December 7, 2020



BOARD OF DIRECTORS

William Carney, President Bob Spofford, Vice President Greg Brockbank Jim Geraghty Linda Jackson Kay Karchevski Kiki La Porta Samantha Mericle Sue Spofford Stuart Siegel

415.457.7656

San Rafael City Council 14 Fifth Avenue San Rafael, CA 94901

RE: Proposed Housing Policies Update

Honorable Mayor and Council Members, Sustainable San Rafael continues to support the City moving forward with a comprehensive package of Proposed Housing Policies to confront the growing shortage of affordable housing in our community. We offer the following updates to our comments from January 2020:

Policy 7: Inclusionary Housing. We strongly recommend that inclusionary housing remain a key part of all housing developments, to promote an economically integrated community and to provide urgently needed affordable units on the same timeline as market-rate units. While understanding the merits of 'flexibility' and the necessity of 'feasibility,' we caution against an overly complex 'menu' of options that could leave both the developer and the public scratching their heads, leading to more delay rather than less. We support reducing the requirement for low and very-low income units from 20% to 15%, while adding moderate-income units to the mix to allow a greater return on investment.

Policy 8: Affordable Housing In-Lieu Fee. We continue to encourage increased requirements (equivalent to an additional 5% of total project costs) for the in-lieu payments, off-site units, and land conveyance options under consideration. This would incentivize more affordable units being built more quickly on site and further the basic purpose of inclusionary housing, which is to produce a more economically integrated San Rafael. We also recommend that the in-lieu fee for commercial projects be significantly increased, partially redressing the long-term jobs/housing imbalance that besets us.

<u>Policy 9: 'By-Right Zoning' for Affordable Housing Projects</u>. Piloting this concept on our most needed housing type is a welcome approach.

Policy 10: Accessory Dwelling Unit Ordinance. Simplifying the process and reducing the expense of second units of all kinds is a grassroots local response to the housing crisis. We suggest structuring the ordinance to encourage innovative design solutions like 'tiny homes' and 3-D printed homes, furthering the diverse character of our city.

<u>Policy 11: Density Bonus Update</u>. We remain confused about how the currently proposed alignment with State requirements relates to the City's overall affordable housing incentives, especially height bonuses, form-based zoning, and the potential for transferable development rights. The public and the development community need clear, integrated policies.

Policy 12: Design Review Board Changes. We again counsel caution. The value of professional design expertise speaking in the public interest cannot be overstated. Our suggestion is the recent practice of early conceptual project review by the Planning Commission. If the DRB is supplemented or replaced by a Design Review Advisory Committee (DRAC), we recommend that the committee have at least three members and that public notice and participation be retained.

<u>Policy 13: Payment of Development Impact Fees</u>. The idea of deferring the bulk of payments until project approval may assist the feasibility of developments, as long as payment for City staff time remains collectable if a project is withdrawn.

<u>Policy 14: City/Developer Partnerships.</u> We urge speedier pursuit of public/private efforts to make use of the air rights over public properties like parking lots and garages to develop affordable housing, along with the development of a renewed entrepreneurial capacity and spirit within City departments to undertake such projects, as once was done. The housing crisis requires reopening the toolbox of local redevelopment, wherein some may be surprised to find many of the tools still serviceable.

Finally, we again want to urge innovation. Great challenges face San Rafael to resolve our housing shortage, while also adapting to changing retail patterns, transportation and climate impacts. We hope these promising housing policies can be expanded over time to encourage a range of new approaches and techniques, including micro homes, manufactured homes, modular and movable homes—along with the local training and employment programs needed to get the housing built, while spreading economic benefits throughout our community.

Thank you for your close consideration as you move forward with these significant policy adjustments.

Sincerely,

William Carney Board President