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San Rafael City Council
1400 Fifth Ave., Rm. 209
San Rafael, CA 94901

Dear Councilmembers:

Marin Environmental Housing Collaborative (MEHC) is a consortium of advocates building support for projects and policies that advance affordable housing as well as environmental integrity and social justice.

MEHC supports modifications to the various existing San Rafael regulations that have hampered the development of affordable housing and we appreciate the considerable thought and research that has gone into this effort.

The inclusionary housing ordinance has been one of the most effective tools for securing affordable housing and promoting housing diversity. In fact, the inclusionary program has been the source of most, if not all, affordable housing in San Rafael over the past 10 years. It may be necessary to amend the ordinance to improve its effectiveness, but changes should be made carefully and with transparency.

- We recognize that the current inclusionary formula may reduce the feasibility of some projects. However, we would like to see this claim documented with a list of approved, but as yet undeveloped, projects. While the data from the Lincoln Institute is helpful for analytical purposes, the need to amend the inclusionary formula should be documented with a list of approved projects that have not moved forward. How many units are at stake? Transparency is important in this issue. Please provide a list of approved projects that are not moving forward due to financial infeasibility.
- Previous staff reports have cited the benefits of using in-lieu fees to grow the Affordable Housing Trust Fund. In the discussion of in-lieu fees there is a suggestion that using the fee proceeds to support 100% affordable projects will result in more affordable housing than if the inclusionary units were required. However, money in the Trust Fund loses value every year it is not spent. We are concerned that allowing a project to pay the fee in lieu of developing the required affordable units could result in a net reduction in the number of affordable units that would otherwise be built unless the fee is set at an appropriate level and spent expeditiously.

- We would like to see a breakdown of the inclusionary units developed through the existing program as differentiated from 100% affordable projects as a baseline.
- We suggest an evaluation plan that would assess the impact of the proposed changes and annual reports on whether these changes are achieving the goal of producing more affordable housing.

Finally, we believe Scenario #2 (15% onsite equivalent) of the inclusionary requirement options presented in the September 8 staff report is the best option to date because it provides the most affordability, including a requirement of housing for *very low-income* households. As of the last RHNA progress report, San Rafael had met only 2% of its RHNA requirements for very low-income units — just five units out of a required 240. This level of affordability is entirely missing from Scenario #3. In addition, Scenario #2 provides an option for more units affordable to moderate-income households, another area of unfulfilled need according to the last RHNA progress report (just 7%, or 12 out of 181 required units.)

Respectfully,



David Levin
Co-Chair



Sami Mericle
Co-Chair