



August 10, 2020

San Rafael Planning Commission  
1400 Fifth Avenue  
San Rafael, CA 94901

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166 Greenwood Avenue  
San Rafael, CA 94901

**Re: Proposed Housing Policy Revisions**

Dear Planning Commissioners,  
Sustainable San Rafael welcomes the City's intention to incentivize more affordable housing, especially through revisions to San Rafael's inclusionary housing requirement. We offer the following comments to assist these efforts:

- Of the inclusionary housing scenarios proposed, scenario 2 (entailing a 15% onsite equivalent) seems the most promising. While encouraging more housing production by relaxing overall requirements, it also creates a path for more units affordable to moderate-income residents, the so-called "missing middle" in the housing market. Such units both meet a pressing need and make housing developments more feasible by providing better returns.
- However, the in-lieu payment option in this scenario needs to be equivalent to 10% of total units (not 5%) in order to incentivize more affordable units more quickly on site—thereby furthering the basic purpose of inclusionary housing, which is to produce a more economically integrated San Rafael. For the same reason, the same 10% equivalency should apply to offsite units and land conveyances. The staff report shows the 10% level of in-lieu payments is economically feasible (see scenario 1). With the merger of current inclusionary categories into a single category over 15 units, the use of this standard is appropriate. Feasibility is the key metric here, not an imposed symmetry of monetary values that undercuts the public purposes of an economically integrated community and quicker delivery of housing supply.
- We also suggest allowing in-lieu payments for all 'fractional' on-site units, including those that are now 'rounded up.' This would provide the City with more funds to leverage State housing resources (to the extent these are likely to be available), while simplifying the complex calculations described on page 11 of the staff report.
- We urge the City to adjust in-lieu payments for both housing and commercial developments to track current construction costs and better balance jobs and housing.

Given the magnitude of changes proposed, the uncertainty of the economy, and the ongoing crisis of housing affordability and availability, we recommend that the effectiveness of these revisions in meeting housing goals be reevaluated annually, at least through the adoption of the City's next Housing Element. Another suggestion would be to retain existing inclusionary housing levels in the Canal district, in order to limit gentrification of that relatively affordable neighborhood.

Thank you for your close consideration.

Sincerely,

William Carney  
Board President