

A G E N D A

**SAN RAFAEL SANITATION DISTRICT
BOARD OF DIRECTORS
FRIDAY – MAY 26, 2017 - 9:00 A.M.
SAN RAFAEL CITY HALL
1400 FIFTH AVENUE –CONFERENCE ROOM 201
SAN RAFAEL, CALIFORNIA 94901**

Members of the public may speak on Agenda items.

1. OPEN PERIOD

Opportunity for the public to address the Board on items not on the agenda.
(Presentations are generally limited to 2 minutes.)

2. MINUTES OF THE MEETING

Request approval as submitted – April 28, 2017.

3. PAYMENTS

Request approval as submitted.

4. CLOSED SESSION

- a. Conference with Legal Counsel – Anticipated Litigation**
California Government Code Section 54956.9(d)(2)
Number of Potential Cases: One (1)

5. OLD BUSINESS

None scheduled.

6. NEW BUSINESS

- a. Discussion on LAFCO's Central Marin Wastewater Study, April 2017 Draft Report.
- b. Discussion on 2016-17 Marin County Civil Grand Jury Report, Overcoming Barriers to Housing Affordability.

7. INFORMATIONAL ITEMS

8. DISTRICT MANAGER'S REPORT

- a. Update on CMSA JPA update process.

9. DIRECTOR REPORTS/REQUESTS FOR FUTURE AGENDA ITEMS

10. ADJOURNMENT

The next scheduled meeting is June 23, 2017.

SAN RAFAEL SANITATION DISTRICT
Minutes of the Meeting
April 28, 2017

Regular Meeting

City of San Rafael
Conference Room 201
1400 Fifth Avenue
San Rafael, CA 94901

The meeting was called to order at 9:07 A.M. by Chairman Phillips.

Attendance Board: Gary O. Phillips, Chairman
Maribeth Bushey, Secretary/Director
Damon Connolly, Alternate Director

Attendance Staff: Doris Toy, District Manager/District Engineer
Karen Chew, Senior Civil Engineer
Cynthia Hernandez, District Secretary

Attendance Others: Dean DiGiovanni, Alternate CMSA Commissioner for SRSD
Jason Dow, General Manager of CMSA

1. **OPEN PERIOD** - No persons were present to address the Board. Chairman Phillips welcomed new Board member, Supervisor Damon Connolly.

2. **MINUTES OF MARCH 28, 2017**

MOTION by Director Bushey, seconded By Chairman Phillips, to approve the minutes of the March 28, 2017, meeting as presented.

AYES: Director Bushey, Chairman Phillips

NOES: None

ABSENT: Director Rice

ABSTAIN: Director Connolly

Motion Carried

3. **PAYMENTS**

MOTION by Director Bushey, seconded by Director Connolly, to approve the payments for March 2017 in the amount of \$293,682.99 for maintenance and operation of the District and for capital improvements.

AYES: Director Bushey, Director Connolly, Chairman Phillips

NOES: None

ABSENT: Director Rice

Motion Carried

Chairman Phillips then requested a brief intermission so that each person could introduce themselves to Supervisor Connolly. The Chairman and the District Manager also gave the Supervisor a brief description of the District's affiliation with CMSA.

4. OLD BUSINESS

- a. **Update on the North Francisco Sewer Force Main Relocation Project at Rice Drive.**
- **Adopt resolution authorizing the District Manager/District Engineer to sign an agreement with Nute Engineering for design and construction related services for the North Francisco Sewer Force Main Relocation Project at Rice Drive.**

District Manager Toy reported that she had brought a proposal from Nute Engineering to the March 2017 meeting for design and construction related services for the North Francisco Force Main Relocation Project at Rice Drive. She reported that the North Francisco Force Main at Rice Drive needed to be relocated due to the extension of the SMART train service to Larkspur Landing. She also reported that the cost of the relocation would be approximately \$800,000 for design and construction. Manager Toy reported that due to the cost to relocate the sewer main, the Board had several questions and had requested her get additional information from the other agencies that would also be required to relocate their utilities. She reported that AT&T, PG&E, and MMWD will all need to relocate their utilities. She also reported that MMWD had completed its design work and was waiting for an easement, and AT&T and PG&E were still in discussions with SMART regarding the details of the relocation of their facilities. Chairman Phillips then reported that he had requested the District's legal counsel, Jack Govi, to provide the District with some options in regard to the payment for this project, since the District does not have a franchise agreement with the City. Next, Chairman Phillips requested the Board to meet with Counsel Govi on this matter, since he would need to recuse himself from this due to the fact that he is a member of the SMART Board. Chairman Phillips then requested Manager Toy to arrange a special meeting in the next 2-3 weeks that would include Counsel Govi and to coordinate this meeting with the other Board members.

MOTION by Director Connolly, seconded by Director Bushey, to accept the report and to table the resolution until the next meeting.

AYES: Director Bushey, Director Connolly, Chairman Phillips

NOES: None

ABSENT: Director Rice

Motion Carried

5. NEW BUSINESS

- a. Accept appointment of County Supervisor Damon Connolly to serve as an Alternate Director on the San Rafael Sanitation District Board.**

The Board decided that Supervisor Connolly should contact the County before proceeding with this item since there was some confusion in regard to whether he had been appointed to the SRSD Board to serve as a Director (to replace Supervisor Rice) or as an Alternate Director (to fill in for Supervisor Rice as needed).

At 9:14 A.M., Supervisor Connolly excused himself from the meeting to call the County.

- b. Call for applications to fill the position of Alternate Commissioner to represent the San Rafael Sanitation District on the CMSA Board of Commissioners.**

Director Bushey reported that the District had previously appointed Mr. Dean DiGiovanni, a resident of the District, to fill the position of Alternate Commissioner to represent the San Rafael Sanitation District on the CMSA Board on a temporary basis until the District could advertise for this position and select a permanent candidate.

MOTION by Director Bushey, seconded by Chairman Phillips, to call for applications to fill the position of Alternate Commissioner to represent the San Rafael Sanitation District on the CMSA Board of Commissioners.

AYES: Director Bushey, Chairman Phillips

NOES: None

ABSENT: Director Connolly, Director Rice

Motion Carried

- c. Report on bid opening for the San Pedro Pump Station Improvements Project and adopt resolution to award contract.**

District Manager Toy reported that this project will involve replacing the entirety of the existing San Pedro Pump Station, located at the intersection of Point San Pedro Road and Loma Linda Road, and replacing approximately 900 feet of gravity sewer line. She reported that there was a bid opening for this project on April 25, 2017, and that there were two bidders: JMB Construction, Inc., with a bid of \$2.4 million and Maggiora & Ghilotti, Inc., with a bid of \$2.5 million. She also reported that the Engineer's Estimate was \$1.7 million and that the bid of \$2.4 million was approximately \$624,000, or 35%, over the Estimate. Manager Toy reported that four prime contractors had attended the mandatory pre-bid meeting held last week, but only two of the contractors submitted bids. She also reported that the lack of bidders and the high bid amounts could be attributed to the fact that there are a lot of pump station projects out there right now, and this is causing the bids to be inflated. Manager Toy then recommended that the bids be

rejected and that the project be rebid in the winter when there may be more bidders. She also suggested that because the project had already been designed, the portion of the project involving the replacement of the gravity sewer line could be bid separately within the next month or two, since she felt that those types of contractors should still be available.

MOTION by Director Bushey, seconded by Chairman Phillips, to reject all bids and adopt the resolution rejecting bids for the San Pedro Pump Station Improvements Project.

AYES: Director Bushey, Chairman Phillips

NOES: None

ABSENT: Director Connolly, Director Rice

Motion Carried

d. Adopt resolution to accept Mt. Tam Property Capital Investments, LLC, Grant of Lien to the District.

District Manager Toy reported that the property at 355 Margarita Drive is currently on a septic system. She also reported that it has been annexed to the District and is now ready to be connected to the sewer. She then reported that the sewer lateral for this property will be connected to a sewer main extension that was installed by the owners of 365 and 366 Margarita Drive.

At 9:18 A.M., Supervisor Connolly returned to the meeting.

Next, Manager Toy reported that the Repayment Agreement for this sewer main extension requires the owners of 355 Margarita Drive to pay a reimbursement fee of \$42,144.00 in addition to the \$9,290.94 sewer connection fee. She reported that because of the high cost of the reimbursement fee and because the owners plan to flip this house, they requested to grant the District a lien against the property in lieu of payment of the reimbursement fee. She also reported that the lien would require the property owners to pay the District the \$42,144.00 reimbursement fee within 180 days of the recordation of the lien. Manager Toy then reported that the Grant of Lien and the Agreement had both been reviewed and by the District's legal counsel and recommended that the Board accept the Grant of Lien.

MOTION by Director Bushey, seconded by Director Connolly, to adopt the resolution to accept Mt. Tam Property Capital Investments, LLC, Grant of Lien to the District.

AYES: Director Bushey, Director Connolly, Chairman Phillips

NOES: None

ABSENT: Director Rice

Motion Carried

e. Review Budget Status Reports for the period 7-1-16 through 9-30-16 and through 12-31-16.

District Manager Toy reviewed the first quarter Budget Status Report for the period 7-1-16 through 9-30-16 and reported the following. Under Revenue, the fees for Sewer Assessments and Charges (Account No. 400000) had not yet been received because the sewer service charges are collected on the property tax bills, which are not due until December and April. Under Expenditures for Supplies and Services, Consulting Services (Account No. 2325) was at 74% of budget because the District had contracted with Cal-CAD Solutions to automate the sewer service charges, which was not included in the budget. (Because Manager Toy is authorized to move money between line items within the same fund, she can cover any shortfall this may cause.) Manager Toy then reviewed the second quarter Budget Status Report for the period 7-1-16 through 12-31-16 and reported the following. This report was just revised this morning. Under Revenue, the fees for Sewer Assessments and Charges (Account No. 400000) now reflected that \$8,883,344 in sewer service charges had been collected through the property tax bills that were paid in December (instead of the \$154,746 that was initially shown). Under Expenditures for Capital Improvements, Rehab of Gravity Sewer (Account No. 4302) was at 217% of budget because the 2016 Pipe Bursting Sewer Rehabilitation Project had been added to this account, with a cost of approximately \$700,000. Manager Toy reported that she would do a revised Budget Status Report for the next meeting. She also reported that some of the capital improvement projects had been postponed, such as Second Street, Ida to E Street (Account No.4316); Rehab of Beach Sewers-Bayside (Account No. 4320); #22 El Cerrito to Forbes (Account No. 4311); and Woodland Place/Avenue & Octavia (Account No. 4323) due to existing project schedules and additional unplanned projects. Manger Toy then reported that the 2017 Sewer Pipe Repair and Replacement Project was another project that had been added and that this project and the 2016 Pipe Bursting Sewer Rehabilitation Project had been added because of the City's Street Repaving Project.

MOTION by Director Bushey, seconded by Director Connolly, to accept the Budget Status Reports for the period 7-1-16 through 9-30-16 and through 12-31-16.

AYES: Director Bushey, Director Connolly, Chairman Phillips

NOES: None

ABSENT: Director Rice

Motion Carried

6. INFORMATIONAL ITEMS.

None.

The Board returned to Item 5.a.

5. NEW BUSINESS

- a. **Accept appointment of County Supervisor Damon Connolly to serve as an Alternate Director on the San Rafael Sanitation District Board.**

Supervisor Connolly reported that the County had confirmed that he had been appointed to serve as an Alternate Director on the San Rafael Sanitation District Board.

MOTION by Director Bushey, seconded by Director Connolly, to accept the appointment of County Supervisor Damon Connolly to serve as an Alternate Director on the San Rafael Sanitation District Board.

AYES: Director Bushey, Director Connolly, Chairman Phillips

NOES: None

ABSENT: Director Rice

Motion Carried

7. DISTRICT MANAGER'S REPORT

- a. **Update on CMSA JPA update process.**

District Manager Toy reported that all of the JPA members had agreed that the JPA Agreement should be revised. She also reported that Doug Kelly from Ross Valley Sanitary District, Diane Furst from Sanitary District No. 2 (Corte Madera), Director Bushey from SRSD, and Dan Hillmer from the City of Larkspur, are the representatives that will serve on the JPA committee. She then reported that they are planning to schedule a kick-off meeting in May.

8. DIRECTOR REPORTS/REQUESTS FOR FUTURE AGENDA ITEMS.

None.

9. ADJOURNMENT

There being no further business to come before the Board, the meeting of April 28, 2017, was adjourned at 9:31 A.M. The next meeting of the San Rafael Sanitation District was scheduled for Friday, May 26, 2017, at 9:00 A.M. at San Rafael City Hall.

Respectfully submitted,

Maribeth Bushey, Recording Secretary

ATTEST THIS 26th DAY OF MAY 2017

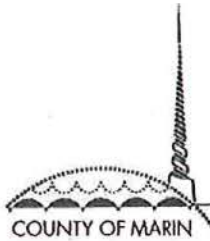
Gary O. Phillips, Chairman

3.

**SAN RAFAEL SANITATION DISTRICT
PAYMENT SUMMARY
April 1, 2017 - April 30, 2017**

Vendor/Payee	Memo	Class	Acct #	Account Name	Amount
ARAMARK UNIFORM SERVICES	Uniforms - weekly service ending 3/29/17	200	2021	Uniforms	\$ 136.62
ARAMARK UNIFORM SERVICES	Uniforms - weekly service ending 4/05/17	200	2021	Uniforms	\$ 132.21
AT&T *4667	Telephone Service - pump station dialers to CMSA from 2/20/17-3/19/17	100	2534	Telephone service	\$ 239.54
BERG JOHN	Sun Valley - reimbursement for half cost of New Walkway at 221 Alpine Street	300	4324	SunValley-Ca,Solano, Alpine(80)	\$ 2,200.00
CITY OF SAN RAFAEL	Vehicle - repair unit 8149	200	2083	Parts and repairs vehicles	\$ 357.05
CITY OF SAN RAFAEL	Vehicle - repair unit 8154	200	2083	Parts and repairs vehicles	\$ 56.30
CITY OF SAN RAFAEL	Vehicle - repair unit 8174	200	2083	Parts and repairs vehicles	\$ 261.94
CITY OF SAN RAFAEL	Vehicle - repair unit 8180	200	2083	Parts and repairs vehicles	\$ 219.03
CITY OF SAN RAFAEL	Vehicle - repair unit 8192	200	2083	Parts and repairs vehicles	\$ 229.65
CITY OF SAN RAFAEL	Vehicle - repair unit 8203	200	2083	Parts and repairs vehicles	\$ 96.35
COUNTY OF MARIN	Director's Fees - Katie Rice board meeting on 3/28/17	100	2282	Director's fees	\$ 100.00
CRATUS INC.	Miscellaneous Projects - 217 Bayview Ave. emergency spot repair	300	4321	Miscellaneous Projects (80Yr)	\$ 7,031.00
HERNANDEZ, CYNTHIA	Collection System - petty cash reimbursment for hex bolts	200	2360	O&M - collection systems	\$ 3.82
MARIBETH BUSHEY	Director's Fees - Maribeth Bushey, board meeting on 3/28/17	100	2282	Director's fees	\$ 100.00
MILLER PACIFIC ENGINEERING GROUP	Pipe Bursting - geotechnical services from 12/12/16-2/05/17	300	4328	Pipe Burst Sewer Rehab'16 (10)	\$ 1,192.40
NUTE ENGINEERING	Glenwood Pump Station Improvements - 2/1/17-2/28/17	300	4146	Glenwood Pump Station (10Yr)	\$ 1,485.60
NUTE ENGINEERING	Lincoln Ave - sewer improvement services from 2/1/17-2/28/17	300	4319	Lincoln, Prospect/Paloma (80)	\$ 3,374.00
NUTE ENGINEERING	Pipe Bursting - damage repair services from 2/01/17-2/28/17	300	4328	Pipe Burst Sewer Rehab'16 (10)	\$ 288.00
NUTE ENGINEERING	San Pedro Pump Station - services from 2/1/17-2/28/17	300	4147	San Pedro Pump Station Upgrade	\$ 26,540.50
NUTE ENGINEERING	Sun Valley - rehabilitation services from 2/1/17-2/28/17	300	4324	SunValley-Ca,Solano, Alpine(80)	\$ 10,129.50
PAC MACHINE CO	Vehicle Parts and Repairs - power cable for Doosan G70 Generator	200	2083	Parts and repairs vehicles	\$ 251.73
PG&E a/c 2480926202-5	Power - electric service for pump stations 2/08/17-3/10/17	200	2535	Electric utility costs	\$ 28,521.67
PHILLIPS, GARY	Director's Fees - Gary O. Phillips, board meeting on 3/28/17	100	2282	Director's fees	\$ 100.00
STAPLES INC	Office supplies - pens and toner cartridges	100	2133	Office & shop supplies	\$ 419.21
TC CONSTRUCTION INC.	Sun Valley - stone work at 112 K Street	300	4324	SunValley-Ca,Solano, Alpine(80)	\$ 3,040.00
US BANK CORPORATE PAYMENT	Pump Stations - fire extinguisher cabinet for Glenwood	100	2359	Maint- pump sta's & force mains	\$ 46.26
US BANK CORPORATE PAYMENT	Training - Hazwoper 8-hour annual refresher class for district inspector	100	2388	Training and education	\$ 121.50
VERIZON WIRELESS	Telephone Service - wireless service for laptops 2/21/17-3/20/17	100	2534	Telephone service	\$ 266.07
Total					\$ 86,939.95

4.a.



OFFICE OF THE
COUNTY COUNSEL

May 22, 2017

Brian E. Washington
COUNTY COUNSEL

Jack F. Govi
ASSISTANT COUNTY COUNSEL

Renee Giacomini Brewer
SUPERVISING DEPUTY

Mari-Ann G. Rivers
David L. Zaltsman
Michele Keno
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Steven M. Perl
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Valorie R. Boughey
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Board of Directors
San Rafael Sanitation District
P.O. Box 151560
San Rafael, CA 94915-1560

Re: Closed Session – Anticipated Litigation

Dear Directors,

I request that you conduct a closed session during your regular meeting on **May 26, 2017**, to discuss the following matters: significant exposure to litigation pursuant to California Government Code Section 54956.9(d)(2). In my opinion, public discussion of this matter would prejudice your position.

The specific reason and the legal authority for the closed session are:

Government Code Section 54956.9(d)(2). A legislative body of a local agency may hold closed sessions with the local agency's designated representatives when a point has been reached where, in the opinion of the legislative body of the local agency on the advice of its legal counsel, based on existing facts and circumstances, there is a significant exposure to litigation against the local agency.

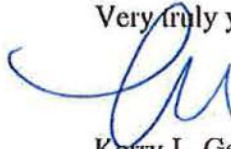
It should be noted that Government Code Section 54954.5 requires the Board to post a Closed Session item on the Board Agenda. With respect to the above referenced matters, you should include the number of potential cases (estimated at one at this juncture) and the fact that the Board will be meeting with counsel regarding the anticipated litigation.

I suggest that the Agenda read:

**CONFERENCE WITH LEGAL COUNSEL –
ANTICIPATED LITIGATION
California Government Code Section 54956.9(d)(2)
Number of Potential Cases: One (1)**

Should you have any further questions, please do not hesitate to contact me.

Very truly yours,



Kerry L. Gerchow
Deputy County Counsel

6.a.

SAN RAFAEL SANITATION DISTRICT
Agenda Item No. 6.a.

DATE: May 26, 2017
TO: Board of Directors, San Rafael Sanitation District
FROM: Doris Toy, District Manager/District Engineer 
SUBJECT: Discussion on LAFCO's Central Marin Wastewater Study, April 2017 Draft Report

RECOMMENDATION:

Review and discuss LAFCO's Central Marin Wastewater Study Draft Report, and direct staff on the preparation of the District's response.

BACKGROUND:

At the November 2013 Board meeting, Keene Simonds, Marin Local Agency Formation Commission (LAFCO) Executive Officer, informed the Board that LAFCO would be performing a municipal service review for wastewater services in 2015 for the Central Marin area. As part of the review, the Board asked that LAFCO consider evaluating available alternative government structure options involving wastewater services within the region. This request was also made in Chairman Phillips' November 27, 2013, letter to LAFCO's Chairman.

At the October 2015 Board meeting, Mr. Simonds explained the scope of work for the municipal service review, which would include looking at the way wastewater services are provided, financing for those services, and the organization of those services relative to LAFCO's charge by the legislature to independently weigh in on the availability, capacity, and the solvency question. The review for Central Marin will include our District, Las Gallinas Valley Sanitary District, Corte Madera (Sanitary District No. 2), Ross Valley (Sanitary District No. 1), Murray Park Sewer Maintenance District, San Quentin Sewer Maintenance District, and Central Marin Sanitation Agency. Mr. Simonds informed the Board that he planned to create a Technical Advisory Committee to assist LAFCO staff with the municipal service review on wastewater services and that he would like for each agency to provide a staff member to attend the committee meetings. The Board authorized me, as the District Manager, to participate in the Technical Advisory Committee, which has met three times since December 2015. I also met with LAFCO staff independently on two occasions in order to provide comments on previous draft reports.

On April 13, 2017, LAFCO released a public draft of the Central Marin Wastewater Study Municipal Service Review, and comments are due on June 30, 2017.

ANALYSIS:

The Central Marin Wastewater Services Study Draft Report is divided into four chapters – Introduction of LAFCO, Executive Summary, Service Characteristics of the study areas and wastewater services, and Agency Profiles for each of the studied agencies.

The Executive Summary explains that the time frame for this study has been oriented to cover the next 5-10 year period, with the former 5 years serving as the analysis anchor; therefore, this report acts as a baseline, which will be revisited every five years, consistent with the timetable set by the Legislature. The period for collecting data for this study is from 2010 to 2014, since the first Technical Advisory Committee meeting was in December 2015. The Executive Summary also includes its recommendations (starting on pages 2-11). The following are recommendations related to our District:

Recommendation #5: SRSD should designate the lone board seat statutorily dedicated to a member of the County of Marin to the incumbent holding Supervisor District 1 given it covers nearly all of the District jurisdictional boundary. This designation would provide a more logical and direct match between SRSD voters and their appointed representatives.

Recommendation #6: Corrective action is needed to appropriately amend jurisdictional boundaries to better align service areas with existing property lines within the Ross Valley and San Rafael Creek Watersheds. Similarly boundary clean-ups are needed to correct instances where actual service provision in this subregion does not match up with assigned jurisdictional boundaries.

Recommendation #8: The Commission should consider authorizing an addendum to fully evaluate options to reorganize and consolidate public wastewater services in Central Marin and most pertinently among agencies in the Ross Valley and San Rafael Creek Watersheds. This topic – which has been previously reviewed by the agencies specific to assessing cost-savings but not the Commission - responds to Marin LAFCO's directive to independently assess the notional sense affirmed in this study that a consolidation would appear primed to produce greater accountability and efficiency within the combined watershed.

Recommendation #9: Septic Systems are increasingly problematic in urban and or developing areas in Central Marin and pose a public safety threat to the health and environment of the agencies' service areas. The affected agencies should work to identify all septic systems within their respective areas in step with resiliency planning and determining future system risks.

Recommendation #11: The affected agencies in Central Marin should coordinate efforts to establish policies and protocols in addressing the increasing effects of climate change relative to wastewater services. This includes resiliency planning with respect to droughts, storm events, raising water tables as well as future demands.

The Agency Profile for the San Rafael Sanitation District starts on pages 4-35. Staff has some minor edits and factual corrections, but the following are a couple of issues that should be addressed.

Wastewater Flow as a unit of measurement. The report compares daily average flows, dry-weather day flow, and peak day flows and breaks it down to the amount of flow per resident, per occupied housing unit, and per service connection. This can be misleading and misrepresented for the following reasons: 1) the flow data includes all flow from residents, commercial, industrial, and inflow/infiltration; 2) our District does have more commercial facilities, i.e. restaurants, than other agencies in Central Marin; and 3) during wet weather, the amount of rain varies throughout the City and County and varies every year.

Pension Obligations. The report discusses the City of San Rafael's pension obligations. The District represents approximately 3.3% of the total City of San Rafael's unfunded liability. This liability is reported in the District's Financial Statements. The City's unfunded liability, as a percentage of its unrestricted fund balance, is not relevant to the District's financial position. The operating structure of the City and District are not the same; thus, the City, which has a much higher percentage of personnel costs to total expenditures than the District, will have a much higher pension contribution as a percentage of payroll, than will the District.


ACTION REQUIRED:

Direct staff on the preparation of the District's response.

Separate Attachment: LAFCO's Central Marin Wastewater Study, April 2017 Draft Report

6.b.

SAN RAFAEL SANITATION DISTRICT
Agenda Item No. 6.b.

DATE: May 26, 2017
TO: Board of Directors, San Rafael Sanitation District
FROM: Doris Toy, District Manager/District Engineer 
SUBJECT: Discussion on 2016-17 Marin County Civil Grand Jury Report, Overcoming Barriers to Housing Affordability

RECOMMENDATION:

Review and discuss 2016-17 Marin County Civil Grand Jury Report, Overcoming Barriers to Housing Affordability and provide direction to staff.

SUMMARY:

On April 12, 2017, the Marin County Civil Grand Jury released the report, "Overcoming Barriers to Housing Affordability." The Grand Jury requested that the District respond in writing to the Findings and Recommendations contained in the report, which in this case, the District is to respond to:

Recommendation, R5, "Each utility district should adopt waivers for hook-up fees for low income housing projects and accessory dwelling units."

The District's response must be conducted in accordance with Penal Code section 933(c) and subject to the notice, agenda, and open meeting requirements of the Ralph M. Brown Act. The deadline to submit the District's response to the Grand Jury is July 12, 2017 (90 days from the report date).

ACTION:

Discuss the Marin County Civil Grand Jury Report and provide direction to staff.

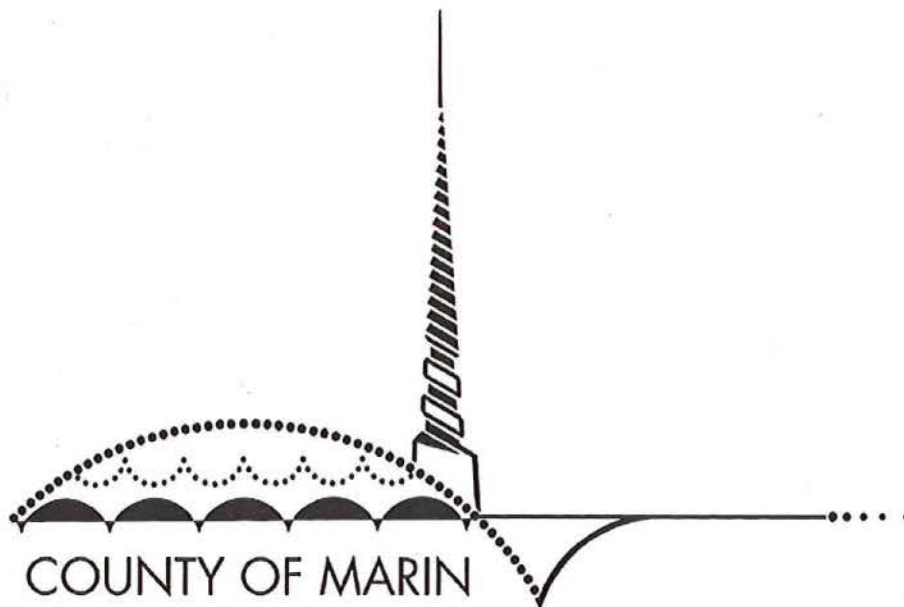
Attachment: 2016-17 Marin County Civil Grand Jury Report, Overcoming Barriers to Housing Affordability

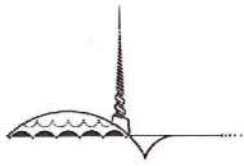
2016-2017 MARIN COUNTY CIVIL GRAND JURY

Overcoming Barriers to Housing Affordability

Report Date: April 6, 2017

Public Release Date: April 12, 2017





Overcoming Barriers to Housing Affordability

SUMMARY

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

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

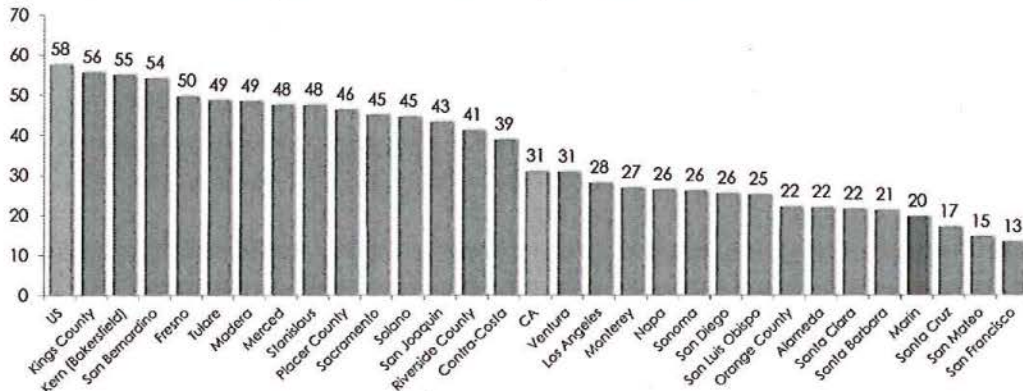
- **Community resistance** forms a barrier to virtually any new development in Marin. Vocal opposition serves to constrain the actions of civic leadership. Attempts to satisfy the needs of the developer and the needs of the community simultaneously are often ineffective. We highlight several examples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

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

BACKGROUND

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

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



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

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

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

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

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

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

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

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

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

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

METHODOLOGY

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

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

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

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

DISCUSSION

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

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

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

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

Barrier: Community Resistance

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

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

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

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

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

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

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

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

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

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

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

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

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

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

¹⁰ Ibid.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Barrier: Too Expensive to Build

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Barrier: Planning Process

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

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

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

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

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

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

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

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

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

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

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

Barrier: Low-Income Affordable Housing Faces Unique Challenges

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

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

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

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

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

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

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

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

⁴⁸ "Inclusionary Housing Ordinance." City of Pasadena.

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

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

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

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

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

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

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

⁴⁹ "Housing Element 2015-2023." *City of Petaluma*.

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

Barrier: Myths & Perceptions

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

– John F. Kennedy

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

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

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

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

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

⁵¹ Cook, John and Lewandowsky, Stephan. “The Debunking Handbook.” *Skeptical Science*. 23 Jan. 2012.

⁵² Lucas, Scott. “The YIMBYs Next Door.” *San Francisco Magazine*. 30 Nov. 2016.

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

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

⁵⁵ “Affordable Housing.” *Marin County Community Development Agency*.

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

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

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

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

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

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

Introducing: The Regional Housing Coordinator

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

The coordinator would:

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

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

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

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

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

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

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

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

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

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

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

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

⁶⁰ *Ibid.*

CONCLUSION

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

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

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

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

FINDINGS

- F1. Political will for the construction of new housing is constrained by County-wide vocal citizen opposition.
- F2. The costs of land and development make it too expensive to build low-income affordable housing in Marin.
- F3. Developers routinely respond that they do not try to build housing in Marin because of the difficulties imposed by the local regulatory requirements and citizen complaints.
- F4. Responsibility for housing in Marin is fragmented with little overall coordination among different agencies in the County as well as the Cities and Towns.
- F5. Active planning for the creation of low-income affordable housing does not occur within our cities, towns, and the County.
- F6. Over 60,000 people commute each day to jobs in Marin, many living outside the County.
- F7. Proposals to build low-income affordable housing create immediate neighbor opposition. Efforts to mediate with neighborhood groups are often too late in the process and have been ineffective.

RECOMMENDATIONS

- R1. Each planning department should begin regularly scheduled meetings at which developers can speak, early in the process, with all relevant members of staff to discuss impacts of proposed development and potential solutions to problems.
- R2. Each planning department should develop a proactive community outreach strategy for any project that might be considered potentially controversial (including going beyond legal noticing minimums and initiating outreach efforts as early as possible in the development cycle).
- R3. Each planning department should use succinct “plain-speak” to convey issues in their outreach.
- R4. Each school district should investigate building teacher and staff workforce housing on their land.
- R5. Each utility district should adopt waivers for hook-up fees for low-income housing projects and accessory dwelling units.
- R6. Each jurisdiction should adopt procedures so that low-income housing projects are fast-tracked through the planning and permitting process.
- R7. The County should create and fund the position of Regional Housing Coordinator. The Coordinator’s responsibilities should include: working with funding sources and developers, identifying underutilized properties, working with jurisdictions to create specific plans, and creating a County-wide Civic mediation program for all civic project community dialogues.

REQUEST FOR RESPONSES

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

From the following governing bodies:

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

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

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

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

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

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

GLOSSARY

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

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

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

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

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

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

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

HUD: U.S. Department of Housing and Development

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

JADU: Junior Accessory Dwelling Unit

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

NIMBY: “Not in my backyard”

PDA: Priority Development Area

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

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

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

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

APPENDIX A: Facility Siting

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

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

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

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

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

⁶² *MIT-Harvard Public Disputes Program*.

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

APPENDIX B: Municipal Planning Notices

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

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

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

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

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

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

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

APPENDIX B: Municipal Planning Notices (cont'd)



COMMUNITY DEVELOPMENT AGENCY
PLANNING DIVISION

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

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

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

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

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

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

August 25, 2016

Tammy Taylor
Planner




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

3501 Civic Center Drive - Suite 308 - San Rafael, CA 94903-4157 - 415 473 6269 T - 415 473 7880 F - 415 473 2255 TTY - www.marincounty.org/planning

APPENDIX B: Municipal Planning Notices (cont'd)

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

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

APPENDIX C: Affordable Housing In-Lieu Fees

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

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

APPENDIX D: Utility Connection Fee Estimates

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

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

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

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

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

APPENDIX E: Marin Housing Perceptions

Increased housing issues are being forced upon Marin County

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

Marin County has insufficient resources for an increased population

FACTS:

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

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

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

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

APPENDIX E: Marin Housing Perceptions (cont'd)

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

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