

2 Framework and Guiding Principles

The Framework and Guiding Principles chapter provides the context for the General Plan. It includes background information about San Rafael, forecasts for the future, and a set of guiding principles to achieve the vision of a thriving city.

The chapter begins with a description of San Rafael's relationship to the region around it. A brief history is provided, chronicling San Rafael's evolution from mission outpost to a modern, diverse city. The focus of this chapter is on the forces driving change in the city, including demographic shifts, social equity, real estate market dynamics, economic changes, mobility trends, climate change, technology, and fiscal constraints. This discussion provides the basis for the General Plan's Guiding Principles, an expression of San Rafael's values and aspirations for its future.

Regional Setting

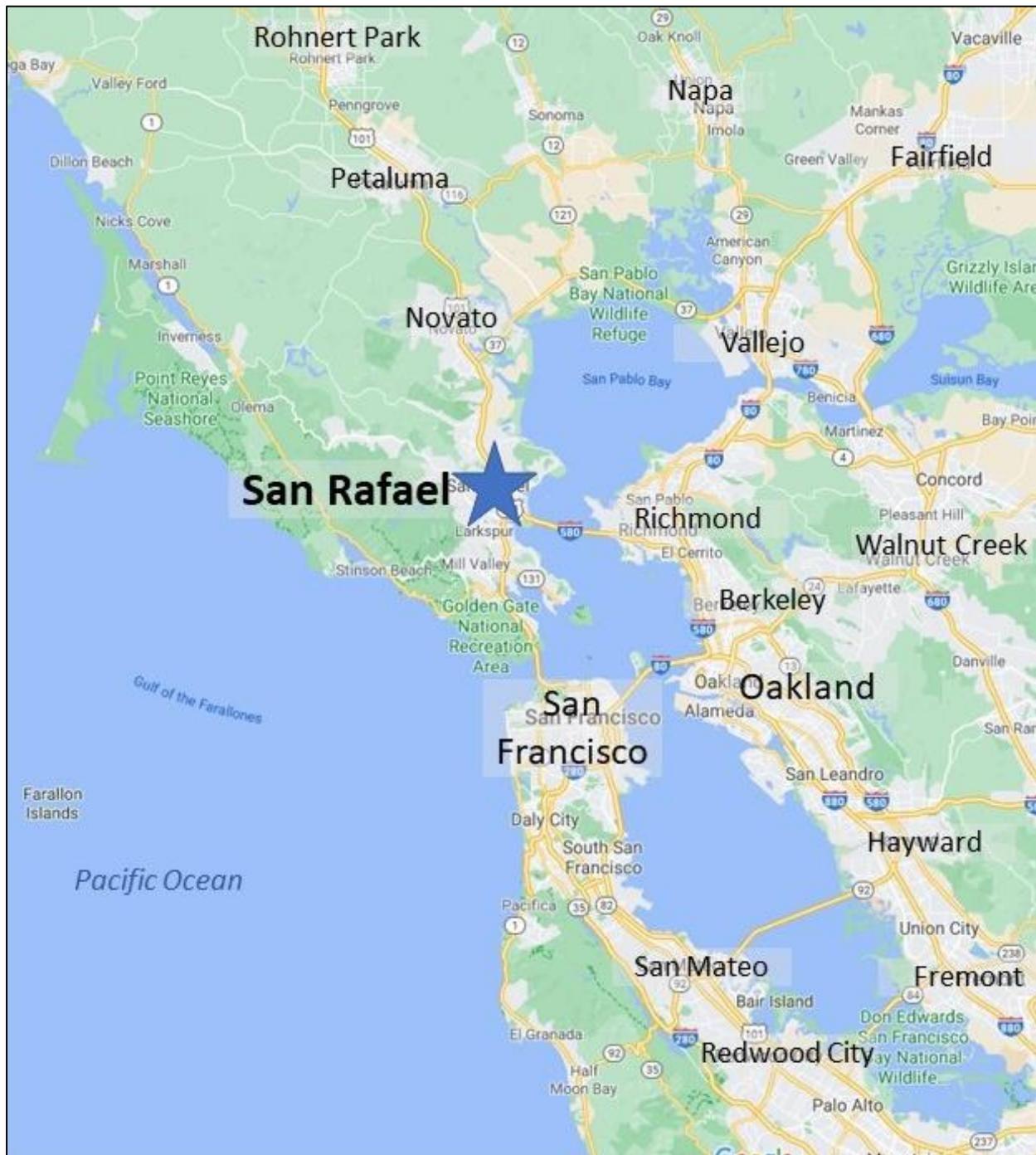
San Rafael is located in the east central part of Marin County, 18 miles north of Downtown San Francisco and 11 miles from the Golden Gate Bridge. The city is 38 miles south of Santa Rosa, 36 miles southwest of Napa, and 22 miles northwest of Oakland. The Pacific Ocean is approximately 10 miles to the southwest. Regional location is shown in Figure 2-1.

The city is bordered on the west by San Anselmo and Ross and on the south by Larkspur and the unincorporated communities of Kentfield and Greenbrae. Novato lies several miles to the north. The eastern edge of the city is formed by San Francisco and San Pablo Bays. The portion of San Francisco Bay south of the San Pedro Peninsula and west of the Marin Islands is commonly referred to as San Rafael Bay.

US Highway 101, a major freeway extending from Southern California to Washington State connects San Rafael to other cities in Marin County and the North Bay. Interstate 580, an auxiliary interstate connecting Marin County to the Central Valley, provides access to the East Bay. The western anchorage of the Richmond-San Rafael Bridge is located in San Rafael. San Rafael is also home to two SMART rail stations and the largest regional bus transit center in Marin County.

The region surrounding San Rafael—the nine county San Francisco Bay Area—is the fourth largest metropolitan area in the United States. In 2019, its total population was 7.8 million people. San Rafael is part of what is commonly referred to as the “North Bay” sub-region, including the counties of Marin, Sonoma, Napa, and Solano. There are roughly 1.3 million people and 506,000 jobs in the sub-region, with Marin County accounting for about 20 percent of its population and 23 percent of its jobs.

San Rafael has been the largest city in Marin County since its incorporation and the County seat since 1851. Most of the County's population resides within 10 miles of San Rafael, contributing to the city's role as the center of Marin's economy. Marin County is renowned as a place of great physical beauty, mild weather, and a high standard of living. In 2019, Census data indicated that it was the fifth wealthiest county in the United States. However, the County is economically diverse and is home to people of all income groups. San Rafael is the most economically and ethnically diverse city in the County.



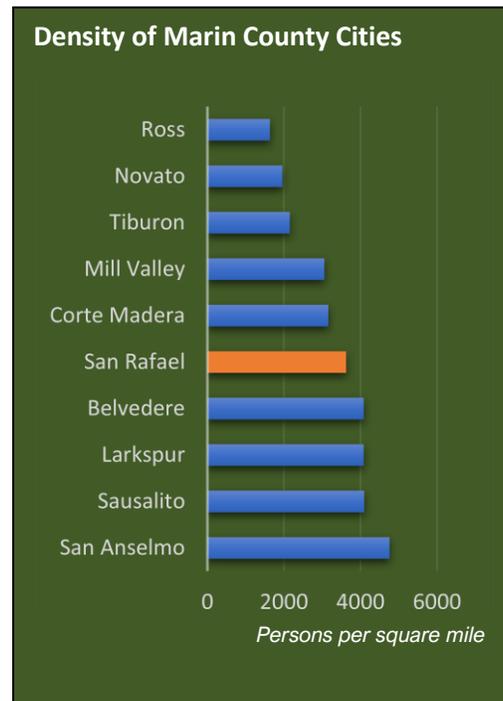
Map reprinted from Google Maps: 9/1/2020

Figure 2-1
Regional Location



San Rafael's identity is shaped by its topography, particularly ridgelines and shoreline. Its southern edge is defined by Southern Heights and San Quentin Ridges. Its western edge follows the Terra Linda-Sleepy Hollow Divide and its northern edge follows Big Rock Ridge. Within the city itself, an east-west ridge divides San Rafael into two areas of roughly equal size, joined by US 101 and Lincoln Avenue at Puerto Suello Hill. The area south of this divide is generally known as Central San Rafael while the area to the north is North San Rafael. Another distinct geographic feature is the San Pedro Peninsula, which extends about three miles east from Central San Rafael to Point San Pedro.

While San Rafael is the largest city in the county, its density is comparable to its neighbors (see chart at right). The average density is 3,625 persons per square mile. However, the city includes neighborhoods with densities ten times this average, as well as suburban density and rural residential areas.



Looking Back: Historical Context

San Rafael was first inhabited by the Coastal Miwok people, with a peak pre-European population of about 1,500. Settlements existed in what is now Downtown San Rafael (Nanaguani), Terra Linda (Ewu), and Marinwood (Shotomko-cha). The Miwok inhabited the area for thousands of years, developing a rich culture and complex language. They were sustained by abundant natural resources, including forests, creeks, marshland, and the Bay.

European settlement began in 1817 when Asistencia San Rafael Arcangel was established by Spanish Franciscan friars. Initially built as a sanitarium for Native Americans who had succumbed to European diseases, San Rafael Arcangel became the 20th of California's 21st missions in 1822. By the time the missions were secularized in 1833, the Miwok population had been severely reduced and their hunter/gatherer way of life destroyed. San Rafael and its environs were partitioned into land grants, which eventually became ranches and farms.

San Rafael's designation as the county seat in 1851 established its early position as the center of Marin County and attracted much of the North Bay's early growth. This was accelerated by construction of a rail line from the city to the ferry depot at Point San Quentin in 1870 and other rail lines linking Marin County with points north. Increasing commerce, development, and population led San Rafael to incorporate in 1874. The city's population increased from 600 in 1870 to 2,276 in 1880.

The late 19th Century was a time of expansion for San Rafael, as the city became a resort for San Franciscans, as well as a commercial and administrative center. Picnic grounds, summer homes for the wealthy, and hotels proliferated over the following decades. Dominican College was established in 1890, further diversifying the city's economy and culture. By 1900, the population had reached 3,879. The City continued to grow at a moderate rate in the early 20th Century, with new neighborhoods developed on the fringes of Downtown.



Photo Credit: Marin History Museum

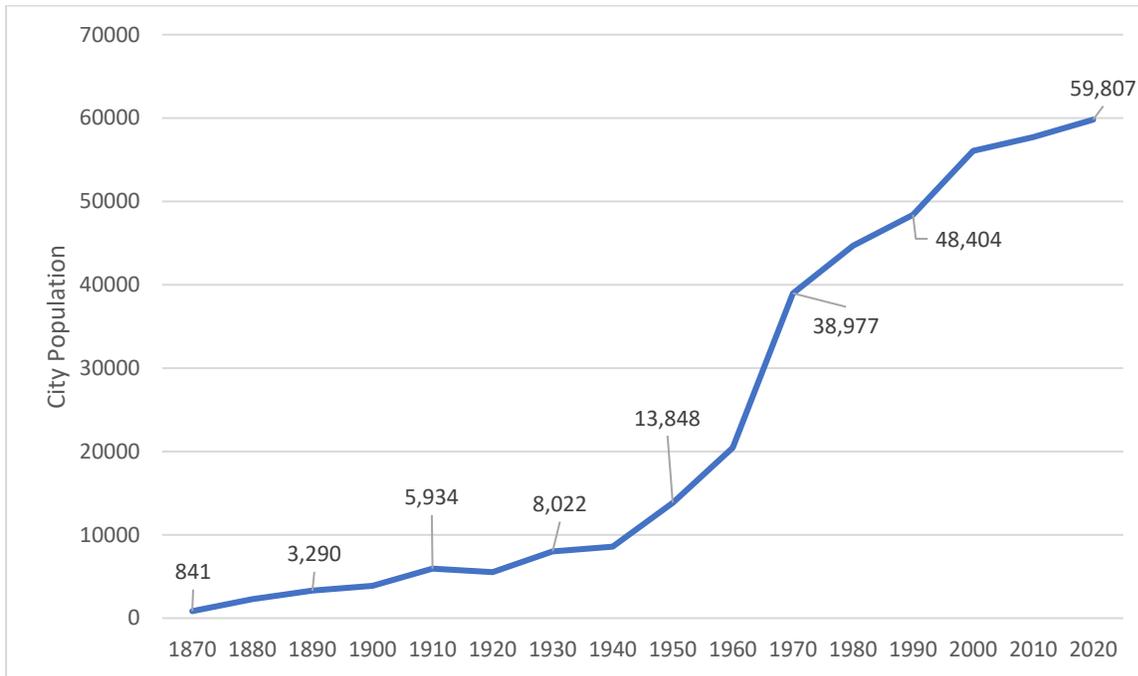
The opening of the Golden Gate Bridge in 1937 heralded a growth boom in Marin County. Commercial train service to San Rafael ended in 1940, the same year the US 101 viaduct was completed over San Rafael Creek. San Rafael's population increased from 8,573 in 1940 to 38,977 in 1970. Population nearly doubled between 1960 and 1970 alone and jumped again in 1972 with the annexation of Terra Linda. Development during this period was auto-oriented and suburban in scale, with large subdivisions on the San Pedro Peninsula, in North San Rafael, and areas like Sun Valley. Northgate Mall was developed in the mid-1960s, creating a second major shopping district and regional destination.

During the 1970s and 80s, San Rafael saw a shift to multi-family housing types, with more apartments and planned unit developments. At the same time, the city's employment base increased substantially, with new office parks, light industrial uses, and retail centers. More than half of Marin County's employment growth during this period occurred in the San Rafael Planning Area, and San Rafael emerged as a major suburban job center. By 2020, the City had 1.8 jobs for every household, substantially above the regional average of 1.5.

Growth leveled off between 2000 and 2020 as the city's neighborhoods matured and developable land became scarce. The number of households in the city increased just 3.5 percent during this 20-year period, compared to 19.3 percent during the two prior decades. Commute patterns also changed. As housing costs increased, a larger number of those working in San Rafael began commuting from places further away, leading to increased congestion.

Chart 2-1 chronicles the City's population growth over the last 150 years.

Chart 2-1: San Rafael Population Growth, 1870-2020



Looking Forward: The Forces Driving Change

Demographics

San Rafael's future will be influenced by demographic changes, including the aging of the population and increasing racial and ethnic diversity. The median age in the city rose from 30.5 in 1970 to 41.0 in 2018. The percentage of residents over 65 rose from 9 percent to 19 percent during the same period.

Forecasts for the Bay Area anticipate a 137 percent increase in the number of residents over 65 between 2010 and 2040 (*Plan Bay Area*). Aging baby boomers will drive this trend, as seniors become the fastest growing segment of the population. The change will fuel the need for more senior housing and assisted living facilities, new transportation services, and increased health care services, as well as a growing demand for home retrofits allowing residents to age in place or share their homes with others.

San Rafael is also becoming more diverse. In 1980, just 5 percent of the city's population was Latino. By 2018, 31.4 percent of San Rafael residents were Latino. About 25 percent of the city's residents indicated they primarily spoke Spanish at home. Other racial and ethnic groups also represent a growing share of the population. Residents identifying as Black and Asian were 3 percent and 8 percent of San Rafael's population in 2018, respectively. The region as a whole is becoming more multi-cultural, with White Non-Latino residents projected to represent just 31 percent of the Bay Area's population by 2040. As Marin County's largest and most diverse city, San Rafael may continue to become more diverse in the future. This could mean more multi-generational households, more demand for multi-lingual services, and a continued focus on culturally competent governance and programming.



San Rafael has also experienced a decline in the number of residents in the 25 to 44 age cohort, who represented 33 percent of the population in 2000 and just 26 percent in 2018. At the same time, the number of children (persons under 18) in the city has increased 17 percent in the last 20 years, after declining through the 1980s and 90s. The increase has been accompanied by a growing number of English language learners in local schools.

As a result of these trends, there is likely strong demand for housing serving older adults and millennials, including homes in “urban” living environments like Downtown San Rafael. The city’s single family housing stock will continue to turn over as residents “age out” and younger families with children move to San Rafael. There is also a substantial need for affordable family-oriented housing, especially for larger households with children.

Income Inequality and Equity

San Rafael has always been an economically diverse city. The income distribution of its residents has become less balanced over time, with growing numbers of residents in poverty and growing numbers in high-income cohorts. In 2018, roughly 14 percent of the city’s residents lived below the federal poverty line, up from 10 percent in 2000. At the other end of the spectrum, the percentage of families with household incomes over \$200,000 increased from 15.7 percent in 2010 to 27.7 percent in 2018. The data suggests not only a declining “middle class” but a growing number of residents facing dire social and economic challenges. Disparities in income tend to translate into disparities in health care, education, mobility, and housing.

While local developers like Joseph Eichler pioneered fair housing practices during the 1950s and 60s, there were also neighborhoods subject to racial covenants. Black, Asian, and Latino households were excluded from many Marin County neighborhoods until the 1960s, and discriminatory lending practices were common. Institutional racism and the legacy of segregation remain issues today. There continue to be significant disparities between White and Non-White households in the city.

San Rafael's lower income residents are disproportionately Latino and young, with lower levels of educational attainment, higher rates of household overcrowding, and greater dependence on public transportation. They are also more vulnerable to eviction, illness, hunger, and the impacts of climate change, such as extreme heat and tidal flooding. Approximately 87 percent of San Rafael's Latino households are renters, compared to 40 percent among Non-Latino White households. Average household size for Latino families was 4.0, compared to 2.2 for White Non-Latino households. Nearly 50 percent of the housing units occupied by Latinos in San Rafael's meet the Census definition of overcrowding.

These disparities require a focus on equity in City plans and programs. General Plan 2040 includes an Equity, Diversity, and Inclusion Element but also aims to advance equity in all of its policies. Increasing opportunity for all residents is a guiding principle of this Plan. Future plans should likewise consider the potential for unintended impacts on lower income residents and non-English speaking residents and apply an "equity lens" to proposed recommendations.

Practically speaking, this means additional efforts to build affordable housing, improve educational quality, provide childcare and job training, upgrade transit service, enhance internet connectivity, and strengthen the health care and social safety nets. Many of these initiatives go well beyond the City's purview and will require coordinated efforts with other agencies and service providers. The City can contribute and lead the way through its approaches to climate action and resiliency, emergency preparedness, tenant protection and anti-displacement programs, transportation planning, capital improvement programming, and the planning and design of parks and public space.

High Land, Construction, and Housing Costs

Housing in San Rafael is expensive. Between 2012 and 2020, the median price of a home in the city rose from \$609,000 to \$1.1 million, an increase of almost 60 percent in just eight years. Buying a home is out of reach for most first-time buyers and younger families. Rental prices have also soared in recent years. The median rental price for a two-bedroom, two-bath apartment in San Rafael was \$1,904 in 2010. By 2019, it had increased to \$3,144, an increase of 65 percent. High rental prices have led to multiple households sharing a single apartment in many cases, or households leaving San Rafael altogether.

The dynamics of the housing market are further complicated by high land and construction costs, which make it difficult to build housing at competitive prices. In 2019, the International Construction Market Survey found that building costs in the San Francisco market were the highest in the world, surpassing New York, Hong Kong, Tokyo, and other historically high cost markets. Some of the costs are associated with regulatory requirements and permitting fees, but high labor and material costs are the most significant factor. The scarcity of developable sites results in high land costs, further driving up the cost of new development.

In 2019, the California Tax Credit Allocation Committee reported that the average cost to build an "affordable" housing unit in the Bay Area was \$664,000 per unit. This requires deep subsidies, tax credits, and other forms of financial assistance, particularly for units that are rent-restricted to low- and very low-income households. During the General Plan update, local developers frequently commented that new development didn't "pencil out," a phenomenon made worse by lengthy review times and

uncertainties about project approval. Real estate studies prepared for the Downtown Precise Plan confirmed these observations, concluding that the low return on investment for Downtown construction was a significant impediment to development.

For the past decade, these dynamics have led to housing production rates that failed to keep up with demand. In response, the State of California has approved legislation to streamline the review process for new housing, allow taller buildings, and limit the ability of local governments to deny new development proposals if they comply with basic zoning standards. These requirements are changing the way cities prepare their zoning regulations, with a focus on “objective standards” that specify exactly what is desired, thereby allowing projects to be approved more quickly.

Even with fewer regulatory barriers, the high cost of land and construction remain an obstacle to housing production. High costs also affect the viability of development in other sectors, including the office, retail, and industrial markets. One outcome will likely be a shift to less expensive building methods, such as modular construction, and the use of new and innovative building materials. Another outcome will be the repurposing and modernization of existing buildings, in lieu of new construction.

Reinventing Suburbia

The San Francisco Bay Area is experiencing a major shift in how and where it is growing. For most of the 20th Century, the region expanded outward through urbanization of farms and ranches. Much of San Rafael is a product of this era, with low-density subdivisions, auto-oriented shopping centers, and self-contained business parks. Even as recently as the 1990s, single family homes represented 65 percent of all housing construction in the region.

With few vacant sites remaining for new development, cities across the Bay Area must look inward and reinvent underutilized sites, infill properties, and Downtown areas. This trend is bolstered by land use and transportation strategies intended to reduce driving and related greenhouse gas emissions, and by State legislation directing local governments to plan for denser development. By the first decade of the 21st Century (2000-2010), 52 percent of the housing built in the Bay Area was multi-family.



This percentage is expected to significantly increase during the next 20 years. The Association of Bay Area Governments (ABAG) indicates that 78 percent of the region’s new housing production and 62 percent of its job growth is expected to occur in designated “Priority Development Areas” (PDAs) located in each of the region’s nine counties. New housing in these areas generally consists of apartments, condominiums, and townhomes. San Rafael’s General Plan 2040 reflects this trend, with traditional single-family detached housing representing just 13 percent of the housing capacity identified during the next 20 years.

Whereas past multi-family projects were often two-story “garden” apartments on large landscaped sites, recent trends have favored denser infill development with urban amenities such as access to transit, shops, and services. Much of the planning focus during the last 20 years has been on creating great urban places close to transit, where housing, workplaces, entertainment, and shopping are all in close proximity. This provides the dual benefit of supporting Downtown businesses, adaptively reusing historic buildings, and creating more dynamic and walkable communities.

The long-term impacts of COVID-19 on this new growth paradigm remain to be seen. At the time that General Plan 2040 was published, enthusiasm about urban living was dampened by public health concerns. Transit was operating at greatly reduced levels, urban amenities were closed or operating in an altered state, and many households placed a premium on private yards and personal space. This may result in design changes to future multi-family projects (such as private decks and patios, non-lobby access, etc.) but in the long run, a continued shift to denser housing is expected to continue. An exodus out of central cities like San Francisco may even result in higher demand for urban living environments in communities like San Rafael.

Economic Changes

San Rafael will continue to be shaped by global and national economic trends, including a shift in retail from brick and mortar storefronts to on-line sales, an increase in telecommuting and remote work, and the growth of new industries and work technologies. All of these changes have implications for land use, transportation, social equity, and economic vitality.

Economic forecasts suggest that the Bay Area will continue to be a global magnet for technology and information-driven industries in the coming decades. It will also experience continued growth in health care, education, leisure and hospitality, and professional services. More than a million new jobs are anticipated in the region between 2015 and 2040. Most of this growth will occur in the South Bay and in central cities like San Francisco and Oakland. However, San Rafael will remain the economic hub of Marin County, with about one-third of the county’s jobs. The city will remain an attractive choice for mid-sized companies seeking a location near Silicon Valley/ San Francisco but close to the natural amenities of Marin County and the large North Bay labor pool.

Retail businesses employed approximately 5,000 people in San Rafael in 2018 and generated \$1.9 billion in taxable sales. The variety of locally available goods and services is an important part of the quality of life. The City of San Rafael itself is dependent on taxable sales as a source of revenue, particularly from auto sales, building and construction, and general consumer goods. Sales of consumer goods were already declining during the 2010s, due to on-line sales and changing consumer preferences. The 2020 pandemic accelerated the decline, wreaking havoc on the economy, people’s lives, and City finances. New sources of tax revenue and employment will be needed as retail evolves. A strategic approach is needed to align the City’s economic development strategies with its equity goals, particularly with respect to opportunities for career advancement and creating wealth among lower income households.

Looking forward, the City will need to rethink the future of retail in its different business districts, including Downtown, Northgate Mall, “big box” centers in southeast San Rafael, and smaller neighborhood shopping centers through the city. At least some centers will need to be reimagined, as there simply may not be enough demand to sustain traditional retail uses in all locations. As the text box below indicates, successful retail centers offer options such as entertainment, authenticity, and specialty shopping, providing a social experience as well as merchandise. Some retail centers may adapt by adding complementary uses such as housing. Others may move toward new formats and specialized markets, while some may close altogether.

Workplace trends will also shape San Rafael, including the growth of automation and increases in telecommuting. The former may result in a loss of lower wage jobs, while the latter may result in lower demand for traditional office space and increased demand for co-working and collaborative spaces, business services, and faster, more reliable communication infrastructure. While the pandemic has demonstrated that large-scale remote work is feasible, the expectation is that there will continue to be a need for physical spaces where ideas can be exchanged. Social spaces and local gathering spots will be increasingly important. New types of workplaces may emerge, particularly in locations with urban amenities like those offered in Downtown San Rafael, but even in light industrial and former retail buildings.

San Rafael is expected to continue its role as the County’s principal industrial center, given its location at the crossroads of US 101 and I-580 and the limited options for industrial uses elsewhere in the County. Given the lower cost of industrial sites and buildings, it will be important to conserve these properties from competing higher-value land uses, including housing. While a few sites near high-quality transit may merit consideration for other uses, most of the industrial land supply should be protected from uses that may conflict with industry or have a negative impact on industrial operations.

What’s Happening to our Shopping Centers?

Shopping centers have been part of San Rafael’s landscape for decades. They are more than just places to shop—they are where we meet our neighbors, bring our kids, see a movie, or have a meal. They are part of the fabric of our neighborhoods. But changes to retailing mean that some of these centers won’t survive another 20 years. Some may be replaced with new uses, and others will need to reinvent themselves.

What makes a successful shopping center? Increasingly, it’s about the experience the center provides for the customer. Is it fun? Are there places to meet family and friends? Special events? Great customer service? Comparison shopping options? Opportunities for savings? Shoppers want convenience, but they also want places to go. It will take vision, advocacy, partnerships, incentives, good design, and—in some cases—new housing, to keep our centers alive.



Transportation Innovations

The transportation industry is constantly evolving, creating the potential to reshape the way we travel and ultimately the ways we live and work. The last decade has seen the emergence of Transportation Network Companies (TNCs) like Uber and Lyft, mass production of electric vehicles and installation of electric charging stations, and micro-mobility services such as e-scooters and electric bikes. The next two decades will be even more transformative as autonomous vehicles become more prevalent.

No one can predict with certainty how transportation innovation may ultimately reshape San Rafael. The City is still very dependent on private cars, with 64 percent of employed residents driving alone to work and 70 percent of all households owning two or more vehicles. Residents are not expected to suddenly abandon their cars and switch to new modes of travel. The philosophy taken in this Plan combines a “wait and see” approach, where our assumptions are periodically revisited, and a more proactive approach that expresses what we’d like mobility to look like in 20 years and about how we might get there.

Some of the major trends to watch include:

- A continued shift to electric vehicles and phase-out of fossil fuel powered vehicles—for buses and trains as well as private cars. This may ultimately mean fewer traditional gas stations and major changes to the auto sales and repair industries. It also means a need for electric vehicle charging stations and infrastructure.
- Connected vehicles with technology that enable them to be “aware” of their surroundings, thereby transforming the way they maneuver. This offers a safer driving experience, less energy consumption, and smoother traffic flow.
- Improvements to autonomous vehicle (AV) technology resulting in more widespread use of AVs. Some sources indicate AVs may be the dominant form of travel by 2040, while other sources are more conservative. Conversion to AVs will likely begin with trucks, transit services, and other commercial vehicles.
- Continued innovation in parking design, including mechanical parking, and “smart” parking technology that allows City garages and curbside space to be used more efficiently
- New modes of travel serving “last mile” trips between transit stops (e.g., Downtown SMART and Transit Center) and nearby destinations. This could include electric or driverless shuttles, shared vehicles, scooters, electric bicycles, and other environmentally-friendly modes of travel.
- Drone delivery and other “contact-free” forms of package delivery
- More amenities for pedestrians and bicycles, making it easier to travel around the city without a car

“ We are looking ahead at a period of unprecedented changes. Some of these changes will be extensions of trends that have been emerging for some time, although many are just now coming into public consciousness. Other changes will be abrupt departures from the trends we are familiar with — transformative and structural changes, for which past practice provides little guidance. ”

-- MTC Regional Transportation Plan

While transportation in 2040 will be profoundly different than it is in 2020, there are still immediate needs associated with congestion, transit performance, and pedestrian and bicycle safety that will drive local decisions. In the coming years, San Rafael will participate in decisions around the redesign of the US 101 and I-580 interchange that can potentially reshape southeast San Rafael. The City is also grappling with congestion on Downtown streets and key arterials in North San Rafael. In the immediate future, it will also need to work with local transit providers to ensure that transit-dependent residents still have the option of riding the bus or train as systems recover from a pandemic that has curtailed service.



Photo Credit: KRON 4 News/ Twitter

Our Changing Climate

The warming of the earth by greenhouse gases has many repercussions for San Rafael. The City is becoming more vulnerable to extreme heat events and severe storms. Long-lasting droughts require changes to our water use habits and landscaping choices. Catastrophic wildfires are now an annual occurrence in the region, accompanied by unhealthy air from wildfire smoke even when those fires are hundreds of miles away. Rising sea levels are placing more low-lying areas at risk of tidal flooding. These changes are disproportionately affecting the most vulnerable members of our community, including seniors and lower income residents. They are affecting businesses as well as residents, creating the potential for major economic disruption in the future.

The General Plan seeks both to reduce San Rafael's contribution to climate change and to respond and adapt to its inevitable impacts. The former is achieved through policies to change how we generate and consume energy, travel around the city and region, construct buildings, dispose of waste, and manage natural resources. The latter is achieved through policies to make us more resilient, and to reduce the potential loss of life and property from climate-related hazards. Much of the City's future planning will need to focus on reducing risks from wildfire, adapting to rising tides, and helping vulnerable populations. The City is only one stakeholder in these efforts; state and federal partnerships will be needed, and private sector participation will be critical.

Aggressive targets have been set for greenhouse gas (GHG) reduction at the state level, including a 40 percent reduction of GHG emissions between 1990 and 2030 and an 80 percent reduction by 2050. These targets are driving changes to local land use and transportation plans intended to reduce our dependence on fossil fuels by making it easier to travel without a car. More fundamental changes will be needed to reduce the distances we travel each day and to change commute patterns.

Emerging Technology

Some of the impacts of technology have already been referenced in this chapter---autonomous cars, on-line shopping, and telecommuting, for example. More broadly, technology will continue to influence every aspect of our lives and reshape the ways we plan and build our cities. Digital tools are changing how buildings, roads, infrastructure, and energy systems are designed. The public and private sectors are creating “smart” cities through sensors, controls, and software. Artificial intelligence is allowing us to integrate information and analyze data more quickly, leading to more informed decision-making.

New technologies are also creating new ways of doing business and delivering services. The internet is being used to connect assets with people who want to use them, enabling the emergence of the “sharing” economy. The number of web-connected devices is increasing exponentially, potentially allowing greater efficiency and time savings. Demand for broadband / fiber optic capacity requires strategic planning and investment. New types of infrastructure will be needed in the future as information technology evolves.

Like other cities, San Rafael is exploring ways to employ technology to improve service delivery, environmental quality, resource management, energy use, traffic flow, and crime prevention, among other things. This raises important questions for our society, our economy, and local governance. Privacy, security, and ethical issues must be considered as data becomes more accessible and transparent. There is also the potential for greater divides between those with access to technology and those without.

One of the most important potential benefits of technology is the ability to make government more accessible. Communication is key and social media has transformed the City’s ability to reach its residents. New tools make it more convenient to participate and be heard. The City’s Community Engagement and Action Strategy will continue to be implemented so that participation is inclusive and easy.



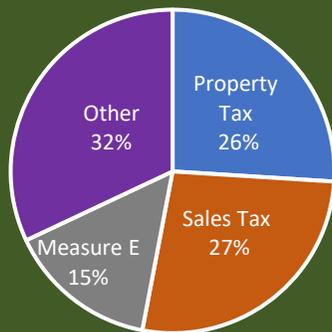
Fiscal Constraints

Municipal budget constraints have been informing decision-making as long as cities have existed. This is true now more than ever, as cities face large deficits at the same time they must implement state-mandated programs and respond to increased service demand. Cost-benefit analysis has become an important part of local budgeting and capital improvement programming. In San Rafael, budgeting is further informed by core goals established by the City Council, including neighborhood and economic vitality, quality of life, public safety, preserving public assets, and sustaining foundational services.

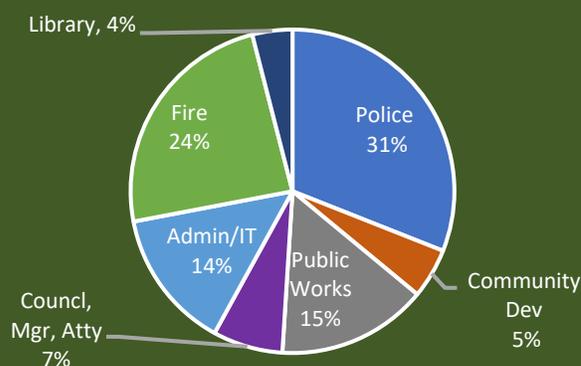
Financial constraints are particularly important in the context of the 2040 General Plan. The Plan is an important tool to attract and retain land uses that generate revenue, such as retail sales and property taxes. Its Land Use and Economic Vitality Elements acknowledge the importance of retaining uses like industry and offices, recognizing their fiscal benefits. It also recognizes the indirect fiscal benefits of other uses, like affordable housing (which supports the workforce) and cultural facilities (which make San Rafael a more interesting and dynamic place to live).

Chart 2-2: San Rafael General Fund Revenues and Expenses (2019-20)

Revenues



Expenses



The General Plan also includes hundreds of implementing actions. Some are already underway and represent the core services provided by City departments. Others will require an additional funding or revenue streams. The General Plan embraces the idea that new programs must be evaluated for their fiscal impact on the City, including secondary impacts on residents and businesses. The same is true for capital improvement projects, such as levee improvements, community centers, and parks. Cost-benefit analysis must consider the City's ability to pay for the improvements or services to be provided. It must also consider the social, environmental, and health benefits that may result.

The need to consider costs and benefits was one of the most frequently raised topics during General Plan Steering Committee meetings. It was often brought up in the context of bicycle lanes that would benefit a relatively small number of users, while adding to vehicle traffic delays for motorists. While social, health, and environmental benefits are hard to quantify, they are important considerations in such decisions. Some projects may have important long-term dividends (fewer injuries, reduced greenhouse gas emissions), while others may be difficult to justify given competing priorities and other tools available to achieve the same goals.

Ultimately, each program and each decision must be evaluated on its merits. The point is to recognize that, in an environment of limited resources, cost-benefit analysis must be part of the process. Fiscal responsibility is part of the foundation of this Plan. It is also integral to its implementation.

The “Forces Driving Change” described in this chapter shape the goals, policies, and programs in General Plan 2040. In some cases, a General Plan Element corresponds directly to one of the “forces.” For example, the Housing Element responds to the high cost of housing and the Mobility Element responds to changes in transportation technology. However, the forces are cross-cutting. On some level, they influence all elements of the Plan. For example, the Land Use Element must respond to climate change, fiscal constraints, and changes in the way we live, work, and travel. The diagram below is intended to illustrate the ways in which the forces described in this chapter influence the contents of each element.

The dark blue cells in the table show the strongest connections. For instance, the Equity, Diversity, and Inclusion Element provide a response to demographic change, income inequality, high housing costs, and the changing economy. The lighter blue cells show where the forces affect other elements of the Plan, although not as the primary focus of the element. The table illustrates the connected nature of these issues, and the ways they intersect and influence multiple topics.

PLAN ELEMENT	FORCES DRIVING CHANGE								
	Demographic Change	Income Inequality and Equity	High Housing Costs	Reinventing Suburbia	Economic Changes	Transportation Innovation	Climate Change	Emerging Technology	Fiscal Constraints
3 Land Use									
4 Neighborhoods									
5 Community Design									
6 Conservation and Climate									
7 Parks, Rec, and Open Space									
8 Safety and Resilience									
9 Noise									
10 Mobility									
11 Community Services/ Infrastructure									
12 Arts and Culture									
13 Economic Vitality									
14 Equity, Diversity, Inclusion									
15 Housing									

 Primary driver of Chapter Content
 Secondary driver of Chapter Content



**A Call to Action:
Reimagining Our Economic Future**

This “Call to Action” recommends the adoption of an Equitable Economic Development Strategy (EEDS) after General Plan 2040 is adopted. The Strategy should challenge long-held assumptions about how San Rafael can achieve a more economically resilient, prosperous, and sustainable future. The COVID-19 pandemic has accelerated economic change in our community and made it apparent that it’s time to rethink the status quo.

Our economic development and land use policies must adapt to changes in retail, the rise of remote work, and growing income inequality in our city. This is a defining moment for San Rafael, and it demands a response. Convening an Economic Futures “Summit” and developing an EEDS is one of the highest-priority recommendations of General Plan 2040 and should be completed within two years of adoption. See Chapter 13 for more detail.

Forecasts for the Future

The 2040 General Plan and its accompanying Environmental Impact Report (EIR) are based on assumptions about population, housing, and employment growth in the San Rafael Planning Area over the 2020-2040 period. These assumptions are rooted in regional forecasts developed by the Association of Bay Area Governments (ABAG). The regional forecasts consider national economic and demographic trends, coupled with local data such as birth and death rates, interstate migration patterns, and international immigration. The ABAG forecasts are used by public agencies across the Bay Area for transportation planning, air quality planning, and local general plans, and by the private sector in market assessments and feasibility studies.

The ABAG projections in use at the time that General Plan 2040 was prepared were the Plan Bay Area 2040 forecasts.¹ These forecasts do not consider the potential impacts of the COVID-19 pandemic on regional growth, but do consider the cyclical nature of the regional economy. The Bay Area economy grew more rapidly than predicted during 2015-2020, and this growth was already expected to taper off in the coming years. Between 2015 and 2040, the ABAG forecasts indicate the Bay Area will add roughly two million more residents and one million more jobs.

At the local level, ABAG’s projections for San Rafael indicate an additional 2,800 households in the city by 2040, and an additional 5,600 jobs. The forecasts have a 2010 start point, so some of this growth is already behind us.² The ABAG forecasts only include land within the San Rafael city limits and exclude

¹ These projections were being extended to 2050 at about the same time the General Plan was adopted but had not yet been published for individual cities.

² State Department of Finance records indicate San Rafael added 390 households between 2010 and 2020, mostly through decreased vacancy rates rather than new construction. At least 1,000 new jobs were added during this period.

the unincorporated San Rafael Planning Area, including communities such as Marinwood and Santa Venetia. Projections for unincorporated Marin County indicate several hundred more households and jobs in these areas, bringing the total for the San Rafael Planning Area to over 3,000 households and 5,900 jobs. Preliminary forecasts for 2050, which were being developed by ABAG at the time the General Plan was adopted, indicate ABAG will soon be significantly increasing its household growth forecasts for Central Marin County but lowering its employment forecasts.

While the ABAG forecasts provide the starting point for the General Plan, other factors are also considered. For example, the City is required by State law to plan for its “fair share” of the region’s housing needs. The “fair share” determination is made by ABAG every eight years through a process called the “Regional Housing Needs Allocation” (RHNA). San Rafael’s RHNA for 2023-2031 is over 3,200 housing units. It is also important to plan for slightly more capacity than the forecasts suggest in order to allow for market flexibility.

Table 2-1 shows the growth forecasts for 2040. The table shows “baseline” (existing) estimates for 2020, “forecast” estimates for 2040, and the increment of growth over the 20-year period. The data is presented for housing units, households, and employment. The number of housing units slightly exceeds households, as roughly 3-5 percent of all housing units are vacant at any given time. The data is arranged to show the City of San Rafael in the upper rows and the entire Planning Area (including the unincorporated areas) in the lower rows.

Table 2-1: General Plan 2040 Forecasts for San Rafael

	2020	2040	20-year increase
CITY OF SAN RAFAEL			
Housing Units	24,110	28,160	4,050
Households	22,960	26,820	3,860
Employment	42,050	46,100	4,050
SAN RAFAEL PLANNING AREA (City + Unincorporated Area)			
Housing Units	29,530	33,990	4,460
Households	28,130	32,380	4,250
Employment	44,200	48,315	4,115

Population forecasts are not shown in the table and will depend on trends in household size. Average household size in 2020 was 2.49, with 57,660 residents in households and another 2,140 in group quarters (nursing homes, dormitories, etc.). Total population was roughly 59,800. Another 14,500 residents reside in the unincorporated Planning Area for a total population of 74,300. The addition of 4,460 housing units would likely mean roughly 10,000 more residents in the Planning Area. This is a 15 percent increase compared to 2020. The number of jobs is projected to increase by about 10 percent.

About 20 percent of the projected housing unit growth shown in Table 2-1 and about one-quarter of the projected job growth is associated with projects that were approved but not yet complete at the time of General Plan adoption. There are more than 850 housing units in San Rafael’s development “pipeline,” including three assisted living projects with a total of 292 units.³ There are also several office and hotel projects underway or pending.

³ Includes the unincorporated area.

The balance of the City's growth is projected to occur on vacant and underutilized sites across the city, particularly in Downtown San Rafael. Policies and maps in this General Plan direct development to Downtown for several reasons, including the area's ability to accommodate higher densities, support transit, and reduce car-dependency and related greenhouse gas emissions. Downtown housing is also part of a broader strategy to revitalize the area, meet citywide needs for affordable housing, create a vibrant urban neighborhood, and reduce development pressure on mature San Rafael neighborhoods.

Roughly half of the housing and employment potential identified in the General Plan is associated with Downtown sites. Other areas with development potential include the North San Rafael Town Center (Northgate Mall) area and Southeast San Rafael/ Canal. The Land Use Element of the General Plan provides additional information on expected growth and development patterns, and the Housing Element includes more specific information on sites where housing could potentially be built.

It is important to keep in mind that the forecasts in this Plan are intended primarily as a benchmark for planning. They are not a guarantee that growth will occur, nor are they a mandate to build. Growth is ultimately a function of the economy, the local real estate market, and the collective decisions of those who own property in San Rafael. The forecasts do not assume that every property in the City will develop to its maximum capacity, nor do they assume that "built out" neighborhoods will never change. In the event that growth forecasts exceed the levels shown in Table 2-1, the General Plan will need to be amended, with the EIR updated to reflect the changes.



Guiding Principles

Figure 2-2 illustrates the guiding principles that underpin General Plan 2040. The principles express a vision of San Rafael as a **thriving city**.

At the core of this vision is a commitment to conserving and strengthening the foundational assets that make San Rafael the place it is today – its neighborhoods, beautiful open spaces, Downtown, strong sense of community, historic legacy, and quality public services. There are five essential principles that flow from this foundation:

- Economic Vitality
- Opportunity for All
- Adapting to the Future
- Housing Our Growing Community
- Mobility

The brief statements under each of these headings in Figure 2-2 are intended to underpin the goals and policies of this General Plan. These are expressions of San Rafael's values and intentions for its future. They are applicable to the city as a whole, and to each of its neighborhoods and open spaces. The principles were developed collaboratively by the General Plan Steering Committee, with input from the community early in the Plan Update process.

Figure 2-2: General Plan 2040 Guiding Principles

