MEMORANDUM

DATE: October 11, 2010

TO: Housing Element Committee (HEC)

FROM: Lilly Schinsing, Associate Planner

SUBJECT: Regional Housing Needs Allocation (RHNA), Housing Costs and State Income Limits

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Attached are the following documents regarding the RHNA, Housing Costs and State Income Limits:

A. Sausalito's RHNA for cycles 1999-2006 and 2007-2014
B. 2010 Marin County Annual Income and Estimated Housing Costs by Income Category for Different Household Sizes
C. 2010 State Income Limits for Housing Programs

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Sausalito's Regional Housing Needs Allocation (RHNA)
Planning Cycle 1999-2006 and 2007-2014

State housing element law focuses on both the production and geographic distribution of new housing units, and requires that each municipality strives to meet their "fair share" of the regional need for low- and moderate-income housing. The fair share regional allocation process begins with the California Department of Housing and Community Development (HCD) assigning of projected housing needs to each region using state Department of Finance household growth projections. Each region's council of governments (Association of Bay Area Governments, or ABAG) then prepares a Regional Housing Needs Allocation (RHNA) that specifies the number of housing units each municipality must plan to provide for during a specific planning period. In the 1999-2006 planning period, Sausalito's RHNA was 207 units. In the current 2007-2014 planning period, the City's RHNA is 165 units. These allocations are based on such factors as market demand for housing, employment opportunities, availability of suitable sites, availability of services, commuting patterns, type and tenure of housing need, and special needs housing.

ABAG RHNA—
1999-2006 and 2007-2014 Planning Cycles

RHNA CYCLE:	Regional Housing Needs Allocation by Income Category				TOTAL:
	Very Low 50% or Less of County Median Income	Low <50-80% of County Median Income	Moderate <80-120% of County Median Income	Above Moderate <120% and greater of County Median Income	
1999-2006	36	17	50	104	**207**
2007-2014	45	30	34	56	**165**
TOTAL:	**81**	**47**	**84**	**160**	**372**

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2010 Marin County Annual Income and Estimated Housing Costs By Income Category for Different Household Sizes

Household Size	Annual Income and Housing Costs	Income Category			
		Very Low 50% or Less†	Low <50-80%	Moderate <80-120%	Above Moderate <120%+
1-person household	Annual Income	Up to $34,800	$34,801-$55,680	$55,681-$83,520	<$83,520
	*Monthly Housing Cost**	*Up to $870*	*$871-$1,390*	*$1,551-$2,090*	*<$2,090+*
2-person household	Annual Income	Up to $39,750	$39,751-$63,600	$63,601-$95,400	<$95,400
	Monthly Housing Cost	*Up to $1,000*	*$1,101-$1,590*	*$1,591-$2,390*	*<$2,390+*
3-person household	Annual Income	Up to $44,730	$44,731-$71,560	$71,561-$107,340	<$107,340
	Monthly Housing Cost	*Up to $1,120*	*$1,121-$1,790*	*$1,791-$2,680*	*<$2,680*
4-person household	Annual Income	Up to $49,700	$49,701-$79,520	$79,521-$119,280	<$119,280 +
	Monthly Housing Cost	*Up to $1,240*	*$1,241-$1,990*	*$1,991-$2982*	*<$2,982+*

† Of Marin County Median Income

***Housing costs** are assumed to be a 30% of annual income. Per the California Housing and Community Development Department, a household is considered to be overpaying for housing (or cost burdened) if it spends more than 30% of its income on housing. Housing costs are rounded to nearest $10.

-For **Renters**, "housing cost" is assumed to include both rent and utilities.

-For **Homeowners**, "housing cost" is assumed to include a mortgage payment, property taxes, homeowners insurance, private mortgage insurance, homeowners association dues and utilities.

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State Income Limits for Housing Programs

California Health and Safety Code provides that the State limits for the low, very-low, and extremely-low income categories are to be the same as those in the equivalent levels established by the U.S. Department of Housing and Urban Development (HUD) for its Section 8 program. HUD released its new FY 2010 income limits on May 14, 2010. The California Department of Housing and Community Development completed the update of income limits for 2010.

The State Income Limits apply to designated programs and are to be used to determine applicant eligibility (based on level of household income) or to calculate housing cost amounts for housing assistance programs.

2010 MARIN COUNTY INCOME LIMITS

		Number of Persons in Household							
County	**Income Category**	**1**	**2**	**3**	**4**	**5**	**6**	**7**	**8**
Marin County	Extremely Low	22,600	25,800	29,050	**32,250**	34,850	37,450	40,000	42,600
Area Median Income:	Very Low Income	37,650	43,000	48,400	**53,750**	58,050	62,350	66,650	70,950
99,400	Lower Income	60,200	68,800	77,400	**86,000**	92,900	99,800	106,650	113,550
	Median Income	69,600	79,500	89,450	**99,400**	107,350	115,300	123,250	131,200
	Moderate Income	83,500	95,450	107,350	**119,300**	128,850	138,400	147,950	157,500

From: http://www.hcd.ca.gov/hpd/hrc/rep/state/inc2k10.pdf

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