



**SAN RAFAEL CITY COUNCIL AGENDA REPORT**

Department: **COMMUNITY DEVELOPMENT**

*Paul A. Jensen*

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Community Development Director

City Manager Approval: *AS*

**TOPIC: ANNUAL PROGRESS REPORT (APR) ON HOUSING**

**SUBJECT: ANNUAL PROGRESS REPORT (APR) ON: HOUSING UNITS SUBMITTED, APPROVED AND BUILT IN 2020; AND UPDATE ON PROGRESS OF IMPLEMENTING PROGRAMS IN THE HOUSING ELEMENT. CASE NO. P21-003**

**RECOMMENDATION:**

It is recommended that the City Council:

- a. Open the public hearing and accept comments; and
- b. Accept report.

**BACKGROUND:**

Government Code Section 65400 requires local jurisdictions to prepare an Annual Progress Report (APR) on the status of the City's Housing Element and the progress in meeting its share of regional housing needs. A copy of the report must be submitted to both the Governor's Office of Planning and Research (OPR) and the State Department of Housing and Community Development (HCD) by April 1st for the previous calendar year (January 1-December 31). Historically, the APR has been prepared in narrative format and informally reported to the City Council as part of routine updates on housing. However, the State housing laws have dramatically changed in the last several years, and now mandate higher reporting standards and a greater level of accountability by the local jurisdiction. The housing laws require that a public hearing on the APR be conducted by the local jurisdiction to allow for public comment.

The APR is reported on [forms](#) prescribed by HCD. Prior to the 2018 reporting year, the APR forms were simpler, requiring the reporting of housing units approved (entitled) in the reporting calendar year, and progress on the implementation programs contained in the Housing Element. However, in response to changes in the State housing laws, in 2020, the forms became far more complex. The APR now requires that the local jurisdictions itemize and report the number of housing units: a) submitted and deemed complete; b) approved/entitled; c) issued building permits; and d) built and issued final inspections for occupancy. Further, the APR requires reporting the type of housing unit and the level of affordability. As noted above, the APR also requires listing all of the housing programs outlined in the Housing Element and status of implementation of these programs. Lastly, the recent changes to the APR require that local

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**FOR CITY CLERK ONLY**

File No.: \_\_\_\_\_

Council Meeting: \_\_\_\_\_

Disposition: \_\_\_\_\_

jurisdictions report on housing development processed using the by-right housing approval process prescribed by Senate Bill 35 (SB 35). The APR now contains nine (9) reporting tables briefly described as follows:

1. Table A – Housing Development Applications Submitted. An “application” is a formal permit application submittal of a project for approval. This application is either for a discretionary entitlement (e.g. Environmental and Design Review, Use Permit), or where a ministerial process is solely required, such as an application for a building permit.
2. Table A2 – Annual Building Activity Report Summary. This table requires reporting all new housing construction, approved/entitled units, building permits issued, and built units issued a Certificate of Occupancy/final inspection.
3. Table B – Regional Housing Needs Allocation Progress. This table tallies the reporting year and prior year(s) of building permits issued for housing units under the current Regional Housing Need Allocation (RHNA) Planning Cycle (current cycle is 2015-2023). Permitted housing units are reported by their affordability (e.g., low-income, above moderate income/market rate). This table tracks the local jurisdictions progress towards meeting the RHNA. Table B contains the RHNA by income level and compares that number with total annual new housing units and housing units to date.
4. Table C – Properties Rezoned to Accommodate a Shortfall of Housing Need. State housing law requires that if the local jurisdiction approves a housing development on a housing opportunity site that results in fewer units than the number estimated for the site in the Housing Element, the shortfall of units must be made by rezoning another site to accommodate the shortfall. For the 2020 reporting year, the City was not required to rezone any site(s) to accommodate a shortfall of housing need.
5. Table D – Housing Element Program Implementation. This table requires that all Housing Element programs be listed and accompanied by a report on the progress of program implementation.
6. Table E – Commercial Development Bonus. This table allows for reporting of commercial development bonus for applications that include an agreement for partnered housing that contributes affordable housing through a joint project or two separate projects encompassing affordable housing. For the 2020 reporting year, the City did not approve any project involving a commercial development bonus.
7. Table F – Housing Units Rehabilitated, Converted from Non-affordable to Affordable and Preserved. This table allows the local jurisdiction to report housing units that have been substantially rehabilitated, converted from non-affordable to affordable by acquisition, and preserved. For the 2020 reporting year, there were no housing units approved/built that meet this criterion.
8. Table G – City-owned Properties Sold, Leased or Otherwise Disposed. This table requires the local jurisdiction to identify any City-owned property that has been included in the Housing Element Sites Inventory that have been sold, leased, or otherwise disposed of during the reporting year. The City did not dispose of any such property during the 2020 reporting period.

9. Summary Table. This table tallies the data from several of the tables listed above. The summary data focuses on the total of all permits issued and all applications submitted and approved for the 2019 reporting period.

**ANALYSIS:**

Staff has completed the APR for the 2020 calendar year. The APR tables are attached (Attachment 1). Staff submitted the report to HCD on April 1, 2021. The following is a summary of the City’s progress on housing approvals/entitlements, building permits issued and housing units completed for occupancy.

- As reported in the Housing Application Summary Table, a total of 46 housing development applications were submitted to the City and deemed complete in 2020. These completed applications included: 38 Accessory Dwelling Unit (ADUs) applications; four (4) Junior Accessory Dwelling Unit (JADUs) application; two (2) single family dwellings (SFDs) applications; a three (3)-unit development application; and a 32-unit development application. HCD allows accessory units that are less than 500 square feet in area to be reported as low-income (non-deed restricted) because rental prices for these units tend to fall within the low-income rental rates. A total of 7 units fall under this category. The 32-unit development at 190 Mill Street is recorded as very low-income units but were in fact approved as extremely low-income units.
- Table A2 data includes the following report for 2020:
  - a. Housing Units Entitled: 201 units
  - b. Building Permits Issued: 82 units
  - c. Units Built and Granted Final Occupancy: 32 units
  - d. Units Lost: 1 unit
- RHNA (Regional Housing Needs Allocation) progress is presented in Table B (below):

Income Level		RHNA Allocation by Income Level	2015	2016	2017	2018	2019	2020
Very Low	Deed Restricted	240	2			1		4
	Non-Deed Restricted							
Low	Deed Restricted	148	10	5		1		2
	Non-Deed Restricted		4		7	24	6	7
Moderate	Deed Restricted	181						
	Non-Deed Restricted		10			1		
Above Moderate		438	94	21	20	14	22	69
<b>Total RHNA</b>		<b>1007</b>						
<b>Total Units</b>			<b>120</b>	<b>26</b>	<b>27</b>	<b>41</b>	<b>28</b>	<b>82</b>

Note: units serving extremely low-income households are included in the very low-income permitted unit totals

As mentioned above the tables use building permit issuance for the purposes of determining progress towards RHNA. The 82 units that were issued building permits in 2020 including the 41-unit housing development at 815 B Street (at 2<sup>nd</sup> Street), which is near completion, as well as a total of 36 ADUs/JADUs; 2 single family residential units; and 3 units in multifamily development. Please note that housing projects that have been approved/entitled are not necessarily reflected in the APR if they did not also receive a building permit. Those units will be counted in future reporting periods once building permits are issued. Entitlements were granted for the following key housing projects in 2020, but are not yet counted toward the RHNA number as building permits for these projects were not issued in 2020:

- 190 Mill Street (32 extremely low-income transitional housing units)
- 999 Third Street (BioMarin R&D + Whistlestop/EDEN Housing Senior Center and Housing (68 low-income senior housing units)
- 350 Merrydale Road (45 townhome units)

While Table B only shows credit for 82 units, the City received completed applications for 201 units in 2020 getting us closer to reaching our RHNA goals.

- As reported in Table D, there are a number of Housing Element programs that are ongoing and serve to streamline housing development within the City and provide housing protections to vulnerable communities. The following are some key Housing Element programs that were part of the 2020 reporting period:
- a. H11-b. & H16-a. Accessory Dwelling Units and Junior Accessory Dwelling Units. The city began drafting of an ADU Ordinance in 2019. However, due to additional changes in state legislation on ADUs, the final draft ordinance was not completed and released until late 2020. The draft ADU ordinance was reviewed by the Planning Commission on March 23, 2021.
  - b. H-5a. Fair Housing Program. In 2020, the City continued to initiate and adopt renter protection policies, practices, and programs. Policy and ordinance actions initiated in 2020 included a temporary moratorium on rent increases to residents living in US Census Tracts most disproportionately impacted by COVID-19.
  - a. H-6a. Funding Sources. In 2020, the City piloted a “buy out” of a portion of the inclusionary housing requirement for Village @ Loch Lomond Marina development. The buy-out authorized the City acceptance of an in-lieu fee for six, undeveloped, for sale housing units. A portion of the in-lieu fee that was collected was granted to Homeward Bound to subsidize their transitional housing project at 190 Mill Street. Further, a portion of the in-lieu fee that was collected was allocated to EDEN Housing for a loan to build 68 low-income housing units at 999 3<sup>rd</sup> Street.
  - b. H-8d. Relocation Assistance. In 2020, this City initiated municipal code amendments to establish residential rental relocation assistance requirements for residents subject to “no fault” eviction in the US Census Tract 1122.01 (federally designated Opportunity Zone).
  - a. H-9d. Housing for Extremely Low-Income Households. In 2020, the City granted “by right” approvals for the redevelopment of the Homeward Bound emergency shelter at 190 Mill Street. The redevelopment includes the approval of 32 extremely low-income transitional housing units. Further, in 2020, the City collaborated with and assisted the County of Marin in its purchase of 3301 Kerner Boulevard to convert this office-developed site with transitional housing.
  - b. H-13a. Assisted Living. In 2020, the City issued building permits for the development of the Oakmont Assisted at 3773 Redwood Highway. This development will provide 89 assisted living apartment units with supportive services.

- c. H-17d. Efficient Project Review. In 2020, the City implemented and initiated a number of measures to further promote efficient project review. As a result of the COVID-19 pandemic, the City launched: a) an online permit application program for both Planning review and Building Permits; b) a “virtual public counter” to service customers during City Hall closure; and c) a piloted Design Review Board Sub-Committee to review projects.
- d. H-18a. Inclusionary Housing Nexus Study. In 2020, the City partnered with the County of Marin to initiate a study to update the affordable housing in-lieu fee for new residential and non-residential (commercial linkage fee) projects.

➤ **Summary Table.** The Summary Table tab includes a summary of Tables A through G. There are only two relevant tables as shown below. As shown in these tables there were total 82 units were issued building permits in the 2020 reporting period. This is also the total number of units that count toward the City’s RHNA goals.

<b>Building Permits Issued by Affordability Summary</b>		
<b>Income Level</b>		<b>Current Year</b>
Very Low	Deed Restricted	4
	Non-Deed Restricted	0
Low	Deed Restricted	2
	Non-Deed Restricted	7
Moderate	Deed Restricted	0
	Non-Deed Restricted	0
Above Moderate		69
<b>Total Units</b>		<b>82</b>
Note: Units serving extremely low-income households are included in the very low-income permitted units totals		

<b>Housing Applications Summary</b>	
Total Housing Applications Submitted:	46
Number of Proposed Units in All Applications Received:	80
Total Housing Units Approved:	80
Total Housing Units Disapproved:	0

**ENVIRONMENTAL REVIEW:**

As required by State law (California Environmental Quality Act), review and action on the APR must be reviewed to determine if it is subject to environmental review. As the APR is an informational report, it will have no physical impact on the environment. The APR is classified as a planning study, which qualifies for a Statutory Exemption from the provisions of the CEQA Guidelines under 14 CRR Section 15262.

**COMMUNITY OUTREACH:**

Notice of the public hearing was conducted in accordance with the public review period and noticing requirements contained in Chapter 29 of the Zoning Ordinance. Notice of public hearing was mailed to all neighborhood associations and stakeholders including the San Rafael Chamber of Commerce and housing advocacy groups.

**FISCAL IMPACT:**

There is no fiscal impact associated with the completion and submittal of the 2020 APR.

**OPTIONS:**

1. Accept the APR as presented by staff;
2. Accept the APR with modifications; or
3. Reject the APR and direct staff to return with additional information.

**ATTACHMENTS:**

1. 2020 HCD Annual Progress Report Tables
2. Public Hearing Notice
3. Correspondence

<b>Jurisdiction</b>	San Rafael	
<b>Reporting Year</b>	2020	(Jan. 1 - Dec. 31)

<b>Building Permits Issued by Affordability Summary</b>		
<b>Income Level</b>		<b>Current Year</b>
Very Low	Deed Restricted	4
	Non-Deed Restricted	0
Low	Deed Restricted	2
	Non-Deed Restricted	7
Moderate	Deed Restricted	0
	Non-Deed Restricted	0
Above Moderate		69
<b>Total Units</b>		<b>82</b>

Note: Units serving extremely low-income households are included in the very low-income permitted units totals

<b>Housing Applications Summary</b>	
Total Housing Applications Submitted:	46
Number of Proposed Units in All Applications Received:	80
Total Housing Units Approved:	80
Total Housing Units Disapproved:	0

<b>Use of SB 35 Streamlining Provisions</b>	
Number of Applications for Streamlining	0
Number of Streamlining Applications Approved	0
Total Developments Approved with Streamlining	0
Total Units Constructed with Streamlining	0

<b>Units Constructed - SB 35 Streamlining Permits</b>			
<b>Income</b>	<b>Rental</b>	<b>Ownership</b>	<b>Total</b>
Very Low	0	0	0
Low	0	0	0
Moderate	0	0	0
Above Moderate	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>

Cells in grey contain auto-calculation formulas

**CITY OF SAN RAFAEL  
NOTICE OF PUBLIC HEARING**

Notice is hereby given that the San Rafael City Council will hold a public hearing on the following project:

- MEETING DATE/TIME/LOCATION:** **Monday, March 15, 2021 7:00 p.m. COVID-19 ADVISORY NOTICE**  
Consistent with Executive Orders No.-25-20 and No. N-29-20 from the Executive Department of the State of California and the Marin County March 16, 2020 Shelter in Place Order, the San Rafael City Council meeting of March 15, 2021 will not be physically open to the public and the meeting will be streamed live to YouTube at <https://www.youtube.com/cityofsanrafael> and through Zoom. Instructions on how to participate online, will be available on the YouTube channel.
- PROJECT DESCRIPTION:** **ANNUAL PROGRESS REPORT (APR) ON HOUSING** – Per State law, the City of San Rafael is required to complete and submit an Annual Progress Report (APR) on housing to the State of California Department of Housing and Community Development. The APR includes data on the number of housing units submitted and approved in 2020, and an update on the progress of implementing programs in the City’s Housing Element. Further, State law requires that the City conduct a public hearing on the APR to solicit public comments. File No.: P21-003.  
*As required by State law (California Environmental Quality Act), review and action on the APR must be reviewed to determine if it is subject to environmental review. As the APR is an informational report, it will have no physical impact on the environment. The APR is classified as a planning study, which qualifies for a Statutory Exemption from the provisions of the CEQA Guidelines under 14 CRR Section 15262.*
- WHAT WILL HAPPEN:** You may comment on the project online. The City Council will consider public comment/testimony and decide whether to accept the APR.
- IF YOU CANNOT PARTICIPATE:** You may send a letter to Lindsay Lara, City Clerk by email to [Lindsay.Lara@cityofsanrafael.org](mailto:Lindsay.Lara@cityofsanrafael.org).
- FOR MORE INFORMATION:** Contact Renee Nickenig, Assistant Planner at (415) 485-3397 or [renee.nickenig@cityofsanrafael.org](mailto:renee.nickenig@cityofsanrafael.org). **City offices are currently closed to public walk in, but you can contact the planner for more information.** You can also view the staff report after 5:00 p.m. on the Friday before the meeting at <http://www.cityofsanrafael.org/meetings>.

**SAN RAFAEL CITY COUNCIL**

/s/ Lindsay Lara  
Lindsay Lara  
CITY CLERK



**From:** Myra Drotman [REDACTED]  
**Sent:** Thursday, April 1, 2021 10:35 AM  
**To:** Distrib- City Clerk <City.Clerk@cityofsanrafael.org>  
**Subject:** Housing Development in San Rafael & Terra Linda

I am in support of some housing growth, I strongly think that a majority of the new housing needs to be condo, coops and new single family homes. New housing should not be all rental apartments.

Marin is a small town county. And small towns have a majority of owner occupied homes.

Houses, condos, coips , etc are mostly owner occupied. The ability to buy a home is what builds wealth and has local people living in their homes.

If you allow huge apartment complexes, you wind up with huge corporation ownership. CEO's who do not live here nor care about our community. This also adds to the major urbanization of our community.

Apartments keep people from developing wealth and therefore keeps disadvantaged minorities in poverty.

Locals want their children to be able to own homes in Marin. My children will not stay in Marin if they have to rent an apartment. They want to buy a home. I think most American's dream is to buy a home.

Small and affordable condos, town houses, small single family homes will allow for diversity and wealth building and keep our small towns less urbanized.

Please insist on home ownership , rather than tenant occupied when considering future housing. Let people that live here or want to live here be owners. Stop massive corporations from owning Marin.

Thank you.

Myra Drotman

**Myra Drotman**  
**Berkshire Hathaway Home Services**  
**Drysdale Properties**

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