



TOWN OF FAIRFAX

STAFF REPORT

October 15, 2020

TO: Planning Commission

FROM: Ben Berto, Director of Planning and Building Services

SUBJECT: Discussion of Preliminary Regional Housing Needs Allocation (RHNA) Recommended Methodology

BACKGROUND

The Association of Bay Area Government's Housing Methodology Committee (ABAG HMC) recently released their draft recommended methodology for determining each Bay Area jurisdiction's RHNA housing share.

ABAG's Executive Board is scheduled to consider the recommended methodology for determining RHNA shares at its meeting on October 15 (today). The Town Council wanted to consider submitting a letter about the RHNA methodology in advance of ABAG's meeting, thus the Council took the matter up at their October 7 meeting. See attached copies of the Council staff report and draft letter.

Vice-Chair Rodriguez and Chair Green requested a briefing on the RHNA methodology.

DISCUSSION

Staff will provide oral comments at the meeting.

ATTACHMENTS

Attachment A – Town Council staff report 10/7/20

Attachment B – Draft Town Council letter to ABAG Executive Director



TOWN OF FAIRFAX

STAFF REPORT

October 7, 2020

TO: Mayor and Town Council

FROM: Ben Berto, Planning and Building Services Director
Garrett Toy, Town Manager

SUBJECT: Discussion of Preliminary Regional Housing Needs Allocation (RHNA) and Authorization for Mayor to Sign Letter from Town Council Regarding Recommended Methodology.

RECOMMENDATION

Review the attached draft Town Council letter to the MTC/ABAG Executive Committee regarding the preliminary Regional Housing Needs Allocation (RHNA) and Recommended Methodology and authorize the Mayor to sign a finalized letter.

BACKGROUND

The State Department of Housing and Community Development (HCD) has determined that the Bay Area region needs to plan for an additional 441,000 new housing units between 2022 and 2030. These units are distributed among Bay Area jurisdictions pursuant to a methodology approved by the Bay Area Metropolitan Transportation Commission/Association of Bay Area Governments (MTC/ABAG). A RHNA Methodology Committee, comprised of a group of Bay Area stakeholders, including one elected official and one planning staff person from each Bay Area County, and other non-governmental stakeholders, has been meeting for the past year to develop a methodology to determine how each jurisdiction's housing unit quotas.

Novato City Mayor Pro Tem Pat Eklund and Elise Semonian, Planning Director for San Anselmo, were Marin County's representatives on the RHNA Housing Methodology Committee (HMC). Additional background information regarding the process to identify an appropriate methodology to distribute the State's Regional Housing Needs Allocation among all Bay Area jurisdictions is included in the ABAG memo and the report to the Marin County Councils and Mayors Committee by Pat Eklund in Attachment 2 (see pages 4-5 of report).

As summarized in Mayor Pro Tem Eklund's report, based on the recommendation of the HMC, the following chart represents a rough estimate of the number of units each Marin County jurisdiction would have to plan to accommodate between 2023 and 2031, the 6th and next 8-year RHNA housing cycle.

ATTACHMENT A

SPECIAL MEETING AGENDA ITEM #1

	2050 Households (Bay Area Blueprint) Unmodified Allocation				
	vl	I	Mod	Mod+	Total
Belvedere	50	30	20	60	160
Corte Madera	210	120	110	270	710
Fairfax	160	90	80	200	530
Larkspur	300	180	150	390	1,020
Mill Valley	250	140	120	320	830
Novato	580	340	130	860	2,110
Ross	40	20	20	40	120
San Anselmo	230	no	110	280	750
San Rafael	750	430	450	1,150	2,780
Sausalito	200	120	120	300	740
Tiburon	190	110	90	240	630
Unincorporated Marin	1,160	670	560	1,440	3,830

MTC/ABAG's Executive Board is scheduled to vote on whether to accept the methodology recommended by the HMC on October 15, 2020.

DISCUSSION

The draft letter in Attachment 1 discusses concerns with the methodology recommended by the HMC. Specifically, the letter notes that the methodology recommended by the HMC allocates new housing units to an area that lacks available land, adequate transportation infrastructure, is removed from existing and future job generators, is at high wildfire risk with severe evacuation constraints, quantities inconsistent with the growth patterns and policy objectives more carefully considered in Plan Bay Area 2050. The letter recommends two modifications to the proposed methodology:

- 1) Utilize Plan Bay Area 2050 household (HH) growth rates between 2019 and 2050 as the baseline for the RHNA allocation.
- 2) Reduce the 40% allocation factor to High Resource Areas for moderate and market rate units utilized in Recommended Option 8A

The first recommended modification in the letter has been raised by several other suburban communities in the Bay Area (see comment letters in Attachment 3), which are seeing a relatively greater proportional increase in RHNA than communities high job generation and robust public transportation and other infrastructure.

While the above RHNA numbers are preliminary and only approximate the housing allocation that Fairfax will ultimately receive through the RHNA determination process, the estimate represents 8X the number of housing units assigned to Fairfax during the current 2014-2022 RHNA cycle. For comparison, the number of housing units is approximately the number of units

that have been developed in Fairfax in the last five decades. It is very unlikely to be achieved even under the most aggressive housing development scenario.

Similar concerns about lack of awareness about inherent housing development constraints and resulting very low likelihood of attaining the preliminary projected RHNA housing numbers have been expressed by every commenting jurisdiction with which staff is familiar (see attached representative comment letters).

Even if the RHNA methodology is modified as recommended, under the State's allocation of 441,000 housing units for the Bay Area for the 2023-2031 time period, the Town will find it very difficult to plan for or facilitate development as required by the State in this next (6th) RHNA cycle.

FISCAL IMPACT

n/a

ATTACHMENTS

- A. Draft Letter to MTC/ABAG Executive Committee
- B. ABAG Memo and Report from Pat Eklund
- C. Comment letters from other Bay Area jurisdictions

(Draft)

October 7, 2020

Mayor Jesse Arreguin, President
Association of Bay Area Governments, Executive Board
375 Beale Street, Suite 700
San Francisco, CA 94105-2066

Dear Board President Arreguin:

On behalf of the Town Council of Fairfax, please accept our comments related to the proposed Regional Housing Needs Allocation (RHNA) methodology recommended by the RHNA Housing Methodology Committee (HMC). Please consider these comments in advance of the October 15, 2020 ABAG Executive Board meeting where the recommended methodology will be discussed.

The Town of Fairfax is aware and appreciative of the efforts and dedication of the HMC stakeholder group over the last year in attempting to recommend an appropriate distribution of 441,000 new housing units assigned to the region by the State Department of Housing and Community Development (HCD). Our Town understands both the challenges and urgent need to address State and regional policy goals pertaining to housing affordability, climate change and equity in the upcoming 6th Regional Housing Needs Assessment (RHNA) cycle.

Unfortunately, however, there are a number of problems with the methodology recommended by the HMC for allocating new housing units to Fairfax. Our Town lacks adequate transportation infrastructure and public transportation services. Marin is projected to actually naturally decrease in population in the next decade as its residents continue to age. The County as a whole, and Fairfax in particular being located at the far end of Marin's urbanized area, is removed from existing and future job centers. Fairfax is in an area of relatively high fire risk even compared to nearby jurisdictions. The Town's position in the far end of Marin's urbanized area further means that evacuation in the event of a wildland fires such as those the State continues to experience is particularly problematic. Marin Municipal Water District's Water Plan for the Marin jurisdictions it serves (including Fairfax) states that there is a chronic water shortage. Finally, there is virtually no vacant land in Fairfax available for large-scale development.

Despite these inherent limiting factors, the preliminary housing numbers shown for Fairfax would be equivalent to the prior five decades' worth of housing development.

The recommended methodology and resulting RHNA numbers, if indeed intended to set realistic quotas for housing growth regionally, will not only fail to meet the Bay Area's total regional housing need, but will threaten our region's ability to grow sustainably into the future.

Other similarly situated cities in Marin and the region are expected to grow at similarly high relative growth rates, despite Plan Bay Area 2050 projections to the contrary. The result is to push a greater proportion of new development into areas that will further increase auto dependency and longer commute times, exacerbate GHG impacts, and run counter to the goals and objectives well-formulated and strongly articulated in the recently released Plan Bay Area Blueprint.

To avoid these outcomes, we recommend consideration of one or both of the following changes to the recommended methodology:

ATTACHMENT B

- 1) Utilize Plan Bay Area 2050 household (HH) growth rates between 2019 and 2050 as the baseline for the RHNA allocation rather than Plan Bay Area HH in 2050.

Utilizing the PBA 2050 household growth rate as the baseline will align RHNA more closely with Plan Bay Area Blueprint objectives and focus a greater proportion of growth to areas where transportation investments, job growth, and beneficial market conditions are expected to be focused.

- 2) Reduce the 40% allocation factor to High Resource Areas for moderate and market rate units utilized in Recommended Option 8A

While not clear from the presentation materials provided to the HMC, it appears that the 70% allocation factor for very low and low-income units, and the 40% allocation factor for moderate and market rate units, are driving significant additional units to High Resource Areas, such as Fairfax, beyond that anticipated in Plan Bay Area 2050. It is not clear how the 40% allocation factor for moderate and market rate units helps further the equity purpose the HMC intends, as it would appear to drive relatively more higher income households to High Resource Areas. Reducing or eliminating this allocation factor would presumably reduce the overall housing allocation to jurisdictions like Fairfax without affecting the strategy the HMC proposes to introduce greater equity into the RHNA process.

While we again recognize the challenge that the HMC faced in developing an appropriate allocation methodology, and appreciate many of the thoughtful contributions they have introduced into the process, we believe the outcomes of the recommended methodology, unless modified, would be inconsistent with Plan Bay Area 2050 objectives to grow the Bay Area sustainably and allocate scarce resources efficiently.

Fairfax is one of the few Bay Area jurisdictions that has met and even exceeded its low income housing allocation in the current 5th Cycle RHNA. Our Town believes it can continue to thoughtfully craft housing policies that will support housing that both helps to address the region's housing supply, affordability, and equity issues, and meets the needs of our Town. Without modification however, the recommended HMC methodology presents wholly unrealistic housing quotas over the 2023-2031 RHNA cycle which appear to simply be a punitive attempt to set higher resource communities up for failure and state-imposed land use controls and penalties.

With appreciation for your Bay Area regional work, we thank you for your time and consideration.

Sincerely,

Renee Goddard

Mayor, Town of Fairfax