



**CORTE MADERA TOWN COUNCIL
STAFF REPORT**

REPORT DATE: September 15, 2021
MEETING DATE: September 21, 2021

TO: Honorable Mayor and Members of the Town Council

FROM: Adam Wolff, Director, Planning and Building *AW*

SUBJECT: Discussion and Approval of Housing Element Work Plan and Authorize Director of Planning and Building to Enter into Four (4) Professional Service Agreements to Implement the Housing Element Update and update the Town's Safety Element to comply with State laws.



RECOMMENDED ACTION:

Authorize the Director of Planning and Building to enter into four (4) professional service agreements to implement the 6th Cycle Housing Element Update work plan and update the Town's Safety Element to comply with State laws.

BACKGROUND:

The Housing Element Update is intended to be an opportunity, every eight years, for all California communities to have a dialogue about local and regional housing issues and to find solutions at the local level to address these housing issues. The Housing Element typically addresses a range of housing issues such as affordability, housing diversity, density and location, and establishes goals, policies and programs for existing and projected housing needs. The Housing Element must be internally consistent with other parts of the General Plan and is critical to having a legally adequate General Plan.

State law does not require that jurisdictions *build* or *finance* new housing, but they must *plan* for it. It is in the Housing Element that local governments make decisions about where safe, accessible, and diverse housing could be developed to offer a mix of housing opportunities for households with varying incomes. State law also requires that sites identified for such purpose meet strict eligibility criteria defined in State law. Perhaps most well known, the Housing Element must identify how the Town will meet its share of the region's housing need, called the Regional Housing Needs Allocation, or RHNA, by selecting housing sites and densities that, if developed, would satisfy the RHNA. For reference, Corte Madera's 5th Cycle Housing Element Update, adopted by the Town Council on May 19, 2015, can be viewed via the

following link: <https://www.townofcortemadera.org/183/Housing-Element-Update-2015---2023>.

Regional Housing Needs Allocation (RHNA) Process

Every jurisdiction in California receives a target number of new housing units to plan for at various income levels. This is called the Regional Housing Needs Allocation (RHNA).

RHNA starts with the Regional Housing Needs Determination (RHND) provided by California Department of Housing and Community Development (HCD), which is the total number of housing units the San Francisco Bay Area needs over the eight-year period, by income group. The Association of Bay Area Governments (ABAG) is tasked with developing the methodology to allocate a portion of housing needs to each city, town, and county in the region. After considering public comments, the ABAG Executive Board approved the draft RHNA methodology in January 2021.

The State HCD reviewed the draft RHNA methodology to ensure it furthers state required objectives, and in May 2021 ABAG adopted a final methodology and draft allocations for every local government in the Bay Area. ABAG is currently considering appeals which were filed by the deadline and will issue the final allocations by the end of 2021.

The draft RHNA allocations for Corte Madera are as follows:

2023-2031 Draft RHNA Allocation	
Town of Corte Madera	
Income Level	
VERY LOW INCOME (<50% of Area Median Income)	213
LOW INCOME (50-80% of Area Median Income)	123
MODERATE INCOME (80-120% of Area Median Income)	108
ABOVE MODERATE INCOME (>120% of Area Median Income)	281
TOTAL ALLOCATION	725

On July 6, 2021, the Corte Madera Town Council authorized the submittal of an appeal of the draft RHNA allocation. The appeal letter, which requested a reduction of the Town's Draft RHNA to 400 units, is included in Attachment 1. The Town has received notification that ABAG will hear the Town's appeal on September 29, 2021.

Key Components of a Housing Element

While the Housing Element Update often focuses on meeting the RHNA, there are several other aspects of the Housing Element Update meant to provide greater community understanding and

create community dialogue about housing conditions and Town policies. The Housing Element typically includes:

1. **Community Engagement:** A community engagement program, reaching out to all economic segments of the community plus traditionally underrepresented groups.
2. **Evaluation of Past Performance:** Review of the prior Housing Element to measure progress in implementing policies and programs.
3. **Housing Needs Assessment:** Examine demographic, employment and housing trends and conditions and identify existing and projected housing needs of the community, with attention paid to special housing needs (e.g., large families, persons with disabilities).
4. **Constraints Analysis:** Analyze and recommend remedies for existing and potential governmental and nongovernmental barriers to housing development.
5. **Housing Sites Inventory:** Identify locations of available sites for housing development or redevelopment to ensure there is enough land zoned for housing to meet the future need at all income levels as specified by the RHNA.
6. **Policies and Programs:** Establish policies and programs to be carried out during the 2023-2031 planning period to fulfill the identified housing goals and objectives.

New Requirements for this Housing Element Update

Recent State legislation, however, has resulted in key changes for this 6th cycle of RHNA and Housing Element updates. These changes will require significantly more time and effort to address adequately.

- **Higher allocations** - There is a higher total regional housing need. HCD's identification of the region's total housing needs has changed to account for unmet existing need, rather than only projected housing need. HCD now must consider overcrowded households, cost burdened households (those paying more than 30% of their income for housing), and a target vacancy rate for a healthy housing market (with a minimum of 5%). Additionally, ABAG's approved RHNA methodology for the Bay Area allocated a relatively greater share of housing units to "high resource areas" such as Marin County to address ABAG's equity goals.

As a result of all these changes, Corte Madera's draft RHNA is approximately 10X (1000%) greater than the 72 units allocated to the Town in the 5th Cycle Housing Element Update (2014-2022). This allocation will require identification of more housing sites and the rezoning sites to allow for more housing units than is currently allowed.

- **Affirmatively Furthering Fair Housing (AFFH)** - Housing Elements must affirmatively further fair housing. According to HCD, achieving this objective includes preventing segregation and poverty concentration as well as increasing access to areas of opportunity. HCD has mapped Opportunity Areas and has developed guidance for jurisdictions about how to address affirmatively furthering fair housing in Housing Elements.

The Town will be working collaboratively with the County of Marin to meet the State's requirements to embed the concept of AFFH throughout the Housing Element Update process and within the Town's policies and programs. More information regarding AFFH will be presented to the Town Council at its October 19th Town Council meeting.

- Limits on Sites - Identifying Housing Element sites for affordable units will be more challenging. There are new limits on the extent to which jurisdictions can reuse sites included in previous Housing Elements and increased scrutiny of small, large, and non-vacant sites when these sites are proposed to accommodate units for very low- and low-income households.

Town staff will therefore be required to provide more in-depth information and analysis for sites chosen to meet RHNA in order to demonstrate to HCD that those sites are likely to be developed with housing over the Housing Element planning period.

- Safety and Environmental Justice Element - State law now requires that the Safety Element of the General Plan be updated concurrently with the Housing Element. The Safety Element must address new wildfire, evacuation routes, and climate adaptation and resilience requirements in an integrated manner. When two or more general plan elements are updated, jurisdictions with disadvantaged communities must also address Environmental Justice, either in a stand-alone element or as a cross-cutting topic across multiple elements.

While the Town will not have to address Environmental Justice in parallel with the Housing Element Update (no disadvantaged communities exist in Corte Madera as defined by HCD), the Town will have to update its Safety Element to include:

- A vulnerability assessment that identifies the risks climate change poses to Corte Madera and the geographic areas at risk from climate change;
- A set of adaptation and resilience goals, policies, and objectives based on the information specified in the vulnerability assessment; and
- Feasible implementation measures designed to carry out the goals, policies, and objectives identified in the adaptation objectives.

Fortunately, the Town has already completed much of this work through the development of the Town's Climate Adaptation Assessment, accepted by the Town in May 2021. However, additional analysis may be required to meet the State law requirements.

Housing Element Update Deadlines

An updated Housing Element is required to be reviewed and certified by HCD and adopted by the Town Council by January 2023, however, penalties cannot be levied on the Town until at least 120 days after the January 2023 deadline.

While it is not required in order to complete a compliant Housing Element, it is preferable to complete any required rezonings before or concurrent with the Housing Element update. If the rezone is not in place at the time of adoption, there are a number of additional restrictions placed on the sites identified to meet the Town's RHNA. This includes 1) lower income housing sites

with some affordable units must be entitled through ministerial approval and 2) small sites cannot be utilized.

Staff intends to complete any rezoning necessary to meet the Town's RHNA concurrent with the Housing Element deadline.

Penalties for Noncompliance/Benefits of Compliance

Jurisdictions face a number of consequences for not having a certified Housing Element. Under legislation enacted in recent years, if a city does not comply with State housing law, it can be sued – by individuals, developers, third parties or the State. In addition to facing significant fines, a court may limit local land use decision-making authority until the jurisdiction brings its Housing Element into compliance. Additionally, local governments may lose the right to deny certain housing projects.

On the other hand, an HCD-certified Housing Element provides eligibility for numerous sources of funding, such as Local Housing Allocations, Affordable Housing and Sustainable Communities Grants, SB 2 Planning Grants, CalHOME Program Grants, Infill Infrastructure Grants, Pro-Housing Design funding, Local Housing Trust Funds, Regional Transportation Funds (such as MTC's OneBayArea Grants).

DISCUSSION:

Staff has assembled a team of consultants to help guide and supplement staff's work on the Housing Element Update. This work will include: 1) completing the tasks associated with the Housing Element as described above (including updates to the Town's Safety Element) in compliance with HCD requirements and State law; 2) developing and implementing a robust public outreach effort to inform and elicit feedback and input during the development of the Housing Element Update, 3) conducting required environmental review of the proposed project, including the rezoning of properties, pursuant to the California Environmental Quality Act (CEQA); and 4) completing all tasks within the timeframe required by State law.

While the Town is proposing to contract individually with each consultant, the consultant team will be led by two individuals who have worked with Town staff and our community in the recent past and who bring a wealth of experience and local knowledge to our team. Dave Javid, founder of Plan to Place, was instrumental in public outreach efforts and generating policy direction for the Tamal Vista Boulevard Corridor Study in 2015 and 2016, which ultimately led to the adoption of the MX-1 mixed-use zoning district along Tamal Vista Boulevard. Plan to Place has also facilitated public meetings associated with the Town's ongoing Objective Design and Development Standards project. Dave and his team will be designing, managing, and facilitating our public outreach efforts along with Planning Department staff. And Christine O'Rourke, Principal of O'Rourke & Associates, who provided project management services and worked directly with staff and our community in the drafting of the Town's 2015 Housing Element Update, and who also drafted the Town's 2016 and 2020 Climate Action Plans. Christine will be providing overall project management, document preparation and staff support throughout the Housing Element Update process.

In addition, we intend to work with housing economics experts, Lisa Wise and David Bergman from Lisa Wise Consultant (LWC), Inc. to help provide information related to the Corte Madera's existing housing market and to help assess appropriate densities and regulatory actions or programs necessary to satisfy requirements for selecting housing development sites consistent with Housing Element law. Additionally, LWC, Inc. will provide strategic advice based on their experience working with Southern California jurisdictions and HCD on recent Housing Element updates. Finally, EMC, Inc., will be providing environmental consulting services and will be preparing a Supplemental EIR to provide public information regarding the potential environmental impacts associated with proposed policy changes.

In addition, the Town and other Marin County jurisdictions will be utilizing the services of County of Marin consultants, MIG and Veronica Tam Associates (VTA), to ensure that the Town's Housing Element Update incorporates the required analysis, policy considerations, and outreach consistent with Affirmatively Furthering Fair Housing (AFFH), pursuant to AB686.

Public outreach and engagement will be a consistent focus of the team. Initial efforts will be geared toward informing and engaging community members through a Housing Element Workshop Series, a series of six public workshops intended provide an opportunity for the community to help develop the Town's plan to address housing needs and identify the appropriate location and relative scale of new housing that the Town must plan for. The first meeting will be held via videoconference on October 13, 2021. A two-sided postcard (below) has been developed to announce the Workshop Series and will be mailed to every residence in Corte Madera.

THE TOWN OF
Corte Madera
California

WE NEED YOUR HELP!

**HELP US PLAN FOR
NEW HOUSING IN
CORTE MADERA**

SAVE THE DATE!
Virtual Community Workshops

October 13, 2021 | 6:30pm
Introduction to the Housing Element Update

November 10, 2021 | 6:30pm
Corte Madera Housing: Existing Conditions, Opportunities & Constraints

December 8, 2021 | 6:30pm
Potential Housing Development Sites in Corte Madera

January 12, 2022 | 6:30pm
Meeting Corte Madera's Regional Housing Needs Allocation (RHNA) I

February 9, 2022 | 6:30pm
Meeting Corte Madera's RHNA II

March 9, 2022 | 6:30pm
Next Steps: CEQA, Programs & Policies, Safety Element

**Note: Date and topics subject to change*

CONTACT
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For more information, visit:
www.cortemaderahousing.org
*Para información en español, por favor envíe un correo electrónico a
housingplan@tcmmail.org*

Where should new housing go? How can we make sure it fits in? And how can the Town's housing policies support broader goals for a thriving economy and a more equitable and resilient community?

Every eight years, the Town of Corte Madera is required to update its Housing Element to accommodate housing needs and address barriers to housing production. The Town is not required to build housing, but must ensure that zoning and policies are in place to enable development for housing affordable to all economic segments of the community and special needs populations. As part of the current update to our Housing Element, the Town needs to plan for the construction of more than **700 new homes** over the next decade.

The Town will be holding a series of six virtual community workshops from October 2021 to March 2022 intended to provide opportunities to learn about existing housing policies/conditions and State housing laws affecting the Town. Additionally, the workshops will allow participants to help determine the best sites for new housing and the relative size of new buildings at those locations. The community's input is critical to the success of the Housing Element update, and we urge you to get involved. Please visit cortemaderahousing.org for more information.



Town of Corte Madera
300 Tamalpais Drive
Corte Madera, CA 94925

To:

Additionally, we will be launching a new website devoted to the Housing Element Update at the September 21, 2021 Town Council meeting and we will be holding informal focus group meetings to start hearing from Town residents and stakeholders. The full scope of public outreach efforts is included in the proposal from Plan to Place in Attachment 3.

The Housing Element Update process will require an intensive work plan in order to publicly discuss housing issues and develop appropriate housing policies, including any necessary rezoning actions and environmental review, within the timeframe required by CEQA and Housing Element law. A draft Housing Element timeline is included in Attachment 2.

FISCAL IMPACT:

The below table provides the maximum contract amount staff is requesting the Town Council authorize for consultant services for the Housing Element Update work plan. In addition, the table indicates funds the Town has been awarded through State housing planning grants, which will help offset a portion of the Town costs.

Consultant	Project Scope	Maximum Contract Amount	Awarded Grant Funding
Plan to Place	Public Outreach/Meeting	\$115,000	(\$50,000)

	Facilitation		
O'Rourke & Associates	Project Management/Document Preparation/Staff Support	\$98,875	(\$15,000)
LWC, Inc.	Housing Economic Analysis/Strategic Advisor	\$50,000	(\$25,000)
EMC, Inc.	CEQA Environmental Review	\$162,046	(\$20,000)
MIG/VTA (via County of Marin)	Affirmatively Furthering Fair Housing (AFFH)	N/A	Grant Funded
Total		\$425,921	(\$110,000)

The Corte Madera Town Council approved \$150,000 in FY 21/22 for the Housing Element project and staff will be requesting a similar amount in the FY 22/23 budget for project completion.

ENVIRONMENTAL IMPACT:

This item is not a project pursuant to CEQA.

OPTIONS:

1. Approve Housing Element Work Plan and authorize Director of Planning and Building to enter into four (4) Professional Service Agreements to implement the Housing Element Update and updates to the Town's Safety Element to comply with State laws.
2. Direct Staff to modify to Housing Element Work Plan scope and request amendments to consultant contracts consistent with such modifications.
3. Do not authorize Director of Planning and Building to enter into Professional Service Agreements at this time.

ATTACHMENTS:

1. RHNA Appeal letter (July 9, 2021)
2. Draft Housing Element Timeline
3. Draft Consultant Contract and Scope of Work with Plan to Place
4. Draft Consultant Contract and Scope of Work with O'Rourke & Associates
5. Draft Consultant Contract and Scope of Work with LWC, Inc.
6. Draft Consultant Contract and Scope of Work with EMC Planning Group, Inc.

THIS ITEM HAS BEEN REVIEWED AND APPROVED BY THE TOWN MANAGER.

Attachment 1
RHNA Appeal letter (July 9, 2021)

Attachment 2
Draft Housing Element Timeline

Attachment 3
Draft Consultant Contract and Scope of Work with Plan to Place

Attachment 4
Draft Consultant Contract and Scope of Work with O'Rourke & Associates

Attachment 5
Draft Consultant Contract and Scope of Work with LWC, Inc.

Attachment 6
Draft Consultant Contract and Scope of Work with EMC, Inc.