REGIONAL HOUSING NEEDS ALLOCATION



TO: ABAG Administrative Committee DATE: October 22, 2021

FROM: Therese W. McMillan, Executive Director

SUBJECT: County of Marin Appeal of Draft RHNA Allocation and Staff Response

OVERVIEW

Jurisdiction: County of Marin

Summary: County of Marin requests the decrease of its Draft RHNA Allocation by 1,288 units (36 percent) from 3,569 units to 2,281 units based on the following issues:

- ABAG failed to adequately consider information submitted in the Local Jurisdiction Survey related to:
 - o Existing and projected jobs and housing relationship.
 - Sewer or water infrastructure constraints for additional development due to laws, regulatory actions, or decisions made by a provider other than the local jurisdiction.
 - Availability of land suitable for urban development or for conversion to residential use.
 - Lands protected from urban development under existing federal or state programs.
 - County policies to preserve prime agricultural land.
 - o County-city agreements to direct growth toward incorporated areas of county.
 - Affirmatively furthering fair housing.
- A significant and unforeseen change in circumstances has occurred in the local jurisdiction that merits a revision of the information submitted in the Local Jurisdiction Survey.

Staff Recommendation: Deny the appeal.

BACKGROUND

Draft RHNA Allocation

Following adoption of the Final RHNA Methodology on May 20, 2021, the County of Marin received the following draft RHNA allocation on May 25, 2021:

	Very Low Income	Low Income	Moderate Income	Above Moderate Income	Total
County of Marin	1,100	634	512	1,323	3,569

Local Jurisdiction Survey

The County of Marin submitted a Local Jurisdiction Survey. A <u>compilation of the surveys</u> submitted is available on the ABAG website.

Comments Received during 45-Day Comment Period

ABAG received nearly 450 comments during the 45-day public comment period described in Government Code section 65584.05(c). Some comments encompassed all of the appeals submitted, and there were 10 comments that specifically relate to the appeal filed by the County of Marin. All 10 comments oppose the County's appeal. All comments received are available on the ABAG website.

ANALYSIS

Issue 1: The County states ABAG indicates that appeals cannot identify limits on RHNA due to local zoning and other land use restrictions, but the Local Jurisdiction Survey requested information about local policies (e.g., policies to preserve agricultural land) and land use constraints to development.

ABAG-MTC Staff Response: ABAG conducted the Local Jurisdiction Survey consistent with the requirements identified in Government Code Section 65584.04(b), so this argument is not a valid basis for an appeal. Government Code Section 65584.04(b) requires ABAG to request information about all factors identified in Government Code Section 65584.04(e), which includes opportunities and constraints to development [65584.04(e)(2)] and county policies to preserve prime agricultural land [65584.04(e)(2)(D)]. Government Code Section 65584.04(e)(2)(B) also specifically states:

"The council of governments may not limit its consideration of suitable housing sites or land suitable for urban development to existing zoning ordinances and land use restrictions of a locality, but shall consider the potential for increased residential development under alternative zoning ordinances and land use restrictions."

Issue 2: The County of Marin argues that ABAG did not adequately consider information submitted in the Local Jurisdiction Survey about development constraints and that the final RHNA methodology departs from the goals of Plan Bay Area 2050 and the RHNA Objectives that emphasize housing near job centers, infill development and resource protection.

ABAG-MTC Staff Response: The final RHNA methodology adequately considers the potential development constraints described in the County of Marin's appeal through use of data from the Plan Bay Area 2050 Final Blueprint as the baseline allocation. In developing the Plan Bay Area 2050 Final Blueprint, ABAG-MTC staff worked with local governments to gather information

about local plans, zoning, and physical characteristics that might affect development. A strength of the land use model used for Plan Bay Area 2050 forecasting is that it assesses feasibility and the cost of redeveloping a parcel, including the higher cost of building on parcels with physical development constraints, e.g., steep hillsides. These feasibility and cost assessments are used to forecast the County's share of the region's households in 2050, which is an input into its RHNA allocation.

Additionally, using the Plan Bay Area 2050 Final Blueprint as the RHNA baseline integrates several key strategies related to agricultural preservation. First, the growth pattern in the Final Blueprint is significantly driven by Strategy EN4 that maintains all existing urban growth boundaries, without any expansion, over the lifespan of the long-range plan. Existing urban growth boundaries, which take a variety of forms across the region but are relatively common in the Bay Area, help not only to protect prime agricultural lands from development, but also parks and open space. Second, this strategy is supported by Strategy EN5, which envisions \$15 billion in future funding for agricultural land preservation to acquire land for permanent agricultural use.

Though the growth forecasted in Plan Bay Area 2050 is constrained to reflect urban growth boundaries and environmental protections and focuses growth in areas of existing development, as HCD notes in its comment letter on submitted appeals, Government Code Section 65584.04(e)(2)(B) states that ABAG:

"may not limit its consideration of suitable housing sites to existing zoning and land use restrictions and must consider the potential for increased development under alternative zoning and land use restrictions. Any comparable data or documentation supporting this appeal should contain an analysis of not only land suitable for urban development, but land for conversion to residential use, the availability of underutilized land, and opportunity for infill development and increased residential densities. In simple terms, this means housing planning cannot be limited to vacant land, and even communities that view themselves as built out or limited due to other natural constraints such as fire and flood risk areas must plan for housing through means such as rezoning commercial areas as mixed-use areas and upzoning non-vacant land." 1

Accordingly, the Plan Bay Area 2050 Blueprint forecasts additional feasible growth within urban growth boundaries by increasing allowable residential densities and expanding housing into select areas currently zoned for commercial and industrial uses.

Importantly, RHNA is not just a reflection of projected future growth, as statute also requires RHNA to address the existing need for housing that results in overcrowding and housing cost

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¹ See <u>HCD's comment letter on appeals</u> for more details.

burden throughout the region. Accordingly, the 2050 Households baseline allocation in the RHNA methodology represents both the housing needs of existing households and forecasted household growth from the Plan Bay Area 2050 Blueprint. Thus, the RHNA methodology adequately considers the development constraints raised in this appeal, but the allocation to this jurisdiction also reflects both existing and future housing demand in the Bay Area.

Per Government Code Section 65584.04(e)(2)(B), the County of Marin must consider the availability of underutilized land, opportunities for infill development and increased residential densities to accommodate its RHNA. The County does not provide evidence that it is unable to consider underutilization of existing sites, increased densities, accessory dwelling units (ADUs), and other planning tools to accommodate its assigned need.² In developing its Housing Element, the County has the opportunity to identify the specific sites it will use to accommodate its RHNA. In doing so, it can choose locations and plan for densities that avoid developing on farmlands, grazing lands, conservation lands and critical habitats.

Housing Element Law gives HCD the authority to determine whether the RHNA methodology furthers the statutory objectives described in Government Code Section 65584(d) and HCD made this determination.³ Thus, the County's argument that RHNA fails to conform to the core principles of Government Code Section 65584 is not a valid basis for an appeal. Regarding the RHNA objective mentioned in the County's appeal, HCD made the following findings:

"The draft ABAG methodology⁴ encourages a more efficient development pattern by allocating nearly twice as many RHNA units to jurisdictions with higher jobs access, on a per capita basis. Jurisdictions with higher jobs access via transit also receive more RHNA on a per capita basis.

Jurisdictions with the lowest vehicle miles traveled (VMT) per capita, relative to the region, receive more RHNA per capita than those with the highest per capita VMT. ABAG's largest individual allocations go to its major cities with low VMT per capita and better access to jobs. For example, San Francisco – which has the largest allocation – has the lowest per capita VMT and is observed as having the highest transit accessibility in the region. As a major employment center, San Jose receives a substantial RHNA allocation despite having a higher share of solo commuters and a lower share of transit use than San Francisco. However, to encourage lower VMT in job-rich areas that may not yet be seeing high transit ridership, ABAG's Plan Bay Area complements more housing in these employment centers

² See HCD's <u>Housing Element Site Inventory Guidebook</u> for more details on the various methods jurisdictions can use to plan for accommodating their RHNA.

³ For more details, see HCD's letter confirming the methodology furthers the RHNA objectives.

⁴ Pursuant to Government Code Section 65584.04(i), HCD must review the Draft RHNA Methodology developed by the Council of Governments. On May 20, 2021, ABAG adopted the Draft RHNA Methodology without any modifications as the Final RHNA Methodology.

(which will reduce commutes by allowing more people to afford to live near jobs centers) with strategies to reduce VMT by shifting mode share from driving to public transit."

Issue 3: The County of Marin argues its draft allocation is too large because it received nearly 25% of the RHNA units allocated to Marin jurisdictions but it has only 15% of the total acres identified as Growth Geographies for Marin jurisdictions in the Plan Bay Area 2050 Final Blueprint.

ABAG-MTC Staff Response: Although the County is presenting this argument under the appeal basis related to ABAG's failure to adequately consider information provided in the Local Jurisdiction Survey, the argument challenges the final RHNA methodology that was adopted by the ABAG Executive Board and approved by HCD. A valid appeal must show ABAG made an error in the application of the methodology in determining the jurisdiction's allocation; a critique of the adopted methodology itself falls outside the scope of the appeals process.

Directing future growth to Growth Geographies is essential for addressing the policy priorities required for Plan Bay Area 2050 and RHNA, including promoting efficient development patterns, reducing greenhouse gas emissions, and affirmatively furthering fair housing. The County's Growth Geographies are disproportionally along the US-101 corridor with greater access to frequent bus services compared to the Growth Geographies in other communities in Marin. It is important to note that identification of land as being *eligible* for growth or included in a Growth Geography in the Final Blueprint does not mean future growth is necessarily forecasted on that land; the acreage included in a potential growth area does not translate linearly to development. For example, parklands are assumed to be protected in perpetuity, even if they are included inside a Growth Geography.

Part of the reason the County's draft allocation is larger than other jurisdictions, even though they have more acres of Growth Geographies, is because the County has the highest number of existing households (26,500) of any jurisdiction in the county. As noted previously, the RHNA must address both existing and future housing needs. The final RHNA methodology accomplishes this by using total households in 2050 as the baseline allocation because it incorporates both existing households and the forecasted growth in households from the Final Blueprint. Housing Element Law requires the RHNA allocation to affirmatively further fair housing, which means overcoming patterns of segregation and addressing disparities in access to opportunity. Incorporating existing housing patterns into the RHNA methodology ensures that the allocations further this objective in all communities, not just those expected to experience significant growth.

Issue 4: The County argues ABAG did not adequately consider the effects of climate change as a constraint on housing development. The County specifically cites the drought in Marin County and areas within the county at risk of flooding, inundation from sea level rise and wildfires.

ABAG-MTC Staff Response: The Bay Area is subject to wildfire, flood, seismic, and other hazards and climate impacts, and ABAG-MTC staff understands the County's concerns about the potential for future growth in areas at risk of natural hazards. However, with only a small exception, Housing Element Law does not identify areas at risk of natural hazards as a potential constraint to housing development." Given the significant natural hazard risks in the Bay Area, whether to incorporate information about hazard risks when allocating RHNA units was one of the topics most thoroughly discussed by the Housing Methodology Committee (HMC) during the methodology development process. Ultimately, HMC members came to consensus that while housing in high hazard areas is a concern, adding a specific hazard factor to the RHNA methodology may not be the best tool to address this issue. In large part, this is because the Plan Bay Area 2050 Final Blueprint, which forms the baseline of the final RHNA methodology, already addresses concerns about natural hazards, as the Final Blueprint excludes areas with unmitigated high hazard risk from Growth Geographies.

The Final Blueprint Growth Geographies exclude CAL FIRE designated "Very High" fire severity areas in incorporated jurisdictions, and "High" and "Very High" fire severity areas as well as county-designated wildland-urban interfaces (WUIs) where applicable in unincorporated areas. In Marin County, the WUIs defined by the County consistent with Marin County Board of Supervisors Ordinance No. 3454⁷ were excluded from the unincorporated areas over which the County has land use authority. The only exception is for locally-nominated Priority Development Areas (PDAs), where ABAG-MTC included the PDA as proposed by the jurisdiction as a Growth Geography without any modifications. As a result, "Very High" and "High" fire severity zones are not excluded in the Urbanized Corridor PDA in Marin County.

Plan Bay Area 2050 assumes one foot of sea level rise by 2035 and two feet of rise in 2050. The adaptation solutions that are envisioned are targeted along portions of shoreline that have inundation with just two feet of rise, including locations in unincorporated Marin County. Importantly, scientific evidence produced by the State of California suggests it is very unlikely there will be sea level rise over the next few decades that is more extreme than the levels assumed in Plan Bay Area 2050. Plan Bay Area 2050 assumes a range of adaptation solutions will be needed, including restoring and adapting marshes, elevating roadways, and building grey and green shoreline protections ranging from traditional levees already employed around the shoreline as well as eco-tone levees that offer more opportunity for shoreline biodiversity. All of these solutions are included in Unincorporated Marin County, including efforts to restore and

⁵ Government Code Section 65584.04(e)(2)(B) states "The determination of available land suitable for urban development may exclude lands where the Federal Emergency Management Agency (FEMA) or the Department of Water Resources has determined that the flood management infrastructure designed to protect that land is not adequate to avoid the risk of flooding."

⁶ See the meeting materials for HMC meetings, including detailed notes for each meeting, for more information.

⁷ See https://www.marincounty.org/-/media/files/departments/fr/prevention/publications/ord3453uwi.pdf for more details.

protect areas north and south of Gallinas Creek and areas on both ends of Bolinas Lagoon in part to protect key circulation infrastructure in West Marin, as well as to protect housing on the bayland side of Stinson Beach. Additionally, Plan Bay Area 2050 includes investments along the shoreline of Marin City and Tamalpais Valley to maintain access to US-101 and reduce flooding in existing communities and nearby Growth Geographies. While there may be additional areas at risk of flooding in the County of Marin, the County has not provided evidence that it cannot accommodate its RHNA allocation due to a determination by FEMA or the Department of Water Resources that the flood management infrastructure is inadequate to avoid the risk of flooding, consistent with Government Code Section 65584.04(e)(2)(B).

Throughout the region, it is essentially impossible to avoid all hazards when siting new development, but jurisdictions can think critically about which areas in the community have the *highest* hazard risk. Notably, the residents of new development are likely to be safer from hazards than current residents living in older structures, as new construction is built to modern standards that more effectively address hazard risk. In developing its Housing Element, the County of Marin has the opportunity to identify the specific sites it will use to accommodate its RHNA. In doing so, the County can choose to take hazard risk into consideration with where and how it sites future development, either limiting growth in areas of higher hazard or by increasing building standards for sites within at-risk areas to cope with the hazard.

While the County of Marin asserts that it will be forced to build in areas of high hazard risk, it has not provided evidence that it cannot accommodate its RHNA in locations within the jurisdiction that are subject to lower risk of natural hazards. The County has not demonstrated that it is unable to consider underutilization of existing sites, increased densities, accessory dwelling units (ADUs), and other planning tools to accommodate its assigned need, as required by Government Code Section 65584.04(e)(2)(B). The appeal also does not prove that ABAG failed to consider the availability of land suitable for urban development or for conversion to residential use.

See Issue 8 for ABAG-MTC Staff's response about drought.

Issue 5: The County of Marin asserts that ABAG did not adequately consider information submitted in the Local Jurisdiction Survey about affirmatively furthering fair housing. The County argues the final RHNA methodology does not affirmatively further fair housing, as required by Government Code Section 65584(d)(5). The County requests a reduction in its allocation of moderate- and above moderate-income units because it has met and exceeded its allocations for these types of units in previous RHNA cycles. Thus, adding more of these types of units would be contrary to the goals of affirmatively furthering fair housing.

ABAG-MTC Staff Response: The County's argument again challenges the final RHNA methodology that was adopted by ABAG and approved by HCD, which falls outside the scope of

the appeals process. In its review of ABAG's RHNA methodology, HCD made the following findings regarding the RHNA objective related to affirmatively furthering fair housing:

"HCD applauds the significant weighting of Access to High Opportunity Areas as an adjustment factor and including an equity adjustment in the draft methodology. ABAG's methodology allocates more RHNA to jurisdictions with higher access to resources on a per capita basis. Additionally, those higher-resourced jurisdictions receive even larger lower income RHNA on a per capita basis. For example, the high-resourced communities of Cupertino and Mountain View receive higher total allocations on a per capita basis. For lower resourced jurisdictions with high rates of segregation, such as East Palo Alto, their allocations – particularly lower income RHNA allocations – are much lower on a per capita basis."

Regarding the County's concern about its allocation of above moderate-income units, it is important to note that moderate- and above moderate-income units represent nearly 60 percent of the housing needs assigned to the Bay Area by HCD. If these units were not allocated to areas like Marin County with high access to opportunity (which also tend to have a higher share of higher-income households), then they would be directed to communities with a higher share of lower-income households, which could increase displacement pressures in these communities. Allocating units at all income levels to high-resource communities helps ensure all communities do their "fair share" to provide more housing, which advances several key RHNA objectives.

Issue 6: The County argues that since Government Code Section 65584.04(e)(2) states that ABAG "may not" limit its consideration of land suitable for urban development to existing zoning and land use regulations, this language implies the statute does not entirely prohibit reliance on existing zoning. The County also states that staff has not seen evidence that ABAG conducted the analysis of alternative zoning schemes required by this statute.

ABAG-MTC Staff Response: As noted previously, HCD's comment letter on submitted appeals reiterated that ABAG "may not limit its consideration of suitable housing sites to existing zoning and land use restrictions and must consider the potential for increased development under alternative zoning and land use restrictions." Consistent with what is outlined in the statute, ABAG-MTC staff considered information about local zoning and land use regulations when developing the draft RHNA allocations, but did not use that information as a *limit* on a jurisdiction's allocation. Additionally, ABAG-MTC staff considered the potential for increased residential development under alternative zoning ordinances and land use restrictions as required by the RHNA statutes through the multiple rounds of analyses that went into development of the Plan Bay Area 2050 Draft Blueprint, Final Blueprint, and Environmental Impact Report (EIR) Alternatives. For example, the Plan Bay Area 2050 EIR compared the growth forecasted in the Final

Blueprint to growth forecasted in three different alternatives to Plan Bay Area 2050: No Project Alternative, EIR Alternative 1 - Transit-Rich Area (TRA) Focus Alternative, and EIR Alternative 2 - High-Resource Area (HRA) Focus Alternative. Similar to prior iterations of the Blueprint, each featured unique land use strategies that yielded different distributions of growth within the region. Ultimately, household growth in Marin County as a whole ranged from approximately 22,000 households on the lower end in the No Project Alternative to the approximately 43,000 households on the higher end in EIR Alternative 1 due to these alternative zoning approaches.

Issue 7: The County argues the COVID-19 pandemic represents a significant and unforeseen change in circumstances that merits a revision of information submitted as part of the Local Jurisdiction Survey. The County asserts ABAG did not adequately calibrate the regional distribution of housing units to account for changes to population, job growth, and housing from the pandemic.

ABAG-MTC Staff Response: ABAG-MTC Staff appreciates the County's concerns about the significant economic and societal changes resulting from COVID-19. In its comment letter on submitted appeals, HCD indicated that RHNA appeals based on changes caused by COVID-19 do not fall within the appeal criteria defined by statute, stating "The COVID-19 pandemic has only increased the importance of ensuring that each community is planning for sufficient affordable housing as essential workers, particularly lower income ones, continue to commute to their places of business."⁸

Potential impacts of COVID-19, including accelerated shift toward telecommuting and the associated economic boom/bust cycle, are incorporated into the Final RHNA Methodology through integration of the Plan Bay Area 2050 Final Blueprint. Approved in January 2021, the Final Blueprint was crafted throughout the entirety of 2020, taking into account the best information available on future impacts related to telecommuting, locational preferences, and more. External forces, including long-term projections for telecommuting and office square footage needs per employee, were updated to reflect potential post-COVID conditions. Longrange household and job projections were adjusted in the short-to-medium term to capture the weak economic conditions of 2020 and a multi-year recovery period in the years ahead. Additionally, strategies in the Final Blueprint were updated, including new strategies to encourage an accelerated shift toward telecommuting and other sustainable modes of travel, to support job training programs to assist in economic recovery, and to expand opportunities to rebuild aging malls and office parks into housing-rich neighborhoods as e-commerce continues to boom.

Importantly, the eight-year RHNA cycle (which starts in 2023) represents a longer-term outlook than the current impacts of the pandemic in 2020 and 2021. The County of Marin has not

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⁸ See <u>HCD's comment letter on appeals</u> for more details.

provided evidence to suggest that COVID-19 reduces the jurisdiction's housing need for the entirety of the 2023-2031 RHNA planning period. Additionally, impacts from COVID-19 are not unique to any single jurisdiction, and the appeal does not indicate that the jurisdiction's housing need has been disproportionately impacted relative to the rest of the Bay Area. Therefore, the pandemic is not cause for a reduction in RHNA for any particular jurisdiction. Regardless of the impacts of the pandemic, demand for housing remains high across the region, as reflected in home prices that continue to rise. Accordingly, jurisdictions must maintain their statutory obligation to plan for additional housing.

Issue 8: The unprecedented drought and potential limits placed on water supply for new development was not factored by ABAG when it finalized the methodology and distributed the draft RHNA.

ABAG-MTC Staff Response: Government Code Section 65584.04(e)(2)(A) states that ABAG must consider the opportunities and constraints to development of additional housing in each member jurisdiction due to "Lack of capacity for sewer or water service due to federal or state laws, regulations or regulatory actions, or supply and distribution decisions made by a sewer or water service provider other than the local jurisdiction that preclude the jurisdiction from providing necessary infrastructure for additional development during the planning period."

The arguments put forward by the County of Marin do not meet the requirements for a valid RHNA appeal because the County has not demonstrated that a water service provider has made a decision that precludes it from accommodating its RHNA allocation. Importantly, future population growth does not necessarily mean a similar increase in water consumption: while the region's population grew by approximately 23 percent between 1986 and 2007, total water use increased by less than one percent.⁹

The Plan Bay Area 2050 Final Blueprint, which is used as the baseline allocation in the RHNA methodology, has the potential to lessen water supply issues in the region. The Final Blueprint concentrates future growth within already developed areas to take advantage of existing water supply infrastructure and reduce the need for new water infrastructure to be developed to serve new areas. Per capita water use is likely to be less due to a greater share of multifamily housing and modern water efficiency standards for new construction and development. The continued urban densification promoted by the Final Blueprint – in addition to the continued implementation of water conservation, reuse and recycling programs by local water agencies and municipalities – will help to continue the downward trajectory of per capita water consumption within the region. One of Plan Bay Area 2050's strategies to reduce risks from hazards is to provide financial support for retrofits to existing residential buildings to increase

⁹ San Francisco Bay Area Integrated Regional Water Management Plan, 2019.

water efficiency. ABAG and MTC are working with partner agencies to secure additional resources to improve water conservation in the Bay Area over the long term.

It is true that the current drought poses significant challenges to Bay Area communities, and that the incidence of droughts is likely to increase as a result of climate change. All jurisdictions in the Bay Area, State of California, and much of the western United States must contend with impacts from drought and all 441,176 new homes that must be planned for in the region need sufficient water. However, as HCD notes in its comment letter on appeals that identified drought as an issue, "these issues do not affect one city, county, or region in isolation. ABAG's allocation methodology encourages more efficient land-use patterns which are key to adapting to more intense drought cycles and wildfire seasons. The methodology directs growth toward infill in existing communities that have more resources to promote climate resilience and conservation efforts." ¹⁰

Action can be taken to efficiently meet the region's future water demand, even in the face of additional periods of drought. Eight of the region's largest water districts in the region worked together to produce the Drought Contingency Plan to cooperatively address water supply reliability concerns and drought preparedness on a mutually beneficial and regional focused basis. ¹¹ The Drought Contingency Plan identifies 15 projects of a regional nature to further increase water supply reliability during droughts and other emergencies.

Importantly, the existence of the drought does not change the need to add more housing to address the Bay Area's lack of housing affordability. Part of the reason the Regional Housing Needs Determination (RHND) assigned by HCD for this RHNA cycle is significantly higher than in past cycles is because it incorporates factors related to overcrowding and housing cost burden as a way of accounting for existing housing need. ABAG encourages jurisdictions to take steps to accommodate growth in a water-wise manner, such as supporting new development primarily through infill and focusing on dense housing types that use resources more efficiently. We also support efforts like the Bay Area Regional Reliability partnership between many of the major water agencies in the region. The measures identified in the Drought Contingency Plan will improve regional reliability for all, especially for water districts with a small or singular water supply portfolio.

RECOMMENDED ACTION

ABAG-MTC staff have reviewed the appeal and recommend that the Administrative Committee **deny** the appeal filed by County of Marin to reduce its Draft RHNA Allocation by 1,288 units (from 3,569 units to 2,281 units).

¹⁰ See <u>HCD's comment letter on appeals</u> for more details.

¹¹ See the <u>Drought Contingency Plan</u> for more information.

Although ABAG-MTC staff is not recommending a reduction in the County of Marin's draft RHNA allocation, we understand the County's concerns about accommodating its RHNA in a way that fosters efficient infill and protection of agricultural and environmental resources. Housing Element Law recognizes some of the specific challenges unincorporated areas face by including provisions available only to counties that allow for a transfer of RHNA units to incorporated cities and towns in the county following adoption of the final RHNA allocation. One option allowed by the statute is for the County and one or more jurisdictions to voluntarily agree on a transfer of units from the County to the city or town. A second option is for a County to transfer units following annexation of unincorporated land to a city.

By statute, voluntary transfers can be completed following ABAG's adoption of the final RHNA plan and prior to the Housing Element due date (January 2023) and transfers related to annexations can occur at any point during the RHNA cycle, as long as the request is submitted to ABAG within 90 days of the annexation. ABAG-MTC staff is prepared to work with jurisdictions in Marin County to come to agreement on a voluntary transfer as a way to advance the County's goals for city-centered growth, and to move forward with approval of the transfer expediently following adoption of the final RHNA in December 2021.

¹² See <u>Government Code Section 65584.07</u> for more details.