

ORDINANCE NO. 3500
ORDINANCE OF THE MARIN COUNTY BOARD OF SUPERVISORS
ESTABLISHING AN AFFORDABLE HOUSING IMPACT FEE

SECTION I FINDINGS

The Board of Supervisors of the County of Marin ordains as follows:

- A. Marin County is experiencing a sever shortage of homes affordable to the workforce of the county. The average income earned by an employee working in Marin is \$37,595. An individual earning this salary can afford \$940 for rent or \$1033 for mortgage which translates into a house that costs no more than \$167,000. If two wage earners are in the household the purchase price increases to \$332,000, still well below the median price of a home sold in the unincorporated county. Currently the median price for a single-family home is \$1,220,000 and \$585,000 for a condominium (to afford this condo a family would need an annual household income of approximately \$139,000).
- B. Chapter 22.22 of the County's Development Code requires that 20% of any project which includes two or more units contribute to the County's affordable housing stock through the provision of units, land or in-lieu fees and that new commercial and industrial development shall provide housing units or in-lieu fees for 25% of the number of employees at the very low, low, and moderate- income levels that would be generated by the development. These current inclusionary housing requirements do not result in sufficient number of dwelling units to address the need and do not apply to a significant portion of development in the unincorporated county. Custom-built single-family homes on existing individual lots are a primary source of development in the County, and are not contributing to the stock of affordable housing.
- C. California court cases require that a city or county that wishes to adopt an impact fee must establish a reasonable relationship or connection between the impact fee of a development project and the intended use and amount of the impact fee. In November of 2007 the Community Development Agency commissioned a Housing Nexus Study that demonstrates that the development of new market rate housing and expansion of existing units creates the need for low wage households to move or commute to Marin in order to provide services to the market rate households.
- D. Based on the anticipated need for new housing affordable to low and moderate-income households, an Affordable Housing Impact Fee shall be established to provide funding to assist with the development of homes affordable to employees in these jobs. The Proposed Affordable Housing Impact Fee would apply to all new single-family homes greater than 2,000 square feet, teardowns, and major remodels that would result in over 500 square feet of new space and a floor area of greater than 2,000 square feet.
- E. The provisions of this ordinance shall apply to all new single-family homes greater than 2,000 square feet, teardowns, and major remodels that would result in over 500 square feet of new space and a floor area of greater than 2,000 square feet for which a building permit has not been applied for and accepted as complete by the building and safety division prior to January 1, 2009. The impact fee shall be calculated as follows:

1. Deed restricted units affordable to low and moderate-income households, agricultural worker housing, second units, and smaller homes of up to 2,000 square feet are exempt from paying the fee.
 2. Moderate sized homes of greater than 2,000 and less than 3,000 square feet will pay a fee of \$5 per square foot over 2,000 square feet.
 3. Homes of 3,000 square feet and larger will pay \$10 per square foot over 2,000 square feet.
 4. If a new second unit or agricultural worker unit is developed, the fee is eliminated for homes less than 3,000 square feet and reduced by 50% for homes 3,000 square feet and larger.
 5. Additional floor area proposed within 2 years from completion of a home or an addition shall pay the full fee based on the total floor area provided the home was completed after January 1, 2009, unless the space proposed is for a second unit.
 6. Teardowns shall be consistent with the definition of "Vacant Lot/Parcel" as defined in Article VIII of the Development Code.
 7. Floor area will be calculated per California Building Code.
 8. The payment of these fees shall be due prior issuance of a Building Permit.
- F. The Housing Element Implementing Program. *HS-3.1 House Local Workers*, states: Strive to provide an adequate supply and variety of housing opportunities to meet the needs of Marin County's workforce and their families, striving to match housing types and affordability with household income. Section *HS-5.1 Seek Local Funding for Affordable Housing*, states: Seek ways to reduce housing costs for lower income workers and people with special needs by continuing to utilize local, State, and federal assistance to the fullest extent possible to achieve housing goals, and by increasing ongoing local resources. This ordinance will provide funds to fulfill these mandates.
- G. All of the funds from this impact fee will be deposited in the Housing Trust Fund and shall be dedicated to the development and preservation of housing affordable to low- and very-low income households.
- H. The proposed ordinance was introduced at a regular meeting of the Board of Supervisors held on September 30, 2008, and considered for adoption at a regular meeting of the Marin County Board of Supervisors on October 14, 2008.

SECTION II ACTION

- A. Marin County shall adopt the Affordable Housing Impact Fee as shown in Table 1 below

TABLE 1 Affordable Housing Impact Fee

Conditioned Floor Space	Fee Per Square foot	If new second unit or agricultural worker unit is provided on site
≤ 2,000	\$0	\$0
> 2,000 < 3,000	\$5	\$0
> 3,000	\$10	\$5

- B. Marin County shall adjust the Affordable Housing Impact Fee annually to compensate for inflation by using the higher of the two of either the construction cost index published in the Engineering News Record (ENR) or the CPI (Shelter Only).

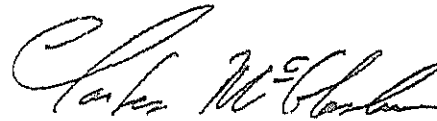
SECTION III EFFECTIVE DATE

- A. This Ordinance shall be and is hereby declared to be in full force and effect as of January 1, 2009 and shall be published once before the expiration date of fifteen (15) days after its passage, with the names of the Supervisors voting for and against the same in the Marin Independent Journal, a newspaper of general circulation published in the County of Marin.

SECTION IV VOTE

PASSED AND ADOPTED at a regular meeting of the Board of Supervisors of the County of Marin held on this 14th day of October 2008 by the following vote:

AYES: SUPERVISORS Steve Kinsey, Harold C. Brown, Jr., Judy Arnold
Susan L. Adams, Charles McGlashan
NOES: NONE
ABSENT: NONE



PRESIDENT, BOARD OF SUPERVISORS

ATTEST:



CLERK