66.2 percent of the homeless population, while making up 77.8 percent of the overall population. Notably, those who identify as Black or African American (Hispanic and non-Hispanic) represent 16.7 percent of the unhoused population in the county, but only 2.13 percent of the overall population. Additionally, those who identify as Other Race or Multiple Races are represented disproportionately among the unhoused population, as they make up 10.5 percent of the homeless Marin County residents, but only 4.67 percent of its overall population.

Table B-17: Racial/Ethnic Group Share of General and Homeless Population in Marin County

<i>Racial/Ethnic Group</i>	<i>Number of Homeless Population</i>	<i>Percent of Homeless Population</i>
American Indian or Alaska Native (Hispanic and Non-Hispanic)	36	3.48%
Native Hawaiian or Other Pacific Islander (Hispanic and Non-Hispanic)	15	1.45%
Asian (Hispanic and Non-Hispanic)	17	1.64%
Black or African American (Hispanic and Non-Hispanic)	173	16.73%
White (Hispanic and Non-Hispanic)	684	66.15%
Other Race or Multiple Races (Hispanic and Non-Hispanic)	109	10.54%
Hispanic/Latinx	194	18.76%
Non-Hispanic/Latinx	840	81.24%

Source: U.S. Department of Housing and Urban Development (HUD), Continuum of Care (CoC) Homeless Populations and Subpopulations Reports, 2019

[Per HCD's requirements, jurisdictions also need to supplement county-level data with local estimates of people experiencing homelessness. According to the California Department of Education,](#)

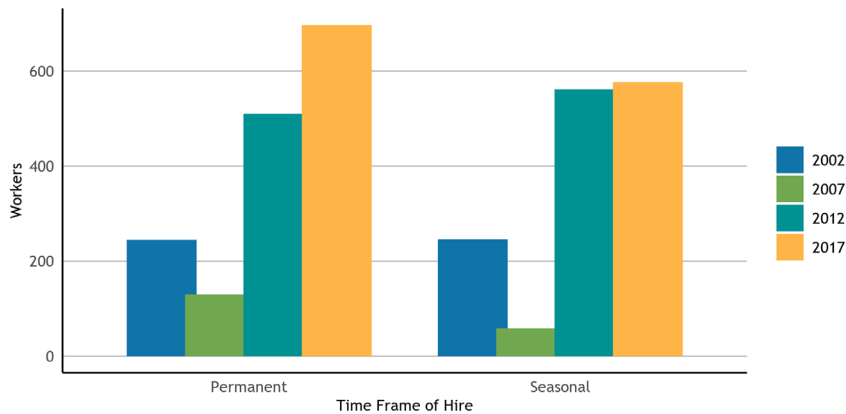
in Fairfax there was one reported student experiencing homeless in the 2019-20 school year.⁴ By comparison, Marin County has seen a 29.9 percent increase in the population of students experiencing homelessness since the 2016-17 school year (1,268 students in the 2019-20 school year), and the Bay Area population of students experiencing homelessness decreased by 8.5 percent. During the 2019-20 school year, there were 13,718 students experiencing homelessness throughout the region.⁵ There are currently no emergency or transitional shelters in Fairfax, though Program 3-C (Low Barrier Navigation Centers) will allow low-barrier, service-enriched shelters focused on moving people into permanent housing to be permitted by right in mixed-use districts and nonresidential zones that permit multifamily development.

FARMWORKERS

Across the state, housing for farmworkers has long been recognized as an important and unique concern. Farmworkers generally receive wages that are considerably lower than other jobs and may have temporary housing needs. Finding decent and affordable housing can be challenging, particularly in the current housing market. According to the U.S. Department of Agriculture Census of Farmworkers, the number of permanent farm workers in Marin County has increased since 2002, totaling 697 in 2017, while the number of seasonal farm workers has increased, totaling 577 in 2017. The USDA is limited to County-level data.

Though agricultural production ~~are~~s prevalent in rural regions of Marin County, Fairfax is located in a relatively urbanized area of the Bay Area classified by the California Department of Conservation as “urban and built up land,” with no working farms within or immediately adjacent to the city limits. While—, there is little or no indicated need for housing specific to farmworkers, a program to ensure that local zoning, development standards, and permitting processes comply with the Employee Housing Act (Health and Safety Code Sections 17021.5 and 17021.6) has been added to Chapter 4, Housing Action Plan.

Chart B-17: Farm Labor in Marin County, 2002-2017



⁴ California Department of Education, California Longitudinal Pupil Achievement Data System (CALPADS), Cumulative Enrollment Data (Academic Years 2016-2017, 2017-2018, 2018-2019, 2019-2020)

⁵ Ibid.

Source: U.S. Department of Agriculture, *Census of Farmworkers (2002, 2007, 2012, 2017)*, Table 7: Hired Farm Labor.

In the local setting, estimating the size of the agricultural labor force can be problematic due to undercounts and inconsistent definitions across government agencies. Determining the breakdown by seasonal and permanent workers can be even more difficult. One data source that is available comes from the California Department of Education, which provides a local estimate by tracking the student population of migrant workers in the public education system at any grade level. In Marin County, there have been 0 reported student migrant workers for the 2016-17 and 2017-18 school years. In the 2018-19 academic year, 11 migrant worker students were reported, which decreased again to 0 in 2019-20.

Table B-18: Fairfax Migrant Worker Student Population

<i>Academic Year</i>	<i>Fairfax</i>	<i>Marin County</i>
2016-2017	0	0
2017-2018	0	0
2018-2019	0	11
2019-2020	0	0

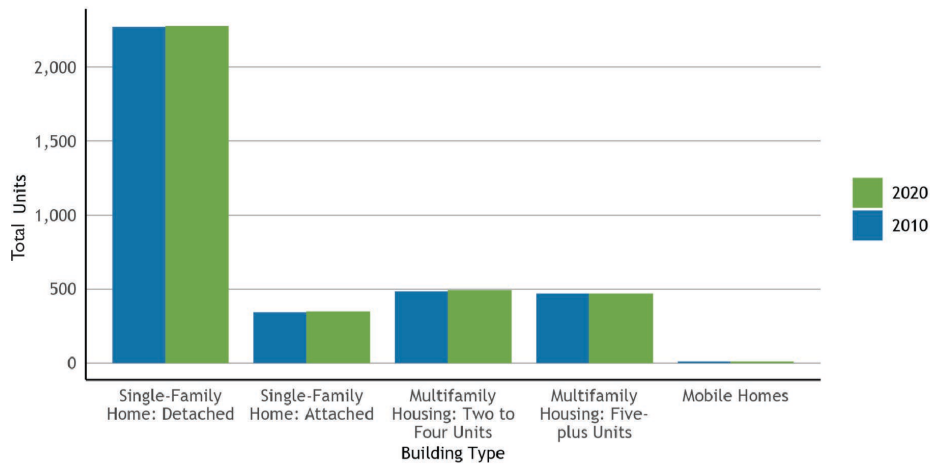
Source: California Department of Education, *California Longitudinal Pupil Achievement Data System (CALPADS), Cumulative Enrollment Data (Academic Years 2016-2017, 2017-2018, 2018-2019, 2019-2020)*.

B.5 Housing Stock Characteristics

HOUSING TYPE

During the 2010 to 2020 period, there has been minimal housing development in Fairfax. The number of all home types has increased marginally, per DOF estimates shown in Chart B-18. Only 20 total units have been built during the time period, with two- to four-unit multifamily housing and single-family attached leading with 6 new units each. No new mobile home or five-plus multifamily units have been built. However, these estimates are based on California DOF data, which does not capture all recent development in Fairfax.

Chart B-18: Fairfax Housing Type Trends, 2010-2020

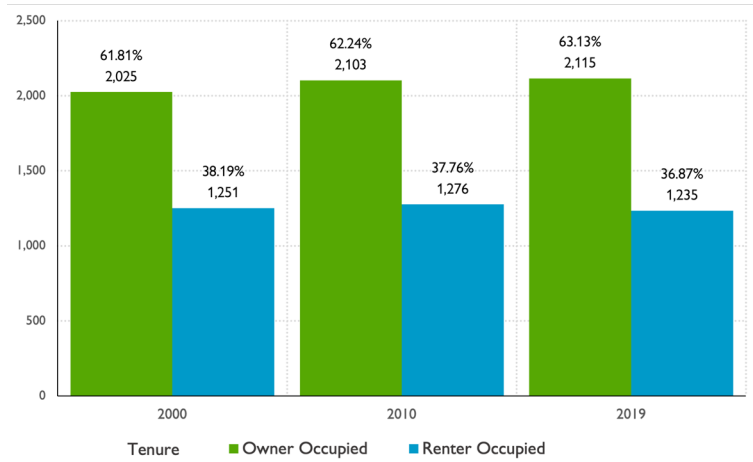


Source: California Department of Finance, E-5 series

HOUSING TENURE

Since 2000, the percentage of owner-occupied households in Fairfax has slightly increased, while the proportion of renter occupied units has slightly decreased. In 2000, the proportion of owners was 61.8 percent and the proportion of renters was 38.2 percent. In 2019, approximately 63.1 percent of all households were occupied by owners and 36.9 percent of occupied by owners (see Chart B-19).

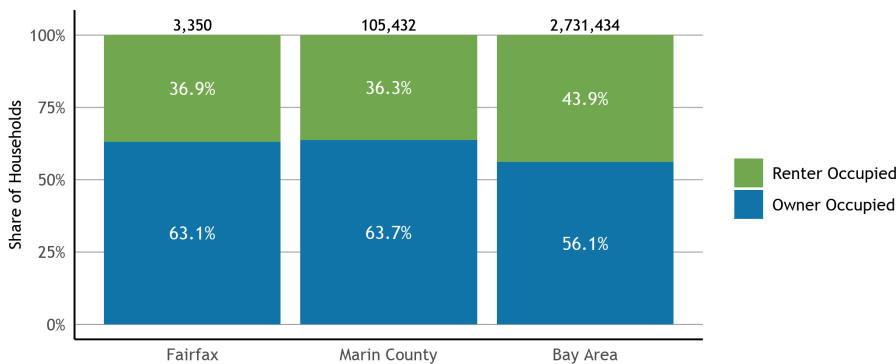
Chart B-19: Fairfax Household Tenure, 2000 – 2019



Source: U.S. Census Bureau, Census 2000 SF1, Table H04; U.S. Census Bureau, Census 2010 SF1, Table HCT7; U.S. Census Bureau, American Community Survey 5-Year Data (2015-2019), Table B25003

Fairfax’s household tenure differs slightly from patterns seen in the county (see Chart B-20). Marin County has minimally higher rates of owner-occupied housing (63.7 percent) than does Fairfax (63.1 percent). However, both rates are higher than owner-occupied housing in the Bay Area (56.1 percent).

Chart B-20: Fairfax and Surrounding Areas Tenure, 2019

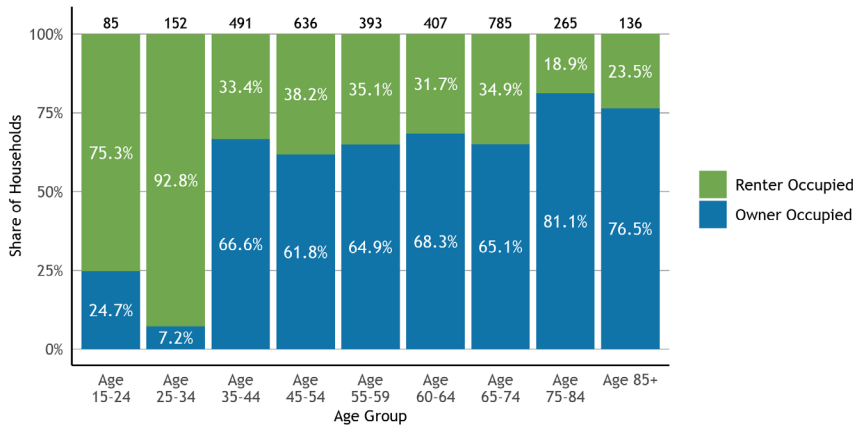


Source: U.S. Census Bureau, American Community Survey 5-Year Data (2015-2019), Table B25003.

The age of a resident—as well as the year the resident moved to the unit, race/ethnicity, household income, and housing type—can influence household tenure rates in a jurisdiction. Shown in Chart B-21, the majority of younger residents (34 years and below) are renters in Fairfax. While a greater proportion of residents above 35 years and above are owners, it should be noted that about 23.5 percent of those aged 85 years and over are renters. This reflects a need for a variety of housing

types for residents of all ages – including group homes and affordable rental as well as ownership units.

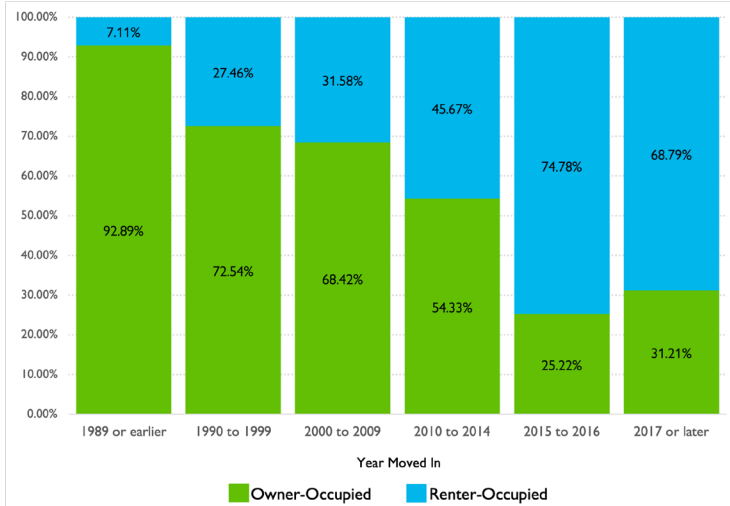
Chart B-21: Fairfax Housing Tenure by Age. 2019



Source: U.S. Census Bureau, American Community Survey 5-Year Data (2015-2019), Table B25007.

Ownership rates also change depending on the year the resident has moved into their current residence. Shown in Chart B-22, most residents who have moved to their current residence since 2010 are considered renters, which is an increasing share over time. Residents who have lived in their housing units for a longer period (i.e., since 1989) are overwhelmingly owners. While the trend towards increasing shares of renters started in 2010, it likely that the 2008 financial crisis exacerbated the trend considering the leap from 40.6 percent renters among those who moved in between 2000 to 2009 to 70.3 percent renters among those who moved in between 2010 to 2014.

Chart B-22: Fairfax Housing Tenure by Year Moved to Current Residence



Source: U.S. Census Bureau, American Community Survey 5-Year Data (2015-2019), Table B25038

Racial and ethnic disparities in tenure exist in Fairfax, shown in Table B-19. Households considered to be Asian, Multiple Races, and White of any ethnicity tend to be owner-occupied, while households considered to be American Indian or Alaska Native, Native Hawaiian and Other Pacific Islander, Black or African American, Hispanic of Latinx, or other race of any ethnicity are largely renter-occupied.

Table B-19: Fairfax Housing Tenure by Race/Ethnicity, 2019

Racial/Ethnic Group ¹	Owner-Occupied		Renter-Occupied		Total
	Number	Percent	Number	Percent	
American Indian or Alaska Native (Hispanic and Non-Hispanic)	0	0.00%	15	100.00%	15
Native Hawaiian and Other Pacific Islander (Hispanic and Non-Hispanic)	0	0.00%	5	100.00%	5
Asian (Hispanic and Non-Hispanic)	74	60.16%	49	39.84%	123
Black or African American (Hispanic and Non-Hispanic)	25	100.00%	0	0.00%	25
Hispanic or Latinx	88	30.66%	199	69.34%	287
Other Race (Hispanic and Non-Hispanic)	16	17.78%	74	82.22%	90
Multiple Races (Hispanic and Non-Hispanic)	0	0.00%	76	100.00%	76
White (Hispanic and Non-Hispanic)	2,000	66.31%	1,016	33.69%	3,016
White, Non-Hispanic	1,928	67.51%	928	32.49%	2,856

Notes

1. For this table, the Census Bureau does not disaggregate racial groups by Hispanic/Latinx ethnicity. However, data for the white racial group is also reported for white householders who are not Hispanic/Latinx. Since residents who identify as white and Hispanic/Latinx may have very different experiences within the housing market and the economy from those who identify as white and non-Hispanic/Latinx, data for multiple white sub-groups are reported here.
2. The racial/ethnic groups reported in this table are not all mutually exclusive. Therefore, the data should not be summed as the sum exceeds the total number of occupied housing units for this jurisdiction. However, all groups labelled “Hispanic and Non-Hispanic” are mutually exclusive, and the sum of the data for these groups is equivalent to the total number of occupied housing units.

Source: U.S. Census Bureau, American Community Survey 5-Year Data (2015-2019), Table B25003(A-I)

Disparities in tenure are also apparent across different income levels, as might be expected. As ownership is typically more costly than renting, lower-income households are often renters. In Fairfax, most lower-income households—those making less than 80 percent of AMI—are renters, while the majority of households making above 100 percent of AMI are owners. See Table B-20 for the complete breakdown by income group. This indicates that homeownership is likely out of reach for many lower-income households. About 51.1 percent of households in Fairfax make less than 100 percent of AMI, while 49.3 percent of households make above 100 percent of AMI. Considering the racial/ethnic share of renters in Fairfax, especially among Black or African American and Hispanic or Latinx households, this highlights a need to target both economic as well as racial/ethnic disparities to affirmatively further fair housing, which will be further discussed in a separate report.

Table B-20: Fairfax Housing Tenure by Income Level

Income Group ¹	Owner-Occupied		Renter-Occupied	
	Number	Percent	Number	Percent
0%-30% of AMI	175	29.91%	410	70.09%
31%-50% of AMI	180	57.14%	135	42.86%
51%-80% of AMI	335	55.37%	270	44.63%
81%-100% of AMI	125	60.98%	80	39.02%
Greater than 100% of AMI	1,400	84.85%	250	15.15%

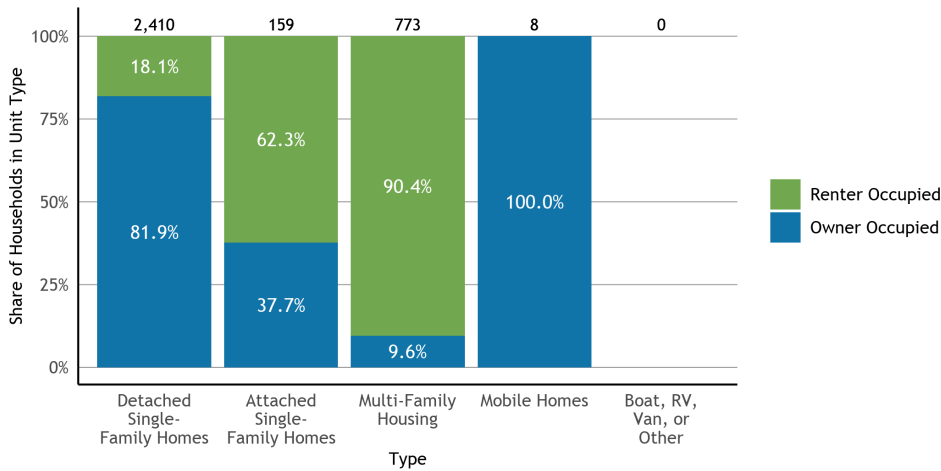
Notes

- Income groups are based on HUD calculations for Area Median Income (AMI). HUD calculates the AMI for different metropolitan areas. The AMI levels in this table are based on the HUD metro area where this jurisdiction is located.

Source: U.S. Department of Housing and Urban Development (HUD), Comprehensive Housing Affordability Strategy (CHAS) ACS tabulation, 2015-2019 release, Table 8

Rates of homeownership also typically depend on the type of housing available. Most detached single-family homes are owner-occupied (see Chart B-23). However, a significant share of these units—about 18.1 percent—are renter-occupied. Further, about 62.3 percent of attached single-family homes are occupied by renters. The majority (90.4 percent) of Fairfax’s multifamily housing stock is renter-occupied. Meeting affordability needs, especially for renters, must consider the type of housing available to residents.

Chart B-23: Town of Fairfax Housing Tenure by Housing Type



Source: U.S. Census Bureau, American Community Survey 5-Year Data (2015-2019), Table B25032

OVERCROWDED HOUSEHOLDS

According to the U.S. Census, overcrowding occurs where there is more than 1.01 persons per room (excluding bathrooms and kitchens) in an occupied housing unit and severe overcrowding occurs when there is more than 1.5 persons per room. Overcrowding typically occurs when there is an inadequate supply of affordable housing. As shown in Table B-21, 58 out of 3,350 or 1.7 percent of occupied housing units in Fairfax were either overcrowded (1.2 percent) or severely overcrowded (0.5 percent). This is significantly lower than the rate in Marin County (5.5 percent).

Table B-21: Overcrowding¹ Severity by Region

Region	Not Overcrowded		Overcrowded		Severely Overcrowded	
	Number	Percent	Number	Percent	Number	Percent
Fairfax	3,292	98.3%	41	1.2%	17	0.5%
Marin County	99,272	94.3%	3722	3.5%	2304	2.2%

Notes

1. The Census Bureau defines an overcrowded unit as one occupied by 1.01 persons or more per room (excluding bathrooms and kitchens), and units with more than 1.5 persons per room are considered severely overcrowded.

Source: U.S. Census Bureau, American Community Survey 5-Year Data (2015-2019), Table B25014

Renters tend to experience overcrowding more often than owners. However, as shown in Chart B-24, no households that rent in Fairfax were severely overcrowded, compared to 0.8 percent of households that are owner-occupied.

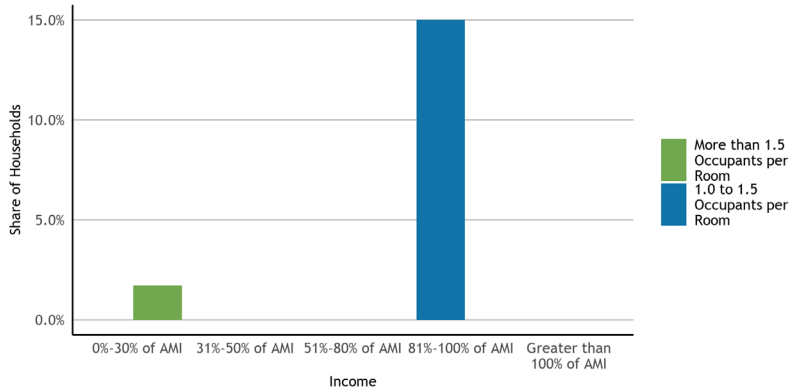
Chart B-24: Fairfax Overcrowding by Tenure and Severity



Source: U.S. Department of Housing and Urban Development (HUD), Comprehensive Housing Affordability Strategy (CHAS) ACS tabulation, 2013-2017 release.

Lower-income households in Fairfax (those making less than 80 percent of AMI), generally tend to have higher rates of overcrowding. In Fairfax, as shown in Table B-25, among extremely-low-income households (i.e., those making less than 30 percent of AMI) only about 2 percent are considered severely overcrowded. Among households making between 81 to 100 percent of AMI about 15 percent are considered overcrowded.

Chart B-25: Town of Fairfax Overcrowding by Income Level and Severity

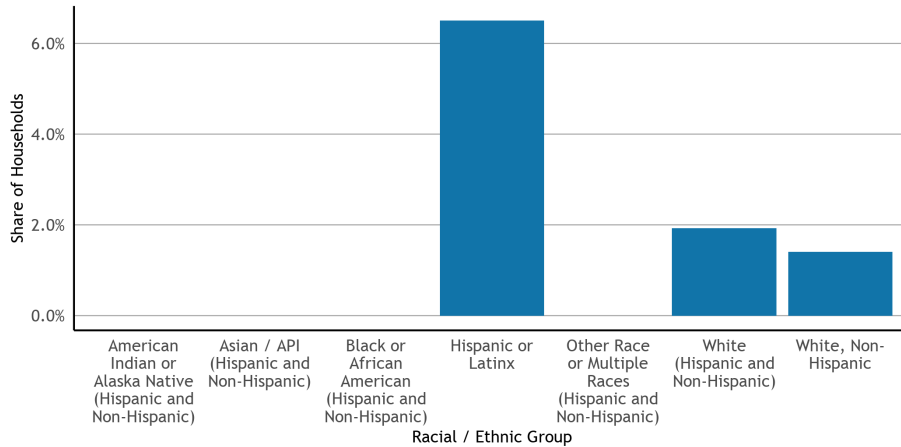


Source: U.S. Department of Housing and Urban Development (HUD), *Comprehensive Housing Affordability Strategy (CHAS) ACS tabulation, 2013-2017 release.*

Like tenure, rates of overcrowding are unevenly distributed by race/ethnicity. Chart B-26 below demonstrates the breakdown of overcrowding within various racial/ethnic groups. According to the Census Bureau, it “does not disaggregate racial groups by Hispanic/Latinx ethnicity. Since residents who identify as white and Hispanic/Latinx may have very different experiences within the housing market and the economy from those who identify as white and non-Hispanic/Latinx, data for multiple white sub-groups are reported here.” In addition, “[t]he racial/ethnic groups reported in this table are not all mutually exclusive. Therefore, the data should not be summed as the sum exceeds the total number of occupied housing units for this jurisdiction. However, all groups labelled ‘Hispanic and Non-Hispanic’ are mutually exclusive, and the sum of the data for these groups is equivalent to the total number of occupied housing units.”

Overcrowding is most prevalent among Hispanic or Latinx, White (Hispanic and non-Hispanic), and White, non-Hispanic households as approximately 6.0, 2.0, and 1.8 percent of each group experiences overcrowding, respectively.

Chart B-26: Fairfax Overcrowding by Race/Ethnicity, 2019



Source: U.S. Census Bureau, American Community Survey 5-Year Data (2015-2019), Table B25014.

COST BURDEN

Cost burden, or overpayment, is defined as monthly shelter costs in excess of 30 percent of household income. Severe cost burden is defined as paying over 50 percent of household income for shelter costs. Shelter cost is defined as the monthly owner costs (mortgages, deed of trust, contracts to purchase or similar debts on the property and taxes, insurance on the property, and utilities) or the gross rent (contract rent plus the estimated monthly cost of utilities). HUD Comprehensive Housing Affordability Strategy (CHAS) data provides estimates of cost burden by tenure and income category. Estimates use the HUD Area Median Family Income (HAMFI) to determine overpayment. HAMFI is the median family income calculated by HUD for each jurisdiction in order to determine Fair Market Rents (FMRs) and income limits for HUD programs. HAMFI is not necessarily equivalent to other median income calculations due to a series of adjustments made by HUD.

According to 2013-2017 CHAS estimates, a total of 530 households in Fairfax experienced cost burden (17.0 percent) while an additional 715 households experienced severe cost burden (23.0 percent). The means that approximately 40.0 percent of all Fairfax households experience some level of cost burden. Of the 1,245 households experiencing some level of cost burden, 245 of them are considered moderate- or above-moderate-income and 1,000 are considered lower-income. This indicates that housing affordability is a particularly pressing issue for lower-income households in Fairfax.

Further, renters are particularly impacted by cost burden since renters are limited to the rental market while owners can build equity with their homes. Renters in Fairfax tend to have higher rates of cost burden than owners – for instance, 53.5 percent of all renters experience some level of cost burden while only 32.1 percent of owners do. Rates are further unevenly distributed between renters and owners by income level, as shown in Table B-22 below.

Table B-22: Cost-Burdened Households in Fairfax by Income and Tenure¹

Income Category	Renters		Owners		Total Households ²	
	Number	Percent	Number	Percent	Number	Percent
Extremely-Low-Income (Under 30% HAMFI³)						
No Cost Burden/Not Computed	150	13.04%	30	1.53%	180	5.79%
Cost Burden	30	2.61%	10	0.51%	40	1.29%
Severe Cost Burden	230	20.00%	135	6.89%	365	11.74%
Very-Low-Income (30% - 50% HAMFI)						
No Cost Burden/Not Computed	20	1.74%	80	4.08%	100	3.22%
Cost Burden	35	3.04%	10	0.51%	45	1.45%
Severe Cost Burden	85	7.39%	95	4.85%	180	5.79%
Low-Income (50% - 80% HAMFI)						
No Cost Burden/Not Computed	55	4.78%	170	8.67%	225	7.23%
Cost Burden	135	11.74%	65	3.32%	200	6.43%
Severe Cost Burden	85	7.39%	85	4.34%	170	5.47%
All Lower-Income (Under 80% HAMFI)						
No Cost Burden/Not Computed	225	19.57%	280	14.29%	505	16.24%
Cost Burden	200	17.39%	85	4.34%	285	9.16%
Severe Cost Burden	400	34.78%	315	16.07%	715	22.99%
Moderate- and Above-Moderate-Income (Over 80% HAMFI)						
No Cost Burden/Not Computed	310	26.96%	1,050	53.57%	1,360	43.73%
Cost Burden	15	1.30%	230	11.73%	245	7.88%
Severe Cost Burden	0	0.00%	0	0.00%	0	0.00%
All Income Groups						
No Cost Burden/Not Computed	535	46.52%	1,330	67.86%	1,865	59.97%
Cost Burden	215	18.70%	315	16.07%	530	17.04%
Severe Cost Burden	400	34.78%	315	16.07%	715	22.99%

Notes:

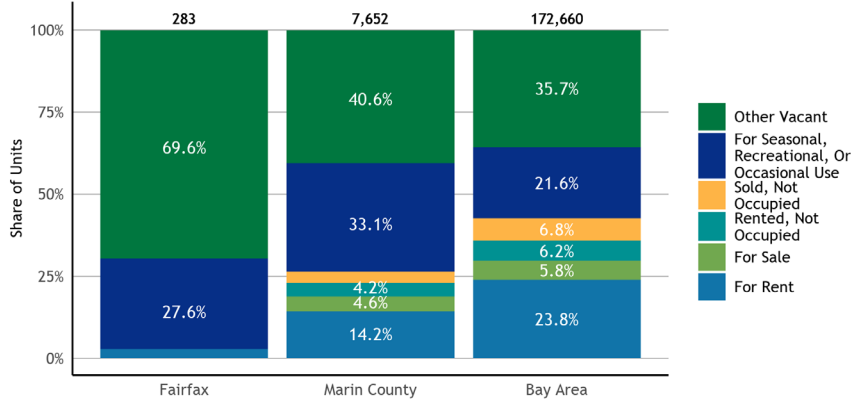
1. According to HUD, households spending 30 percent or less of their income on housing expenses have no cost burden, households spending 31 to 50 percent of their income have cost burden, and households spending 51 percent or more of their income have severe cost burden.
2. Discrepancies in sums are due to rounding errors.
3. HUD Area Median Family Income (HAMFI).

Source: U.S. Department of Housing and Urban Development (HUD), Comprehensive Housing Affordability Strategy (CHAS) ACS tabulation, 2013-2017 release

HOUSING VACANCY

Housing vacancy rates provide one metric to assess the balance between the supply and demand of housing in a region. Low vacancy rates occur when demand outpaces the supply of housing, while high vacancy rates indicate an oversupply of housing. Housing costs also tend to be higher with low vacancy rates. Estimates from the 2015-2019 ACS indicate that 283 (9.3 percent) out of the 3,350 housing units in the Town were vacant, which is slightly higher than in the county (6.7 percent), as shown in Chart B-27. This may warrant exploration of a Vacancy Tax to combat high vacancy rates.

Chart B-27: Town of Fairfax Vacant Units by Type

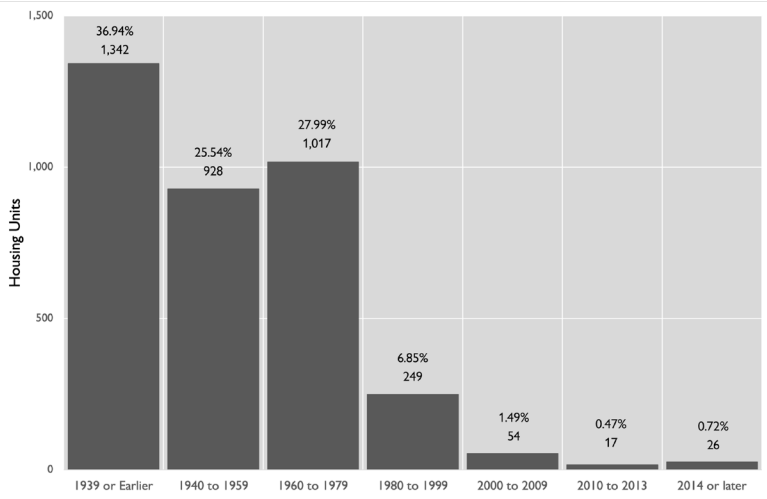


Source: U.S. Census Bureau, American Community Survey 5-Year Data (2015-2019), Table B25004.

HOUSING CONDITIONS

The condition of the housing stock, including the age of buildings and units that may be in sub-standard condition, is also an important consideration in a community’s housing needs. In Fairfax, about 90.5 percent of the housing stock was constructed prior to 1980 and is over 40 years old, with approximately 37.0 percent of units constructed before 1940. Only about 9.5 percent of the housing stock has been constructed since 2000, with only 1.2 percent constructed since 2010. A total of 43 housing units have been built since 2010 according to the United States Census. See Chart B-28 for the age of Fairfax’s housing stock as of 2020.

Chart B-28: Age of Fairfax Housing Stock, 2019



Source: U.S. Census Bureau, American Community Survey 5-Year Data (2015-2019), Table B25034

A high proportion of older buildings, especially those built more than 30 years ago, may indicate that substandard housing conditions may be an issue. Housing is considered substandard when physical conditions are determined to be below the minimum standards of living, as defined by Government Code Section 17920.3. A building is considered substandard if any of the following conditions exist:

- Inadequate sanitation
- Structural hazards
- Nuisances
- Faulty weather protection
- Fire, safety or health hazards
- Inadequate building materials
- Inadequate maintenance
- Inadequate exit facilities
- Hazardous wiring, plumbing or mechanical equipment
- Improper occupation for living, sleeping, cooking, or dining purposes
- Inadequate structural resistance to horizontal forces
- Any building not in compliance with current fire standards in Government Code Section 13143.2

According to 2020 ACS, as shown in Table B-23 about one percent of owners lack complete kitchen facilities while zero percent of renters do. Further, approximately 1.0 percent of owners lack complete plumbing facilities while zero percent of renters do. In total, there are 22 occupied housing units with incomplete kitchen facilities, 39 occupied housing units with incomplete plumbing facilities, and 78 units with no telephone service available.

Table B-23: Fairfax Substandard Housing Issues, 2019

Building Amenity	Owner		Renter	
	Number	Percent	Number	Percent
Incomplete Kitchen Facilities	22	1.04%	0	0.00%
Incomplete Plumbing Facilities	39	1.84%	0	0.00%
No telephone service available	39	1.84%	29	2.35%

Source: U.S. Census Bureau, American Community Survey 5-Year Data (2015-2019), Table B25053, Table B25043, Table B25049

B.6 Housing Costs and Affordability

Several housing market characteristics, like high levels of cost burden or overcrowding, may indicate high housing costs and a lack of affordability within a community. This section summarizes housing costs in Fairfax and assesses the extent to which housing is affordable for residents of the Town.

HOUSING AFFORDABILITY BY HOUSEHOLD INCOME

Housing affordability can be estimated by comparing the cost of renting or owning a home in Fairfax with the maximum affordable housing costs to households at different income levels. In evaluating affordability, the maximum affordable price refers to the maximum amount that could be

afforded by households in the upper range of their respective income category. Households in the lower end of each category can afford less in comparison. The maximum affordable home and rental prices for residents of Fairfax are shown in Table B-24. This table shows what type of household can afford what size and type of housing. The affordability of the Town’s housing stock by tenure and income group is discussed below. HCD has estimated the 2022 median Marin County AMI to be \$166,000, which is an increase of 70.96 percent from the 2014 median income of \$97,100.

Table B-24: Town of Fairfax Housing Affordability by Income Group

Household Size	AMI Limits ¹	Affordable Monthly Payment ²		Housing Costs			Maximum Affordable Price	
		Renter	Owner	Utilities ³	Taxes & Insurance ⁴	Renter	Owner ⁵	
Extremely-Low-Income (<30% AMI)								
1 Person (Studio)	\$39,150	\$979	\$979	\$336	\$336	\$343	\$643	\$55,288
2 Person (1 Bedroom)	\$44,750	\$1,119	\$1,119	\$356	\$356	\$392	\$763	\$68,384
3 Person (2 Bedroom)	\$50,350	\$1,259	\$1,259	\$407	\$407	\$441	\$852	\$75,762
4 Person (3 Bedroom)	\$55,900	\$1,398	\$1,398	\$459	\$459	\$489	\$939	\$82,909
5 Person (4 Bedroom)	\$60,400	\$1,510	\$1,510	\$514	\$514	\$529	\$996	\$86,137
Very-Low-Income (31%-50% AMI)								
1 Person (Studio)	\$65,250	\$1,631	\$1,631	\$336	\$336	\$571	\$1,295	\$133,586
2 Person (1 Bedroom)	\$74,600	\$1,865	\$1,865	\$356	\$356	\$653	\$1,509	\$157,887
3 Person (2 Bedroom)	\$83,900	\$2,098	\$2,098	\$407	\$407	\$734	\$1,691	\$176,424
4 Person (3 Bedroom)	\$93,200	\$2,330	\$2,330	\$459	\$459	\$816	\$1,871	\$194,593
5 Person (4 Bedroom)	\$100,700	\$2,518	\$2,518	\$514	\$514	\$881	\$2,004	\$207,043
Low-Income (51%-80% AMI)								
1 Person (Studio)	\$104,400	\$2,610	\$2,610	\$336	\$336	\$914	\$2,274	\$250,849
2 Person (1 Bedroom)	\$119,300	\$2,983	\$2,983	\$356	\$356	\$1,044	\$2,627	\$291,889
3 Person (2 Bedroom)	\$134,200	\$3,355	\$3,355	\$407	\$407	\$1,174	\$2,948	\$327,211
4 Person (3 Bedroom)	\$149,100	\$3,728	\$3,728	\$459	\$459	\$1,305	\$3,269	\$362,163
5 Person (4 Bedroom)	\$161,050	\$4,026	\$4,026	\$514	\$514	\$1,409	\$3,512	\$387,940
Moderate-Income (81%-120% AMI)								
1 Person (Studio)	\$139,450	\$4,067	\$4,067	\$336	\$336	\$1,220	\$3,150	\$356,031
2 Person (1 Bedroom)	\$159,350	\$4,648	\$4,648	\$356	\$356	\$1,394	\$3,628	\$412,010
3 Person (2 Bedroom)	\$179,300	\$5,230	\$5,230	\$407	\$407	\$1,569	\$4,076	\$462,319
4 Person (3 Bedroom)	\$199,200	\$5,810	\$5,810	\$459	\$459	\$1,743	\$4,521	\$512,396
5 Person (4 Bedroom)	\$215,150	\$6,275	\$6,275	\$514	\$514	\$1,883	\$4,865	\$549,978

Notes

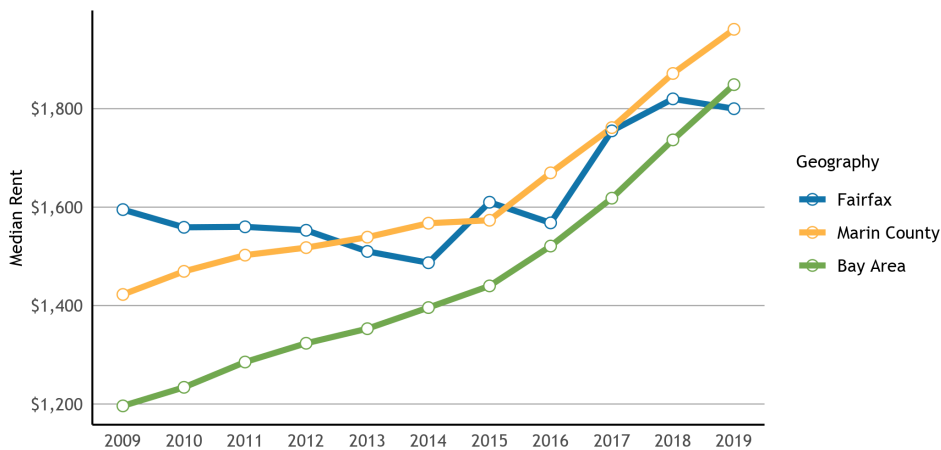
1. AMI limits based on 2022 HCD State Income Limits for Marin County, other assumptions are derived from Zillow estimates (as of January 2022) and the National Association of Realtors. The 2021 Marin County AMI is \$149,600.
2. Affordable monthly payment for renters and owners is assumed to be one-twelfth of 30% of median income applicable for the number of bedrooms. The exception is moderate-income owners, whose affordable payment is assumed to be one-twelfth of 35% of median income applicable for the number of bedrooms as specified by HCD, pursuant to HSC 50052.5(b)(4).
3. Utilities are estimated according to the 2022 Marin County Housing Authority Utility Allowance Schedule. Estimates are based on the combined average cost of gas and electric heating, cooking and water heating, as well as other electric, water, trash collection, sewer, air conditioning, refrigeration and range/microwave across all unit types (i.e., High-Rise/Garden/Apartment/Row House/ Townhouse/Semi-Detached/Duplex, Detached House/Mobile Home).
4. Taxes and insurance are assumed to be 35% of monthly affordable housing costs for owners.
5. Assumed 30-year amortization, 5.84% interest rate, 6.0% down payment and closing costs equal to 2% of the sale price.

Source: HCD State Income Limits, 2022; Marin Housing Authority Utility Allowance Schedule, 2022; Zillow Mortgage Rates, January 2022; National Association of Realtors Research Group, Downpayment Expectations & Hurdles to Homeownership, April 2020; Dyett & Bhatia, 2022

RENTER COSTS

In 2019, according to ACS estimates, the median contract rent in Fairfax was \$1,800. According to the Census, contract rent is the monthly rent agreed upon regardless of any furnishings, utilities or services that may be included. Data regarding contract rent excludes units for which no cash rent is paid. Chart B-29 illustrates changes in rent between 2009 and 2019. Since 2009, the median rent has increased by 12.9 percent in Fairfax, from \$1,480 to \$1,800 per month. In Marin County, the median rent has increased 25.1 percent, from \$1,560 to \$1,960. The median rent in the region has increased significantly during this time from \$1,200 to \$1,850, a 54.0 percent increase.

Chart B-29: Fairfax and and Regional Area Rents, 2009-2019

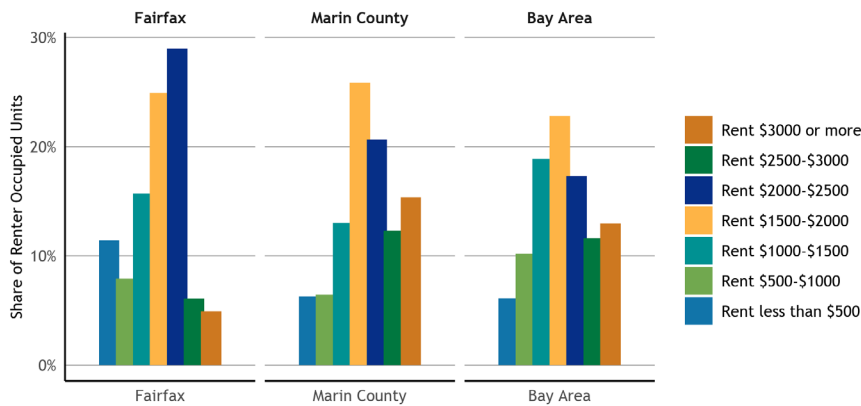


Source: U.S. Census Bureau, American Community Survey 5-Year Data releases, starting with 2005-2009 through 2015-2019, B25058, B25056 (for unincorporated areas).

Notes: County and regional counts are weighted averages of jurisdiction median using B25003 rental unit counts from the relevant year. For unincorporated areas, median is calculated using distribution in B25056.

The distribution of contract rent by region is also provided by the ACS for 2019. As shown in Chart B-30, the largest proportion (29.0 percent) of renter-occupied units had contract rents between \$2000-\$2500, followed by 24.9 percent of units with contract rents between \$1500-\$2000. In both the County and the region, the largest share of units had contract rents between \$1500-\$2000. 59.2 percent of units in Fairfax have contract rents below \$2,000, compared to only 49.4 percent in Marin County.

Chart B-30: Contract Rents for Renter-Occupied Units, 2019

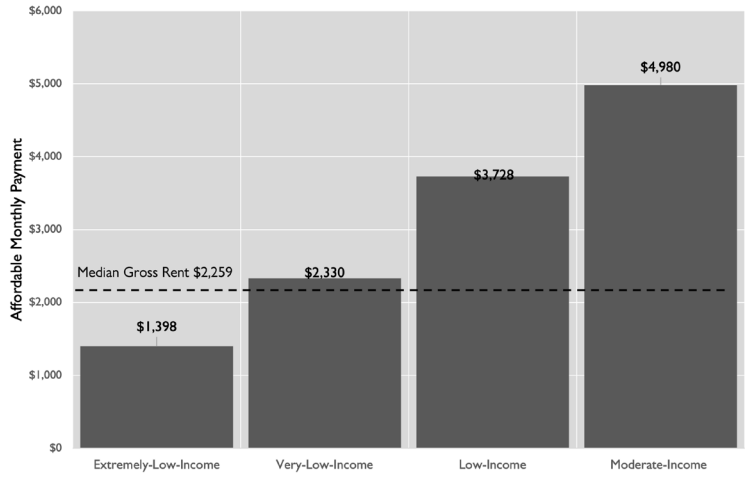


Source:

U.S. Census Bureau, American Community Survey 5-Year Data (2015-2019), Table B25056.

According to the gross rental estimates (i.e., including utilities and other costs) from Table B-24 above and monthly affordable payments presented in Chart B-31 below, extremely-low-income households in Fairfax would not be able to afford to rent an appropriately sized unit. However, larger extremely-low-income households could afford to a rent a unit with fewer bedrooms – for instance, a four-person household could afford to rent a two-bedroom unit. All other income levels, including low- and very-low-income households, would be able to afford to rent an appropriately sized unit. Chart A-8 demonstrates this affordability gap for the typical extremely-low-income household, which may require subsidies to ensure housing affordability.

Chart B-31: Rental Affordability Gap for the Typical Household



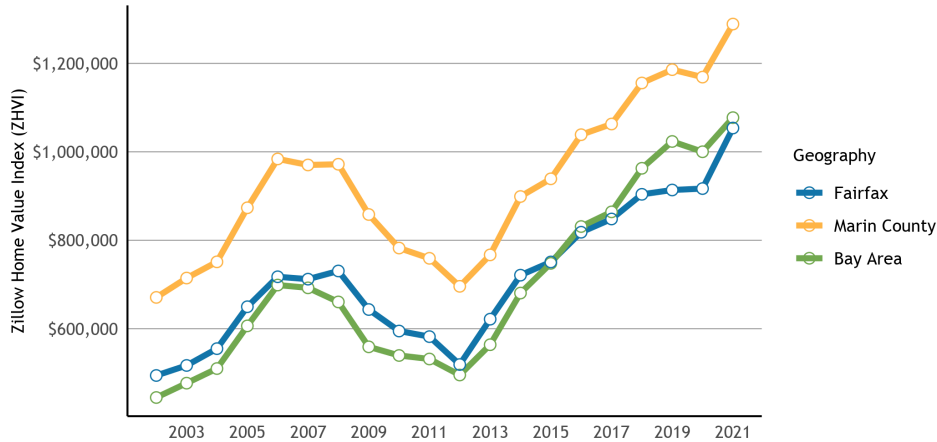
Note: The typical household is a four-person, three-bedroom housing unit.

Source: HUD Income Limits 2022; Dyett & Bhatia 2022

OWNERSHIP COSTS

Like many cities in the California, housing costs in Fairfax have continued to rise over the last two decades. Home values are tracked using the Zillow Home Value Index (ZHVI), which is a smoothed, seasonally adjusted measure of the typical value for homes in the 35th to 65th percentile range. The regional ZHVI estimate is a household-weighted average of county-level ZHVI files, where household counts are yearly estimates from DOF’s E-5 series. As demonstrated in Chart B-32, the typical home value has increased 113.2 percent in Fairfax since 2001 from \$494,280 to \$1,053,770. This change is higher than the increase for Marin County, and less than the percent change for the Bay Area. However, Fairfax home values appear to track closely with Bay Area home values for the time period.

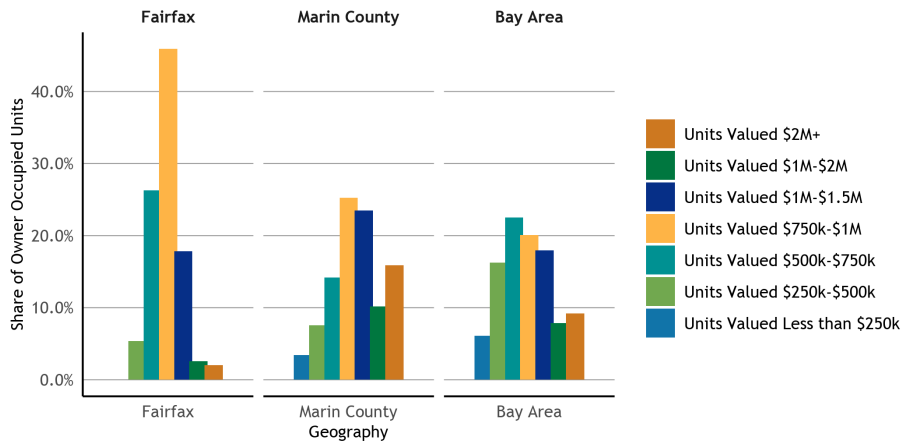
Chart B-32: Fairfax and Region Zillow Home Value Index (ZHVI)



Source: Zillow, Zillow Home Value Index (ZHVI) 2003-2021

In addition to the ZHVI, ACS provides estimates of home values for owner-occupied units. Shown in Chart B-33, this data confirms the similarity in home value across the region as indicated by the ZHVI, with the caveat that Fairfax has a relatively larger percentage of homes valued between \$750,000 and \$1,000,000, with fewer very highly priced units. The ZHVI estimates the typical household is valued at approximately \$1,053,770 and the ACS similarly indicates that about 22.4 percent are valued at \$1,000,000 or more. Both Marin County and the region demonstrate greater distribution across owner-occupied unit values, while 46.0 percent of home values range between \$750,000 and \$1,000,000. Given that housing costs have risen since the 2019 ACS, the 2019 ZHVI will be used to estimate housing value in the Town of Fairfax—although it should be noted that this may slightly overestimate housing cost.

Chart B-33: Fairfax and Regional Area Owner-Occupied Unit Values, 2019



Source: U.S. Census Bureau, American Community Survey 5-Year Data (2015-2019), Table B25075.

The ZHVI tracks a variety of types of owner-occupied housing units, including both single-family homes and condominiums. Table B-25 provides a breakdown of the ZHVI by housing type and size between 2011 and 2022. In total, housing value has increased by about 85.4 percent between 2011 and 2021. One-bedroom units in particular have seen a high increase in value by about 94.5 percent during the period. As of 2021, the highest value housing type in Fairfax is a five-bedroom or greater housing unit at \$1,588,680.

Table B-25: Fairfax Zillow Home Value Index (ZHVI), 2011 – 2022

Jurisdiction	January 2011 ZHVI	January 2021 ZHVI	Percent Change (2011-2021)
Total	\$575,302	\$1,066,561	85.39%
Single-Family	\$645,746	\$1,083,467	67.79%
Condo	-	n/a	n/a
1 Bedroom	\$440,835	\$857,411	94.50%
2 Bedrooms	\$542,585	\$926,590	70.77%
3 Bedrooms	\$665,411	\$1,111,027	66.97%
4 Bedrooms	\$850,103	\$1,316,673	54.88%
5+ Bedrooms	\$1,160,924	\$1,588,680	36.85%

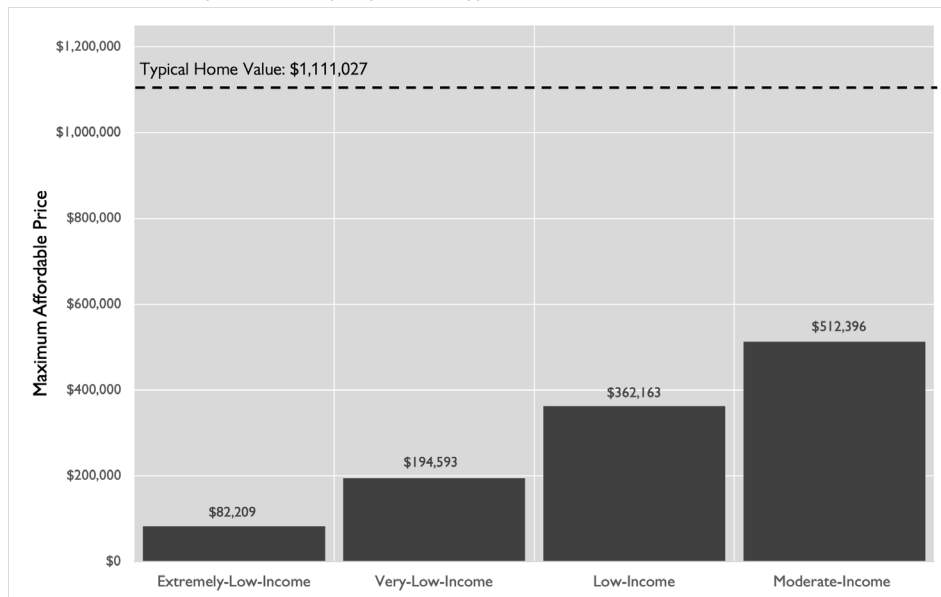
Notes: Data unavailable for condos in Fairfax

Source: Zillow Home Value Index, January 2011 and January 2022

Given the ZHVI estimates provided above and housing affordability levels from Table 2-24, it is apparent that no lower-income household can afford a home at an appropriate size in Fairfax. For instance, a four-person low-income household would be able to afford a \$362,163 unit, which would not be sufficient to purchase a one-bedroom unit per the ZHVI. Moderate-income households would also not be able to afford a home at an appropriate size. This demonstrates a serious

affordability gap for all households in the Town, as households generally would not be able to afford to buy a home without significant subsidy. Increased housing production for a range of housing types would also help to increase affordability, but this analysis shows that housing ownership is generally only affordable to household making more than 100 percent of AMI. Chart B-34 visualizes the affordability gap for the typical household, which is defined as a four-person household living in a three-bedroom housing unit.

Chart B-34: Ownership Affordability Gap for the Typical Household



Note: The typical household is a four-person, three-bedroom housing unit.

Source: ZHVI Home Value Index January, 2021; Dyett & Bhatia 2022

B.7 Assisted Housing at Risk of Conversion

State Housing Element law requires that communities identify the status of assisted low-income rental units that are “at risk” of conversion to market rent status within ten years of the statutory mandated update of the Housing Element (from January 2023 to January 2031). Table B-26 shows that while all units in Fairfax and most units in Marin County are at low risk of conversion, there are 56 units (2.29 percent) at high risk and 17 units (0.70 percent) at very high risk. While California Housing Partnership’s Preservation Database is the state’s most comprehensive source of information on subsidized affordable housing at risk of losing its affordable status and converting to market-rate housing, this database does not include all deed-restricted affordable units in the state. Consequently, there may be at-risk assisted units in a jurisdiction that are not captured in this data table.

Table B-26: Fairfax and Regional Assisted Units at Risk of Conversion, 2021

Risk Level ¹	Fairfax		Marin County		Bay Area	
	Number	Percent	Number	Risk Level ¹	Number	Percent
Low	160	100.00%	2,368	97.01%	110,117	94.60%
Moderate	0	0.00%	0	0.00%	3,375	2.90%
High	0	0.00%	56	2.29%	1,854	1.59%
Very High	0	0.00%	17	0.70%	1,053	0.90%

1. California Housing Partnership uses the following categories for assisted housing developments in its database:

- Low Risk: affordable homes that are at-risk of converting to market rate in 10+ years and/or are owned by a large/stable non-profit, mission-driven developer.
- Moderate Risk: affordable homes that are at-risk of converting to market rate in the next 5-10 years that do not have a known overlapping subsidy that would extend affordability and are not owned by a large/stable non-profit, mission-driven developer.
- High Risk: affordable homes that are at-risk of converting to market rate in the next 1-5 years that do not have a known overlapping subsidy that would extend affordability and are not owned by a large/stable non-profit, mission-driven developer.
- Very-High Risk: affordable homes that are at-risk of converting to market rate within the next year that do not have a known overlapping subsidy that would extend affordability and are not owned by a large/stable non-profit, mission-driven developer.

Source: California Housing Partnership, Preservation Database, 2021

Per HCD guidance, local jurisdictions must also list the specific affordable housing developments at risk of converting to market rate uses to supplement the aggregate numbers provided in Table B-26. The assisted housing inventory is available in Table B-27 below.

Table B-27: Fairfax Assisted Housing Inventory

Project Name	Project Address	Project Type	Total Units	Affordable Units	Date Constructed	Affordability End Date
Fairfax Vest Pocket – Converted to low income family units from shared housing in 2015/2016	82 Park Road	Low-income	19	19	1996	Unknown
Piper Court	101 - 197 Piper Court	Low-income	27	26	1962	At least 55 years after 2017 (2072)
Bennet House	53 Taylor Dr.	Senior/low-income (Section 8)	70	69	1987	Unknown
Creekwood	2401-2403 W Sir Francis Drake Blvd	Disabled/Special Needs Housing	12	12	Unknown	Unknown
Live Oak	139 Live Oak	Low-income (Below 80% AMI)	2	2	Unknown	Unknown

Table B-27: Fairfax Assisted Housing Inventory

Project Name	Project Address	Project Type	Total Units	Affordable Units	Date Constructed	Affordability End Date
Victory Village	2626 Sir Francis Drake Blvd.	Senior/low-income (Section 8)	54	53	2020	Unknown
Total			184	181		

Sources: Marin Housing Authority; California Tax Credit Allocation Committee; Project Staff Reports; Affordable Housing Online

State law requires the analysis of at-risk housing to identify “the total cost of producing new rental housing that is comparable in size and rent levels, to replace the units that could change from low-income use, and an estimated cost of preserving the assisted housing developments.” The typical development cost of affordable housing projects in the Town of Fairfax is about \$552,941 per unit. Estimates are derived from the average projected development costs per unit provided in recent California Tax Credit Allocation Committee (TCAC) project tax credit applications. There are no units in Fairfax identified as being at risk of conversion; if there were, the total replacement costs could be projected as costing \$552,941 per unit.

Table B-28: Typical Development Costs of Affordable Housing

Project Name	TCAC Application Year	Per Unit Cost ¹
Piper Court Apartments	2017	\$573,431
Victory Village	2018	\$481,805
Bennett House	2019	\$603,589
Average		

Notes

1. Derived from stated “true cash per unit cost” or “per unit costs”, where applicable, in TCAC project applications.

Source: California Tax Credit Allocation Committee, Project Staff Reports

The cost of preservation for the typical affordable housing project can be estimated by finding the difference between fair market rent and affordable rent. As shown in Table 2-24 the affordable monthly rental payment for a very-low-income, four-person household in Fairfax is \$1,871. In fiscal year 2021 the HUD Fair Market Rent (FMR), or gross rent estimate, in the San Francisco, CA HUD Metro FMR area for a three-bedroom unit was \$4,567. The difference between these two prices is \$2,696. Given this gap, the total cost of preserving all 160 low-risk units through covenants would be approximately \$431,360 per month or \$5,176,320 per year. This translates to a cost of \$51,763,200 over the 10-year period, or \$323,520 per unit, which is less than the cost per unit of a new affordable housing development, as seen on Table B-28.

RESOURCES FOR PRESERVATION

There are two primary resources available for preserving at-risk units – public agencies, nonprofit housing corporations, and tenant groups; and public financing or subsidy programs. HCD maintains a current list of all “qualified entities” across the state, which are nonprofit or for-profit organizations or individuals that agree to maintain the long-term affordability of affordable housing developments. Table B-29 provides the list of all qualified entities for Marin County. The Town would work with these organizations to preserve the housing units in danger of conversion.

Table B-29: Qualified Entities in Marin County

<i>Qualified Entity</i>	<i>City</i>	<i>Contact</i>
Housing Authority of the County of Marin	San Rafael	(415) 491-2530
Canal Community Alliance	San Rafael	(415) 454-2640
Affordable Housing Foundation	San Francisco	(415) 387-7834
Northern California Land Trust, Inc	Berkeley	(510) 548-7878
Volunteers of America National Services	Sacramento	(916) 917-6848
L + M Fund Management LLC	Westchester	(347)393-3043

Source: HCD, December 2022

B.8 Energy Conservation

The Town of Fairfax aims to build a community that is both resource and energy efficient, and that housing can be made more affordable through reducing energy costs. As such, the Town provides opportunities to directly affect energy and resource use within its jurisdiction by enforcing energy-efficiency requirements of applicable building codes, encouraging residents to participate in energy-efficiency programs offered by the local utility, and identifying land use patterns that encourage people to live within close proximity to transit and other local services. The following opportunities in the Town promote residential energy conservation.

GREEN BUILDING STANDARDS

The Town requires all new residential development to comply with California's Energy Efficiency and Green Building standards. Additionally, Fairfax waives permit fees for residential upgrades for installation of solar PV.

PROPERTY ASSESSED CLEAN ENERGY FINANCING

The Town of Fairfax participates in 6 statewide property assessed clean energy (PACE) financing programs including California FIRST, California HERO, Ygrene Works, Figtree, and AllianceNRG. California FIRST is a financing option for Fairfax homeowners to make building improvements that save energy or water, such as new windows, insulation, solar panels, energy-efficient heating, ventilation and air conditioning equipment, drip irrigation systems, and more. The other programs offer similar financing with different options for payments and services. PACE is an affordable, long-term financing option for energy, water, and renewable energy upgrades to buildings and homes that residents can repay on their property taxes over a time period up to 20 years. This special assessment on local property tax bill remains with the property in the event of sale. Property owners receive 100 percent financing of improvement costs and projects can be cash-flow positive from day one. No upfront cash investment is required.

MARIN CLIMATE AND ENERGY PARTNERSHIP

The Town of Fairfax also participates in the Marin Climate and Energy Partnership, working together with other communities in Marin County to reduce greenhouse gas emissions. Through the Marin Climate and Energy Partnership, the Town will develop strategies to reduce and conserve energy (see Marinclimate.org).

MCE COMMUNITY CHOICE ENERGY

The Town of Fairfax is a “Deep Green” participating jurisdiction and one of the founding members of MCE, California’s first Community Choice Aggregation program, which is a not-for-profit electricity provider that gives customers the choice of having 60% to 100% of their electricity supplied from clean, renewable sources of electricity such as solar, wind, bioenergy, geothermal and hydro at competitive rates. Fairfax has the largest participation rate for Deep Green (100% renewable) of all MCE member jurisdictions and was one of the first jurisdictions to participate in 2009.

B.9 Summary of Key Findings

1. Findings Regarding Statutorily Defined Special Needs Groups.

- **Extremely-Low Income Residents:** Asian and API non-Hispanic residents are most likely to fall below 30 percent AMI, while only making up 4.34 percent of the Fairfax population. They are followed by Hispanic or Latinx residents. Overall, Fairfax has a lower poverty rate (5.4 percent) compared to the County (7.2 percent), both of which are significantly lower than the poverty rate in California (13.4 percent).
- **Older Adult Residents:** 23 percent of Fairfax’s population is older than 65, and the proportion of older adults aged 65-74 has tripled since 2000. Approximately 44 percent of older adults are considered extremely-low, very-low, and low-income. 30 percent of older adults experience are considered cost burdened, whether renters or owners.
- **Persons with Disabilities:** There is a similar proportion of people with disabilities in the Town (9.1 percent) and the County (9.6 percent). About three-quarters of the population with a developmental disability live at the home of a parent/family/guardian.
- **Large Families:** Large families make up a smaller percentage of households in the Town (1.7 percent) compared to the County (6.9 percent). All large households in Fairfax were over 100% AMI. Both the Town and the County have a similar share of single-person households at 30.0 and 29.0 percent.
- **Female-Headed Households:** Female-headed households made up about 8.8 percent of the household population in Fairfax. These households are more likely to rent than own and approximate 15.0 percent of female-headed households with children fell below the poverty line.
- **Persons Experiencing Homelessness:** The share of the homeless population in Fairfax and Marin County is not substantial at approximately 0.002 and 0.1 percent respectively. However, the percent of homeless persons in Marin County has increased approximately 19.0 percent since 2019. This represents a need to address homelessness in the County.
- **Farmworkers:** While farmworkers still only represent about 0.49 percent of the County’s population, the number of permanent and seasonal farm workers has increased in Marin County since 2002. Given the seasonal nature of this work for at least a portion of this group, the special needs of this segment of the population should be considered.
- **Demographics:** Both Fairfax and Marin County have experienced much slower overall growth since 2016 than the Bay Area as a whole. Fairfax’s population has continued to age since 2000. While the proportion of adults aged 45 and 64 years old has decreased since 2000, this age group still makes up 32.5 percent of the population. The population of older

adults is overwhelmingly White at 93.8 percent. Meanwhile, the proportion of White and Black or African American non-Hispanic residents has decreased marginally since 2000, while the proportion of Hispanic or Latinx, Asian residents has increased from 2.0 and 5.7 percent to 4.3 and 9.4 percent respectively.

- **Income:** Household income is generally similar to both Marin County and the Region, where approximately 50 percent of each area makes greater than 100 percent of AMI. However, larger proportions of the Fairfax population are low-income and extremely-low income. In addition, Asian/API and Hispanic/Latinx households are disproportionately lower income, while only making up 5.7 and 9.4 percent of the total population.
- **Cost Burden:** The U.S. Department of Housing and Urban Development considers housing to be affordable for a household if the household spends less than 30 percent of its income on housing costs. A household is considered “cost-burdened” if it spends more than 30 percent of its monthly income on housing costs, while those who spend more than 50 percent of their income on housing costs are considered “severely cost-burdened.” In Fairfax, 16.1 percent of owners and 18.7 percent of renters spent 30 percent-50 percent of their income on housing, while 16.1 percent of owners and 34.8 percent of renters were severely cost burdened, using the majority of their income **for housing**.
- **Overcrowding:** Overall, the rate of overcrowding in Fairfax (1.7 percent) is lower than the County (5.7 percent). While making up a smaller share of the overall population, Hispanic or Latinx households are most likely to experience overcrowding.
- **Housing Quality:** Over 90 percent of the housing stock in Fairfax is over 40 years old, constructed before 1980. As such, programs to assist with maintenance and repair should be considered. However, the percentage of households living in substandard conditions in Fairfax is very low, indicating that, overall, housing is generally in good condition.
- **Housing Tenure:** Homeowners represent a significant proportion of households in Fairfax (63.1 percent), which has held steady since 2000. Paired with demographic information of aging residents and aging housing stock, this indicates that many residents are staying put in Fairfax.
- **Vacancy:** Housing vacancy (9.3 percent) is slightly high in Fairfax relative to the County (6.7 percent), which may warrant the exploration of a Vacancy Tax.
- **Production and Need at Various Income Levels:** Housing production between 2010 and 2020 has been low according the California DOF, with only 20 units built during the time period. Generally, in Fairfax, the share of the housing stock that is detached single family homes was above that of other jurisdictions in the region. Additionally, around 50-75 units have been built between 2010 and 2022 that are not represented by this DOF figure. Incentivizing housing production, especially of smaller and more affordable units, will be critical in meeting Fairfax’s housing needs going forward.
- **Housing Affordability:** Home values have increased 85.4 percent between 2011 and 2021, with 1-bedroom units experiencing the steepest increase at 94.5 percent. This indicates a mismatch of supply and demand, especially considering the small number of units built in the past 10 years. Home ownership is out of reach for all income levels in Fairfax, with typical home value at \$1,111,027. Contract rent has also increased 12.9 percent since 2009, though has not isolated all income groups from affordability. Even very-low income and low-income groups would be able to afford median gross rent in a unit with fewer bedrooms, in the Town, for instance, a four-person household could afford to rent a two-bedroom unit. However, this remains beyond reach for extremely low-income households.

Appendix C

Housing Constraints

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Housing Constraints

C.1 Introduction

State law requires that Housing Elements include an analysis of governmental and nongovernmental constraints that impinge on the maintenance, improvement, or development of housing for all income levels. Governmental constraints include land use controls, building codes and their enforcement, fees and exactions, and permitting procedures. Nongovernmental constraints are primarily market-driven factors that include land costs, construction costs and the availability of financing.

C.2 Governmental Constraints

The Town of Fairfax regulates the use and development of land through the General Plan, Zoning Ordinance, Subdivision Ordinance, and a variety of building and site development standards. These requirements are intended to protect the health, safety, and general welfare of the community but such regulations, associated procedures and processing fees can, however, also reduce the City's ability to meet its housing objectives by decreasing the feasibility and increasing the cost of developing housing. This part of the Housing Element discusses existing governmental constraints as well as policies and programs the Town could adopt to overcome obstacles and promote needed housing development.

GENERAL PLAN LAND USE PLANS AND POLICIES

The *Town of Fairfax 2010-2030 General Plan*, which the Council adopted in April 2012, is the Town's primary land use control policy document. The Plan's Land Use Element identifies permitted land uses and development intensities for all land within town boundaries. The Plan's focus is on preserving historic development patterns by establishing policies that maintain and enhance the town center's traditional role as a walkable district with a mix of commercial and residential uses. The Plan promotes infill development to protect the distinctive aesthetic of residential neighborhoods and limits new construction in the steeply sloped and wooded areas surrounding the community.

The Land Use Element establishes specific development standards for each of the Town's zoning districts including minimum lot sizes, maximum heights and parking requirements. ~~proposes~~ includes several policies that would affect residential development including the development of design guidelines to ensure that new residential development or alterations to development preserve and enhance the existing aesthetic of the Town's neighborhoods in diversity, architectural qualities, size and mass." The Element also requires that Visually

Significant Areas be designed to ensure projects are designed and located to minimize visual mass and exterior materials and colors “blend the exterior appearance of structures with the surrounding natural landscape, allowing for architectural diversity.”¹ Even though the Zoning Code requires design review for almost all development projects, buildings, structures, and other facilities built or modified in Fairfax, the Town has not adopted design guidelines as the General Plan proposes and, as discussed below, the design review criteria in the Code are highly subjective. (Zoning Code Section 17.020.040, Design Review Criteria)

The Plan includes an optional Town Center Element establishing policies and strategies to enhance the sense of place and quality of life in the downtown area while strengthening the Town’s economic base. Projects proposed in the downtown must be consistent with the Town Center based on findings that include conformance with land use designations, residential density and building intensity standards and compliance with the Element’s development standards. Except for limiting building height in the Town Center to 28.5 feet and two stories as the Zoning Code requires in the Central Commercial (CC) district applying to most of the Town Center Planning Area, the Element does not include any standards for residential density or development intensity other than the standards for regulating development. The Element proposes that Fairfax prepare and adopt a Town Center Plan including Development Standards and Design Guidelines but the programs including these requirements have not been fully implemented. A community workshop was held in 2016 designed to discuss changing traffic flow in the Town Center; ~~the majority of most of~~ the community participants were not supportive of changing the traffic patterns (and ~~having making~~ Bolinas Road ~~be~~ one-way) and the Plan was put on-hold by the Town Council.

Table C-1, General Plan Land Use Designations shows the General Plan land use categories that allow residential development in Fairfax and their maximum density.

<i>Designation</i>	<i>Maximum Density</i>
Medium Density Single-family Residential (RS-7.5)	1-6 du/acre
High Density Single-family Residential (RS-6)	1-6 du/acre
High Density Residential (RD 5.5-7)	7-12 du/acre
Multi-family Residential (RM)	7-12 du/acre
Multi-family Residential – Senior (RM-S)	7-12 du/acre
Limited Commercial (CL)	No maximum but requires CUP
Central Commercial (CC)	No maximum
Commercial Highway (CH)	No maximum but requires CUP
Planned Development District (PDD)	No maximum
Single-family Master Planned District (SF-RMP)	Determined during MP
Upland Residential (UR)	0.10-0.14 du/acre
Public Domain	Emergency shelter residential use only

¹ Town of Fairfax 2010-2030 General Plan, pp. LU-11, LU-16 to LU-19.

Source: Town of Fairfax, 2010-2030 General Plan, Figure LU-1, Fairfax General Plan Map

ZONING CODE

Single-family development is the most predominant land use in Fairfax and most of the 2.2 square mile land area is zoned residential RS-6 and RD 5.5-7 for single-family residences allowing single-family residences and duplexes. (See Figure X: Town of Fairfax Zoning Map) Duplexes are allowed in both primary residential zones. Multi-family housing is permitted by right in the RM Zoning District at a maximum density of 10 dwelling units per acre and at 14.5 dwelling units per acre with a conditional use permit.

~~Table C-2 lists the housing types the Fairfax Zoning Code allows in each zoning district where residential uses are allowed with the required entitlement. Table C-3, Residential Development Standards, summarizes the standards applicable to residential projects in each district. The Planning Commission may allow other residential uses on a conditional basis based on a determination that they are of the same general aesthetics as other uses the Code allows in the district. (Section 17.080.030 et al.)~~

~~The Zoning Code does not define or include any specific provisions applicable to residential care facilities, supportive and transitional housing, single room occupancy facilities, mobile home parks, or live-work spaces but the Town identifies these housing types as residential uses in the Rent Stabilization regulations the Town enacted in in November 2022 (Fairfax Municipal Code Chapter 5.55, Rent Stabilization Program) and other local regulations. The Housing Action Plan includes programs to revise the Zoning Code to incorporate definitions and compliant regulations for these residential uses as discussed below.~~

As Table C-1 shows, the maximum density that current residential zoning districts allow is 12 units per acres; the only zones permitting higher density development are Limited Commercial (CL), Central Commercial (CC), and Planned Development District (PDD). In all these zones, residential development requires a Use Permit except for the CC district where residential uses are permitted by right above the ground floor, but the Town's current development standards may preclude development at higher densities.

~~Table C-2 lists the housing types the Fairfax Zoning Code allows in each zoning district where residential uses are allowed with the required entitlement. Table C-3, Residential Development Standards, summarizes the standards applicable to residential projects in each district. The Planning Commission may allow other residential uses on a conditional basis based on a determination that they are of the same general aesthetics as other uses the Code allows in the district. (Section 17.080.030 et al.)~~

~~The Zoning Code does not define or include any specific provisions applicable to residential care facilities, supportive and transitional housing, single room occupancy facilities, mobile home parks, or live-work spaces but the Town identifies these housing types as residential uses in the Rent Stabilization regulations the Town enacted in in November 2022 (Fairfax Municipal Code Chapter 5.55, Rent Stabilization Program) and other local regulations. The Housing Action Plan includes programs to revise the Zoning Code to incorporate definitions and compliant regulations for these residential uses as discussed below.~~

Table C 2: Permitted Residential Use Types by Zoning District

<i>Use Type</i>	<i>RS 7.5</i>	<i>RS 6</i>	<i>RD 5.5-7</i>	<i>RM</i>	<i>RMS</i>	<i>CL</i>	<i>CH</i>	<i>CC</i>	<i>PD</i>
Single-Family	P	P	P	X	X	U	X	X	X
Employee Housing	U	U	U	X	X	U	X	P ⁵	X
Accessory Dwelling Units	P	P	P	P	P	P	P	P ⁵	X
Duplex	X	X	P ¹	U	X	U	U	U	X
Multi-Family	X	X	X	P/U ²	P ³	U	U ⁵	P ⁵	X
Boarding House	X	X	P ⁴	X	X	X	X	X	X
Emergency Shelter	X	X	X	X	X	X	P	P	P
Residential Care- Limited	P	P	P	P	X	X	U ⁵	P ⁵	X
Residential Care -General ²	U	U	U	U	X	X	U ⁵	P ⁵	X
Single-Room Occupancy	X	X	X	X	X	U	U ⁵	P ⁵	X
Supportive Housing	P	P/U	P/U	P/U	P ³	P/U	P/U ⁵	P ⁵	X
Transitional Housing	P	X	P	X	P ³	P/U	P/U ⁵	P ⁵	X

Key:

P = Permitted, X = Not Permitted, U = Use Permit

Notes:

1. By right on lots 7,000 square feet in area.
2. By right at one unit per 4,356 sq. ft. of lot area/~~unit-unit~~, use permit for densities up to one/3,000 sq. ft.
3. Multi-family for seniors as defined by Cal. Civil Code Section 51.3 (b)(1) at densities of no more than 10 units per acre.
4. Maximum of five guests.
5. Permitted on second floor at a density approved by Planning Commission.
6. Permitted on second floor by right, CUP required to allow on ground floor or in accessory structure.

Source: Town of Fairfax Zoning Code

Table C-3: Residential Development Standards

Zoning	Maximum Density (du/ac)	Minimum Lot Area (sq ft)	Setbacks			Maximum Height	Maximum Structural Lot Coverage
			Front	Side	Rear		
RS-7.5	5.8 du/ac	7,500	30	20	30	28.5	35%
RS-6	7.3 du/ac	6,000	25	15	25	28.5	35%
RD-5.5-7	7.9 du/ac	5,500	25	15	25	28.5	35%
RM	10.0 du/ac-14.5 du/ac (CUP)	7,500	10 minimum and street frontage of corner lots, 40 combined	10 minimum and street frontage of corner lots, 25 combined	10 minimum and street frontage of corner lots, 40 combined	28.5	35%
RM-S ¹	10.0 du/ac	87,120	40	25	40	28.5	35%
CL	None specified; (CUP)	20,000	0	0	0	28.5	No Maximum
CC	None specified; specified. 2 nd Floor (Permitted) Ground Floor (CUP)	No building site requirements apply in the CC Zone	0	0	0	28.5	No Maximum
PDD ²	See Note 2	5 acres	See Note 2	See Note 2	See Note 2	See Note 2	See Note 2
SF-RMP	See Note 3	See Note 3	See Note 3	See Note 3	See Note 3	35	See Note 3
UR	SFD only 0.14 du/ac	7 acres	25	15	25	28.5	5,000 sq-ft
Public Domain ⁴	NA	NA	No requirements apply in the PD zone.	No requirements apply in the PD zone	No requirements apply in the PD zone	28.5	NA

Notes

1. Only senior housing
2. The Planning Commission and Town Council may approve higher densities. Standards for area, coverage, light and air orientation, site planning, density, yard requirements, open spaces, parking and screening are governed by standards of the residential, or commercial zoning district(s) most similar in nature and function to the proposed planned development district (PDD) use(s), or by standards that the Planning Commission adopts.
3. Determined during Master Plan
4. Emergency shelters only

Table C-3: Residential Development Standards

Zoning	Maximum Density (du/ac)	Minimum Lot Area (sq ft)	Setbacks			Maximum Height	Maximum Structural Lot Coverage
			Front	Side	Rear		

Source: Town of Fairfax, Zoning Code

The 2010-2030 General Plan proposed to eliminate the CH (Highway Commercial) district² and rezone this area CC (Central Commercial) district, which would have allowed residential development by right on the second floor. The rezoning was intended to be adopted by the Town Council following certification of the 2010 Housing Element, but the proposal wasn't implemented after voters submitted a referendum opposing the change.³

Fairfax's parking requirements for residential units are generally based on the number of bedrooms. (See Table C-4: Off-Street Parking Requirements for Residential Uses). Studio units, without a separate bedroom, are required to have one parking space. Units with one or more bedrooms are required to have two parking spaces. One parking space for guests is required when a legal on-street parking space is not available. One of the required parking spaces must be covered in all cases except on lots with a slope greater than 15 percent where uncovered parking may be on a parking deck or in the front setback if not within a side yard. Guest parking spaces may be in tandem with required parking for a principal residence.

Table C-4: Off-Street Parking Requirements for Residential Uses

<i>Use Type</i>	<i>Spaces per Unit Required</i>	<i>Additional Regulations</i>
Studio w/o Separate Bedrooms	1.0	One guest parking space required when legal on-street space along property frontage not available. In RM, SF-RMP and PDD zones, one guest parking space shall be provided for each five dwelling units.
One or more bedrooms	2.0	
ADU/JADU	1.0	One guest parking space required with exceptions as mandated by State law.
Emergency Homeless Shelter	NA	Parking shall comply with requirements of district in which shelter is located.

Source: Town of Fairfax, Zoning Code, Chapter 17.052

The Town's parking requirements are the same or less stringent than in other nearby communities with similar topographic characteristics. Mill Valley, for example, requires a minimum of two spaces for all single or multi-family units; Ross requires three to four spaces in low and very low-density residential districts, and San Anselmo requires three spaces for single family dwellings located above 150 mean sea level elevation but only one and a half spaces for two-bedroom multi-family.

The Fairfax Zoning Code will be amended to comply with AB 2097 (Friedman), signed into September 2022, which prohibits cities from imposing any minimum parking requirements on residential, commercial, or other development if the project is within one-half mile of a major transit stop unless it makes certain findings supported by evidence in the record. ~~Major~~ **A Major Transit stop**, as defined by Public Resources Code Section 21064.3, ~~means-is~~ an

² Ibid., Appendix LU-B, p. 5

³ Town of Fairfax 2010-2030 General Plan, Appendix p. H-22.

existing rail transit station, a ferry terminal served by either a bus or rail transit service, or the intersection of two or more major bus routes with a frequency of service interval of 15 minutes or less during the morning and evening peak periods. As of this writing, Fairfax does not meet this definition, but could ~~meet the definition in the future~~ with increased service from Marin Transit.⁴ ~~The exceptions include an exemption of projects; however, B~~because of the extent to which parking requirements affect the cost and feasibility of housing, in lieu of allowing exemptions, the Code should be revised to provide alternatives such as shared parking or participating in a shuttle program. AB 2097 is the most recent of several State laws that eliminate or limit minimum parking requirements including SB 35 (2017), AB 744 (2015) and AB 1763 (2019).

In addition to the constraints posed by parking requirements, as of October 2023, Fairfax has other development standards that may constrain the development of housing. These include use regulations that limit the amount of land where multi-family development is allowed, the low maximum densities in zones where multi-family projects can be built, the extent to which duplex and multi-unit development requires approval of a conditional use permit, height restrictions, and limits on building coverage. For example, the General Plan and the Zoning Ordinance limit multi-family projects in the RM zone to a maximum of 12 units per acre in a building with a maximum of 28.5 feet and two stories and further restricts development potential by requiring front and rear setbacks of at least 40 feet and side setbacks totaling 25 feet. In the commercial districts which apply in much of the Town Center area, housing is a conditionally permitted use but permitted densities are not specified.

The maximum size of a building is further restricted by a requirement limiting maximum coverage in all residential zones to 35 percent of the gross lot area (Section 17.040.010) and by the 28.5-foot height limit, which applies throughout the town except for two districts, the Planned Development District (PDD), which requires a site of at least five acres unless the Planning Commission and Town Council approve an exception, and the Single Family Residential Master Planned District (SF-RMP).- As the developer of Victory Village, explained when requesting increased height for an affordable senior housing development, the height restriction reduces economies of scale that are essential to affordable housing projects. The total floor area of a building and the number of units often need to be further reduced to meet the parking requirements (one to two parking spaces per unit and one guest parking space for every five units) and open space requirements. The cumulative effect of the zoning restrictions, the high land and construction costs in Marin County, and the cost of financing collectively act as a constraint on housing development in Fairfax. Programs to address these constraints have been added to Chapter 4, Housing Action Plan.

Accessory Dwelling Units (ADUs)

The State first enacted regulations for Accessory Dwelling Units (ADUs) in 1982 with the addition of Government Code Section 65852.2, which authorized local agencies to approve second units through a conditional use permit process. The law has been amended several times since then, most recently with the adoption of SB 897 and AB 2221, which specify that design and development standards applicable to Accessory Dwelling Units (ADU) must be objective,

⁴ Marin Transit Services and Schedules, accessed December 15, 2022. [Marintransit.org](https://www.marintransit.org)

increased the minimum heights limits, and made other changes to facilitate ADU development.

The Town of Fairfax adopted Ordinance 861 in January 2022 bringing the Fairfax Zoning Code into compliance with state law governing the development of accessory dwelling units (ADUs) and Junior Accessory Dwelling Units (JADUs) as of that date. The development and architectural requirements in Section 17.048: Residential Accessory Dwelling Units and Junior Accessory Dwelling Units were further amended on December 7, 2022, when the Town Council adopted Urgency Ordinance No. 876, related to ADUs and JADUs, which brought the regulations into compliance with further changes in State law regarding ADU height limits.

These revisions allow an ADU located within a half-mile of a major transit stop or high quality transit corridor (fixed route bus service with service intervals no longer than 15 minutes during peak commute hours on a lot with a single-family or multifamily dwelling to be up to 18 feet in height by right and up to two feet taller (for a maximum of 20 feet) if necessary to match the roof pitch of the ADU to that of the main house. An attached ADU may be up to 25 feet high or as high as a primary dwelling may be under the underlying zone, whichever is lower. Outside this radius the Code restricts the height of single-story attached or detached ADUs to 16 feet above grade measured to the peak of the structure and prohibits detached ADUs from exceeding one story.

The maximum permitted size of an attached or detached ADU is 850 square feet for a studio or one-bedroom unit and 1,000 square feet for a unit with two bedrooms. An attached ADU is limited to 50 percent of the floor area of the primary dwelling and no ADU may cause the total FAR of a lot to exceed 40 percent or the total lot coverage to exceed 35 percent unless such restrictions would preclude development of an ADU with a floor area of at least 800 square feet as stipulated by State law.

The Town adopted a Second Unit Amnesty Program allowing applicants proposing to legalize previously unpermitted ADUs to comply with the less restrictive State Housing Code requirements, rather than the Uniform Building Code (UBC). Rehabilitation is allowed using materials and methods as of the date of original construction, consistent with state housing law, unless a health or safety hazard would result to the extent allowed by the UBC. ADUs and JADUs eligible for the amnesty program pay 50 percent of the \$500 fee established by the Zoning Code. The Council has extended this incentive to January 1, 2032. This also applies to any ADU/JADU being built in the Town. In addition, the Town does not assess penalties for legalizing these units through January 1, 2032.

All fees are 50 percent through January 1, 2032 for ADUs/JADUs including the following: in addition to the \$500 ADU permit fee, property owners pay Building Permit and Plan Check fees ranging from \$1,786 for a minor kitchen permit to \$6,020 for a detached ADU.⁵ The Housing Action Plan includes several additional programs intended to promote the development of ADUs by modifying development standards and providing technical assistance to applicants.

⁵ Town of Fairfax Master Fee Schedule, Exhibit B, Bldg. Plan Checks/Permits, FY22-23.

Affordable Housing Density Bonus

Fairfax has not established any provisions to implement the State density bonus law (California Government Code Section 65915) but the law still applies to proposed residential projects that are eligible for density bonuses and other incentives or concessions. Victory Village, a project on Sir Francis Drake Boulevard with 53 one-bedroom units for low-income adults aged 62 and older, was granted a density bonus. The project was built by Resources for Community Development under the Low-Income Housing Tax Credit program and all units receive Section 8 rental subsidies from the Marin Housing Authority. The Town also deferred payment of road impact fees for a period, and a payment plan starts after that time.

The Housing Action Plan includes a program to amend the Code to address the State requirements including allowing an applicant seeking a density bonus to have the request for a density bonus considered concurrently with the review of the underlying development application.

Another Program proposes to make work force housing projects eligible for density bonuses. The Town has defined such housing as projects affordable to households with incomes up to 180 percent of area median income in Marin County, which exceeds the maximum the State density bonus law, allows. Pursuant to State law, the Town could enact provisions that would provide incentives for such projects.

Transitional and Supportive Housing

Supportive housing is generally defined as permanent, affordable housing with on-site or off-site services that help residents who fall within the “target population” under state law improve their health status, and maximize their ability to live and, when possible, work in the community. Services may include case management, medical and mental health care, substance abuse treatment, employment services, and benefits advocacy. Supportive housing is further defined as “housing with no limit on length of stay and that is occupied by a target population as defined in the Government Code and subdivision (d) of Section 53260 of the California Health and Safety Code, that provides, directly or indirectly, a significant level of on-site or off-site services to help residents retain housing, improve their health status, and maximize their ability to live and, when possible, work in the residents’ community. (California Health and Safety Code Section 50675.14 (b))

“Target population” means persons with low incomes who have one or more disabilities, including mental illness, HIV or AIDS, substance abuse, or other chronic health condition, or individuals eligible for services provided pursuant to the Lanterman Developmental Disabilities Services Act (Division 4.5 (commencing with Section 4500) of the Welfare and Institutions Code) and may include, among other populations, adults, emancipated minors, families with children, elderly persons, young adults aging out of the foster care system, individuals exiting from institutional settings, veterans, and homeless people.

Transitional housing units are “residential units operated under program requirements that call for (1) the termination of any assistance to an existing program recipient and (2) the subsequent recirculation of the assisted residential unit to another eligible program recipient

at some predetermined future point in time, which point in time shall be no less than six months into the future.”

State law requires that transitional and supportive housing be treated as a residential use and be subject only to those restrictions that apply to other residential uses of the same development type in the same zone. This housing can take several forms, including group housing or multi-family units, and typically includes a supportive services component to allow individuals to gain necessary life skills in support of independent living. For example, if the transitional housing is a multi-family use proposed in a multi-family zone, then zoning should treat the transitional housing the same as other multifamily uses in the proposed zone.

The State has enacted additional requirements that jurisdictions must address in their regulation of supportive housing. These include:

- Allowing supportive housing as a use by-right in all zones where multi-family and mixed-uses are permitted, including non-residential zones permitting multi-family uses, if the proposed development meets specified criteria in State law;
- Approval of an application for supportive housing that meets these criteria within specified periods; and,
- Eliminating parking requirements for supportive housing located within ½ mile of public transit.
- “Transitional housing” (California Health and Safety Code Section 50675.2 (h)) means buildings configured as rental housing but operated under program requirements that require the termination of assistance and recirculating of the assisted unit to another eligible program recipient at a predetermined future point in time that shall be no less than six months from the beginning of the assistance.

SB 2, which amended the State housing law effective January 1, 2008, clarified that transitional and supportive housing types must be treated as residential uses and subject only to those restrictions that apply to other residential uses of the same type in the same zone. The Fairfax Zoning Code is inconsistent with State law because transitional and supportive housing are only allowed as a use “by right” in areas zoned as PD (Municipal Code Section 17.130) and CC (Municipal Code Section 17.100).

To bring the Zoning Code into compliance with State law regarding transitional and supportive housing, Fairfax will amend the zoning code to clarify that transitional and supportive housing is subject only to those restrictions that apply to other residential uses of the same development type in the same zone. The regulations for each district in which residential uses are allowed should be revised to specifically identify transitional and supportive housing among the uses permitted by right or subject to a conditional use permit based on the requirements applicable to other residential projects configured in the same manner. The Zoning Code will also be revised to conform with the other recently enacted requirements mentioned above.

Residential Care Facilities and Group Homes

State law requires that local jurisdictions allow small residential care facilities and group homes by right and under the same standards as apply to a single-family home in the residential district. The current Zoning Code appears to exclude residential care facilities from the definition of Nursing Home, which is described as a “home for aged, chronically ill or incurable persons, in which three or more persons not of the immediate family are received, kept or provided with food and shelter or care for compensation” excluding hospitals, clinics and similar institutions and groups such facilities with multi-unit residences, and senior housing with respect to common areas. (Section 17.008.020, Definitions). The Housing Action Plan includes a program that will bring the Zoning Code into compliance with State law by establishing provisions that include a definition for residential care facility consistent with applicable State requirements. The program also commits the Town to allowing residential care facilities by right, subject to objective standards for parking and other requirements applicable to residential structures of the same type allowed in specified districts.

Emergency Shelters

State law requires the Town to analyze the housing needs of its homeless population, including the need for emergency shelter, transitional and supportive housing. The State Department of Housing and Community Development defines an emergency shelter as housing that offers minimal supportive services, limits occupancy to six months or less, and is provided at no cost to the family or individual. Emergency shelter standards are intended to allow temporary shelter (six months or less) to be provided to homeless persons or others in need of shelter while ensuring that the shelter(s) is operated in a manner that is compatible with surrounding areas, in accordance with Government Code Section 65583.

Homelessness in Marin County increased from 1,034 people in 2019, to 1,121 people as of February 17, 2022, when the County conducted its federally mandated homeless census. The number of homeless persons in Fairfax as of 2019 was five, down from 17 in 2015. All these persons were unsheltered (i.e., living on the streets, in abandoned buildings, vehicles, encampments, or places other than an emergency shelter or transitional housing. At the time of the 2019 County Homeless Count, 73 percent of the individuals experiencing homelessness in Marin County reported living in Marin at the time of their most recent housing loss.⁶

Fairfax amended its Zoning Code in 2015 to allow emergency shelters by right in the CC (Central Commercial) and PD (Public Domain) districts subject to requirements for emergency shelters codified in Chapter 17.138. These regulations generally conform to the State mandate that jurisdictions with an unmet need for emergency shelters for persons experiencing homelessness identify a zone(s) where emergency shelters will be allowed as a permitted use without a conditional use permit or other discretionary permit. As reported in the Housing Sites Inventory, there are three sites in the CC district and 15 in the CH. The CC sites have a total area of 1.19, sufficient to accommodate 22 housing units; the CH sites comprise 3.75 acres with a potential capacity of 85 units. The identified zone must have These sites have

⁶ Applied Survey Research, “Marin County Homeless Count & Survey Comprehensive Report 2019” Marin County

~~sufficient enough~~ capacity to accommodate the shelter need, and ~~at a minimum~~ provide capacity for at least one year-round shelter, as required.

The ~~standards Code's requirements~~ for emergency shelters in are generally consistent with those the State authorizes in Government Code 65583 (a)(4)(A) but include some additional provisions that may conflict with State requirements. Shelters are required to comply with "all applicable provisions of the off-street parking and loading provisions applicable to the zoning district in which the shelter is located." (Section 17.138.010 (D)) The existing Code requires one space per 200 feet of gross floor area plus one large off-street loading space in both the CC and the CH districts, but the CC standards also require approval of a traffic impact permit per Chapter 17.056, including preparation of a traffic study and impact mitigation plan, which would be a constraint to development of emergency facilities.— These Section 17.138 also includes a requirement that new construction or alterations proposed to an existing site or building require design review by the Planning Commission for conformance with the town's design guidelines, some of which are not objective requirements.

In addition to these requirements, tThe Town ~~also has~~ enacted a provision stating, "Once the town's local need for providing emergency homeless shelters is satisfied (based on the most current homeless census data), a conditional use permit is required for any additional beds or emergency homeless shelters in any district." As written, this provision does not comply with section 4(C) of the State requirements, which stipulate that a local jurisdiction must demonstrate to the State Department of Housing and Community Development that existing facilities can accommodate the need for emergency shelters before imposing a requirement for conditional approval of facilities.

As of this writing, there are no emergency shelters in Fairfax. The closest shelter is in San Rafael's Canal District, according to Marin County's homelessness policy analyst who spoke at a meeting the Town and Marin County held in August, 2022, in response to complaints about a two-person homeless encampment near Peri Park in Fairfax.⁷ Chapter 15.16 of the Fairfax Buildings and Construction Code prohibits the use or occupancy or any camp car or trailer for living or sleeping on any lot or parcel in the town. The Code also bars the lease of any property for this purpose. This regulation would prohibit the use of so-called "tiny homes" as the Counties of Marin and Sonoma and some other California jurisdictions now allow as way to provide affordable housing. The Town's Vehicles and Traffic Code prohibits overnight parking in the Town Center (Section 10.04.120 UTO Section 11.8) and nighttime use of parks is prohibited without the Town Clerk's permission. At present, these provisions limit options for unhoused persons in Fairfax.

Despite the concerns expressed by some Fairfax residents to the encampment near Peri Park, due to the decision by the Ninth Circuit Court of Appeals in *Martin et al. vs City of Boise* (2018), because Fairfax does not have any shelter beds for its small homeless population, the Town is likely precluded from enforcing a blanket prohibition on camping or sleeping on public properties.⁸ As of 2019, there were 88 unsheltered persons in San Anselmo, Corte Madera,

⁷ "Marin County Residents Speak Out Against Small Homeless Encampment of Two People", *San Francisco Chronicle*, August 1, 2022.

⁸ <https://law.justia.com/cases/federal/appellate-courts/ca9/15-35845/15-35845-2019-04-01.html>

Fairfax, Larkspur, Mill Valley and unincorporated Central Marin, none of which had emergency shelters at that time.⁹

Fairfax participates in the Marin Continuum of Care's Homeless Policy Steering Committee, which is working with EAH, the primary provider of Emergency Shelter in the County, to implement a safe, low-barrier, housing-focused shelter model.¹⁰ EAH partners with Homeward Bound of Marin and other organizations providing programs for households experiencing homelessness.¹¹ This collaboration might offer a medium for devising an interim approach to accommodating Marin County's homeless until more permanent solution is available. In addition, two Councilmembers are assigned to the Marin County Council of Mayors and Councilmembers (MCCMC) Homeless Committee which may be another medium for an interim approach – in fact the Housing First model was developed by this Committee in partnership with others in the County.

In 2019, the State enacted Assembly Bill 101, which amended the Government Code Section 65660 to require municipalities to allow a Low Barrier Navigation Center (LBNC) to be permitted by right in mixed-use districts and nonresidential zones that permit multifamily development. LBNC means a Housing First, low-barrier, service-enriched shelter focused on moving people into permanent housing that provides temporary living facilities while case managers connect individuals experiencing homelessness to income, public benefits, health services, shelter, and housing. If the Town receives applications for these uses, it must process them ministerially as required by State law. ~~Fairfax has not amended the Municipal Code to include a definition or standards for the approval of LBNCs and no such facilities have been established to date in the town. A program has been included in the Housing Action Plan of this Housing Element to amend the Zoning Code to include procedures for processing low-barrier navigation centers including identification of the districts where they would be allowed.~~

There are no emergency shelters in Fairfax and Fairfax has not amended the Municipal Code to include a definition or standards for the approval of LBNCs. As noted above, the Code's requirements for emergency shelters are generally consistent with those the State authorizes in Government Code 65583 (a)(4)(A) but include some additional provisions that may conflict with State requirements. These include a requirement that new construction or alterations proposed to an existing site or building require design review by the Planning Commission for conformance with the town's design guidelines, some of which are not objective requirements. The Town also enacted a provision stating, "Once the Town's local need for providing emergency homeless shelters is satisfied (based on the most current homeless census data), a conditional use permit is required for any additional beds or emergency homeless shelters in any district." As written, this provision does not comply with section 4(C) of the State requirements, which stipulate that a local jurisdiction must demonstrate to the State Department of Housing and Community Development that existing facilities can

⁹ Applied Survey Research, op. cit., p. 12.

¹⁰ Marin County Continuum of Care, "A Response to Homelessness I Marin County: Assessing the Need & Taking Action" https://www.marinhhs.org/sites/default/files/boards/general/marin_homelessness_plan.pdf

¹¹ EAH Housing, Supportive Housing, <https://www.eahhousing.org/real-estate/management-expertise/supportive-housing/>

accommodate the need for emergency shelters before imposing a requirement for conditional approval of facilities.

and no such facilities have been established to date in the town. A program has been included in the Housing Action Plan of this Housing Element to amend the Zoning Code to include procedures for processing low-barrier navigation centers including identification of the districts where they would be allowed. The Action Plan also commits the Town to revising the requirements for emergency shelters and navigation centers to waive the requirements for a traffic mitigation study and design review and to establishing parking requirements based on the number of staff working in the facility. The parking requirements for shelters and centers within a half mile of public transit will also be revised to eliminate minimum parking standards consistent with Government Code Sections 65585 and 65863.2 as amended by AB 2097 (Friedman).

Employee and Work Force Housing

The State Employee Housing Act (Health and Safety Code Section 17000 *et seq.*) and associated regulations govern the requirements for construction, maintenance, use, and occupancy of privately-operated housing for five or more employees including living quarters provided in connection with any work, whether rent is involved or not, and housing in rural areas provided for agricultural workers. State law generally requires employee housing for six or fewer persons to be treated as a single-family structure and residential use. This provision applies not only to farmworkers but also to non-agricultural household employees, including those working for religious, educational, and other establishments.

The existing code requires a conditional use permit to allow either employee housing or agricultural uses in the RS 7.5, 6, and 5.5-7 districts but allows single-family units by right in those districts, which is inconsistent with the State Employee Housing Act. Section 17021.5 of the State law requires employee housing for six or fewer employees to be treated as a single-family structure and permitted in the same manner as other dwellings of the same type in the same zone. Section 17021.6 requires employee housing consisting of no more than 12 units or 36 beds to be permitted in the same manner as other agricultural uses in the same zone. The Housing Action Plan includes a program to amend the Code as necessary to allow employee housing as required by State law.

Even though there is no commercial agriculture in Fairfax, about 41 percent of Marin County's land area is in agricultural use including unincorporated areas just west of Fairfax. The American Communities Survey data for 2017-2021, reported that 1.1 percent of the Town's civilian employed population worked in agriculture, forestry and other resource-based industries compared with 0.6 percent countywide.¹² The majority of agricultural workers in West Marin live in housing provided on site by employers but some workers may seek housing in nearby

¹² U.S. Census Bureau, 2017—2021 ACS 5-Year Narrative Profile, Fairfax town, California <https://www.census.gov/acs/www/data/data-tables-and-tools/narrative-profiles/2021/report.php?geo-type=place&state=06&place=23168>, https://data.census.gov/table?tid=ACSDP5Y2015.DP03&g=0400000US06_0500000US06041

towns like Fairfax, especially if their spouses work in non-agricultural jobs in those communities.

The 2017 US Department of Agriculture Census reported that 1,274 persons were employed as farmworkers, accounting for about 0.9 percent of the Marin County workforce. According to the U.S. Department of Agriculture Census of Farmworkers, the number of permanent farm workers in Marin County increased between 2002 and 2017 to a total of 697 and the number of seasonal farm workers increased during the same period to 577.¹³ Having a mean annual salary of \$41,321, most of the agricultural workers in Marin County are considered low or very low-income. (The 2021 HCD income limits are \$38,400 and \$63,950 for a one-person household for extremely low and very low income households) even if their spouses are employed.¹⁴

A related issue is the serious shortage of workforce housing for those individuals and families earning too much to qualify for traditional affordable housing, but not enough to afford market rate rents in the communities where they work. Workforce housing (sometimes referred to as middle-income or moderate-income housing) is housing for individuals and families typically earning between 60 percent and 120 percent of the Areawide Median Income (AMI). Housing for those earning more than 80 percent of the AMI is not eligible for tax credits, private activity bonds or most other federal, state or local government subsidies.

The CSCDA Community Improvement Authority (CSCDA CIA), an affiliate joint powers authority that acquires public ~~benefit-oriented~~benefit-oriented capital projects through the issuance of tax-exempt governmental purpose bonds, is taking steps to fill this gap.¹⁵ Through CSCDA CIA's Workforce Housing Program, government bonds are issued to acquire market-rate apartment buildings for conversion to income and rent-restricted units for moderate/middle income households. These units are targeted to households earning 80% to 120% of AMI. Annual rent increases are capped at no more than 4%, which is significantly less than the rent limits under AB 1482, the recently adopted State tenant protection legislation. CSCDA CIA now operates the largest workforce housing program in California and has acquired and converted more than 7,700 units for low- and middle-income tenants.

The Town has been exploring options for providing housing for employees who reside in Fairfax and those who commute in from outside the Town but are unable to find affordable units in Fairfax. Based on the state's 2022 income limits, a four-person household making between 60 and 180 percent of area median income (AMI) in Marin County would fall into the income range of \$99,600 and \$298,800. In most of the communities proposing workforce housing projects, those who would be eligible for this housing include teachers, health care workers and other essential workers.

The Housing Action Program commits the Town to amending the Zoning Code to include a definition for work-force housing and to a program that includes working with local religious,

¹³ ABAG/MTC Staff and Baird + Driskell Community Planning, Fairfax Housing Needs Data Report, pp. 59-60.

¹⁴ Marin Countywide Plan, 2023-2031 Housing Element, p. 76

¹⁵ California Statewide Communities Development Authority (CSCDA), <https://cscda.org/workforce-housing-program/>

education, and other institutional employers in the community to explore potential sites and financing options for such projects. AB 2244 (Wicks), which the Governor signed in July, 2022, amended Government Code Section 65913.6 to make it easier for religious institutions to develop affordable housing on sites they own by expanding the provisions of AB 1851, enacted in 2020, to apply to housing on new or existing sites by allowing up to a 50 percent reduction in the parking required for the religious use. The current law applies to projects that qualify for a density bonus but the Town could enact an ordinance to implement the legislation or similar provisions to facilitate housing for those earning between 60 and 180 percent of AMI. As noted above, the Housing Action Plan also includes a program to amend the Code as necessary to allow employee housing as required by State law.

Single Room Occupancy (SRO)

Single-room occupancy (SRO) units are small, one-room units occupied by a single individual or couple that may have either shared or private bathroom and kitchen facilities. This type of housing is an alternative housing that is affordable to extremely-low-income households. The Fairfax Zoning Code does not define or establish any requirements specific to SRO housing although, as mentioned above, other chapters of the Municipal Code recognize these establishments as a type of multi-unit rental housing. As such, SRO housing would be allowed in the CL (Limited Commercial), CH (Highway Commercial), and CC (Central Commercial) zones subject to approval of a use permit. In the CH and CC zones, residential uses are only allowed above the ground floor.

Because of the potential SROs offer as an accommodation for very low-income individuals or couples, this Housing Action Plan includes a program to amend the Zoning Code to include a definition and standards for developing SRO housing, especially to meet the Town's need to accommodate homeless and very low-income persons and households.

Manufactured and Mobile Homes

State law requires that mobile homes (or manufactured homes) on permanent foundations be permitted by right in residential zones, subject to the same development standards and processes as single-family homes but does not require municipalities to permit mobile home parks. The Town's Zoning Code includes definitions for Mobile Home Park and Mobile Home Lot but fails to include any reference to the State mandate allowing manufactured and mobile homes in all residential zones and doesn't identify Mobile Home Parks as a permitted use in any district.

The Housing Action Plan includes a program to bring the Zoning Code into compliance with State law regarding the treatment of manufactured and mobile homes in the same manner as single-family dwellings. The Action Plan also proposes includes a program to amend the Code and other regulations to determine whether the Town should allow small residential structures on a mobile base ("tiny homes") to be treated as a type of ADU.

SB 35 Streamlining

Government Code section 65913.4 allows qualifying development projects with a specified proportion of affordable housing units to move more quickly through the local government review process and restricts the ability of local governments to reject these proposals. The bill creates a streamlined approval process for qualifying infill developments in localities that have failed to meet their RHNA, requiring a ministerial approval process, removing the requirement for CEQA analysis, and removing the requirement for discretionary entitlements. The Town did not make sufficient progress toward its Above Moderate RHNA for the 5th cycle planning period (2015 – 2023) and is therefore subject to SB 35. The Action Plan proposes to amend the Zoning Code to establish regulations consistent with State law to review and make decisions on projects eligible for processing under SB 35 including applicable objective development standards. Associated programs include preparation of application forms that Staff can use to quickly determine whether projects are eligible for expedited processing.

SB9 California Housing Opportunity and More Efficiency (HOME) Act

SB9, also known as the California Housing Opportunity and More Efficiency (HOME) Act, requires cities to allow one additional residential unit onto parcels zoned for single-dwelling units. In December 2021, the Town adopted Ordinance 860, enacting regulations to permit duplexes in qualifying single family zoning districts (Chapter 17.049, Two-Unit Projects) and to allow subdivision of qualifying lots (Fairfax Municipal Code, Section 16.22.010, Urban Lot Splits) ministerially pursuant to SB9. Despite the number of relatively large lots in Fairfax, there is no information indicating that property owners have taken advantage of these new requirements. The Action Plan includes a program to provide information to familiarize owners with the SB 9 program and the Town's requirements for implementing the State law.

Constraints for People with Disabilities

The Town has adopted Title 24 of the 2019 California Building Code (Fairfax Municipal Code, Section 15.04.010, Adoption of Construction Codes), which includes comprehensive standards covering most important areas of accessibility for persons with physical and sensory disabilities. California's Building Standards Codes (Physical Access Regulations) are found in Title 24 of the California Code of Regulations (CCR) and are designed to comply with the requirements of the Americans with Disabilities Act (ADA) and State statutes. Fairfax has not, however, enacted regulations establishing procedures for persons with disabilities seeking "reasonable accommodation" involving changes, exceptions, or adjustments to regulations that are necessary to provide equal access to housing.

A program has been included in the Housing Action Plan to bring the Zoning Code into compliance with State law regarding reasonable accommodations by establishing procedures for processing request for reasonable accommodation pursuant to the federal Fair Housing Act (Title VIII of the Civil Rights Act of 1968, as amended, 42 U.S.C. 3601–3619) and the California Fair Employment and Housing Act (California Government Code, Title 2, Division 3, Part 2.8). The revisions to the Zoning Code will authorize the Town Planning and Building Director to grant or deny requests for reasonable accommodation subject to appeal to the Planning Commission. The Director may impose conditions to ensure the accommodation would comply with the applicable laws and may condition the approval or conditional approval to provide

for rescission or automatic expiration as appropriate due to a change in occupancy or similar circumstances.

Requests for a reasonable accommodation will require documentation of disability status, the specific accommodation request, and the necessity of the accommodation to ensure equal opportunity to use and enjoy the residence. The Director shall approve the reasonable accommodation if it is consistent with the federal and State laws based on the following:

1. The housing, which is the subject of the request, will be used by an individual who is disabled under the Acts.
2. The requested reasonable accommodation is necessary to make specific housing available to an individual with a disability under the Acts.
3. The requested accommodation would not impose an undue financial or administrative burden on the Town.
4. The requested accommodation would not require a fundamental alteration in the nature of the Town's land use and zoning program.
5. The requested reasonable accommodation would not adversely impact surrounding properties or uses.
6. There are no reasonable alternatives that would provide an equivalent level of benefit without requiring a modification or exception to the Town's applicable rules, standards, and practices.
7. The accommodation would not alter the significance of a historic structure.

As noted above, the Town has also did not implement at least six programs the 5th Cycle Housing Element (2015-2023) included to bring Fairfax's zoning ordinance into compliance with State housing law and address certain governmental constraints regarding residential care facilities, supportive housing, and other provisions for persons with disabilities. A referendum was filed with the Town to block the Ordinance(s) implementing such at the time; the Council opted to repeal the Ordinance(s) at that time. The Housing Action Plan in this Housing Element includes a number of programs to amend the Zoning Code to correct these deficiencies, which are constraints for persons with disabilities.

PROCESSING AND PERMIT PROCEDURES

Like all local jurisdictions, the Town of Fairfax has established procedures and regulations applicable to all or some residential projects. Generally, the time taken to review and approve a proposal is directly proportional to the magnitude and complexity of the project, but the time needed for review is also determined by whether the zoning regulations provide clear and objective standards that reduce the need for discretionary review and whether decisions require a public hearing before decision-making bodies, including the Planning Commission.

Residential projects proposed in Fairfax typically require a combination of reviews including zoning compliance, conditional use permit, design review as well as building permit plan checks. Many projects also require review by the Planning Commission however to streamline reviews the Town Council eliminated its separate Design Review Board in 2012 and

combined its functions with the Planning Commission. Some projects may also require approval or modification of a development plan, master plan, and/or subdivision map or parcel map. In addition to these procedures, which are common to most cities, Fairfax has established some additional review requirements that contribute to the time and cost required to develop residential projects. These include the requirements for traffic impact permits (Chapter 17.056), ridgeline scenic corridor permits (Section 17.060), flood plain development permit (Chapter 17.068) and hill area residential development permit (Chapter 17.072).

These requirements typically require applicants to hire special consultants and pay additional fees for review by Staff or an outside consultant (see Table C-7: Development and Planning Fees). Table C-5 lists typical residential project application types and the approximate length of time required to approve each type of application. Moreover, residential projects that the Zoning Code permits by right as shown in Table C-2 are subject to design review, a discretionary process based on highly subjective Design Review Criteria (Section 17.020.040) that requires a public hearing before the Planning Commission under the Town's Design Review Regulations (Fairfax Zoning Code Chapter 17.020). This review process, which this analysis discusses in greater detail below, creates a significant constraint to residential development.

Table C-5: Estimated Time for Processing Residential Projects

Item	Approximate Processing Timeline
Conditional Use Permit	3-4 months
Zoning Clearance	1-2 days
Minor Development / Design Review	3-4 months
Major Development / Design Review	6-12 months
Specific Plan	6-12 months
Tentative Tract Map/Parcel Map/Subdivision	6-12 months
Variance	3-4 months
Zone Change	3-6 months
General Plan Amendment	3-6 months
Environmental Review	6-12 months

Notes:

1. Processing time is estimate of approximate length of time from submittal of complete application to public hearing.

Source: Town of Fairfax 2010-2030 General Plan, [Fairfax Town Staff, October 2023](#)

On average, applications for single-family custom homes without any site constraints are found to be complete within 30 days of submission as required by State law. When proposed single-family development is not subject to special environmental constraints because of its location and the project meets all applicable zoning requirements, it is possible to process the

required building permits in approximately three to four months. Multiple-family projects usually require environmental review, public hearings, and design review, which is clearly a constraint to affordable housing development. Environmental studies add 6 to 12 months to a project's approval.

If an EIR is not required, Town permit processing could be accomplished in three to four months. Fairfax staff say that the Town's typical processing procedures and time frames do not pose undue constraints to the ability of project applicants to develop lower-income housing projects. The procedures, which are described in Table C-6, Typical Processing Procedures by Residential Project Type, do, at a minimum, increase the cost of obtaining planning approval and probably also increase the time required to secure approval.

Fairfax has received few housing applications, except for ADUs, in recent years. The application for the Victory Village Senior Housing Project, the largest approved by the town in more than five years, was received on April 25, 2016, and approved in late April, 2017. The 54-unit project, which is 100 percent affordable, required approval of a General Plan amendment, zoning text and map amendments, a parcel map, design review, an excavation permits, and a traffic impact permit in addition to a density bonus. The project was approved with an Initial Study and Negative Declaration.

Table C-6: Typical Processing Procedures by Residential Project Type

Project Type	Approval Requirement	Processing Time
Single-family Unit	Hill Area Residential Development (HRD) zone requirements: <ul style="list-style-type: none"> • Design Review • Excavation Permit • Encroachment Permit 	4 months
Multi-family (< 10 Units)	CEQA Initial Study; Neg. Dec. <ul style="list-style-type: none"> • Design Review • Trans. Impact Study/Permit • Misc. 	6-12 months
Multi-family (> 10 Units)	CEQA Initial Study; Neg. Dec. <ul style="list-style-type: none"> • Design Review • Trans. Impact Study/Permit • Misc. 	6-12 months

LENGTH OF TIME BETWEEN APPLICATION APPROVAL AND BUILDING PERMIT ISSUANCE

The Housing Element law was amended in September 2022 by the passage of AB 2234 (Rivas) to require examination of the length of time between receiving approval for a housing development and submittal of an application for building permits. The law amended the housing element requirements to add Section 65913.3 mandating that cities and counties compile a list of information needed to approve or deny a post-entitlement phase permit, post an example of a complete, approved application and an example of a complete set of post-entitlement phase permits for at least five types of housing development projects, as defined, and to make those items available to all applicants for these permits. Once the applicant submits the required plans and other information, the law will allow 15 business days to review the submittal and notify the applicant in writing whether it includes all of the required items. If the application is complete, the law gives the agency an additional 30 days to review the materials and either provide the applicant with a full set of comments with a request for revisions or issue the required approval. The law allows 60 days for review of applications for housing projects with 26 or more units.

The time between application approval and building permit issuance is influenced by several factors, some of which are not within a city’s control. These include the time the applicant needs to produce required technical or engineering studies; complete construction drawings and detailed site and landscape design; secure construction and permanent financing; and retain of a building contractor and subcontractors. The new law requires that once those plans and studies have been submitted, cities must review them and notify the applicant of the results of that review without delay. The decision on completeness is subject to appeal.

As described above, the Action Plan proposes several revisions to the Zoning Code to make more projects allowed by right, which will reduce the time it takes to obtain an entitlement. Reducing the time needed to obtain all necessary construction permits may be more difficult. The Town employs an outside consulting service to provide plan check services, which augments Town staff capacity and helps to reduce the time required for permit issuance. In order to meet the new deadlines, the Town may need to hire more staff or engage additional consultants. All of these remedies may create a need to increase fees.

The Housing Action Plan contains several programs that will require amending the Zoning Code in ways that will reduce the time required to obtain a planning entitlement. The additional requirements imposed by AB 234 will make it necessary to include an additional program to generate the list of information needed to approve or deny a post-entitlement phase permit and complete sets of plans for five housing project types. The Plan also includes a program to project the anticipated effect of the requirements on the need for additional staff or consultant assistance, the cost of increasing staffing or consultants, and the impact of these changes on fees.

DESIGN GUIDELINES AND OBJECTIVE DESIGN STANDARDS

The Zoning Code requires design review approval of all projects, buildings, signs, and other facilities by the Planning Commission and provides a list of design review criteria that the Town uses to evaluate proposed projects. Fairfax Zoning Code, Chapter 17.020: Design Review Regulations) Section 17.020.040 establishes subjective design review criteria that currently apply to residential development including the following:

- The proposed development shall create a well-composed design, harmoniously related to other facilities in the immediate area and to the total setting as seen from hills and other key vantage points in the community;
- The proposed development shall be of a quality and character appropriate to, and serving to protect the value of, private and public investments in the immediate area;
- There shall exist sufficient variety in the design of the structures and grounds to avoid monotony in external appearance;
- The size and design of the structure shall be considered for the purpose of determining that the structure is in proportion to its building site and that it has a balance and unity among its external features so as to present a harmonious appearance;
- The extent to which the structure conforms to the general aesthetics of other structures in the vicinity insofar as the character can be ascertained and is found to be architecturally desirable;
- The extent to which ornamentation is to be used and the extent to which temporary and second-hand materials, or materials which are imitative of other materials, are to be used.
- The extent to which natural features, including trees, shrubs, creeks and rocks and the natural grade of the site are to be retained;

- The accessibility of off-street parking areas and the relation of parking areas with respect to traffic on adjacent streets.

Even though the Code states that design review is limited to “elements of design which have significant relationship to exterior appearance of structures and facilities...[including] height, arrangement on the site, texture, material, color, signs, landscaping and appurtenances” the absence of quantified standards is problematic and creates significant potential for violating State mandates for using objective standards as a basis for reviewing multi-unit residential projects.

The General Plan proposed the adoption of design guidelines, and the Zoning Code authorizes the Town to adopt guidelines to illustrate the design criteria. The Town began the process of preparing objective design standards in 2021 with a workshop to consider a set of design and development standards prepared under contract to the County and made available to local jurisdictions for their own use. In August 2022, the Planning Commission conducted a meeting to discuss how the County’s Objective Design and Development Standards Toolkit might be adapted for use by Fairfax. A revised version of the County’s Toolkit prepared by the Town’s consultants was reviewed and discussed by the Planning Commission in September 2022. The draft proposed several amendments to the Zoning Code to correct deficiencies; however, as of this writing, the Town has not adopted objective design standards that would meet the requirements of the State Housing Accountability Act, SB 35 or SB 9 (California Government Code Sections 65589.5, 65913.4, 65852.21, and 65913.4(a)(5)).

The Housing Action Plan includes a program committing the Town to revising the Zoning Code to include objective design and development standards based on the criteria in Section 17.020.040 or other General Plan policies. The program also proposes changes to design review procedures to reduce the time required to conduct review. This program will be assigned the highest priority.

SUBDIVISION ORDINANCE

The Subdivision Ordinance, Title 17 of the Fairfax Municipal Code, establishes the Town’s procedures for approving and amending subdivisions in compliance with the State Subdivision Map Act (California Government Code, Section 66410 *et seq.*). In addition to procedural requirements that are generally the same as those included in the State law, the Town has enacted some provisions to respond to local conditions, which contribute to the cost of new development.

Design and Development Requirements

The subdivision and zoning ordinances include requirements to preserve native, indigenous vegetation or planting additional trees based on a tree plan prepared by a licensed landscape architect or arborist and approved by the Planning and Building Director, preparation of a land capacity report including a detailed resource conservation analysis, and design subdivisions to protect ridgelines to implement Chapter 17.060 of the Zoning Ordinance and “assure adequate light, air, privacy and views on all parcels regardless of land use”. The regulations do not define or provide a measurable and objective basis for determining adequacy.

Fairfax has adopted standards increasing the required width for roads to serve new development that are necessary to ensure access for fire protection to homes in remote hillside locations but increase the cost of development in outlying areas. The Town has adopted the following on- and off-site street improvement standards, which are generally consistent with the requirements imposed by other Marin County jurisdictions:

- Sidewalks: 4-foot minimum, with maximum 2 percent slope;
- Curbs, gutters, and streets as required by Marin County standards and/or Uniform Fire Code;
- Limited residential roads 20 feet with shoulders, 24 feet with curbs;
- Minor residential roads 28 feet;
- Residential roads 36 feet;
- Collector roads 40 feet;
- Curbs and gutters required by Town;
- Driveways 12 feet wide /1 DU; 16 feet wide /2-6 DUs;
- Driveways 20 feet long; and
- Sidewalks on both sides of road for projects greater than four DUs.

Subdivision Fees

As a condition to approval of a tentative or parcel map, the Town requires fees or dedication of land for park or recreation facilities as State law allows. Condominium conversions of existing apartments more than five years old are exempt from this requirement.

The Town's subdivision fees are in line with or less than charged by nearby communities. The required deposit for subdivision maps is \$5,000 plus a 20 percent administrative fee for any outside professional services compared with \$9,000 in Larkspur and \$7,978 in San Anselmo. If the subdivision would require environmental review and preparation of an initial study, the Town requires an additional \$5,000 deposit plus 20 percent of the cost charged by a consultant to prepare the environmental documents. Larkspur requires a \$5,000 deposit and San Anselmo charges \$6,120 for the first 16 hours of staff time for subdivision maps. Mill Valley's fee for Tentative and Parcel Maps for four lots or less is \$4,174 plus \$203 per hour for staff time after the first hour. These fees will affect the economic feasibility of single-family lot splits under SB 9, discussed above, which might otherwise be a way to provide additional housing in Fairfax. The Action Plan includes measures to reduce or mitigate the cost of subdivisions are included in the Housing Action Plan.

OTHER ORDINANCES

Fairfax has adopted other ordinances related to housing development that address local issues and improve the Town's capacity to meet its housing objectives.

- Fairfax is one of several Marin County municipalities that recently studied and adopted an inclusionary housing requirement and commercial linkage fee. Enacted on October 4, 2023, the regulations require multi-family rental and for sale projects to include a specific percentage of affordable units or pay an in-lieu fee to cover the difference between what households at different income levels can pay for housing and the cost of developing market rate housing. The ordinance establishes an inclusionary requirement of 20 percent for single family subdivision projects and 15 percent for rental projects. The commercial/non-residential linkage fee is set at \$3 per square foot of net new gross floor area to generate funds to assist the development of affordable housing to help meet the housing needs of lower income workers in the community.

The housing impact fees will be deposited in a new Affordable Housing Fund to be used to increase and improve the supply of affordable housing in Fairfax. The Town had fee studies prepared for the inclusionary program for residential projects and the commercial linkage fee to comply with State law including Assembly Bill 602, which requires preparation and adoption of impact fee studies.¹⁶

- Rent Stabilization and Just Cause Eviction Program. Fairfax has enacted requirements to regulate rents and protect tenants from arbitrary eviction. Just causes for eviction include failure to pay rent, violation of lease provisions, and creating a nuisance or damaging the unit. The rent regulations apply to duplexes, multi-unit apartment buildings, ADUs and JADUs constructed before 1995. The eviction regulations apply to all rental except for short-term rentals limited to less than 30 days. Under State law, eviction from a rental unit that the landlord intends to permanently withdraw from the rental market is permitted by the Ellis Act. In such cases, the landlord must comply with several requirements including relocation payments pursuant to State law.¹⁷
- The Short-Term Rental Program (Municipal Code Chapter 5.57) established by Ordinance 866 in July 2022 is intended to minimize the potential adverse impacts of this use while providing additional income to homeowners that can help them remain in their homes. The program only allows short-term rental when the unit offered for use as a "tourist home" is the primary residence of a permanent resident of the dwelling. ADUs and income-restricted or deed-restricted affordable housing is not eligible for the program.¹⁸

¹⁶ Fairfax Town Council Meeting Staff Report, October 4, 2023. <https://storage.googleapis.com/proudcity/fairfaxca/uploads/2023/09/Item-2.-Ordinance-and-Resolutions-Inclusionary-Housing.pdf>

¹⁷ Town of Fairfax, Rent Stabilization and Just Cause Eviction FAQ's. <https://www.townoffairfax.org/rent-stabilization-and-just-cause-eviction-faqs/>

¹⁸ Town of Fairfax, Short-Term Program <https://www.townoffairfax.org/short-term-rental-program/>

BUILDINGS AND CONSTRUCTION CODE

The Town has adopted Title 24 of the California Code of Regulations as the construction code for Fairfax subject to some modifications based on local conditions and concerns. These include provisions regarding exterior fire resistive construction, automatic fire sprinkler systems, fire extinguishers and smoke alarms applicable to buildings in the Wildland Urban Interface Fire Area and some other areas.

In September 2021, the Town enacted requirements for all-electric building design based on its location along the wildland-urban interface and susceptibility to seismic and flooding hazards. The requirements are also to implement the Fairfax Climate Action Plan and Climate Emergency Declaration (Resolution No. 1904). The requirements apply to building permit applications for all newly constructed buildings located in whole or in part within the town. (Fairfax Municipal Code Chapter 15.05: All-Electric Construction in Newly Constructed Buildings). This regulation anticipates State mandates that will ban the sale of natural gas appliances in 2030. A change in the State Building Code that went into effect at the beginning of 2023 requires all new home to have electric supply panels and circuitry to support all-electric appliances and heating but allows the installation of gas appliances for cooking, heating, and cooling. The new energy code was approved by the California Energy Commission in August 2021 and the California Building Standards Commission in December 2021. The Town Council adopted updated Building Codes in December 2023 which are consistent with, and in some cases more stringent than, the State Building Code.

Although the cost difference between electric and gas appliances are not significant, the cost to operate electric appliances has historically been higher than the cost of gas, although this was not the case in 2022. According to the State Public Utilities Commission, the bill for typical residential customer using 500 kWh per month is about one and a half times the rate for a typical residential gas customer using 33 therms a month. A rate increase proposal now under consideration would raise PG&E's revenues by 32% and would boost average customers' monthly bills 18%, from \$217 to \$255. ¹⁹ At PG&E's cheapest rate (\$.033 per kilowatt hour) it would cost about 3.8 times as much to use electric appliances.^{20 21} Many in Fairfax are MCE customers for electricity – MCE's rates are slightly lower than PGE's.

As mentioned above in the discussion about homelessness, the Buildings and Construction Code also prohibits the use or occupancy or any camp car or trailer for living or sleeping on any lot or parcel in the town. The Code also bars the lease of any property for this purpose.

¹⁹ "Can Californians Afford All-Electric Zero Carbon Goals as Power Costs Skyrocket?" *GV Wire*, January 20, 2023 <https://gvwire.com/2023/01/20/can-californians-afford-all-electric-zero-carbon-goals-as-power-costs-skyrocket/>

²⁰ See https://www.pge.com/pge_global/common/pdfs/your-account/your-bill/understand-your-bill/bill-inserts/2022/0622-COC.pdf and https://www.pge.com/en_US/residential/rate-plans/how-rates-work/rate-changes/residential-rate-comparison.page?WT.mc_id=Vanity_ratemailer

²¹ PG&E, Residential Rate Plan Pricing, https://www.pge.com/pge_global/common/pdfs/rate-plans/how-rates-work/Residential-Rates-Plan-Pricing.pdf, Understanding Your Baseline Allowance https://www.pge.com/en_US/residential/rate-plans/rate-plan-options/tiered-base-plan/understanding-baseline-allowance.page

This regulation may prohibit the use of so-called “tiny homes” (those on wheels) as the Counties of Marin and Sonoma and some other California jurisdictions now allow as way to provide affordable housing. The Housing Action Plan proposes several measures to make it easier to use small mobile dwelling units for residential use including amending the Town’s Building Code.

FEES AND EXACTIONS

Housing development is subject to permit processing and impact fees. These fees help to compensate the public for any impact associated with the new development. These fees are collected by the Town as well as other agencies providing public services in Fairfax. Table C-7, Development and Planning Fees (July, 2022-2023) summarizes permit processing and impact fees for new development in the Town of Fairfax. [The adoption resolution approved by the Town Council in 2019 provides for annual increases effective July 1 of every year through FY 2025-2026.](#)

~~The Action Plan will require review of the current fee structure to ensure that it accurately reflects the time and effort required to process applications for planning and development approval. As mentioned above, the Action Plan is also proposing revisions to fees for ADUs/JADUs as well as changes to standards and procedures that could result in a reduction to fees for individual projects regardless of whether the fee structure is changed.~~

Permit Processing Fees	Cost
Conditional Use Permit—Minor and Major	\$1,107
Variances	\$1,482
Design Review	
<i>Residential-Single Family</i>	\$1,107
<i>Multi-Family</i>	\$6,500
Hill Area Residential Development	\$9,800
ADU/JADU Permit Processing Fee	\$500
Planned Development District	\$5,000 deposit plus 20 % administrative fee
Tentative Tract Map	\$5,000 deposit plus 20 % administrative fee
Traffic Impact Report	\$4,683 + outside consultant cost
Ridgeline Scenic Corridor	\$2,835
Environmental Review	\$5,000 deposit plus 20 % administrative fee
General Plan Text Amendment	\$5,000 deposit plus 20 % administrative fee
General Plan Map Amendment	\$5,000 deposit plus 20 % administrative fee
Rezoning and Pre-Zoning	\$5,000 deposit plus 20 % administrative fee
Impact Fees	Cost
General Plan Maintenance Fee	5% of Building Permit Fees

Table C-7: Development and Planning Fees (July 2022-2023)

Permit Processing Fees	Cost
Technology Improvement Fee	5% of Building Permit Fees
Infrastructure Fee	5% of Building Permit Fees
Parks and Recreation	N/A
Building Plan Check/Permits	
New Home	\$6,020
Major Remodel	\$4,473
Major Kitchen Structural	\$3,332
Major Bath Structural	\$2,315
Minor Kitchen	\$1,786
Major Addition	\$3,332

Source: Town of Fairfax, Planning & Building Fees, Tables A and B; Zoning Code Section 17.048.010(D)(2)(b)

As Table C-8 shows, the building permit and design review fees Fairfax charges are lower than all nearby municipalities. However, in addition to the fees for planning and building permits, many residential projects are subject to additional impact studies and fees requiring applicants to engage special consultants and pay fees for outside services the Town requires to review the application. These include the requirements for traffic impact permits (Chapter 17.056), ridgeline scenic corridor permits (Section 17.060), flood plain development permit (Chapter 17.068) and hill area residential development permit (Chapter 17.072).

Table C-8: Comparison of Selected Marin Jurisdiction Fees (2022)²²

Jurisdiction	Building Permit	Design Review
Fairfax	\$6,020	\$1,107
<u>Unincorporated Marin¹</u>	<u>\$6,100</u>	<u>\$4,643</u>
<u>San Anselmo</u>	<u>\$6,834 Base Fee + \$4.60 for each additional \$1,000 - or fraction thereof - above \$1,000,000</u>	<u>\$955</u>
<u>Larkspur</u>	<u>\$9,710 Base Fee + \$6.30 for each additional \$1,000 - or fraction thereof - above \$1,000,000</u>	<u>\$4,000</u>
<u>Mill Valley</u>	<u>\$12,262 Base Fee + \$5 for each additional \$1,000 - or fraction thereof - above \$1,000,000</u>	<u>\$7,102</u>

²² Marin County Community Development Agency, County of Marin HCD Draft Housing Element 2023-2031;

<u>Ross</u>	<u>\$14,780 Base Fee + \$9.96 for each additional \$1,000 - or fraction thereof - above \$1,000,000</u>	<u>\$7,878</u>
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The total planning, building, and impact fees for a new 2,400 square foot single-family home is estimated at \$28,220.55, which is 1.68 percent of the construction cost assuming hard costs at \$700 per square foot. The estimated fees for a 10-unit multi-family project would be at least \$68,291.88 or 2.20 percent of the construction cost (estimated at \$365 per square foot). These estimates assume that neither project requires a use permit, and the single-family home is exempt from CEQA review. If a use permit is required the fees would increase by at least \$5,589, the minimum required deposit.

Table C-7: Planning, Building and Impact Fees for Custom Single-Family and 10-unit Multi-Family

<u>Fee Type</u>	<u>Estimated Fee Cost</u>	
	<u>Custom home (2400 square feet)</u>	<u>10-units multi-family (850 sq. ft./unit)</u>
<u>Design Review**</u>	<u>\$1,107</u>	<u>\$6,500 deposit</u>
<u>CEQA Initial Study/Negative Declaration</u>	<u>--</u>	<u>5000 min deposit</u>
<u>Building Permit</u>	<u>6,321</u>	<u>14,092</u>
<u>Road Impact</u>	<u>16,800</u>	<u>31025</u>
<u>Encroachment</u>		<u>\$817</u>
<u>Traffic Impact Report***</u>	<u>--</u>	<u>\$4,683 + outside consultant cost</u>
<u>Technology Improvement @ 0.05 % of permit</u>	<u>316.05</u>	<u>704.60</u>
<u>General Plan Maintenance @ 0.05% of permit</u>	<u>316.05</u>	<u>704.60</u>
<u>Infrastructure Improvement @ 0.05% of permit</u>	<u>316.05</u>	<u>704.60</u>
<u>State Seismic Fee</u>	<u>218.40</u>	<u>403.33</u>
<u>State Green Fee</u>	<u>68.00</u>	<u>125.00</u>
<u>TOTAL</u>	<u>\$28,220.55</u>	<u>\$68,291.88</u>
<u>Permits/Building Value</u>	<u>1.68 %</u>	<u>2.20%</u>

* Assumes custom single-family with building construction value of \$1,680,000 and 10-unit multi-family with building value of \$3,102,500.

** Staff time charge at fully allocated hourly rate; outside professional services charged at actual cost plus 20 percent for contract administration; graphics charged at cost; additional deposit will be requested as needed to continue with project.

***Outside professional cost plus 20 percent fee for contract administration and reviewing work.

Source: Town of Fairfax, Planning & Building Fees, Tables A and B; Mark Lockaby, Fairfax Building Official, October 2023

TRANSPARENCY IN DEVELOPMENT REGULATIONS

Under State Government Code Section 65940.1, the Town is obligated to provide transparency in publicizing land use controls and fees. The Town of Fairfax home page <https://www.townoffairfax.org/> provides links to the Town Code, which includes the zoning and subdivision codes, and to the Planning and Building Department <https://www.town-offairfax.org/departments/planning-building/>. The Department page includes links to Planning Commission and Town Council agendas and to some documents and forms including a two-page summary of zoning requirements in single family and duplex zones, the building and planning fee schedule, planning and building permit application forms, the planning process for single-family residential units, and a few other documents. There are also links to information about the short-term rental and parklet programs and the General Plan and the housing element, update but there is no information about the design review process except for a reference to the role of the Design Review Board (which is now combined with the Planning Commission) and there is no mention of Accessory Dwelling Units/Junior Accessory Dwelling Units or the requirements for their development. Contact information for the Planning and Building staff is provided on the Department's webpage with information on hours of operation. The website needs updating to include information about ADUS/JADUs, applying for development under SB 35 and SB 9, and more detail about the design review process and design policies the Town uses for that review.

C.3 Non-Governmental Constraints

Non-governmental constraints to residential development in Fairfax range from environmental factors such as hazards from flooding, wildfires, and seismic and geological conditions to those created or affected by human activities like noise and air quality. Although affected by governmental actions, economic conditions like the cost and availability of financing, labor supply, the cost of materials and, more recently, supply chain problems are a major constraint to residential development throughout California. The cost of land in Marin County will also continue to be a critical factor limiting the development of affordable housing in Fairfax. Land costs include the raw land purchase price and financing costs. The cost of land is also affected by factors such as location, slope, availability and quality of infrastructure and the size and configuration of lots.

Land costs per square foot increase as allowable densities increase. However, the increase in land costs is rarely proportional to the greater density permitted. For this reason, land costs per unit tend to be lower for multi-family residential construction than for single family homes.

LAND AND CONSTRUCTION COSTS

Land costs are often difficult to estimate, and there is no single publicly available database that records urban land prices. A study conducted by researchers from the Federal Housing Finance Agency (FHFA) has estimated the price of residential land based on appraisals of

single-family parcels conducted between 2012 and 2019. From this assessment they have made available land prices for all census tracts and zip codes in the country. No data are shown for Fairfax specifically but the median value for a single-family parcel in Marin County was estimated at \$2,576,600 compared with \$2,047,500 for the entire Bay Area. Recent sales information for Marin County from Zillow shows that the land costs for a large, relatively level site can be as much as \$2,700,000 per acre. On the other end, smaller lots run approximately \$700,000 per acre.

The median value of vacant land (lot) in Fairfax based on the price of four lots available for sale at this writing was \$677,649. The median price of single-family homes for sale was \$1,124,500 and the two condominium/townhouse units listed had an average price of \$832,000.²³ The US Census Bureau estimate of the median value of owner-occupied units in Fairfax during 2017 to 2021 was \$903,500, which was 19 percent lower than the median value for all of Marin County during the same period.²⁴

Construction costs, including both hard costs (i.e., labor and materials) and soft costs (i.e., development fees, architectural and engineering services, and insurance) are high throughout the San Francisco Bay Area. According to a report published by the Turner Center at UC Berkeley, trends in the prices of both labor and materials have likely contributed to hard cost increases over the 2009 to 2018 period. Costs in the Bay Area hovered between \$150 per square foot to \$280 per square foot from 2009 to 2017, and then climbed to the highest point in 2018, closing in at \$380 per square foot. The Bay Area region was identified as the most expensive region in the state, where average hard costs were \$81 more expensive per square foot than in other parts of the state. The estimated “hard cost” of building the least expensive custom home in the Bay Area, including anything related to the physical building and labor costs, is currently estimated at \$500 to \$700 per square foot.

Construction costs have also risen over the course of the COVID-19 pandemic, due in part to supply chain disruptions. The lasting impacts of this trend are not yet known, but it is likely to increase the cost of housing in at least the short to medium term.

- Utility Connections and Improvements. Includes municipal fees, hookup charges, offsite street improvements, and bringing utilities to the site;
- On-Site Preparation. Includes site stabilization and special drainage control, grading, special landscaping or tree preservation considerations, and all pre-building construction requirements;
- Special Foundations. Includes unique footing solutions, special parking solutions such as underground or “tuck” under parking garages, retaining walls or stepped foundations for hillsides;

²³ Realtor.com https://www.realtor.com/realestateandhomes-search/Fairfax_CA/type-single-family-home.condo.townhome

²⁴ United States Census Bureau, Quick Facts <https://www.census.gov/quickfacts/fact/table/marincountycalifornia.fairfaxtowncalifornia/PST045221>

- **Hard Construction Cost.** Includes all labor and materials required over and above special foundation systems (i.e., decks, special roofing, heating, and electrical, but does not include “soft” costs);
- **Consultant Fees.** Includes architecture and engineering, civil and soils, land economics, environmental assessments and processing for special approvals or funding;
- **Construction Overhead and Margin.** Overhead can amount to about 5 percent and a contingency of at least 10 percent is also necessary for a private builder contractor, totaling 15 percent of total costs;
- **Total Hard and Soft Construction Costs.** Includes developer overhead and project contingency (15 percent), and consultants; and
- **Builders Profit** accounts for about 7 percent with an additional 5 percent overhead. This 12 percent cost can usually be reduced to between 7 percent and 10 percent total with a negotiated bid but can be as high as 20 percent for small projects.²⁵

HOUSING COST

Housing costs in Fairfax are lower than nearby towns but, like the prices in other Marin County communities, are higher than many locations in the Bay Area. According to the National Association of Realtors, the median home price in Marin County in the first quarter of 2022 was \$1,278,850, which was slightly less than San Mateo, Santa Clara, and San Francisco. Even though all the counties of the Bay Area showed gains in home prices in 2022 as compared to last year, Marin County was at the top of the list with an increase of 28.7 percent, just ahead of Napa at 25.2 percent.²⁰ The median price of homes in Fairfax at the end of 2022 was \$1,329,029, which was up 6.6 percent from the previous year. By way of comparison, the median price was \$4,302,149 in Ross and \$2,162,052 in Larkspur.²⁶ The median rent for all rental homes in Fairfax is \$2,798, which is also lower than most of the other central Marin cities.²⁷

A combination of factors, including rising labor and material prices because of inflation, supply-chain problems and worker shortages during the COVID-19, have pushed up the cost of building housing affordable to lower-income families, which now exceeds \$1 million per unit in many Bay Area jurisdictions. Although some of the higher costs for building affordable housing are due to constraints discussed above that may be within the control of local government, others are caused by external factors such as the costs of material and labor, labor shortages, and the higher cost of hiring general contractors.

²⁵ Hayley Raetz et al., “The Hard Costs of Construction: Recent Trends in Labor and Materials Costs for Apartment Buildings in California” and Carolina Reid, “The Costs of Affordable Housing Production: Insights from California’s 9% Low-Income Housing Tax Credit Program”, Turner Center for Housing Innovation, March 2020. Download at <https://turnercenter.berkeley.edu/research-and-policy/the-cost-of-building-housing-series/>

²⁶ <https://www.zillow.com/home-values/24660/fairfax-ca/>, <https://www.zillow.com/home-values/6840/ross-ca/>, <https://www.zillow.com/home-values/25512/larkspur-ca/>

²⁷ Zillow Rental Manager <https://www.zillow.com/rental-manager/market-trends/fairfax-ca/>

COST OF CONSTRUCTION

The costs of labor and materials have a direct impact on the price of housing and are the main components of housing cost. Residential construction costs vary depending upon the quality, size, and the materials being used. Hard construction costs for a two-story, stucco on wood frame single family unit in the Bay Area range from \$500 to \$800 per square foot for a custom home, which is what projects in Fairfax would be, given the very limited availability of developable land and topographic conditions. These “hard” construction costs do not include costs associated with permits and fees, land acquisition, site work and lot improvement, design, marketing, or administrative overhead (“soft” costs). Soft costs generally account for approximately 33 percent of overall construction costs.²⁸

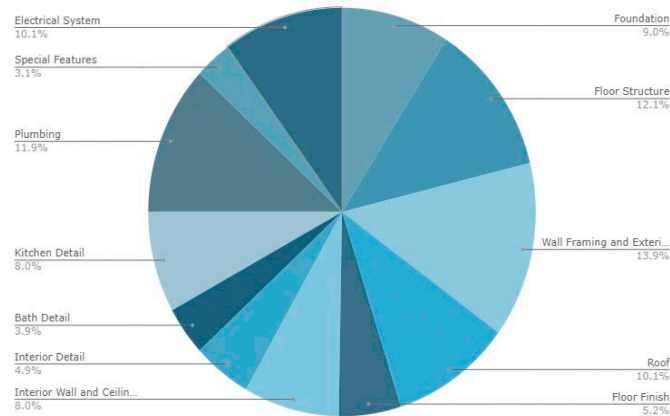
A study by Economic and Planning Systems for the Marin County Housing Element estimated average construction costs for multi-family construction at \$345 per square foot based on analysis of several projects in Marin, Sonoma, and Napa Counties with an average of 63.27 units per acre. ²⁹- Construction cost in Fairfax can expected to be higher because projects would typically include fewer units, which would eliminate any economies of scale that would benefit the larger projects the study included.

While costs increase over the years to some extent, market factors dictate the extent to which prices change beyond inflation. From 2000 to 2004, construction costs increased annually at an average of less than three percent per year; from 2004 to 2005, costs increased 11 percent. Since 2005, the rate of cost increase has varied from three percent to seven percent as the housing market heated up. The current economic downturn has not spelled relief from cost increases, as from 2008 to 2009, construction costs are estimated to increase by over seven percent. Other regions of California have seen similar price jumps, so current construction cost conditions are not unique to Fairfax.³⁰

²⁸ RSMeans. “Square Foot Construction Costs, 30th ed.” R. S. Means Company, Inc., 2008.

²⁹ Economic and Planning Systems. Affordable Housing Financial Assessment Study: Marin County Housing Element Technical Support Document, April 5, 2022.

³⁰ Ibid.

Figure TBD: Bay Area Single Family Hard Construction Costs

Source: Home Builder Digest, How Much Does it Cost to Build a House in the San Francisco Bay Area?
<https://www.homebuilderdigest.com/cost-guide/california-cost-guides/how-much-does-it-cost-to-build-a-house-in-the-san-francisco-bay-area/>

AVAILABILITY AND COST OF FINANCING

One of the most significant factors related to the provision of adequate housing for all segments of the population is the availability of financing – ~~both~~ for both real estate development and homeownership. The cost of securing financing to either construct or buy housing in the community is an obstacle to creating new housing and, especially, housing affordable to low- and moderate-income households. There are several programs that might help to provide more affordable housing in Fairfax, but none of which developers or property owners appear to have used for projects in Fairfax.

The federal Home Mortgage Disclosure Act (HMDA) requires lending institutions to disclose information on the disposition of loan applications. Through analysis of HMDA data, an assessment can be made of the availability of residential financing within Marin County.

Table TBD, Disposition of Home Purchase and Improvement Loan Applications in Marin County, illustrates the home purchase and improvement loan activity in Marin County in 2020. Data for just the unincorporated areas are not readily available. Of the 23,703 total applications processed in 2020, a majority (80%) were for refinance loans. Overall, the approval rating for all types of loans was 69%, while the denial rate was 10%; 21% were either withdrawn by the applicant or closed for incompleteness. The highest approval ratings were for home purchase loans at 78% for conventional loans and 76% for government-backed loans. Refinance loan approvals were next with a 68% approval rating, while home improvement loans had the lowest approval rating at 56%.

<u>Loan Type</u>	<u>Total Applica- tions</u>	<u>Approved %</u>	<u>Denied %</u>	<u>Other %</u>
<u>Government- Backed Purchase</u>	<u>93</u>	<u>76.3</u>	<u>3.2</u>	<u>20.4</u>
<u>Conventional</u>	<u>3,465</u>	<u>78.4</u>	<u>5.6</u>	<u>16.0</u>
<u>Refinance</u>	<u>19,072</u>	<u>68.1</u>	<u>9.4</u>	<u>22.5</u>
<u>Home Improvement</u>	<u>1,073</u>	<u>56.4</u>	<u>29.6</u>	<u>14.0</u>
<u>TOTAL</u>	<u>23,073</u>	<u>69.1</u>	<u>9.8</u>	<u>21.1</u>

Note: "Approved" includes loans originated and applications approved but not accepted. "Other" includes loans withdrawn by applicant or closed for incompleteness.

Source: 2020 Home Mortgage Disclosure Data. <https://ffiec.cfpb.gov/data-publication/aggregate-reports>

The cost of securing financing to purchase a home also affects the cost of housing and access to homeownership especially for low- and moderate-income households. The 30-year fixed-rate mortgage is now at its highest level since the year 2000. Since October 2020, mortgage rates have more than doubled rising to 7.31 percent at the end of September 2023 in response to moves by the Federal Reserve to control inflation. At the end of September 2020, a buyer would have paid around \$4,655 a month in principal and interest for an \$800,000 home loan at 2.88 percent.³¹ Today, that same loan would cost about \$6,494 a month.³²

Since December 2021, mortgage rates have nearly doubled — rising to around 6 percent, the highest they've been since 2008 — in response to moves by the Federal Reserve to control inflation. In January 2022, a buyer would have paid around \$2,100 a month in principal and interest for a \$500,000 home loan. 12 months later, that same loan would cost about \$2,900 a month. (See Figure C-1 for the change in 30-year fixed rate mortgages from 2018 to 2022.)

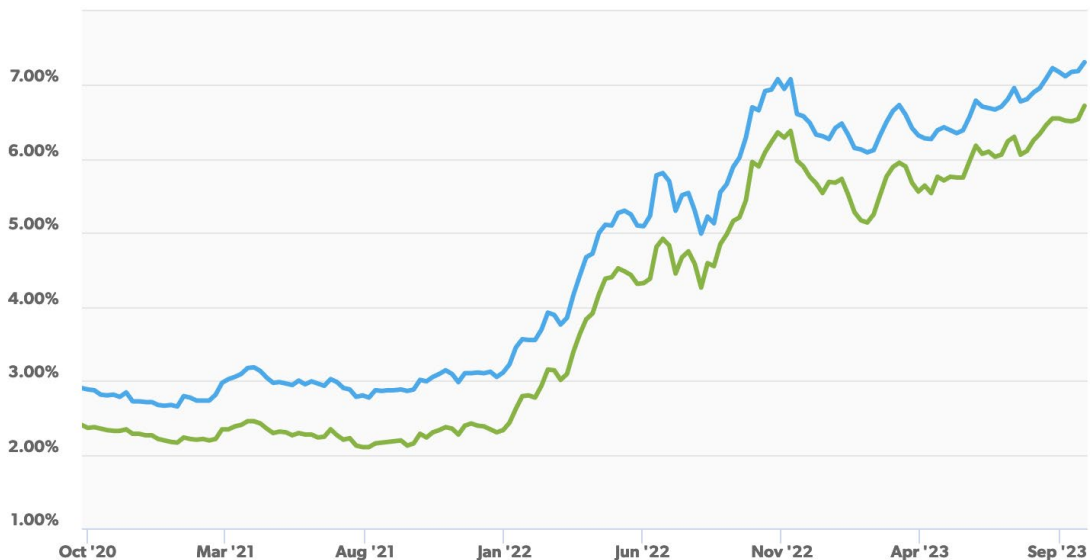
The Marin Housing Authority operates several programs that provide financing for lower income home buyers and renters although funding is limited. The BMR Homeownership Program provides assistance to first-time home buyers whose income is at or below Moderate Income Household Limits based on the HUD Area Median Income (AMI), which is currently \$149,600 for a four-person family. BMR purchasers are selected through a lottery of eligible applicants and the household size must be appropriate for the unit size (i.e., minimum of one person per bedroom). Financing is available through BMR Program Participating Lenders certified by Marin Housing. Each BMR unit requires a recorded resale and refinance agreement in perpetuity and units can only be resold at the restricted resale price that generally appreciates based on the lesser of the consumer price index or the AMI.

³¹ FreddieMac, Mortgage Rates <https://www.freddiemac.com/pmms>

³² Bankrate, Mortgage Calculator <https://www.bankrate.com/mortgages/mortgage-calculator/>

Marin Housing has offered financing to eligible first-time homebuyers through the Marin County Mortgage Credit Certificate Program. As of this writing, there were no funds available from this program for new applicants. A Mortgage Credit Certificate (MCC) provides a federal income tax credit that reduces the amount of federal income tax a homebuyer pays. This reduction in income taxes provides more available income to homebuyers to qualify for a mortgage loan and to make their monthly mortgage payments. The tax credit can be taken as long as the homebuyer lives in the home as his/her principal residence. Under the Marin MCC program, the tax credit is equal to 20 percent of the annual interest paid on the homebuyer's first mortgage for selected below market-rate properties administered by Marin Housing.

Figure C-1: National 30-Year Fixed Rate Mortgages, 2020-2023



Source: Freddie Mac, Mortgage Rates <https://www.freddiemac.com/pmms>

The Marin Housing Authority operates several programs that provide financing for lower income home buyers and renters although funding is limited and wouldn't be sufficient to purchase a home in Fairfax unless it was deeply subsidized. The BMR Homeownership Program helps first-time home buyers whose income is at or below Moderate-Income Household Limits based on the HUD Area Median Income (AMI), which is currently \$149,600 for a four-person family. BMR purchasers are selected through a lottery of eligible applicants and the household size must be appropriate for the unit size (i.e., minimum of one person per bedroom). Financing is available through BMR Program Participating Lenders certified by Marin Housing. Each BMR unit requires a recorded resale and refinance agreement in perpetuity and units can only be resold at the restricted resale price that generally appreciates based on the lesser of the consumer price index or the AMI.³⁴

Marin Housing has offered financing to eligible first-time homebuyers through the Marin County Mortgage Credit Certificate Program. Mortgage Credit Certificate provides a federal

income tax credit that reduces the amount of federal income tax a homebuyer pays. This reduction in income taxes provides more available income to homebuyers to qualify for a mortgage loan and to make their monthly mortgage payments. The tax credit can be taken as long as the homebuyer lives in the home as his/her principal residence. Under the Marin MCC program, the tax credit is equal to 20 percent of the annual interest paid on the homebuyer’s first mortgage for selected below market-rate properties administered by Marin Housing.

Table C-TBD: FY2023 Marin County Income Limits for BMR Home Ownership

<u>Household Size</u>	<u>Median Income</u>	<u>Moderate Income</u>
<u>1</u>	<u>\$122,500</u>	<u>\$147,000</u>
<u>2</u>	<u>\$140,000</u>	<u>\$168,000</u>
<u>3</u>	<u>\$157,500</u>	<u>\$189,000</u>
<u>4</u>	<u>\$175,000</u>	<u>\$210,000</u>
<u>5</u>	<u>\$189,000</u>	<u>\$226,800</u>
<u>6</u>	<u>\$203,000</u>	<u>\$243,600</u>
<u>7</u>	<u>\$217,000</u>	<u>\$260,400</u>
<u>8</u>	<u>\$231,000</u>	<u>\$277,200</u>

Source: Marin Housing, <https://www.marinhousing.org/eligibility-requirements>

The California Housing Finance Agency also offers grants and loans for adding ADUs through a group of private lenders. Marin County homeowners with annual incomes less than \$300,000 are eligible to apply for up to \$40,000 in assistance for pre-development costs including architectural designs, permits, soil and engineering tests and other expenses. Grants may also be used to buy down the interest rate on financing.³³

The Bay Area Housing Finance Agency (BAHFA), established by the State under AB 1487 (2019, Chiu), is a new resource to support the production and preservation of affordable housing by placing new revenue options on the ballot. Although efforts to obtain the necessary approval of voters has been postponed due to the economic disruption caused by the COVID-19 pandemic, the decision was made not to place a revenue measure on the November 2020 ballot.) Any new BAHFA revenue source would require voter approval by a two-thirds vote. Possible future options include:

³³ California Housing Finance Agency <https://www.calhfa.ca.gov/adu>

~~The California Housing Finance Agency offers grants and loans for ADUs through a group of private lenders. Marin County homeowners with annual incomes less than \$300,000 are eligible to apply for up to \$40,000 in assistance for pre-development costs including architectural designs, permits, soil and engineering tests and other expenses. Grants may also be used to buy down the interest rate on financing.~~

~~Homeowners are often able to finance the construction of ADUs by refinancing their underlying mortgage or home equity finance programs. This may not be feasible or desirable for many of the Fairfax homeowners who may be interested in building ADUs including those age 65 and older who comprise almost 24 percent of the population. Although many older residents own their homes, and in some cases have paid off their mortgages, many of these residents are spending more than 50 percent of their overall household income on housing and are not eager to take on additional debt.~~

~~The Bay Area Housing Finance Agency (BAHFA), established by the State under AB 1487 (2019, Chiu), is a new resource to support the production and preservation of affordable housing by placing new revenue options on the ballot. Although efforts to obtain the necessary approval of voters has been postponed due to the economic disruption caused by the COVID-19 pandemic, the decision was made not to place a revenue measure on the November 2020 ballot.) Any new BAHFA revenue source would require voter approval by a two-thirds vote. Possible future options include:~~

- General obligation bond backed by property tax receipts (also known as a GO bond);
- Parcel tax;
- Gross receipts tax;
- Per-employee corporate “head tax”;
- Commercial linkage fee (authorized after voter-approved GO bond or parcel tax).³⁴

The County’s Housing Choice Voucher Program (formerly Section 8, veterans and disabled persons vouchers) aids qualified renters seeking housing in Marin County. Eligibility for a housing voucher is determined by the Marin Housing Authority (MHA) based on the total annual gross income and family size and is limited to US citizens and specified categories of non-citizens who have eligible immigration status. In general, the family’s income may not exceed 50% of the median income for the county or metropolitan area in which the family chooses to live. By law, MHA must provide 75 percent of its vouchers to applicants whose incomes do not exceed 30 percent of the area median income (Extremely Low Income).³⁵ The “Extremely Low,” “Very Low Income” and “Low Income” schedules shown are shown below.

Table C-TBD: FY2023 Marin County Income Limits for Public Housing, Section 8 and CDBG Programs			
<u>Household Size</u>	<u>Extremely Low</u>	<u>Very-Low</u>	<u>Low</u>

³⁴ BAHFA History <https://mtc.ca.gov/about-mtc/authorities/bay-area-housing-finance-authority-bahfa>

³⁵ Marin Housing Housing Choice Voucher Program <https://www.marinhousing.org/housing-choice-voucher>

<u>1</u>	<u>\$39,050</u>	<u>\$65,050</u>	<u>\$104,100</u>
<u>2</u>	<u>\$44,600</u>	<u>\$74,350</u>	<u>\$118,950</u>
<u>3</u>	<u>\$ 50,200</u>	<u>\$83,650</u>	<u>\$133,800</u>
<u>4</u>	<u>\$55,750</u>	<u>\$92,900</u>	<u>\$148,650</u>
<u>5</u>	<u>\$60,250</u>	<u>\$100,350</u>	<u>\$160,550</u>
<u>6</u>	<u>\$64,700</u>	<u>\$107,800</u>	<u>\$172,450</u>
<u>7</u>	<u>\$69,150</u>	<u>\$115,200</u>	<u>\$184,350</u>
<u>8</u>	<u>\$73,600</u>	<u>\$122,650</u>	<u>\$196,250</u>

Source: Marin Housing, <https://www.marinhousing.org/eligibility-requirements>

Note: Dept. of Housing and Urban Development (HUD), effective 4/1/2021. The “Median Income” schedule shown above is based on the FY2021 median family income for the San Francisco HMFA of \$149,600 for a four-person household, issued by HUD effective 4/1/2021, with adjustments for smaller and larger household sizes.

Table C-8: FY2021 Marin County Income Limits for Housing Choice Voucher Program

Household Size	Extremely Low	Very Low	Low
1	\$38,400	\$63,950	\$102,450
2	\$43,850	\$73,100	\$117,100
3	\$49,350	\$82,250	\$131,750
4	\$54,800	\$91,350	\$146,350
5	\$59,200	\$98,700	\$158,100
6	\$63,600	\$106,000	\$169,800
7	\$68,000	\$113,300	\$181,500
8	\$72,350	\$120,600	\$193,200

Note: Dept. of Housing and Urban Development (HUD), effective 4/1/2021. The “Median Income” schedule shown above is based on the FY2021 median family income for the San Francisco HMFA of \$149,600 for a four-person household, issued by HUD effective 4/1/2021, with adjustments for smaller and larger household sizes.

Table C-9: Marin County Voucher Program Standards (Eff. August 1, 2021)

Table C-TBD: Martin County Voucher Program Standards (Eff. October 1, 2022)

Unit Size	Payment Standard
SRO	\$1,788 \$1,744
Studio	\$2,371 \$2,326
1 Bedroom	\$2,931 \$2,894
2 Bedroom	\$3,506 \$3,517
3 Bedroom	\$4,303 \$4,522

Table C-9: Marin County Voucher Program Standards (Eff. August 1, 2021)

Table C-TBD: Martin County Voucher Program Standards (Eff. October 1, 2022)

Unit Size	Payment Standard
4 Bedroom	\$4,711 \$4,920
5 Bedroom	\$5,658

Source: Marin Housing Authority, Housing Choice Voucher Program Payment Standards <https://irp.cdn-web-site.com/4e4dab0f/files/uploaded/Payment%20Standard%20Eff%2010.1.2022%20-%20to%20use%20with%20cli-ents.pdf>

~~—MARIN HOUSING AUTHORITY, HOUSING CHOICE VOUCHER PROGRAM PAYMENT STANDARDS [HTTPS://IRP.CDN-WEBSITE.COM/4E4DAB0F/FILES/UPLOADED/PAY-MENT%20STANDARDS%20EFF%208-1-2021%20-%20USE%20FOR%20CLI-ENTS%20%28002%29.PDF](https://irp.cdn-web-site.com/4e4dab0f/files/uploaded/Payment%20Standards%20Eff%208-1-2021%20-%20use%20for%20cli-ents%20%28002%29.pdf)~~

The primary obstacle to finding in rental housing in Fairfax is simply the limited supply of housing available for rent. As of this writing, there were only two projects in Fairfax with units for rent within the income limits the voucher program allows (Table C-TBD).

Construction Financing

Like loans for home purchases, construction loans for building new housing are also now increasingly difficult to obtain. In previous years, lenders would provide up to 80 percent of the cost of new construction (loan to value ratio). Recently, due to market conditions and government regulations, banks have started to require larger investments by the builder. Complicated projects such as mixed-use developments are among the more difficult to finance. Nonprofit developers may find it especially difficult to secure funding from the private sector. This makes limited construction financing a significant reason for the recent decline in new construction; while conditions may improve over the course of the planning period, it will remain a constraint in the short term.

Apartment owners and developers and affordable housing providers are also burdened by increasing property insurance rates. Premiums and deductibles for policies required by mortgage lenders have gone up two- to three-fold over the last five years due, in part to frequent and severe natural disasters. Multifamily housing developers in California, Florida, Louisiana and Texas are seeing triple digit increases in costs as insurance providers adjust to extreme weather connected to global climate change, according to industry leaders. But some increases appear to have little or no connection to risks related to wildfires, floodwaters or storm winds. Shifts in the way that insurers rate the risk of crime have hit projects with subsidized units with steep hikes for liability policies and deductibles.³⁶

³⁶ “Rising Insurance Rates Are Crushing Affordable Housing Developers”, September 12, 2023 <https://www.bloomberg.com/news/articles/2023-09-12/insurance-rate-hikes-threaten-to-bust-the-us-apartment-building-boom>

Higher costs due to inflation, rising interest rates, and higher insurance costs have led to a decline in the number of multifamily project starts this year with an associated drop in the number of applications for housing construction subsidies. As of May 2023, the US Department of Housing and Urban Development had received 506 applications for \$12 billion in Federal Housing Administration loans for multifamily projects, about half the volume of the same eight-month period in FY 2022. If this decline continues, FHA multifamily loan applications would total as much as \$18 billion for FY 2023, compared with \$29 billion for FY 2022, \$51 billion for FY 2021 and \$45 billion for FY 2020.³⁷

The Bay Area Housing Finance Agency (BAHFA), established by the State under AB 1487 (2019, Chiu), is a new resource to support the production and preservation of affordable housing by placing new revenue options on the ballot. Efforts are underway to put a regional bond measure on the November 2024 ballot that would raise as much as \$20 billion through the issuance of bonds that would fund grants and loans to preserve or create affordable housing in all nine Bay Area counties over a 10-year period. Because builders could use the bond proceeds to qualify for other funding, it could leverage as much as an additional \$30 billion in funding from other programs. Under the State Constitution, any new revenue source to be placed on the ballot would require voter approval by a two-thirds vote but there may be a simultaneous proposal to amend the Constitution to reduce the vote threshold to 55 percent for local and regional ballot measure to authorize general obligation bonds and special taxes to pay for affordable housing and infrastructure.³⁸

Homeowners are often able to finance the construction of ADUs by refinancing their underlying mortgage or home-equity finance programs. This may not be feasible or desirable for many of the Fairfax homeowners who may be interested in building ADUs including those age 65 and older who comprise almost 24 percent of the population. Although many older residents own their homes, and in some cases have paid off their mortgages, many of these residents are spending more than 50 percent of their overall household income on housing and are not eager to take on additional debt.

The California Housing Finance Agency offers grants and loans for ADUs through a group of private lenders. Marin County homeowners with annual incomes less than \$300,000 are eligible to apply for up to \$40,000 in assistance for pre-development costs including architectural designs, permits, soil and engineering tests and other expenses. Grants may also be used to buy down the interest rate on financing.

³⁷ "Developers Forecast Major Affordable Housing Drought in 2025", Bloomberg CityLab Housing, July 19, 2023 <https://www.bloomberg.com/news/articles/2023-07-19/affordable-housing-shortage-looms-amid-inflation-high-construction-costs>

³⁸ "Game changer? Bay Area could get up to \$20 billion for affordable housing," *San Francisco Chronicle*, July 23, 2023.

The primary obstacle to finding in rental housing in Fairfax is simply the limited supply of housing available for rent. As of this writing, there were only two projects in Fairfax with units for rent within the income limits the voucher program allows (Table C-8).

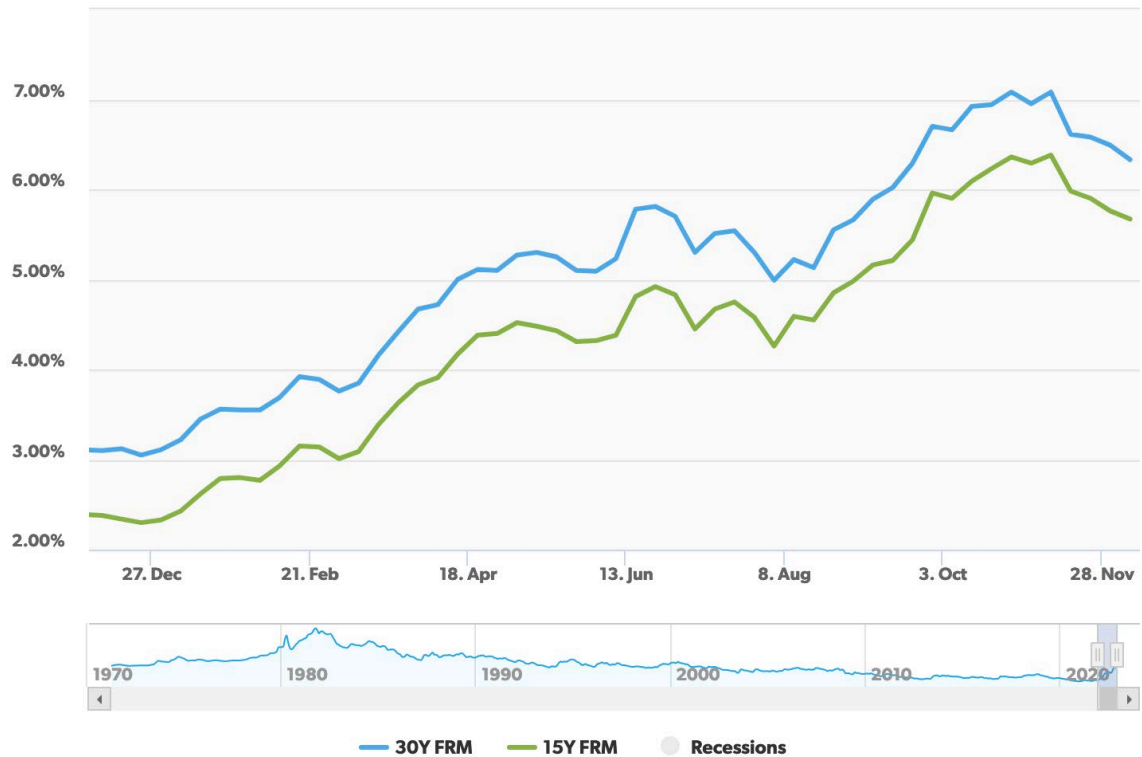
Since December 2021, mortgage rates have nearly doubled—rising to around 6 percent, the highest they’ve been since 2008—in response to moves by the Federal Reserve to control inflation. In January 2022, a buyer would have paid around \$2,100 a month in principal and interest for a \$500,000 home loan. 12 months later, that same loan would cost about \$2,900 a month. (See Figure C-1 for the change in 30-year fixed rate mortgages from 2018 to 2022.)

The Marin Housing Authority operates several programs that provide financing for lower income home buyers and renters although funding is limited. The BMR Homeownership Program provides assistance to first-time home buyers whose income is at or below Moderate Income Household Limits based on the HUD Area Median Income (AMI), which is currently \$149,600 for a four-person family. BMR purchasers are selected through a lottery of eligible applicants and the household size must be appropriate for the unit size (i.e., minimum of one person per bedroom). Financing is available through BMR Program Participating Lenders certified by Marin Housing. Each BMR unit requires a recorded resale and refinance agreement in perpetuity and units can only be resold at the restricted resale price that generally appreciates based on the lesser of the consumer price index or the AMI.

Marin Housing has offered financing to eligible first-time homebuyers through the Marin County Mortgage Credit Certificate Program. As of this writing, there were no funds available from this program for new applicants. A Mortgage Credit Certificate (MCC) provides a federal income tax credit that reduces the amount of federal income tax a homebuyer pays. This reduction in income taxes provides more available income to homebuyers to qualify for a mortgage loan and to make their monthly mortgage payments. The tax credit can be taken as long as the homebuyer lives in the home as his/her principal residence. Under the Marin MCC program, the tax credit is equal to 20 percent of the annual interest paid on the homebuyer’s first mortgage for selected below market-rate properties administered by Marin Housing.

Figure C-1: National 30-Year Fixed Rate Mortgages, 2018-2022

Source: Freddie Mac, Mortgage Rates <https://www.freddiemac.com/pmms>



REQUESTS TO DEVELOP AT DENSITIES BELOW THOSE PERMITTED

State Housing Element law now requires the non-governmental constraints analysis to evaluate developer requests to build at densities below the density identified in the Housing Element sites inventory.

To incentivize development that better implements densities planned in the Housing Element sites inventory, the Housing Element includes a program to ensure that there are adequate sites available throughout the planning period to accommodate the Town's RHNA. The Town has not received requests to develop at densities below those permitted.

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ENVIRONMENTAL CONSTRAINTS

This section contains information on current risks due to natural and environmental hazards, which are among the non-government constraints to providing housing in Fairfax.

Wildfire

The California Department of Forestry and Fire Protection (CAL FIRE) has developed maps at the county level for both State Responsibility Areas (SRA) and Local Responsibility Areas (LRA). The Town of Fairfax, because it is incorporated and maintains its own fire service through the Ross Valley Fire Department, is mapped as an LRA. The surrounding unincorporated area is mapped as an SRA. CAL FIRE and the Office of the State Fire Marshal have responsibility to publish fire hazard severity zone maps for SRAs and LRAs. The state produced a draft fire hazard severity zone map for the LRA areas of Marin. The map included very high, high, and moderate fire hazard severity zones. The CAL FIRE maps indicate that the incorporated area of Fairfax lies in a high fire hazard severity zone, except for a portion of the most northern part of Fairfax, which is undeveloped and classified as a moderate fire hazard severity zone. Most of the unincorporated land adjacent to the Town of Fairfax is mapped as a moderate fire hazard severity zone. A notable exception is the southwestern area in the vicinity of the White Hill and Cascade Canyon Open Space Preserves.

State and federal fire risk mapping efforts may underestimate the true fire hazard for the Town of Fairfax because they do not consider the specific vegetation types present in Fairfax and the surrounding area in their fuel model calculations. The models are based on a 50-acre grid which does not allow for the level of detail necessary to assess the local hazard. The Town of Fairfax Emergency Operations Plan identifies steep hill neighborhoods, such as Cascade Canyon, Forrest/Hillside, Oak Manor, Manor/Scenic Hill, and Willow/Upper Ridgeway, as being at the greatest risk from wildland fire due to the dense vegetation, trees dead/dying of sudden oak death, and the narrow access roads.

The Marin Wildfire Prevention Authority was enacted by the voters in March 2020; Fairfax, along with 16 other jurisdictions in Marin County (except Tiburon and Belvedere) are part of MWPA. MWPA conducts extensive wildfire prevention and mitigation work, all local jurisdictions also receive local monies. With local and Core MWPA monies, chipper days, shaded fuels ~~breaks~~breaks, and other vegetation management work has been conducted in and around Fairfax.

Seismic Activity

The Town of Fairfax does not contain any active faults as designated by the Alquist-Priolo Earthquake Fault Zoning Act; however, it is subject to moderate to high levels of ground shaking, which could cause significant damage and disruption to critical Town facilities, residences, businesses, and infrastructure. Aging infrastructure, such as bridges and pipelines, may suffer damage and result in local transportation, water, and sanitation disruptions.

Creekside and hillside areas, which comprise most of the built environment in the Town of Fairfax, are most vulnerable to damage caused by ground failure. Creekside development built on alluvial deposits can experience differential settlement caused by liquefaction. This vulnerability is increased during periods of intense or prolonged rainfall when soils become saturated. Most of downtown Fairfax falls within a high liquefaction zone. Most vacant lots in the Town of Fairfax are on steep slopes that are susceptible to landslides. Risk to new development can be minimized by conducting thorough geotechnical investigations, incorporating findings into the design and construction, and strict compliance with current building codes.

Flood Hazards

The area subject to historic and future flooding lies in the floodplain adjacent to the confluence of Fairfax and San Anselmo Creeks. The Federal Emergency Management Agency (FEMA) produces maps of flood-prone areas to guide community floodplain management programs. These maps, known as Special Flood Hazard Areas (SFHA), report the area subject to a 1 percent per annum flood. Approximately 500 residential parcels are also located in the mapped SFHA. Modifications to existing structures can be made to reduce potential future damage, including elevating structures, installing flood gates, wet and dry proofing, and erosion control.

Historic records of flood events and their impacts on the community are not well documented. FEMA maps represent a projected probability of future events based on limited hydrologic studies. However, based on the general accounts of flooding over the past 100 years, the maps appear to under-represent the severity and extent of potential flooding for the Town of Fairfax. Further hydrologic studies of the complex upstream and downstream effects of development in the Ross Valley Watershed must be conducted to provide base data for land use planning.

There is an opportunity for new development and redevelopment of residential and commercial zoned vacant properties along Fairfax and San Anselmo Creeks. The potential for flooding and the desire to protect the scenic and biologic qualities of the creeks should be of paramount concern in reviewing all development and redevelopment proposals on these parcels. Fairfax Creek, San Anselmo Creek, Bothin Creek, Deer Park Creek, and Wood Lane drainage have also been identified as potential sources of flooding.

KEY FINDINGS

This section summarizes the key findings of this appendix. It is not intended for inclusion in the final draft of the Housing Element, but rather to inform programs in the Housing Action Plan and narrative language in the body of the draft Housing Element to assist staff. Key take-aways related to governmental and non-governmental constraints are provided below.

Governmental Constraints

- **General Plan Land Use Policies.** The Land Use Element proposes several policies that would affect residential development including the development of design guidelines to ensure that new residential development or alterations to development “to preserve and enhance the existing character of the Town’s neighborhoods in diversity, architectural character, size and mass.” The Element also includes subjective criteria for designing projects in such areas. The Housing Action Plan of this Housing Element commits the Town to identifying ~~all of~~ all the subjective policies, criteria, and standards now used to evaluate residential projects and revising or replacing them with objective design and development standards that will meet the requirements of State law.

The General Plan includes a Town Center Element that would require downtown projects to be consistent with the Element’s development standards. Except for limiting building height in the Town Center to 28.5 feet and two stories as the Zoning Code now requires in the Central Commercial (CC) district which applies to most of the Town Center Planning Area, the Land Use Element does not specify any standards for residential density or development intensity or other objective standards for regulating development. The Element proposes that Fairfax prepare and adopt a Town Center Plan including Development Standards and Design Guidelines but the programs including these requirements have not been fully implemented. The Housing Action Plan includes a program for the preparation and adoption of a Town Center Plan including Development Standards and Design Guidelines that would allow increased heights for residential projects and other standards to promote residential development in the Town Center.

- **Residential Development Subject to Use Permit.** The maximum density the existing zoning code allows for residential projects is 12 units per acre except for the CL, CC, and PDD districts where higher densities are allowed subject to approval of a Use Permit. The CC regulations permit residential development by right above the ground floor, but this restriction and other regulations are a constraint to housing. The Housing Action Plan includes a program that would allow residential development, including free-standing residential buildings by right in the RM, CL, CC, and PDD districts subject to compliance with objective design and development standards.
- **Parking Standards for Residential Uses.** The Zoning Code will be amended to comply with AB 2097 (Friedman) by eliminating minimum parking requirements on all projects within a half mile of a major transit stop, without findings supported by evidence in the record. The program in The Housing Action Plan will also include provisions for allowing shared parking, participating in shuttle programs and other programs for residential projects outside this radius in RM, CL, CC, and PDD districts.
- **Accessory Dwelling Units.** Fairfax has approved measures applicable to ADUs and JADUs to comply with State requirements including the most recent changes in State law allowing increased height for ADUs located within a half-mile of a major transit stop or high-quality transit corridor. The Town has also enacted other programs, such as the Second Unit Amnesty Program, to promote the development of ADUs/JADUs and legalize unpermitted ADUs/JADUs. The Housing Action Plan commits the Town

several additional actions to promote the development of ADUs and JADUs including modifying development standards, providing technical assistance to property owners, fee discounts and exemptions or waivers from locally-imposed taxes and impact fees.

- **Affordable Housing Density Bonus.** Fairfax has not established any provisions to implement the State density bonus law (California Government Code Section 65915). Even though the law applies to any proposed residential projects that are eligible for density bonuses and other incentives or concessions regardless of whether a city has codified the requirements. The Housing Action Plan includes a program to amend the Code to reference the State requirements. Such provisions could simply state that an applicant seeking a density bonus shall file an application with the Planning and Building Department for the Planning Commission to consider the request concurrently with its review of the underlying development application. The Town may also enact provisions providing incentives for work force housing projects in addition to any incentives to which a project may be entitled under State law for projects also including eligible units.
- **Transitional and Supportive Housing.** SB 2 amended the State housing law effective January 1, ~~2008~~2008, to clarify that transitional and supportive housing types must be treated as residential uses and subject only to those restrictions that apply to other residential uses of the same type in the same zone. The Fairfax Zoning Code is inconsistent with State law because transitional and supportive housing are only allowed as a use "by right" in areas zoned as PD (Municipal Code Section 17.130) and CC (Municipal Code Section 17.100). To bring the Zoning Code into compliance with State law regarding transitional and supportive housing, Fairfax will need to amend the zoning code to clarify that transitional and supportive housing are subject only to those restrictions that apply to other residential uses of the same development type in the same zone. The regulations for each district in which residential uses are allowed will be revised to specifically identify transitional and supportive housing among the uses permitted by right or subject to a conditional use permit based on the requirements applicable to other residential projects configured in the same manner. The Zoning Code will also be revised to conform with the other recently enacted requirements discussed above.
- **Residential Care Facilities and Group Homes.** State law requires that local jurisdictions allow small residential care facilities and group homes by right and under the same standards as apply to a single-family home in the district. The Code defines Nursing Home as a "home for aged, chronically ill or incurable persons, in which three or more persons not of the immediate family are received, kept or provided with food and shelter or care for compensation" excluding hospitals, clinics and similar institutions and groups such facilities with multi-unit residences, and senior housing with respect to common areas. (Section 17.008.020, Definitions). The Housing Action Plan includes a program that will bring the Zoning Code into compliance with State law by establishing provisions that define residential care facilities as defined by State law as a type of housing allowed by right subject to objective standards for parking and other requirements applicable to residential structures of the same type allowed in the same district.

- **Homelessness.** The Zoning Code’s requirements for emergency shelters are generally consistent with those the State authorizes in Government Code 65583 (a)(4)(A) but include some additional requirements that may not comply with State law. These include requiring that new construction or alterations proposed to an existing site or building require design review by the Planning Commission for conformance with the town’s design guidelines, ~~most of which are not~~ are not objective. The Town also enacted a provision stating, “Once the town’s local need for providing emergency homeless shelters is satisfied (based on the most current homeless census data), a conditional use permit is required for any additional beds or emergency homeless shelters in any district.” As written, this provision does not comply with section 4(C) of the State requirements, which stipulate that a local jurisdiction must demonstrate to the State Department of Housing and Community Development that existing facilities can accommodate the need for emergency shelters before imposing a requirement for conditional approval of facilities. As of this writing, there are no emergency shelters in Fairfax.

Also, the Town has enacted some additional regulations that create additional barriers for accommodating homeless persons in the community. Chapter 15.16 of the Fairfax Buildings and Construction Code prohibits the use or occupancy or any camp car or trailer for living or sleeping on any lot or parcel in the town. The Code also bars the lease of any property for this purpose. This regulation would prohibit the use of so-called “tiny homes” (those on wheels) as the Counties of Marin and Sonoma and some other California jurisdictions now allow as way to provide affordable housing for formerly homeless people. The Town’s Vehicles and Traffic Code prohibits overnight parking in the Town Center (Section 10.04.120 UTO Section 11.8) but Fairfax has not provided any alternative for homeless persons living in vehicles. Moreover, Fairfax has not revised the Zoning Code to implement the mandate to allow a Low Barrier Navigation Center to be permitted by right in all mixed-use and non-residential zones permitting multi-family development (AB 101).

A program in The Housing Action Plan commits Fairfax to revising its Zoning Code to eliminate the identified conflicts with State law ~~and also~~ and to collaborate with nearby municipalities and the County to identify sites where overnight parking will be allowed and other measures to accommodate the needs of unsheltered persons in Fairfax and other Central Marin jurisdictions, none of which have emergency shelters.

- **Workforce, Employee and Agricultural Housing.** Even though there is no commercial agriculture in Fairfax, about 41 percent of Marin County’s land area is in agricultural use including unincorporated areas of just west of Fairfax. Census data for 2017-2021, reported that 1.1 percent of the Town’s civilian employed population worked in agriculture, forestry and other resource-based industries compared with 0.6 percent countywide. The majority of agricultural workers in West Marin live in housing provided on site by employers but some workers may seek housing in nearby towns like Fairfax, especially if their spouses work in non-agricultural jobs in those communities.

Workforce housing (sometimes referred to as middle-income or moderate-income housing) is housing for individuals and families typically earning between 60 percent and 120 percent of the Areawide Median Income (AMI). Housing for those in this

income group is not eligible for tax credits, private activity bonds or most other federal, state, or local government subsidies.

The Housing Action Plan of this housing element includes a program for amending the Zoning Code to include a definition for work-force housing and work with local religious, education, and other institutional employers in the community to explore potential sites and financing options for such projects. AB 2244 (Wicks), which the Governor signed in July, 2022, amended Government Code Section 65913.6 to make it easier for religious institutions to develop affordable housing on sites they own to apply to housing on new or existing sites by allowing up to a 50 percent reduction in parking required for the religious use. The Town could enact an ordinance that would expand the law's to apply to a wider range of institutional properties and to those earning between 60 and 180 percent of AMI. When developing programs to meet the needs of those who work in Fairfax but are unable to afford housing in the Town, Fairfax will take account of the needs of agricultural workers working in the adjacent unincorporated area and their families.

- **Single Room Occupancy Housing.** The Fairfax Zoning Code does not define or establish any requirements specific to SRO housing; these establishments could, however, be treated as a type of multi-unit housing. As such, SRO housing would be allowed in the CL (Limited Commercial), CH (Highway Commercial), and CC (Central Commercial) zones subject to approval of a use permit. In the CH and CC zones, residential uses are only allowed above the ground floor. This would appear to preclude the possibility of establishing an SRO in a building or buildings previously used as a motel or hotel. Because an SRO offers a potential accommodation for very low-income individuals or couples, The Housing Action Plan includes a program to establish provisions that would facilitate the establishment of SRO housing, especially to meet the Town's need to accommodate homeless and very low-income persons and households.
- **Manufactured Housing and Mobile Homes.** State law requires that mobile homes (or manufactured homes) on permanent foundations be permitted by right in residential zones, subject to the same development standards and processes as single-family homes but does not require municipalities to permit mobile home parks. The Town's Zoning Code includes definitions for Mobile Home Park and Mobile Home Lot but fails to include any reference to the State mandate allowing manufactured and mobile homes in all residential zones and doesn't identify Mobile Home Parks as a permitted use in any district. The Housing Action Plan includes a program to bring the Zoning Code into compliance with State law regarding the treatment of manufactured and mobile homes in the same manner as single-family dwellings.
- **SB 35 Streamlining.** Government Code section 65913.4 allows qualifying development projects with a specified proportion of affordable housing units to move more quickly through the local government review process and restricts the ability of local governments to reject these proposals. The bill creates a streamlined approval process for qualifying infill developments in localities that have failed to meet their RHNA, requiring a ministerial approval process, removing the requirement for CEQA analysis, and removing the requirement for discretionary entitlements. Fairfax is one of 285 California communities subject to SB 35 streamlining provisions that offer an

expedited approval process for residential and mixed use projects in urbanized areas proposing to provide at least 10 percent of their units as affordable housing. The Housing Action Plan includes a program to codify the requirements for SB 35 projects with applicable objective design and development standards.

- **Constraints for People with Disabilities.** The Town has adopted Title 24 of the 2019 California Building Code (Fairfax Municipal Code, Section 15.04.010, Adoption of Construction Codes), which includes comprehensive standards covering most of the important areas of accessibility for persons with physical and sensory disabilities. California's Building Standards Codes (Physical Access Regulations) are found in Title 24 of the California Code of Regulations (CCR) and are designed to comply with the requirements of the Americans with Disabilities Act (ADA) and State statutes. Fairfax has not, however, enacted regulations establishing procedures for persons with disabilities seeking "reasonable accommodation" involving changes, exceptions, or adjustments to regulations that are necessary to provide equal access to housing. The Housing Action Plan includes a program to bring the Zoning Code into compliance with State law regarding reasonable accommodations by establishing procedures for processing request for reasonable accommodation pursuant to the federal Fair Housing Act (Title VIII of the Civil Rights Act of 1968, as amended, 42 U.S.C. 3601–3619) and the California Fair Employment and Housing Act (California Government Code, Title 2, Division 3, Part 2.8).
- **Procedural Requirements.** Residential projects proposed in Fairfax typically require a combination of reviews including zoning compliance, conditional use permit, design review as well as building permit plan checks. Some projects may also require approval or modification of a development plan, master plan, and subdivision map or parcel map. In addition to these procedures, which are common to most cities, Fairfax has established some additional review requirements that contribute to the time and cost required to develop residential projects. These include the requirements for traffic impact permits (Chapter 17.056), ridgeline scenic corridor permits (Section 17.060), flood plain development permit (Chapter 17.068) and hill area residential development permit (Chapter 17.072). These requirements typically require applicants to hire special consultants and pay additional fees for review by staff or an outside consultant, which increase the time and cost of producing housing.

The Fee Schedule identifies Minor Use Permit as a type of planning approval but Chapter 17.032, Use Permits does not include any provisions referring to this planning entitlement. The Housing Action Plan includes a program for revising the Zoning Code to establish requirements for Minor Use Permits approved by the Planning and Building Director and to identify the uses that could be approved with such permits. The Action Plan also commits the Town to revising the Code to allow multi-family projects with up to four units to be developed by right subject to compliance with new objective standards. Such projects located within a half mile of public transit will also be exempt from the requirement for a transportation impact study and permit. The adoption of objective standards based on the design review criteria in Section 17.020.040, will facilitate this change in procedures and reduce the time and cost of processing residential projects. Because the four-unit projects will be allowed by right (i.e. ministerial approval), they would also not require environmental review.

- **Objective Design and Development Standards.** The Zoning Code requires design review of all construction projects other than minor additions based on a series of subjective design review criteria. Although the Code authorizes the Town to adopt design guidelines, it has not yet done so, creating significant potential for violating State mandates for using objective design and development standards as a basis for reviewing residential projects. The Town prepared a draft proposing several amendments to the Zoning Code to correct deficiencies; however, as of this writing, it has not adopted objective design and development standards that would meet the requirements of the State Housing Accountability Act, SB 35 or SB 9 (California Government Code Sections 65589.5, 65913.4, 65852.21, and 65913.4(a)(5)). The Housing Action Plan includes a program committing the Town to revising the Zoning Code to include objective design and development standards based on the criteria in Section 17.020.040 or other General Plan policies. This project will be assigned the highest priority.
- **Subdivision Requirements.** The Town’s subdivision fees are in line with or less than those charged by nearby communities but include requirements for some studies and impact fees as a condition to approval of a tentative or parcel map that add to permit costs. The Housing Action Plan identifies actions the Town will take to reduce or mitigate the cost of subdivisions including developing specific standards, requirements, and checklists for preparing the required resource conservation analysis. The Action Plan also commits the Town evaluating the feasibility and effect of eliminating or reducing locally-imposed impact fees for residential projects proposing permanently affordable housing.
- **Buildings and Construction Code Requirements.** In September 2021, the Town enacted requirements for all-electric building design based on its location along the wildland-urban interface and susceptibility to seismic and flooding hazards. The requirements are also to implement the Fairfax Climate Action Plan and Climate Emergency Declaration (Resolution No. 1904). This regulation anticipates State mandates that will ban the sale of natural gas appliances in 2030 and a change in the State Building Code that went into effect at the beginning of 2023. Although the cost difference between electric and gas appliances is not significant, the cost to operate electric appliances has historically been higher than the cost of gas, although that was not the case in 2022. The Housing Action Plan includes a program to monitor the effect of this requirement on the housing expenses of low- and moderate-income households and evaluate options for minimizing this impact.

The Building and Construction Code prohibits the use or occupancy of any camp car or trailer for living or sleeping on any lot or parcel in the town. The Code also bars the lease of any property for this purpose. This regulation would prohibit the use of so-called “tiny homes” (those on wheels) as the Counties of Marin and Sonoma and some other California jurisdictions now allow as way to provide affordable housing. The Housing Action Plan includes actions needed to allow the use of “tiny homes” as a type of ADU subject to conditions regarding the design and siting of such units.

- **Fees and Exactions.** Even though the fees Fairfax charges for reviewing housing development applications are comparable to or less than those charged by some nearby municipalities, the additional studies that the Town requires increase the time and

cost of obtaining project approval. The Housing Action Plan includes programs that will require revisions to the existing Zoning Code and other municipal regulations to incorporate standards tied to measurable and objective standards. Such standards need to be based on technical studies the Town undertakes that should reduce the time and cost of preparing and evaluating studies on a case-by-case basis. The Town will also evaluate the feasibility and impact of deferring the payment of all or part of the fee for projects that include affordable housing.

Non-Governmental Constraints

- **Limited vacant land.** The Town is essentially built out with almost all the remaining vacant land in steeply sloped hillside areas with limited development potential and few vacant lots in the flatter portions of the Town. Fairfax has adopted regulations to implement SB 9, which could make it easier to divide lots and create lots that could be developed with additional housing would maximize the use of developable land with fewer environmental constraints.
- **Environmental constraints.** Major environmental constraints to development include flooding, topographic problems, liquefaction susceptibility, and wildfire concerns. Some of these constraints can be mitigated, while others provide a barrier to development. The Action Plan proposes that the Town undertake a focused geologic study in the Town Center areas to identify a range of measures that developers could incorporate in projects proposed in areas where these potential hazards exist to reduce project costs. Codifying specific standards for projects on sites subject to environmental constraints could reduce the time and cost of development in such areas 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.
- **Market constraints.** The cost of land in Fairfax is higher than many other Bay Area jurisdictions because of the Town's desirability but lower than other municipalities in Central Marin. Fairfax suffers from the same high construction costs as other Bay Area jurisdictions. The availability of financing is affected by factors that local government cannot control, including capital levels of banks and investors, credit worthiness of borrowers, and the willingness of investors to supply capital for real estate. Jurisdictions like Fairfax can, however, take advantage of the few federal and State programs that are available to subsidize the cost of financing development and assist lower-income first-time home buyers. The Housing Action Plan includes several programs that would allow the Town to take better advantage of programs that do exist and make sure that residents and property owners are aware of such programs.