

The MEHC Platform for 2016

Unaffordable housing impacts the most vulnerable among us, including seniors and those on fixed incomes, the ill or unemployed, students and young people at the bottom of the earnings ladder, lower-wage service workers and day laborers, and young families confronting the extraordinarily high cost of living here. It's a regional problem but the effects are hyper-local.

What can communities--people and businesses and governments--do? How can we protect our homes, families, neighborhoods, quality of life and the environment at the same time?

These are the issues that MEHC works on.

We think our community wants to do the right things, but sometimes misconceptions and incomplete information get in the way. We invite you to LEARN more, PARTICIPATE in the community decision-making process, and VOTE for the candidates who represent your informed views. Here is our platform for 2016.

Plank 1: We stand for increased housing opportunities for people who work here

Increased housing opportunities for people who work here would:

- Strengthen local businesses by providing them with:
 - A larger local work pool;
 - Reduced employee turnover; and
 - More low and moderate-income shoppers, diners, etc.;
- Lead to a workforce that was more invested in our local community, with increased participation in:
 - PTAs;
 - Local politics; and
 - Local volunteer opportunities;
- Be more consistent with our local economy, which is primarily staffed by a low and moderate income service/retail work force;
- Give priced-out public sector employees opportunities to live in the community they serve;
- Be consistent with the push for new businesses here (i.e., expanding job opportunities while resisting expansion of housing stock exacerbates our problems); and
- Reduce climate impact by reducing vehicle miles travelled.

The majority – 62% – of the Marin workforce commutes from another county -- 67,965 people every day.¹ More than 67% of these “in-commuters” earn less than \$61,000 per year; they cannot find housing they can afford in Marin. So, they earn their income here, and they drive their wages home to spend. In 2011 this outflow amounted to a \$1.4 billion loss in potential revenue to local businesses.² Imagine how much more vibrant Marin businesses could be if a good part of these Marin earnings could stay here because the wage earners lived here.

¹ LEHD Program, Center for Economic Studies, U.S. Census Bureau, 2014

² *Driving Home Economic Recovery – How Workforce Housing Boosts Jobs and Revenues in Marin*, Non-profit Housing Association of Northern California, 2011

The business community recognizes the economic necessity of increasing low-income housing opportunities here. In 2011 the Marin Economic Forum collaborated with the Non-Profit Housing Association of Northern California and the Greenbelt Alliance to produce *Driving Home Economic Recovery – How Workforce Housing Boosts Jobs and Revenues in Marin*. This report examines the impact of the affordable housing crisis on Marin’s businesses and economy. Findings from that report are summarized below with updates to some data points.

The fundamental takeaway from the *Driving Home* report is that millions of dollars are leaving Marin in the form of paychecks earned here by employees who take their wages to their homes in other counties. The *Driving Home* report found that creating affordable housing options throughout the County for just one percent of Marin’s in-bound commuters, or 610 total households in 2010 figures, would increase Marin’s population by only six-tenths of one percent,³ but would recapture more than \$14 million each year in lost consumer spending and support 97 new jobs. Additionally, building or renovating the homes for one percent of in-commuters would pump more than \$28 million and 181 construction-related jobs into Marin’s economy.⁴

The following table shows the impact of annual spending by 1% of in-commuter households:⁵

Industry Sectors	New Business Revenue	Jobs Created
Restaurants, bars, and cafes	\$592,107	9
Real Estate, rental and leasing	\$996,755	6
Medical and dental offices	\$780,668	5
Private hospitals	\$561,277	3
Grocery stores	\$297,292	3
Nursing and residential care facilities	\$175,072	3
Wholesale trade businesses	\$620,736	2
Private household employees	433,583	2
Investment banking	\$321,135	2
All others	\$9,23,750	60
Totals	\$14,490,528	97

Service businesses are the main industries in Marin County. These include retail, education, health care and social assistance, accommodation and food services among others. Marin’s many wealthy households and aging population create a strong demand for those services, and continue to support their dominant role in the county’s economy. The average salaries of these growth sectors are relatively low. For example, on average, healthcare support workers earn about \$40,956, education, training and library workers make about \$61,964, and retail employees, one of the county’s largest employment sectors, have an average income of \$58,280.⁶

Now that we have looked at the incomes of our workforce, let’s address the cost of housing, here. The average monthly rent in Marin was \$2,456 in June 2015, a figure 66% higher than in 2005. “Based on

³ Marin was home to 103,210 households in 2010; U.S. Census Bureau, 2011
⁴ *Driving Home Economic Recovery*; 2011 Non-profit Housing Association of Northern California.
⁵ *Driving Home Economic Recovery*; 2011 Non-profit Housing Association of Northern California
⁶ Wage data is from the Occupational Employment Statistic and Wages program, California Employment Development Department.

housing affordability standards⁷, a household would need to earn \$8,187 per month or \$98,240 per year to afford the average rental in Marin, and approximately \$200,000 per year (\$17,000/month) to afford the average purchase price of a single-family home.”⁸ The typical apartment or ownership opportunity is well out of reach for the majority of in-commuters. Is it any wonder that most of the Marin workforce lives in other counties?

The wages the in-commuters take home is money taken out of the Marin economy. It gets spent in the commuters’ home counties. Some of these Marin dollars could stay in Marin if we make a portion of new housing affordable to the workforce.

In September 2015 the Marin Economic Forum released the Comprehensive Economic Development Strategy (CEDS),⁹ an assessment of Marin County, its regional economic role, its links in terms of infrastructure networks, its demography and its social and environmental challenges. The study was based upon input from businesses and other community stakeholders, through focus-group events and meetings involving more than 100 community leaders. The study found that the Marin economy needs more low income housing to protect our economic and social resiliency.

The report finds that *service businesses have been the main growth industries* in Marin County since 1990. These include retail, education, health care and social assistance, accommodation and food services among others. Management, sales and related occupations, healthcare and education occupations in Marin County have higher shares of the local workforce than in the rest of the Bay Area and the state. Marin’s business mix is a result of its location within the region, its demographics, the wealth of its residents and a range of competitive advantages. CEDS concludes that this trend will continue, and recommends that Marin “target” industries where the county has a competitive advantage, including the service sector.

The service sector tends to be weighted toward lower-wage jobs, and this pattern affects where Marin’s service workers live. Sixty two percent of the people whose jobs are in Marin commute to work from another county.¹⁰ Over 67% of these “in-commuters” earned less than \$60,790 in 2013.¹¹

The salaries of most in-commuters are well below the income required to afford housing in Marin. According to the U.S. Department of Housing and Urban Development (HUD), “Families who pay more than 30 percent of their income for housing are considered cost burdened and may have difficulty affording necessities such as food, clothing, transportation and medical care.”¹² By this standard, an in-commuting service worker with a salary of \$60,790 cannot afford to spend more than \$1,520 per month for housing. But, the average rental in Marin cost was almost that level in 2005, and despite the 2008 recession, this figure climbed to \$1,673 per month by 2009, and by June 2015, it reached \$2,456 per month, a jump of 66% since 2005. Based on HUD’s housing affordability standard, a household would need to earn \$8,187 per month or \$98,240 per year to afford the average rental in Marin, and approximately \$17,000 per month to afford the average purchase price of a single-family home.

⁷ According to the US Department of Housing and Urban Development (HUD), “Families who pay more than 30 percent of their income for housing are considered cost burdened and may have difficulty affording necessities such as food, clothing, transportation and medical care.”

⁸ Staff report, Marin County Community Development Agency, September 13, 2015

⁹ Marin County Comprehensive Economic Development Strategy; September 2015; Marin Economic Forum

¹⁰ LEHD Program, Center for Economic Studies, U.S. Census Bureau, 2014

¹¹ See footnote 9, page 29.

¹² U.S. Department of Housing and Urban Development; Hud.Gov., 2016

The CEDS report recommends seven goals to support Marin’s continuing economic vitality, including housing. Specifically, the report advises decision makers to create a spectrum of housing options, including workforce housing, to better match what local employees can afford. The report concludes, “For those workers that make relatively low wages, and for residents on fixed incomes or receiving government transfer payments, support above the poverty line is critical to their ability to continue working and living.” The report recommends the following specific tasks:

- Make it easy to create second units and co-housing, communal spaces;
- Create dorm space for commuters to stay overnight or weekly;
- Advocate for more Section 8 housing and increase stipends and education for landowners to manage them effectively;
- Create emergency rent programs;
- Expand rent-to-own programs; and
- Expand affordable housing buy/rent close to transit.

Plank #2: We support affordable housing near jobs and transit

Encouraging housing near jobs and transit would:

- Reduce traffic congestion;
- Reduce climate impact by reducing vehicle miles travelled;
- Support local transit and take cars off 101 and arteries;
- Give priced-out public sector employees opportunities to live in or near the communities they serve;
- Strengthen local businesses with a larger local work pool;
- Allow our workforce to become more invested in our local community;
- Reduce employee turnover; and
- Better serve young families who prefer housing close to work, shopping, etc.

There is a severe imbalance between salaries of the Marin workforce (the people whose jobs are in Marin) and the cost of housing. The average annual income of a person whose workplace is in Marin is \$61,953.¹³ To be affordable, in 2015 the median \$2,527 monthly rent for a 2-bedroom apartment in the county¹⁴ would require an annual income of at least \$101,080.¹⁵

The majority of Marin’s workforce – 62% - commute from other counties.¹⁶ Most of these 67,965 workers – 53% – make less than \$40,000 per year.¹⁷ It is obvious that this workforce cannot afford to rent here, and buying a home in Marin would be out of the question.

Freeway commute congestion in Marin is notorious (see table below).

Freeway Commute Congestion

Freeway segment	Vehicle Hours of Congested Delay
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¹³ *Quarterly Census of Employment and Wages*, 4th Qtr 2014; U.S. Census Bureau

¹⁴ U.S. Department of Housing and Urban Development, *50th Percentile Rent Estimates*, 2015

¹⁵ Federal housing guidelines state that housing is affordable if it costs 30% or less of a household’s income (\$101,080 X .30 ÷ 12 = \$2,527).

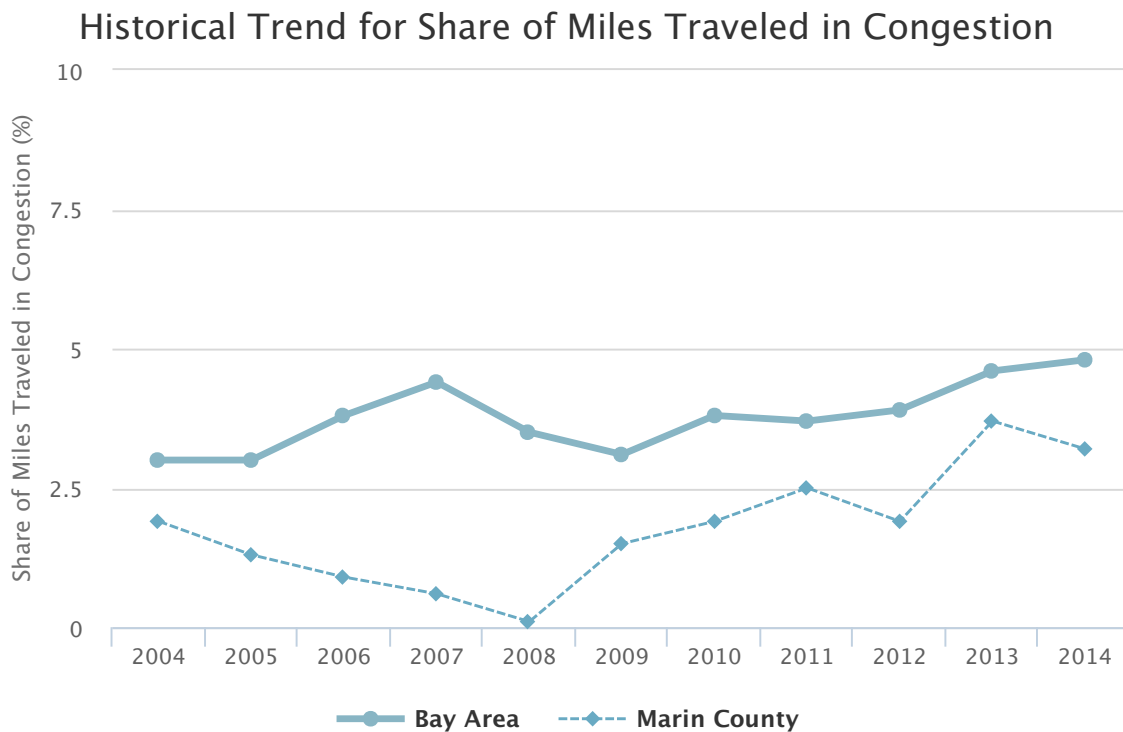
¹⁶ *Longitudinal Employer-Housing Dynamics OnTheMap Origin-Destination Data Base 2014*; Center for Economic Studies, U.S. Census Bureau.

¹⁷ *Longitudinal Employer-Housing Dynamics OnTheMap Origin-Destination Data Base 2013*; Center for Economic Studies, U.S. Census Bureau...

	Morning Commute	Evening Commute
US 101 Southbound – Rowland Blvd. to Lincoln Ave.	2,930	
US 101 Northbound – State 1 to north of Tamalpais Dr.		1,170
US 101 Northbound – Atherton Ave. to San Antonio Rd.		870
I 580 Eastbound – Bellam Blvd. to Richmond-San Rafael Bridge		510
US 101 Northbound – Sir Francis Drake Blvd. to 2 nd St.		90

Source: *Vital Signs*; Metropolitan Transportation Commission, 2016

The following graph shows that congestion is the worst it's ever been, and the trend is for it to get worse unless we take action. Increasing affordable housing opportunities close to Marin jobsites and transit will give some people in the workforce the option to shorten their commutes or avoid commuting by private vehicle altogether.



The *2008 Marin County Affordable Housing Inventory* found that **91% of employed affordable housing residents work within Marin, compared to 68% of county residents overall**. “The *Marin County Affordable Housing Inventory* also found that in moving to new homes, **affordable housing residents shortened their commutes**. More than half shortened their commute to within 10 miles of their workplace.”¹⁸ Reducing commute mileage and taking private vehicles off the road will reduce or at least slow the growth of freeway congestion.

Traffic in general, especially congested traffic, is a major generator to our carbon footprint. “Each day, Marin’s workforce puts 2.37 million pounds of carbon dioxide into the atmosphere traveling to and from work. This translates into 2.45 metric tons per worker per year. Cutting these total emissions in half

¹⁸ *Marin County Affordable Housing Inventory*, Marin Community Development Agency.

would be equivalent to completely eliminating energy use in more than 10,900 homes. Fundamental to reducing emissions is reducing driving distances.”¹⁹

Building affordable housing close to jobs and transit is good for the family’s budget. The average American household spends 19% of its budget on transportation and this average varies greatly depending on where the household is located. Working families (those making \$20,000 to \$50,000 a year) spent more on transportation than on housing in 17 of 28 metropolitan areas.²⁰ For every \$1 a worker saves by moving *away* from the job site to lower cost housing, 77¢ is consumed by the costs of commuting back to the job.²¹ Building and preserving affordable housing close to jobs and transit can lower the cost of transportation and enhance a family’s lifestyle. The saving that comes from locating affordable housing close to jobs and transit improves opportunities for low-wage families and younger workers to increase their assets so they can eventually own a home.

Affordable housing near jobs and transit reduces time commuting, allowing more time for involvement in community and children’s activities.

Locating affordable housing close to transit results in more transit riders, which increases the efficiency of transit systems and generates demand for more frequent and better quality service. The entire community benefits when public transit improves.

Affordable housing close to jobs improves businesses' access to an ongoing labor force, including the younger and lower-wage workers they need to be competitive. Employers benefit from a reduction in costly employee turnover and increased productivity when employees can afford to reduce their commutes and live closer to work.

¹⁹ *Miles From Home*; the Non-Profit Housing association of Northern California, 2011

²⁰ *A Heavy Load: The Combined Housing and Transportation Burdens of Working Families*, Center for Housing Policy, 2006

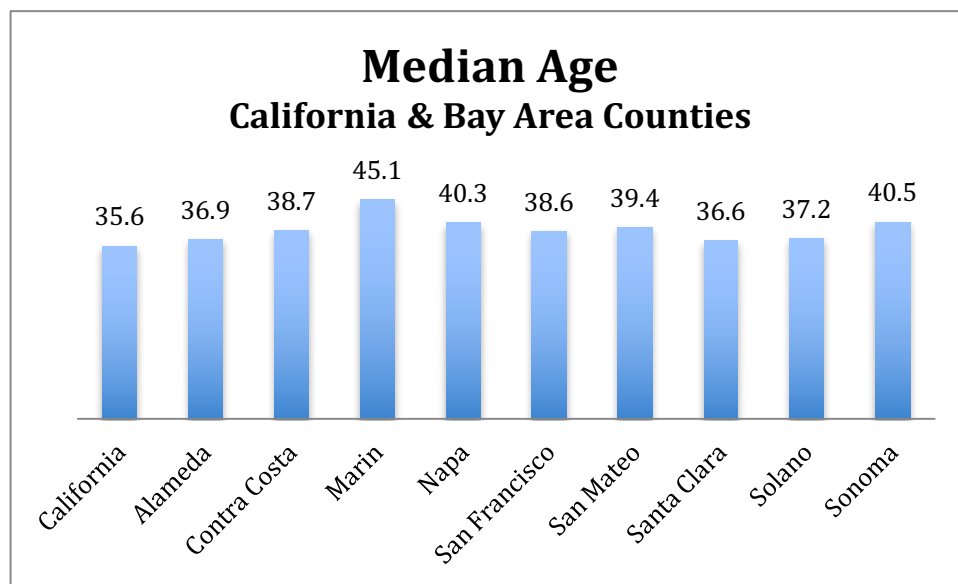
²¹ *Something’s Gotta Give: Working Families and the Cost of Housing*; Lipman, Barbara, Center for Housing Policy, April 2005.

Plank #3: We need housing for seniors

Creating smaller housing units for seniors would:

- Allow seniors to downsize, freeing up larger homes for younger families;
- Preserve a valuable resource for our local community – our life-experienced seniors; and
- Reduce the pressure on seniors to have to leave their home community.

Marin County has the oldest population in the Bay Area and one of the oldest populations in California. Income drops rapidly as people age and Marin has some of the highest costs of living in the nation. There are 103,034 households in Marin, of which 28,253 – or 27% – have a householder aged 65 or older.²² Of these households, 1,846 – or 6.5% – had incomes below the poverty line. Over 25% of the 46,638 county residents who are 65 or older have a disability.



Source: American Community Survey 2014

The current Marin County Housing Element describes the housing needs of seniors. “Given that senior income drops precipitously as seniors age and Marin is one of the most expensive places for seniors to live, particular needs include smaller and more efficient housing, barrier-free and accessible housing, and a wide variety of housing with health care and/or personal services provided. In addition, a continuum of care is needed as elderly households develop health care needs. * * * [S]eniors are more likely to be lower income than the population in general and to face distinct difficulties in finding appropriate and affordable housing for their needs.”²³

“Housing types to meet the needs of seniors include smaller attached or detached housing for independent living (both market rate and below market rate), second units for inter-generational living, age-restricted subsidized rental developments, shared housing, congregate care facilities, licensed facilities, Alzheimer’s and other specialty facilities, and skilled nursing homes. There is also a need for senior housing where an in-home caregiver can reside.”²⁴

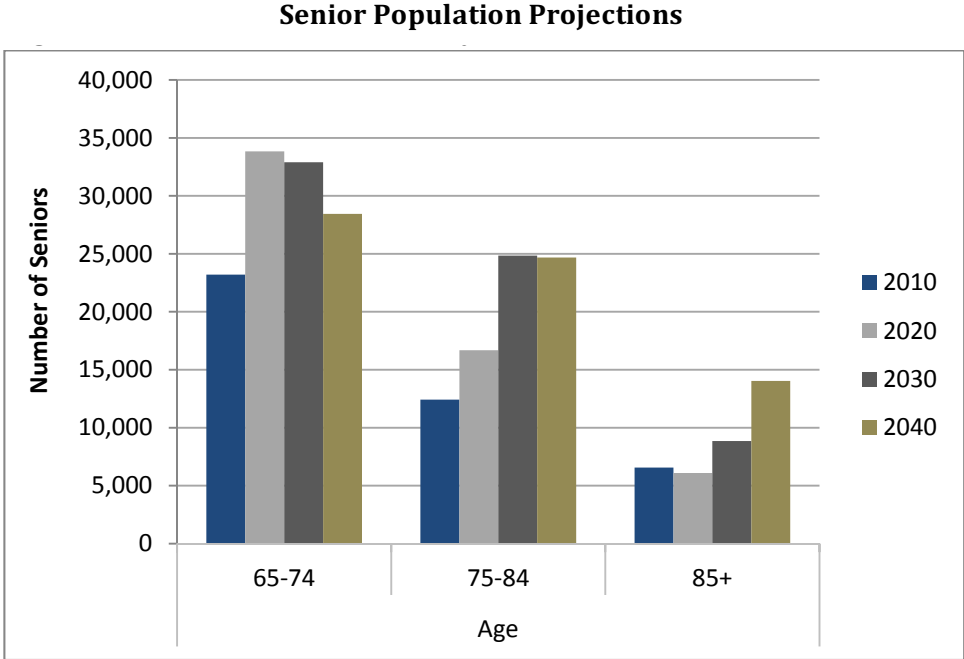
²² American Community Survey, 2014.

²³ Marin County Housing Element 2015.

²⁴ Marin County Housing Element 2015.

“Many seniors are over-housed, which means living in a home far larger than they need. This phenomenon will become more pronounced in the coming years, as the senior population in the unincorporated County is projected to experience an increase of 59% between 2010 and 2040. Some may be willing to vacate their home for a smaller unit, thus increasing housing options for families if more suitable housing is made available.”²⁵

The California Department of Finance projects that the number of seniors in the county will continue to grow (see chart below).



Source: 2010 U.S. Census; 2010 Dept. of Finance Population Projections

“The increasing number of seniors and increasing longevity in the population in Marin County will create additional need for affordable housing and specialized housing for older residents. This has the following implications:

- Marin has a limited supply of vacant residential land. Senior projects would compete with non-age-restricted housing for this land, as additional housing for area workers and families is also an important need.
- Many seniors can become “trapped” in large houses due to upkeep expenditures. Seniors on fixed incomes have limited resources for home improvements to maintain or rehabilitate older housing.
- Moving to smaller units could increase home payments and cause increased financial burden. Senior homeowners can be house rich and cash poor, meaning they may have a lot of value in their homes but it is inaccessible.”²⁶

²⁵ Marin County Housing Element 2015

²⁶ Marin County Housing Element 2015

Plank #4: We support environmentally friendly affordable housing

Protecting our open space, clean air, etc., requires that we

- More efficiently utilize the 25% of our land that is not “protected,” by encouraging
 - Infill on the corridor preserves our open space
 - Attractive, low rise compact development near transit and jobs
- Reduce climate impact by reducing miles travelled

Marin County has led the way protecting our environment. Fully 85% of the county’s land area is permanently sheltered from urban development either as public open space or as land zoned exclusively for agriculture. The county and each of the cities and towns have zoned properties to accommodate affordable housing. None of these sites are in open space or land zoned for agriculture. In fact, most of the sites designated for affordable housing are in developed areas in the Highway 101 corridor. We can build affordable housing in Marin without infringing on our open space and agricultural resources.

A recent report for UC Berkeley’s Cool Climate Network²⁷ shows that Marin County has one of the highest carbon footprints in the Bay Area. This is largely due to Marin’s high average household income that allows residents to consume more goods and engage in more activities like air travel that produce high volumes of greenhouse gases. This trend is aggravated by our land use pattern. Since the 1970’s Marin’s growth has focused largely on low density single-family homes, retail and office development. We have emphasized growing jobs, and neglected housing for workers, which has increased vehicle miles traveled through the county. Transportation is the largest source of green house gas emissions, accounting for 33% of the region’s carbon footprint.

“Each day, Marin’s workforce puts 2.37 million pounds of carbon dioxide into the atmosphere traveling to and from work. This translates into 2.45 metric tons per worker per year. Cutting these total emissions in half would be equivalent to completely eliminating energy use in more than 10,900 homes. Fundamental to reducing emissions is reducing driving distances.”²⁸

Protecting our environment requires that we use the 15% of the county that is already in development more efficiently. The Cool Climate Network study recommends building smaller homes at increased densities in lower-carbon locations. In Marin some of our lowest carbon areas are in the Highway 101 corridor. Affordable housing tends to be smaller than market rate homes and are most affordable when built at densities that are higher than typical single-family detached housing building affordable workforce housing in the 101 corridor will slow the growth of greenhouse gases and help preserve our heritage of environmental protection.

The 2008 Marin County Affordable Housing Inventory found that 91% of employed affordable housing residents work within Marin, compared to 68% of county residents overall. “The Marin County Affordable Housing Inventory also found that in moving to new homes, affordable housing residents shortened their commutes. More than half shortened their commute to within 10 miles of their workplace.”²⁹ Reducing commute mileage and taking private vehicles off the road will reduce or at least slow the growth of freeway congestion.

In other words, encouraging housing near jobs and transit would:

²⁷ A Consumption-Based Greenhouse Gas Inventory of San Francisco Bay Area Neighborhoods, Cities and Counties: Prioritizing Climate Action for Different Locations; Christopher M. Jones, Daniel M. Kammen, U.C. Berkeley, 2015

²⁸ *Miles From Home*; the Non-Profit Housing association of Northern California, 2011

²⁹ *Marin County Affordable Housing Inventory*, Marin Community Development Agency.

- Reduce traffic congestion; and
- Reduce climate impact by reducing vehicle miles travelled.

MEHC urges local governments in Marin to support environmentally friendly affordable housing by doing the following

1. Prevent sprawl and intrusion into environmentally sensitive areas: wildlife habitat; areas subject to wildfires, flooding, and earthquakes; and areas designated as priorities for conservation, open space, and agriculture.
2. Encourage housing and mixed use in spaces above parking lots, shopping and other commercial centers, other infill sites, and through reuse of existing buildings for housing.
3. Where appropriate, identify and rezone sites for higher density affordable housing.
4. Promote increasing density and offer other incentives
5. Coordinate land use and transportation planning. Locate housing near transit and other existing services, without impairing natural resources
7. Retain existing below market rate housing, including small homes in older neighborhoods.
8. Establish procedures for maintaining and increasing rental housing stock and evaluate second units as an effective way of providing needed affordable housing, subject to environmental standards.

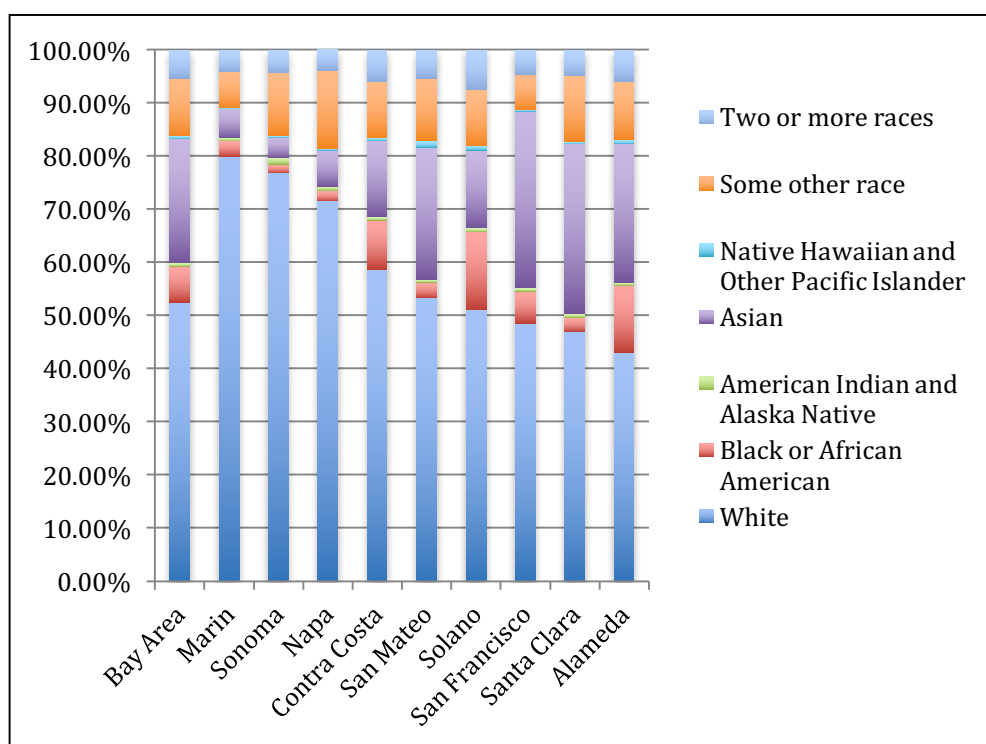
Plank #5: Justice or Just Us?

Reversing the trend toward becoming a gated community for the 1% would:

- Reflect justice rather than just us;
- Allow more of our children to be able to remain in our community;
- Make for a healthier, active and interesting community by expanding the variety of residents who can live here – artists, musicians, health care workers, etc.; and
- Make us a more caring, welcoming, neighborly community.

Is Marin County a gated community? By some measures, we look like one. For example, Marin is the least ethnically diverse county in the Bay Area. The 2010 Census showed Marin County had the highest percentage – 80% -- of residents self-identifying as “white.” The corresponding figure for the whole Bay Area was 52.5%.

Ethnic Diversity 2010

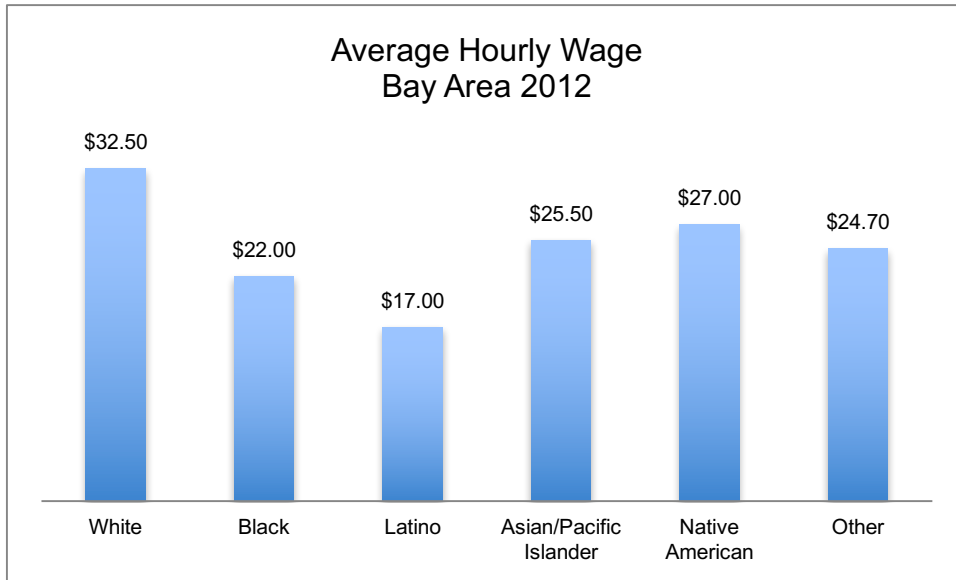


Source: *Bay Area Census*, ABAG

One reason for the relative lack of ethnic diversity in Marin is the cost of housing. In June 2015 the average rent in Marin was \$2,456 per month. Based on housing affordability standards³⁰ a household would need to earn \$8,187 per month -- \$48.93 per hour³¹ -- to afford the average rental in Marin. In the Bay Area, as in the rest of the U.S., wage rates vary among ethnic groups (see chart below). While the average wage-earner in the Bay Area is priced out of the Marin housing market, this trend has even more impact on ethnic minorities.

³⁰ According to the US Department of Housing and Urban Development (HUD), “Families who pay more than 30 percent of their income for housing are considered cost burdened and may have difficulty affording necessities such as food, clothing, transportation and medical care.”

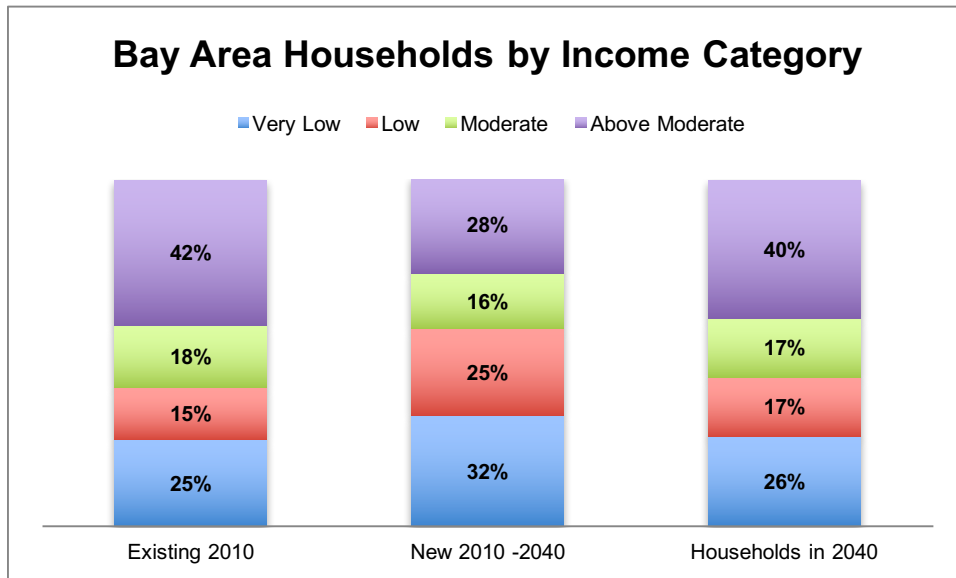
³¹ There were 2008 regular working hours in 2015, taking into account weekend and federal holidays. 2008/12=167.33. \$8,187/167.33=\$48.93.



Source: *An Equity Profile of the San Francisco Bay Area Region*; Policy Link, USC Program for Environmental & Regional Equity

The lack of affordable housing is a major factor in Marin’s relative lack of ethnic diversity compared to the rest of the Bay Area, and Marin could become even more exclusive in the future. Regional income distribution is projected to deteriorate further between now and 2040. Today, about 40 percent of the existing 2.6 million households in the Bay Area (or just over 1 million) fall into the very-low and low-income groups, according to U.S. Census figures. “Due to the growth in leisure and hospitality, retail and other low-income jobs, the number of people in very-low and low-income groups is projected to increase from 40 percent of households to 43 percent of households by 2040, while those in the moderate and above-moderate categories will decrease from 60 percent to 57 percent of households” (see chart below).³²

³² *Plan Bay Area*; ABAG, MTC, 2013



The increasing number very-low-, low- and moderate-income households makes it likely that Marin will continue to be relatively less diverse than the rest of the Bay Area and that the disparity may actually increase.

Marin’s minority residents are largely concentrated in Marin City and San Rafael’s Canal district. The shortage of affordable housing contributes to these segregated residential patterns, as does the small amount of land zoned for residential development. We must build environmentally friendly affordable housing in all of our communities to keep this pattern from getting worse.

Improving the range of rental and ownership choices will improve the lives of children and families. When families can find rents that are less than a 30% of their monthly income, they can better afford reliable transportation to work. They have more money for food, clothing, medical care and other needs, and they are better able to send their kids to school healthy and ready to learn. Parents who live near their jobs reduce their commute time, allowing more time for involvement with children’s activities and time at home.

Increasing the options to afford a safe and stable home will result in better outcomes for children and parents. They will benefit from:

- Increased school attendance;
- Reduced stress, illness and mental-health problems; and
- Having a safe place to play, do homework and share family time.