

From Bob Pendoley, CM Planning Director:

* Corte Madera probably will be required to plan for 244 units to be built between 2009 and 2014. 152 of these would be "below market rate."

* We will be required to address housing needs by household size. Some of the need can be met with studios and 1-bedroom units. I would estimate (but can't be sure at this time) that 1/3 to 1/2 of the housing need is for studios and 1-bedrooms.

* Affordable housing rates are determined based on a sliding scale of income and household size. The basic rule is that a household can afford to spend 30% of its annual income on housing.

The short answers to these questions may not provide enough information, so I will elaborate below.

California towns, cities and counties are required to update the Housing Element of their General Plans every five years. As part of the update process, the California Department of Housing and Community Development (HCD) determines the "housing need" for each region. The "housing need" is the number of housing units that must be planned for in the Housing Element. The regional planning agency - in our case, ABAG - is responsible for distributing the regional housing need allocation to the individual towns, cities, and counties. Corte Madera has actually approved the number of units required by the housing needs allocation for the existing Housing Element, which was adopted in 2002. The last of those units are under construction at the EAH project on Paradise Drive. The other big project that contributed to fulfilling the housing need allocation is Aegis.

The Government Code provides that the next Housing Element is due to be completed by July 1, 2009. It will cover the five year period from July 2009 to June 2014. ABAG has published (but not adopted) the following housing need allocations for towns, cities and the county in Marin, which must be addressed in the respective Housing Elements:

**Attachment 2. Draft Regional Housing Needs Allocation
July 2007**

	Very Low <50%	Low <80%	Mod <120%	Above Mod	Total
BELVEDERE	7	6	6	6	25
CORTE MADERA	68	38	46	92	244
FAIRFAX	23	12	19	54	108
LARKSPUR	90	55	75	162	382
MILL VALLEY	74	54	68	96	292
NOVATO	275	171	221	574	1,241
ROSS	8	6	5	8	27
SAN ANSELMO	26	19	21	47	113
SAN RAFAEL	262	207	288	646	1,403
SAUSALITO	45	30	34	56	165
TIBURON	36	21	27	33	117
unincorporated	183	137	169	284	773
MARIN COUNTY	1,097	756	979	2,058	4,890

As you can see, the draft housing needs allocation would require us to plan for another 244 housing units. This allocation will almost certainly be adopted by ABAG early in 2008. The Town has formally objected to this proposed allocation, primarily because it will be so difficult to find places to put additional units. As you know both the Aegis and EAH projects were built on commercial properties that had previously been developed. Difficult as it is to find these kinds of opportunities, it is nevertheless unlikely that ABAG will change the draft allocation.

The Housing Element must address the housing need both in terms of household income and household size. I will give you a little information on income and then talk about household size.

Attachment 2 from the ABAG allocation (above) breaks down the housing need into four income categories:

- * Very low income. Household income is 50% or less of the median income for all households in the county.
- * Low income. Income between 50% and 80% of median
- * Moderate. Income between 80% and 120% of median
- * Above moderate: income greater than 120% of median.

HCD provides income data for the county based on household size. The latest income figures are listed below

Marin County FY 2007 Median Family Income Schedule

Effective 3/20/07



Household Size	← Very Low Income →		← Low Income →		← Moderate Income →		
	35%	50%	65%	80%	90%	Median	120%
1	21,200	30,300	39,350	48,450	54,500	60,550	72,650
2	24,200	34,600	45,000	55,350	62,300	69,200	83,050
3	27,250	38,950	50,600	62,300	70,050	77,850	93,400
4	30,300	43,250	56,250	69,200	77,850	86,500	103,800
5	32,700	46,700	60,700	74,750	84,100	93,400	112,100
6	35,100	50,150	65,200	80,250	90,300	100,350	120,400
7	37,550	53,650	69,700	85,800	96,550	107,250	128,700
8	39,950	57,100	74,200	91,350	102,750	114,200	137,000

This table tells us that the median income for a family of four in Marin County is \$86,500. This means that if a 4-person household has an income between \$43,250 and \$69,200, they are in the Low Income category.

So what does this mean in terms of planning for housing? Housing Element law says that very low, low and moderate income households can afford to spend up to 30% of their income for housing. That means that a family of four at the median income could afford monthly housing expenses of \$2162.50 (\$86,500 x 30% ÷ 12 months = \$2162.50).

Finally, in addition to planning for housing need based on household income, the Town is required to plan for housing need based on household size. Thus our family of four whose income is at the median would need a 3-bedroom unit with a monthly cost of \$2162.50. In order to have an "adequate" Housing Element we would need to show how many 1-, 2-, 3-, and 4- bedroom units are needed at various price ranges affordable to very low, low, moderate and above moderate income households.

Sorry this is so long-winded, but a couple of final comments might help here. The local housing market is such that rental units often meet the affordability criteria for moderate income. This means, for example, that some of the affordable units in the EAH project will rent for about the same price as an equivalent "market rate" unit. Also, HCD does not seem to be too concerned about the above moderate category; they assume the market will take care of the relatively higher income households (a big assumption here in Marin). Finally, the Housing Element has to be reviewed by HCD to determine whether it is "adequate." HCD evaluates the Housing Element to determine whether it meets the very detailed requirements of state law and whether the various sites that have been designated for affordable housing are really feasible.

Let me know if I can provide additional information.

On a related subject, we have released the "hearing draft" of the new General Plan, and we will be publishing the EIR soon (tentatively scheduled for November 30). In the mean time we are holding informational workshops at the regularly scheduled Planning Commission meetings. The draft General Plan includes policies that would allow the village to apply for an expansion. I would like to get on your group's agenda sometime in the near future to give an overview of the draft Plan and to try to answer questions. Is this possible?

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