# MEMORANDUM

**DATE:** September 27, 2010

**TO:** Housing Element Committee (HEC)

**FROM:** Lilly Schinsing, Associate Planner

**SUBJECT:** Progress on Achieving Regional Housing Needs Allocation (RHNA)-- **Updated**

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1999-2006 and 2007-2014 RHNA

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. 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.

The current planning period is 2007-2014 and the City's existing Housing Element was last certified in 1995. As Sausalito does not have a Housing Element which was certified by HCD during the prior planning period (i.e., the 1996-2006 planning period), the City must also carryover the number of housing units which were required to be planned for during the prior 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.

The following table illustrates the RHNA for the current planning period and the past planning period:

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

| **Planning Period** | **Very Low** 50% or Less of County Median Income | **Low** 51-80% of County Median Income | **Moderate** 81-120% of County Median Income | **Above Moderate** 121% + of County Median Income | **Total:** |
|---|---|---|---|---|---|
| **1999-2006** | 36 | 17 | 50 | 104 | **207** |
| **2007-2014** | 45 | 30 | 34 | 56 | **165** |
| **Total:** | **81** | **47** | **84** | **160** | **372** |



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Crediting the RHNA

State Housing Law allows for a jurisdiction to take credit for units approved, constructed or under construction between the base year of the RHNA period and the beginning of the new planning period.

- *Constructed or under construction:* Units which have been issued building permits on or after January 1 of the year falling two years prior to the due date of the jurisdiction's housing element may be credited against the RHNA to determine the balance of site capacity that must be identified. For example, for housing elements due June 30, 2008, units for which permits were issued on or after January 1, 2006 may be credited against the RHNA.

  To credit units affordable to lower- and moderate-income households against the RHNA, a jurisdiction must demonstrate the units are affordable based on at least one of the following:

  - subsidies, financing or other mechanisms that ensure affordability (e.g., MHP, HOME, or LIHTC financed projects, inclusionary units or RDA requirements);
  - actual rents; and
  - actual sales prices.

- *Approved, but not yet constructed:* For projects approved but not yet built, the jurisdiction must demonstrate the units can be built within the remaining planning period and demonstrate affordability to very low- or low-income households.

Preliminary analysis on the number of new units constructed, under construction and approved has been conducted by comparing Planning Commission approved Design Review Permits to issued and finaled Building Permits. From 1999-2006, 22 new very low income units were constructed and 11 new above moderate income units were constructed (no units in the low or moderate income categories were constructed). From 2007 to the present, 21 new above moderate units have been constructed, are under construction or have been approved and one moderate unit has been approved (no units in the very low, low or moderate income categories have been constructed, are under construction or have been approved in the current planning period). The following table illustrates the number of units in both planning periods which can be credited to the RHNA:

**Number of Units Constructed, Under Construction or Approved (1999-present)***

| RHNA Category: | Very Low | Low | Moderate | Above Moderate | Total |
|---|---|---|---|---|---|
| Units Built **1999-2006** | 22 | 0 | 0 | 11 | 33 |
| Units Constructed, Under Construction or Approved **2007-present** | 0 | 0 | 1 | 21 | 22 |

* See the worksheet provided as an attachment to this memo

- *Accessory Dwelling Units:* As described in the draft June 2010 Draft *Accessory Dwelling Units Background Report*, Staff has determined that there are a total of 18 unpermitted accessory dwelling units in the City that can be applied to the City's RHNA if an amnesty program is identified in the updated Housing Element to legally permit the units. Based on the methodology described in the *Background Report*, the following table illustrates the number of unpermitted accessory dwelling units which can be credited to the RHNA:

**Number of Unpermitted Accessory Dwelling Units**

| RHNA Category: | Very Low | Low | Moderate | Above Moderate | Total |
|---|---|---|---|---|---|
| Unpermitted ADUs | 10 | 7 | 1 | 0 | 18 |

Summary
From the information in this memo, Staff has concluded that the RHNA can be credited as shown in the following tables for each planning period:

**1999-2006 RHNA and Credits**

| RHNA Category: | Very Low | Low | Moderate | Above Moderate | Total |
|---|---|---|---|---|---|
| Assigned 1999-2006 RHNA | 36 | 17 | 50 | 104 | 207 |
| *Built 1999-2006* | *22* | *0* | *0* | *11* | *33* |
| **Revised 1999-2006 RHNA** | **14** | **17** | **50** | **93** | **174** |

**2007-2014 RHNA and Credits**

| RHNA Category: | Very Low | Low | Moderate | Above Moderate | Total |
|---|---|---|---|---|---|
| Assigned 2007-2014 RHNA | 45 | 30 | 34 | 56 | 165 |
| *Built or Approved 2007-present*** | 0 | 0 | 0 | *22* | *22* |
| *Identified Unpermitted ADUs* | *10* | *7* | *1* | *0* | *18* |
| **Revised 2007-2014 RHNA** | **35** | **23** | **33** | **34** | **125** |

**Combined RHNA after Credits**

| RHNA Category: | Very Low | Low | Moderate | Above Moderate | Total |
|---|---|---|---|---|---|
| Revised 1999-2006 RHNA | 14 | 17 | 50 | 93 | **174** |
| Revised 2007-2014 RHNA | 35 | 23 | 33 | 34 | **125** |
| **Revised Total RHNA:** | **49** | **40** | **83** | **127** | **299** |

**Attachment: Constructed/Approved Units 1999-Present**
I:\CDD\Boards & Committees\HEC\Memos\RHNA Credits Supplement 9-27-10.doc

## Constructed/Approved Units from 1999-Present

Updated 9/23/10

| Resolution Number | Site Address | Housing Type | Number of Previous Units | Number of Built/Approved Units | Number of Units to Credit | Affordability | Status | Year Construction Finaled | Notes |
|---|---|---|---|---|---|---|---|---|---|
| 1998-01 | 53 Atwood | New SFD | 0 | 1 | 1 | Above moderate | Constructed | 1999 | |
| 1998-13 | 83 Woodward | New SFD | 0 | 1 | 1 | Above moderate | Constructed | 1999 | |
| 1998-38 | 538 Easterby | New Duplex | 0 | 2 | 2 | Above moderate | Constructed | 1999 | |
| 1997-34 | 244 Spencer Ave. | New SFD | 0 | 1 | 1 | Above moderate | Constructed | 2000 | |
| 1999-41 | 18 Pearl | New SFD | 0 | 1 | 1 | Above Moderate | Constructed | 2000 | |
| 2000-14 | 12&14 Crescent | New Duplex | 1 | 2 | 1 | Above Moderate | Constructed | 2001 | Demo Single Family, Replace with Duplex |
| 1998-24 | 23 Channing Way | New SFD | 0 | 1 | 1 | Above moderate | Constructed | 2002 | |
| 2001-55 | 501 Olima | Senior Housing | 0 | 22 | 22 | Very Low | Constructed | 2003 | |
| 2000-19 | 167 Cazneau | New SFD | 0 | 1 | 1 | Above Moderate | Constructed | 2004 | |
| 1999-07 | 93 Crescent | New SFD | 0 | 1 | 1 | Above Moderate | Constructed | 2005 | |
| 2004-25 | 18 Bulkley | New SFD | 0 | 1 | 1 | Above Moderate | Constructed | 2006 | |
| 2003-55 | 85 Crescent | New Duplex | 0 | 2 | 2 | Above Moderate | Constructed | 2007 | |
| 2005-15 | 25 Santa Rosa | New SFD | 0 | 1 | 1 | Above Moderate | Constructed | 2007 | |
| 2004-12 | 20 Bulkley | New SFD | 0 | 1 | 1 | Above Moderate | Constructed | 2008 | |
| 2004-45 | 591 Sausalito | New SFD | 0 | 1 | 1 | Above Moderate | Constructed | 2008 | |
| 2004-56 | 16 Bulkley | New SFD | 0 | 1 | 1 | Above Moderate | Constructed | 2008 | |
| 2006-34 | 10 Wolfback Ridge | New SFD | 0 | 1 | 1 | Above Moderate | Constructed | 2008 | |
| 2005-04 | 34 Wolkback Terrace | New SFD | 0 | 1 | 1 | Above Moderate | Constructed | 2009 | |
| 2006-08 | 61 Wolfback Ridge | New SFD | 0 | 1 | 1 | Above Moderate | Constructed | 2009 | |
| 2007-06 | 100 Prospect | New SFD | 0 | 1 | 1 | Above Moderate | Constructed | 2009 | |
| 2007-09 | 40 Cazneau | New Duplex | 1 | 2 | 1 | Above Moderate | Constructed | 2009 | Demo cottage unit and replace with a Duplex |
| 2006-06 | 4 Lower Crescent | New SFD | 0 | 1 | 1 | Above Moderate | Constructed | 2010 | |
| 2007-34 | 591 Sausalito | New SFD | 0 | 1 | 1 | Above Moderate | Constructed | 2010 | |

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## Constructed/Approved Units from 1999-Present, continued

| Resolution Number | Site Address | Housing Type | Number of Previous Units | Number of Built/Approved Units | Number of Units to Credit | Affordability | Status | Year Construction Finaled | Notes |
|---|---|---|---|---|---|---|---|---|---|
| 2002-46 | 37-39 Crecent | New Duplex | 0 | 2 | 2 | Above Moderate | Approved | -- | No Building Permit issued yet- planning approval extension granted in 2009. Must prove that it can be constructed within the planning period |
| 2006-40 | 3 Wolfback Ridge | New SFD | 0 | 1 | 1 | Above Moderate | Approved | -- | No Building Permit issued yet- Not constructed yet- must prove that it can be constructed within the planning period |
| 2007-13 | 1751-57 B'way & 160 Filbert | 3 Duplexes | 5 | 6 | 1 | Above Moderate | Approved | -- | Five existing units, replace with 6 units- Not constructed yet- must prove that it can be constructed within the planning period |
| 2008-15 | 115 South Street | New Duplex/Condo | 1 | 2 | 1 | Above Moderate | Approved | -- | No Building Permit issued yet- Single Family replace with Duplex- ust prove that it can be |
| 2008-29 | 147 Edwards | New SFD | 0 | 1 | 1 | Above Moderate | Approved | -- | Building Permits issued- must prove that it can be constructed within the planning period |
| 2009-14 | 58 Miller | New SFD | 0 | 1 | 1 | Above Moderate | Under Construction | -- | Building Permits ready to be issued- must prove that it can be constructed within the planning period |
| 2010-03 | 109/111 Marion | New SFD | 0 | 1 | 1 | Above Moderate | Approved | -- | Not constructed yet- must prove that it can be constructed within the planning period |
| 2010-023 | 317 Johnson | Second Residential Unit | 1 | 2 | 1 | Moderate | Approved | -- | Not constructed yet- must prove that it can be constructed within the planning period |

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