

Section 3: Housing Needs [Approved by the HETF on 4-26-10]

3.0 Introduction

The Regional Housing Needs Allocation (RHNA) is a state-mandated process which determines the quantity and affordability of housing for which a community must plan. The California Department of Housing and Community Development assigned the Bay Area a housing needs allocation of 214,500 for the 2007-2014 planning period. Of this figure, 4,882 units were allocated to Marin County for the planning period (roughly 690 a year) through distribution formula developed by The Association of Bay Area Governments. Of this figure, 165 units were allocated to the City of Sausalito.

Assembly Bill 1233, which took effect on January 1, 2006, requires local governments to “carry-over” RHNA allocations if a housing element fails to identify or make adequate sites available in a prior planning period. Since the City of Sausalito did not adopt an updated housing element in the 1999-2006 planning cycle to address the 1999-2006 RHNA allocations, the city must carry-over the housing needs allocation from the 1999-2006 planning period into the 2007-2014 planning period. Therefore, the combined housing needs allocation is 372 units, and just over a third of these must be affordable to lower income households (see **Table 3.1**).

Table 3.1 Sausalito RHNA Allocations (Planning Cycles 1999-2006 and 2007-2014)

Housing Income Limits and Needs (Based on Median Income of \$95,000)			
	Allocation 1999- 2006 Planning Cycle	Allocation 2007- 2014 Planning Cycle	Total Allocation
Very Low (<50% Median Income)	36	45	81
Low (<80% Median Income)	17	30	47
Moderate (<120% Median Income)	50	34	84
Above Moderate	104	56	160
Total Allocation	207	165	372

It should be stressed that Sausalito is required to demonstrate that 372 units in various income categories can be accommodated. In developing its plan the city is required to consider a wide range of factors that have an impact on housing supply, demand, and affordability, such as population and employment growth, the condition of the housing stock, and the needs of segments of the population with special needs, such as the elderly, persons with disabilities, and large families or single parent households.

Much of the data in this report is taken from the 2000 US Census and subsequent projections and estimates by the Association of Bay Area Governments (ABAG). Some projections extend 25 years into the future, to 2035. The Housing Element Committee has chosen to limit the time horizon to the year 2020, since this is well past the 2014 horizon for the present planning period and the Committee believes that projections farther in the future have little reliability or bearing on the issues before it.

3.1 Existing Housing Need

3.1.1 Population and Employment

Population Projections

The population of Sausalito has remained relatively constant from 1980-2000 (see **Table 3.2**).

Table 3.2 Sausalito's Population from 1980-2000

1980 Population	1990 Population	2000 Population
7,338	7,152	7,330

While Marin County's population is projected to grow at a slightly faster pace in the next 10 years than it has in the past decade, the growth will be uneven, so in some jurisdictions growth will be slower or, as in Sausalito's case, remain flat. See **Table 3.3** below for the population figures and projected annual growth rates for 2000 to 2020.

Table 3.3 Projected Countywide Annual Growth Rate (2000-2020)

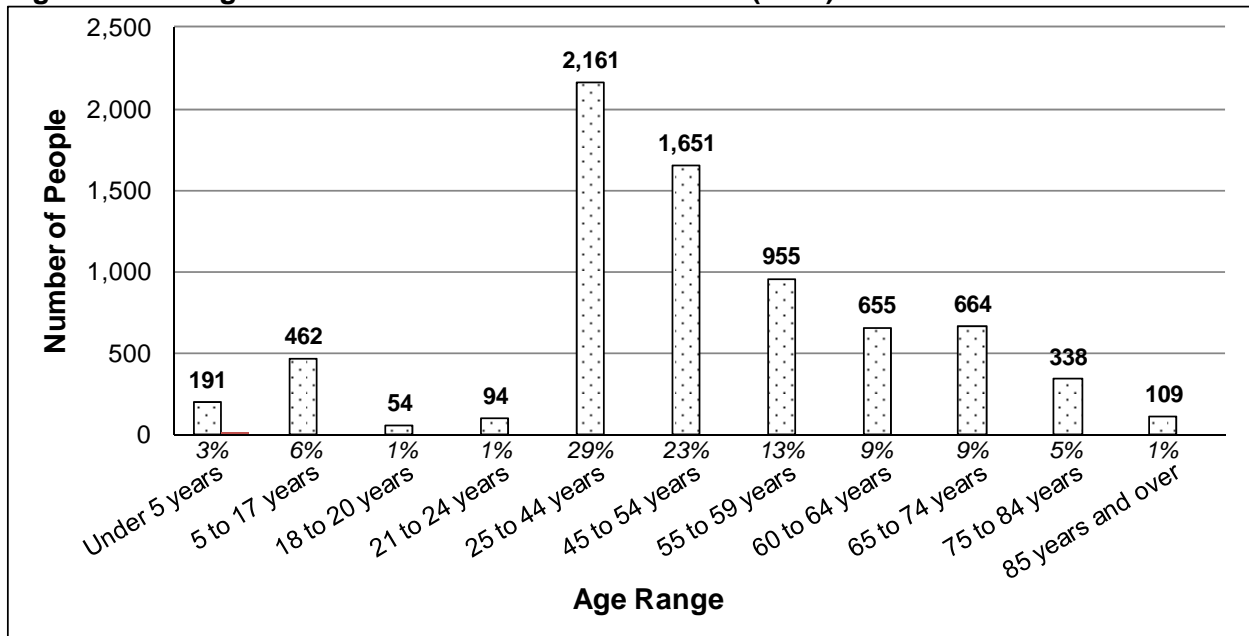
Jurisdiction	2000 Population	2010 Population	2020 Population	2000-2010 Growth Rate	2010-2020 Growth Rate
Belvedere*	2,125	2,150	2,200	0.1%	0.2%
Corte Madera**	9,242	9,800	10,300	0.6%	0.5%
Fairfax**	8,548	8,700	8,900	0.2%	0.2%
Larkspur**	24,804	25,200	27,200	0.2%	0.8%
Mill Valley**	18,486	19,000	19,700	0.3%	0.4%
Novato**	50,359	55,800	59,300	1.1%	0.6%
Ross**	2,329	2,450	2,500	0.5%	0.2%
San Anselmo**	14,740	14,900	15,100	0.1%	0.1%
San Rafael**	68,582	66,000	69,700	-0.4%	0.6%
Sausalito**	7,615	7,700	7,800	0.1%	0.1%
Tiburon**	10,758	11,100	11,300	0.3%	0.2%
Unincorporated	29,701	35,600	36,700	2.0%	0.3%
Countywide	247,289	258,400	270,600	0.4%	0.5%

*City **City Sphere of Influence

Source: ABAG Projections, 2007

Sausalito's age distribution is strongly skewed towards those 24 and older. **Figure 3.1** below provides the breakdown based on an estimated 2008 total population of 7,503 people.

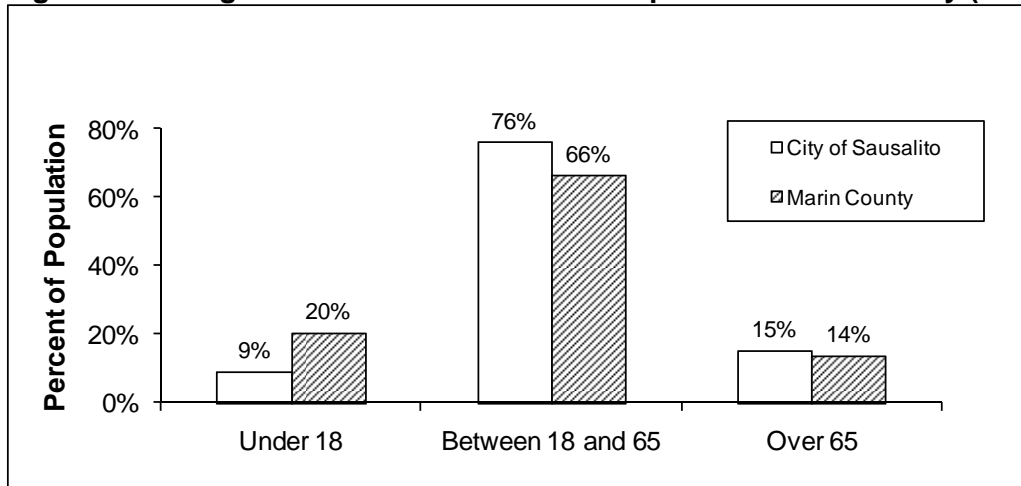
Figure 3.1 Age Breakdown of Sausalito Residents (2008)



Source: Claritas (2008)

Sausalito’s percentage of persons under 18 is 11 points lower than the Marin County figure, while the percentage for people between 18 and 65 is about 10 points higher. The percentage of people over 65 is about the same (see **Figure 3.2**).

Figure 3.2 Age of Sausalito Residents Compared to Marin County (2008)



Source: Claritas (2008)

The greatest increases in population age groups over the next 10 years are expected to be the elderly and young adult households, which tend to have the lowest income levels. By the year 2020, according to the Marin Commission on Aging (MCA), one out of every three Marin residents will be 60 year of age or older. MCA predicts this age group will nearly double in size from 40,000 to 74,000 persons by 2020. Three of four individuals of the “oldest old,” 85 years of age or greater, are expected to be women.

Employment Trends

The 2007 ABAG projections indicate that in 2010 Sausalito is projected to have 5,290 employed residents (i.e. the working population of Sausalito). In 2008 two-thirds of the employed residents in Sausalito were employed in professional, management, business or financial occupations (see **Table 3.4**). The services, agricultural, construction and transportation industries combined employ less than one-eighth of the working population, or 617 people.

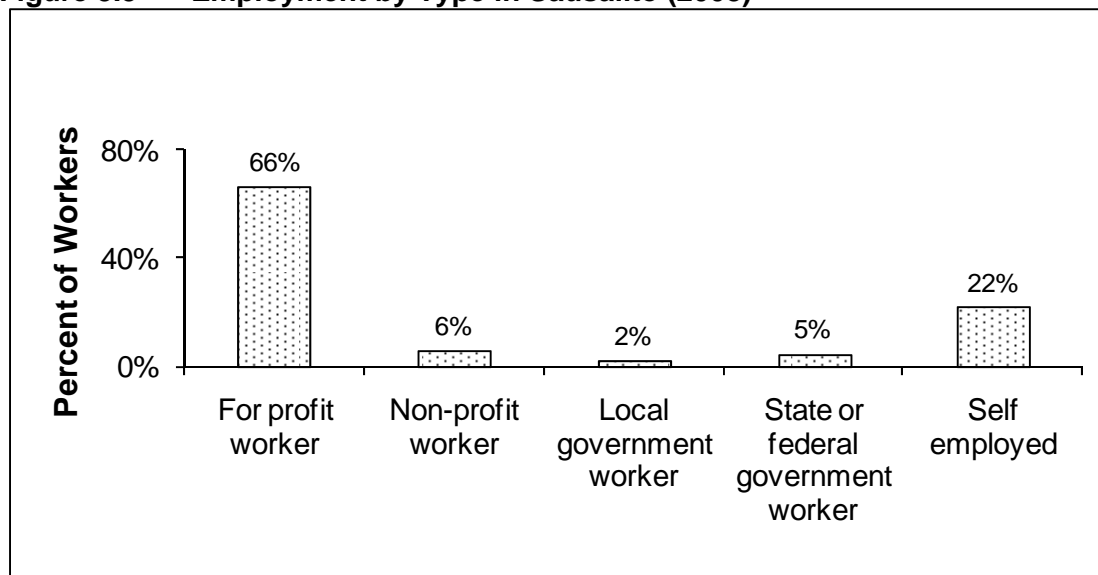
Table 3.4 Occupation by Type in Sausalito

Occupation	Number of Employed Sausalito Residents	Percent
Management, Business, and Financial Operations	1,654	32%
Professional and Related Occupations	1,763	35%
Service	386	8%
Sales and Office	1,063	21%
Farming, Fishing, and Forestry	8	0%
Construction, Extraction and Maintenance	152	3%
Production, Transportation and Material Moving	71	1%
Total	5,097	100%

Source: Claritas (2008)

The 2007 ABAG projections indicate that in 2010 there will be 7,580 total jobs (the number of jobs in Sausalito). In 2008 the overwhelming major of those in the workforce in Sausalito are employed by for-profit organizations or self-employed. Government workers at all levels account for only 7% of all workers (see **Figure 3.3**).

Figure 3.3 Employment by Type in Sausalito (2008)



Source: Caritas 2008

According to the Department of Finance figures, the median annual salary of a job based in Marin was \$37,000 in 2007. Typical Marin County wages are listed below in **Table 3.5**, below.

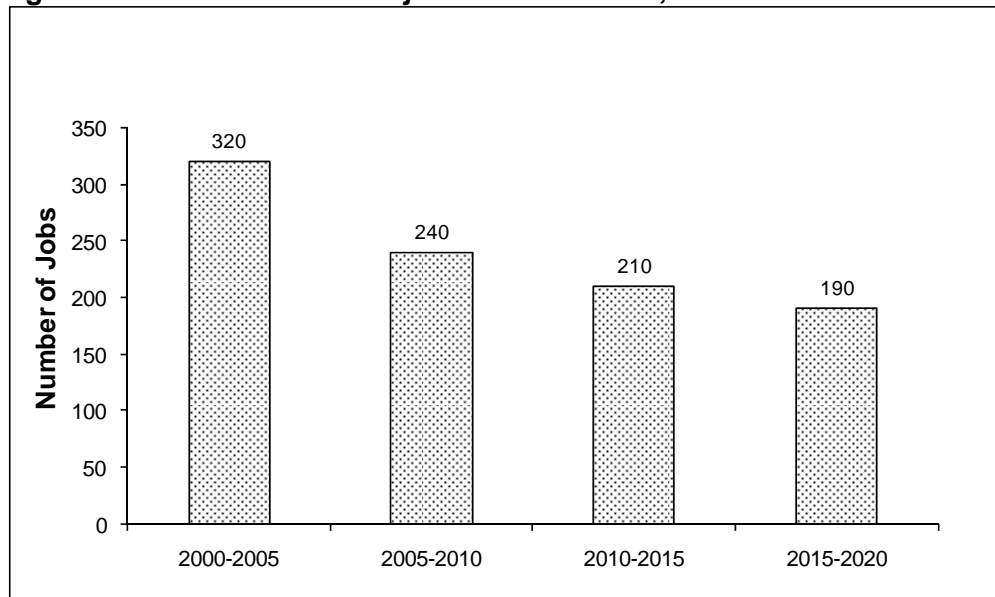
Table 3.5 Typical Marin County Wages

Occupation	Wages in 2008
Retail Salespersons	\$26,852
Postal Service Clerks	\$45,676
Paralegals and Legal Assistants	\$60,758
Middle School Teachers	\$62,079
Electricians	\$73,259
Computer Systems Analysts	\$87,373
Dentists	\$141,007

Source: CA Employment Development Department

According to ABAG projections, the decline in the rate of job growth seen in Sausalito in the past decade will continue to 2020, falling from an average of 56 new jobs per year over the past 10 years to only 40 per year for the next 10 years. See **Figure 3.4** for Sausalito’s projected job growth through 2020.

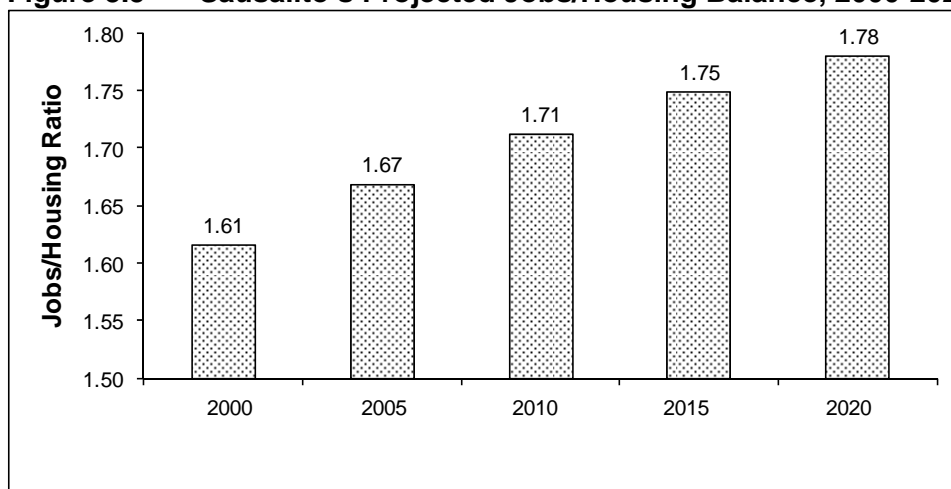
Figure 3.4 Sausalito’s Projected Job Growth, 2000-2020



Source: ABAG Projections 2007

In general, jobs/housing balance is an indicator of how many vehicle miles workers must commute to their jobs. A highly skewed ratio often means workers must commute far from where they live. The ratio of jobs per households is expected to increase in Sausalito from 1:1.6 in 2000 to 1:1.7 in 2020 (see **Figure 3.5**). Generally, it is desirable to have a balance of jobs and workers in order to reduce commute times. However, a 1:1 ratio between jobs and employed residents does not guarantee a reduction in commute trips. Although Sausalito is expanding its job base, many residents still commute elsewhere to work, while many of the people who work in Sausalito are living in other communities due to high housing costs (in comparison to level of pay), limited housing availability, or personal lifestyle choices. A simplified ratio measurement does not take these factors into account. Therefore, one focus of the Housing Element is to address the issue of matching housing costs and types to the needs and incomes of the community’s workforce.

Figure 3.5 Sausalito’s Projected Jobs/Housing Balance, 2000-2020



Source: ABAG Projections 2007

3.1.2 Housing Condition

Housing Types and Production

Surprisingly, Sausalito has almost exactly the same number of housing units in single family as in multi-family structures. **Table 3.6** below shows the details and summarizes the change in housing types in Sausalito from 2000 to 2008.

Table 3.6 Change in Housing Types in Sausalito, 2000-2008

Unit Type	2000		2008		2000-2008 Change	
	Number	Percent	Number	Percent	Number	Percent
Single-Family						
<i>Detached</i>	1,706	38%	1,743	38%	37	2%
<i>Attached</i>	423	9%	427	9%	4	1%
Subtotal Single-Family	2,129	47%	2,170	48%	41	2%
Multi-Family						
<i>2-4 units</i>	1,353	30%	1,346	29%	-7	-1%
<i>5+ Units</i>	805	18%	827	18%	22	3%
<i>Mobile Home and Other</i>	224	5%	224	5%	0	0%
Subtotal Multi-Family	2,382	53%	2,397	52%	15	1%
Totals	4,511	100%	4,567	100%	56	1%

Source: Department of Finance E-5

Age and Condition of the Housing Stock

Sausalito’s housing stock is old. Well over 85% of the 4,533 housing units in Sausalito in 2000 were built before 1980, more than 50% were built before 1960, and about 25% are pre-1940’s structures (see **Table 3.7**). Only a net of 56 units were added to the stock between 2000 and 2008, which is not enough to make a significant change in the percentage of units in the various age categories.

Table 3.7 Age of Units Built in Sausalito and Marin County

Year Built	Number of Units Built in Sausalito	Percentage of Units Built in Sausalito	Number of Units Built in Marin County	Percentage of Units Built in Sausalito
1999 to March 2000	37	1%	998	1%
1995 to 1998	76	2%	2,693	3%
1990 to 1994	136	3%	3,698	4%
1980 to 1989	289	6%	9,887	10%
1970 to 1979	810	18%	20,006	20%
1960 to 1969	851	19%	23,181	23%
1940 to 1959	1,189	26%	27,144	27%
1939 or earlier	1,145	25%	13,043	13%
Total	4,533	100%	100,650	100%

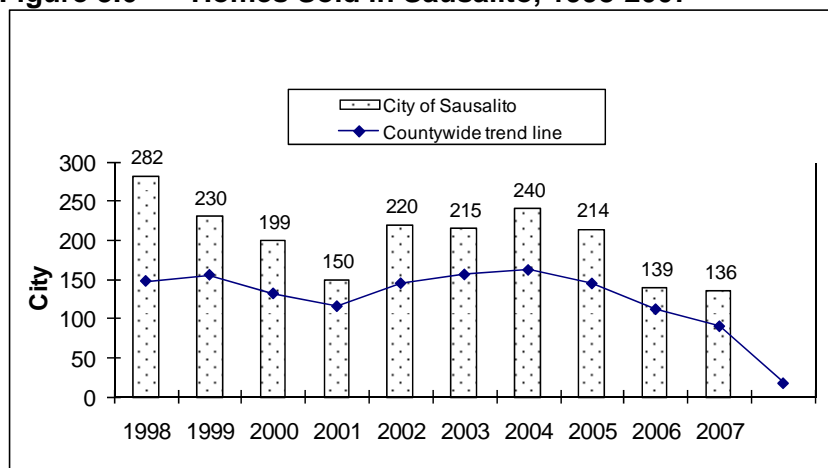
Source: US Census, 2000

Despite the advanced age of the housing stock in Sausalito, the general condition of the units is very good due to ongoing repairs, maintenance, rehabilitation, and reconstruction. Land values in Sausalito are very high so the cost of even extensive renovations is often minor in comparison to the cost of the property. As a result, properties tend to be well maintained and frequently updated. The City's Building Official has reported that there are five dwellings in Sausalito that are in need of repair and not currently under permit.

Construction prices and trends

From 2000 to 2007 2,052 homes were sold in Sausalito (see **Figure 3.6**). During the same period 45,478 homes were sold countywide (Dataquick). Although the number of homes sold varied per year, the figure followed the countywide trend.

Figure 3.6 Homes Sold in Sausalito, 1998-2007



Source: DataQuick

From 2000 to 2008 the median sale price of a home (single family and multifamily) in Sausalito increased by over 20%, from about \$490,000 to about \$740,000 (see **Table 3.8**). Compared to the county as a whole, median sales prices in Sausalito rose by a higher percentage than all other jurisdictions besides Ross.

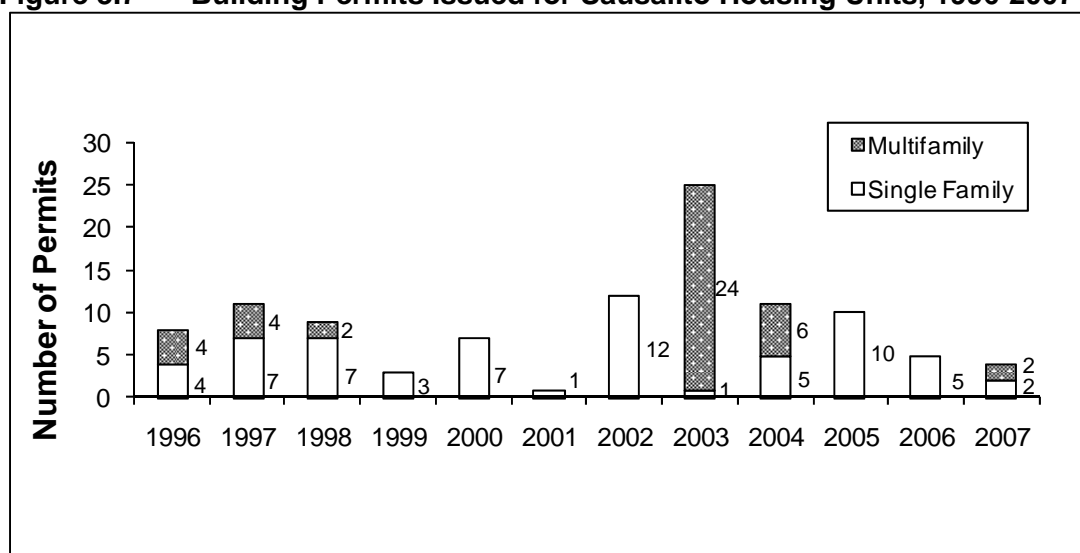
Table 3.8 Regional Median Sale Price 2000-2008 (2007 dollars)

	2000	2002	2004	2006	2008
Belvedere/Tiburon	\$1,123,268	\$1,462,094	\$1,630,150	\$1,805,528	\$1,531,457
Corte Madera	\$657,320	\$703,628	\$800,324	\$796,556	\$885,678
Fairfax	\$499,230	\$579,838	\$605,160	\$668,399	\$684,450
Larkspur	\$873,300	\$895,050	\$1,018,130	\$1,207,500	\$1,230,000
Mill Valley	\$748,845	\$862,902	\$1,005,322	\$1,012,512	\$999,297
Novato	\$457,628	\$532,257	\$603,647	\$597,594	\$636,539
Ross	\$1,476,889	\$1,370,965	\$2,239,092	\$1,663,918	\$2,661,826
San Anselmo	\$626,534	\$725,805	\$801,837	\$828,419	\$855,563
San Rafael	\$557,474	\$626,183	\$724,679	\$743,453	\$757,002
Sausalito	\$494,238	\$628,225	\$779,144	\$729,292	\$742,628

Source: DataQuick

From 1996 through 2008 the number of building permits issued for housing units in Sausalito fluctuated. On average, about five building permits for single family units and about four building permits for multifamily units were issued per year (see **Figure 3.7**).

Figure 3.7 Building Permits Issued for Sausalito Housing Units, 1996-2007



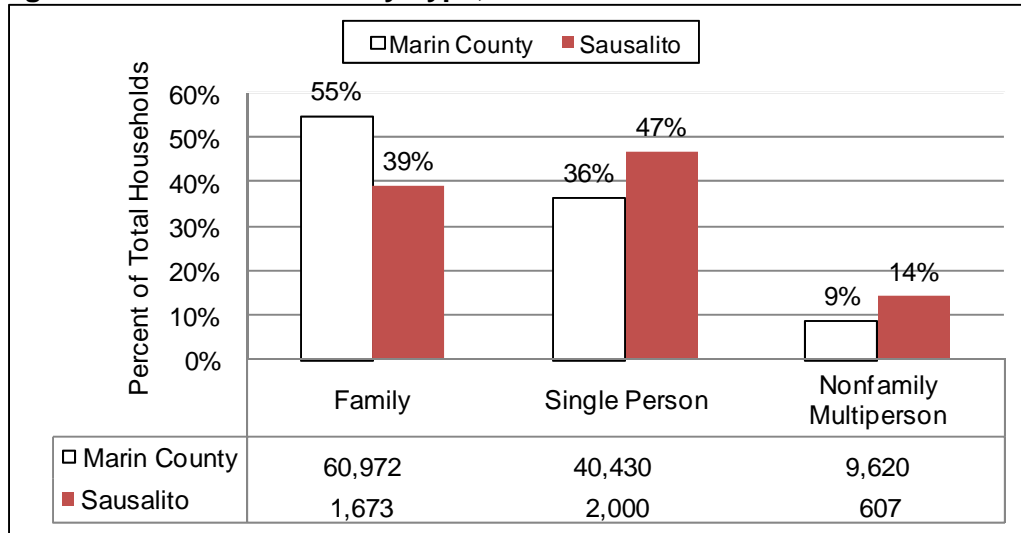
Source: Construction Industry Research Board, Building Permit Summary

3.1.3 Household Characteristics

Household Type and Tenure

The US Census defines a household as all of the people who occupy a housing unit as their usual place of residence and a housing unit as “a house, an apartment, a mobile home or trailer, a group of rooms, or a single room occupied as a separate living quarters, or if vacant, intended for occupancy as separate living quarters. Persons living in licensed facilities or dormitories are not considered households. In 2000 there were 4,280 households in Sausalito. Almost half of those households consisted of people living alone. Sausalito’s percentage of people living alone is far higher than Marin County’s. See **Figure 3.8** for a comparison of households by type in Sausalito and Marin County in 2000.

Figure 3.8 Households by Type, 2000

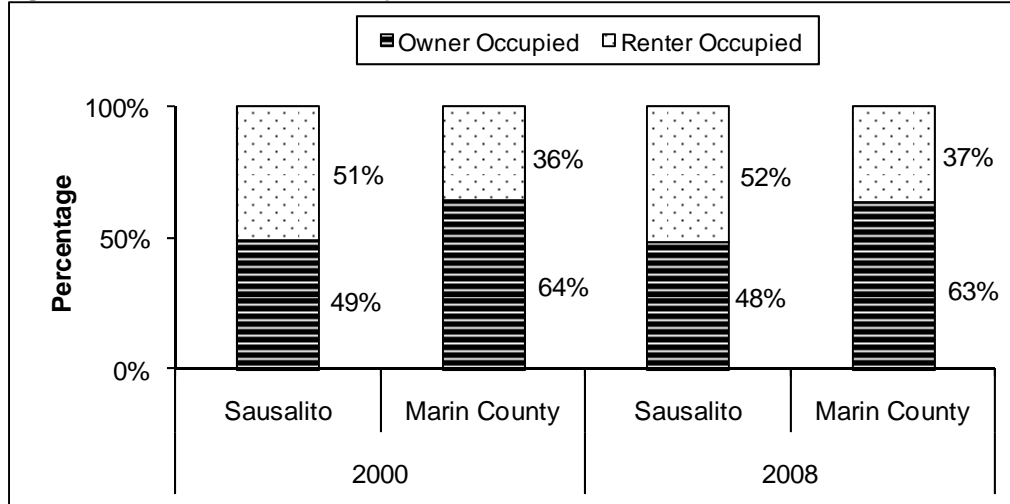


Source: US Census 2000

Housing Tenure

Tenure refers to whether a housing unit is rented or owned. Sausalito’s housing units are almost equally divided between owners and renters, in marked contrast to the county, where the percentage of home ownership is considerably higher. See **Figure 3.9** for a comparison of owner and renter occupied households in Sausalito and Marin County.

Figure 3.9 Households by Tenure

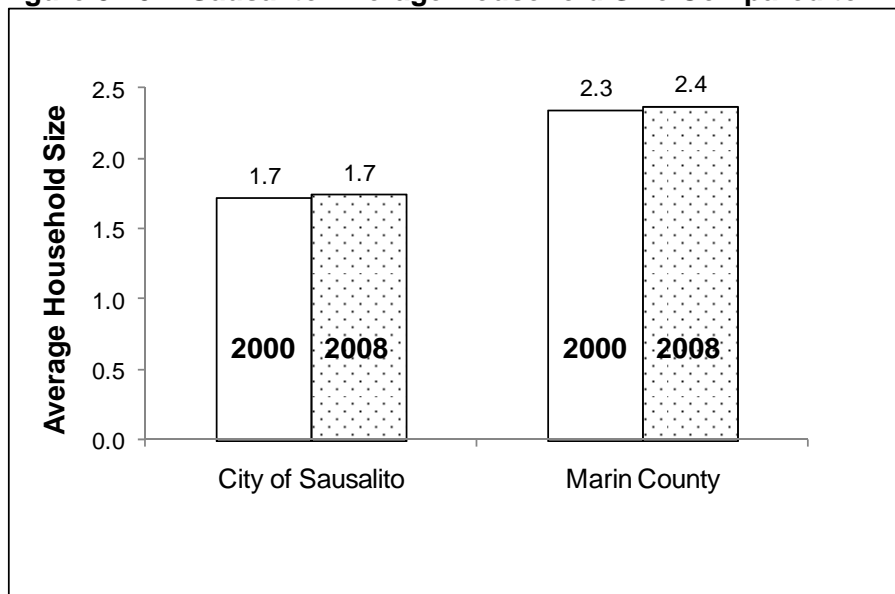


Source: US Census, 2000; Claritas, 2008

Average Household Size

The average household size in Marin County in 2000 was 2.3 persons and the average household size in Sausalito was 1.7 (US Census 2000). By 2008 the average household size in Marin County had increased slightly to 2.4 while Sausalito’s average household size remained the same (Department of Finance E5). See **Figure 3.10** for a comparison of Sausalito’s average household size in 2000 and 2008 compared to Marin County.

Figure 3.10 Sausalito Average Household Size Compared to Marin County

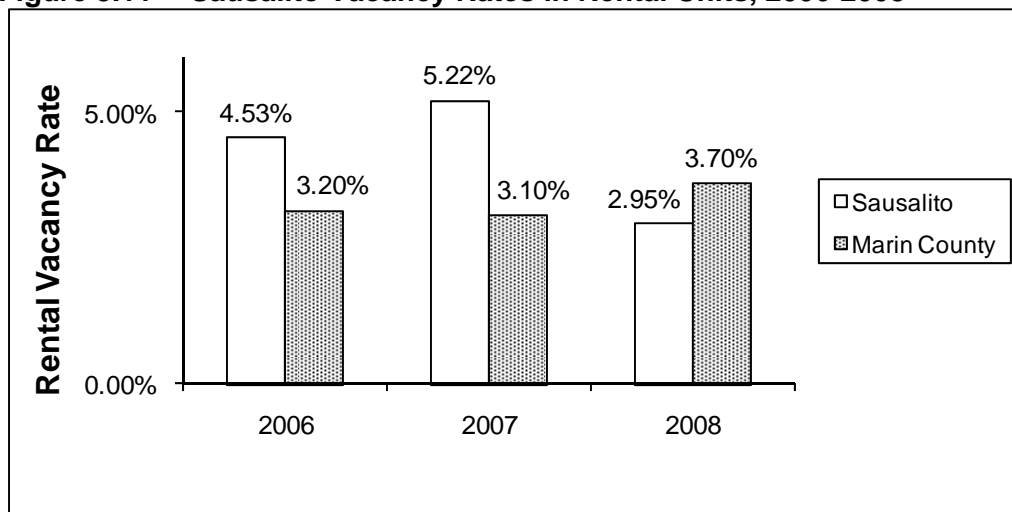


Source: US Census 1990 and 2000, Department of Finance E5 Report (DoF E5)

Vacancy Rate Trends

As housing prices have risen, rental unit vacancy rates have fallen (RealFacts). From 2006 to 2008 vacancy rates in rental units have slightly risen from 3.2 percent to 3.7 percent in Marin County. In Sausalito rental vacancy rates fluctuated from 2006 to 2008, with the vacancy rate just under 3 percent in 2008 (see **Figure 3.11**).

Figure 3.11 Sausalito Vacancy Rates in Rental Units, 2006-2008



Source: RealFacts

Housing experts consider a five percent rental vacancy rate as necessary to permit ordinary rental mobility. In a housing market with a lower vacancy rate, tenants will have difficulty locating appropriate units and strong market pressure will inflate rents. In addition, the lower the vacancy rate the greater the tendency for landlords to discriminate against potential renters. Fair Housing of Marin is a civil rights agency that investigates housing discrimination, including discrimination based on race, origin, disability, gender and children. Their caseload consists

almost entirely of renters. The organization receives approximately 1,200 inquires a year, of which about 250 are discrimination complaints that are fully investigated. Fair Housing of Main also educates landowners on fair housing laws, provides seminars in English, Spanish and Vietnamese on how to prepare for a housing search and recognize discrimination, and education programs on the importance of community diversity in schools, which includes an annual “Fair Housing” poster contest.

3.1.4 Housing Costs, Household Income and Ability to Pay for Housing

Household Income

Income is defined as wages, salaries, pensions, social security benefits, and other forms of cash received by a household. Non-cash items, such as Medicare and other medical insurance benefits, are not included as income. It is generally expected that people can afford to pay about 30% of their gross income on housing. Housing costs include rent or principal, interest, property taxes and insurance, but not utilities, food, etc. It is therefore critical to understand the relationship between household income and housing costs to determine how affordable—or unaffordable—housing really is.

Information on household income by household size is maintained by the U.S. Department of Housing and Urban Development (HUD) for each county and is updated annually. Income categories are defined as a percentage of the countywide median household income for four person households: (1) Extremely Low Income—below 35% of median income; (2) Very-Low Income—below 50% of median income; (3) Low Income—50-80% of Marin County median income; (4) Moderate Income—80-120% of Marin County median income; and (5) Above-Moderate Income—120% and above. Income limits for all income categories are adjusted for household size so that larger households have higher income limits than smaller households. For all income categories, the income limits for household sizes other than four persons are calculated using the four-person income limit as the base. Data from the 2009 State Income Limits states the median income for Marin County is \$96,800. The maximum income for each income categories based on this median income are as follows:

<i>Extremely Low Income</i>	<i>(<35% of median)</i>	<i>0-\$33,880</i>
<i>Very-Low Income</i>	<i>(<50% of median)</i>	<i>\$33,881-\$48,400</i>
<i>Lower Income</i>	<i>(<80% of median)</i>	<i>48,401-\$77,440</i>
<i>Moderate Income</i>	<i>(<120% of median)</i>	<i>\$77,441-116,160</i>
<i>Above Moderate Income</i>	<i>(>120% of median)</i>	<i>over \$116,161</i>

In 2008 approximately 400 Sausalito households (9%) earned less than \$25,000 per year, 185 households (4%) earned between \$25,000 and \$34,999 per year, 316 households (7%) earned between \$35,000 and \$49,999 per year, 564 households (13%) earned less than \$50,000 to \$74,999 per year, and 2,833 households (66%) earn over \$75,000 per year. Although recent data is not available for the proportion of owner or renter households within each of the income categories, **Table 3.8** shows a breakdown of the year 2000 households in Sausalito by tenure and income category (using four-person household income data). In 2000 the median county income was \$74,900. Thus, at the time, 35% of median was \$25,900, 50% of median was \$37,450, 80% of median was \$59,920 and 120% of median was \$89,880.

Table 3.8 Household Tenure by Income in Sausalito, 2000

<i>Census Category</i>	Renters		Owners		Total	
	<i>Number</i>	<i>Percent</i>	<i>Number</i>	<i>Percent</i>	<i>Number</i>	<i>Percent</i>
Less than \$5,000	92	4%	41	2%	133	3%
\$5,000 to \$9,999	16	1%	43	2%	59	1%
\$10,000 to \$14,999	32	1%	39	2%	71	2%
\$15,000 to \$19,999	59	3%	67	3%	126	3%
\$20,000 to \$24,999	90	4%	31	1%	121	3%
\$25,000 to \$34,999	88	4%	109	5%	197	5%
\$35,000 to \$49,999	241	11%	194	9%	435	10%
\$50,000 to \$74,999	465	21%	262	12%	727	17%
\$75,000 to \$99,999	285	13%	269	13%	554	13%
\$100,000 to \$149,999	369	17%	314	15%	683	16%
\$150,000 or more	446	20%	728	35%	1174	27%
Total:	2,183	100%	2,097	100%	4,280	100%

Source: US Census 2000

Extremely Low Income (ELI) Housing Needs (<35% of county median income)

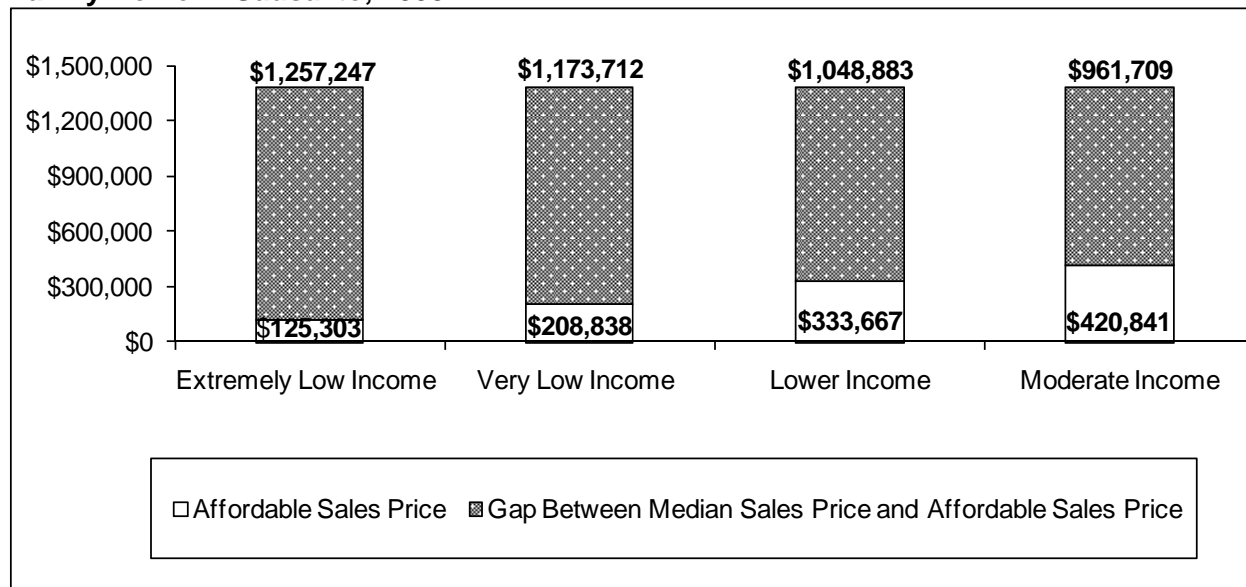
In virtually all cases the only housing choice for extremely low income households is rental housing. For individuals, single-room occupancy units are also an affordable solution. Deed restricted rentals that target these income categories, often with supportive services, can be the best housing solution for extremely low income families or individuals.

Sales Prices, Rents and Ability to Pay for Housing

There is a gap between affordable housing costs and actual housing costs for all lower income groups in Marin County. Households on an extremely low income budget can afford less than 10 percent of the median sales price of a single family home and just less than half the rent of a two bedroom apartment. In addition, the median sale price for a single family home in Sausalito is affordable only to households earning considerably more than a moderate income in the County.

In 2003, the median price for a single-family detached home in Sausalito was \$1,075,000. Assuming a 6.5% interest rate, a 30-year fixed loan, and a 20% down payment, an income over \$230,000 per year would be needed to qualify for a loan for a single-family detached home. As housing costs and incomes have continued to increase, the issue of affordability has become more pronounced for Marin residents on the lower end of the income spectrum. The median price for a single-family detached home in Sausalito in 2008 was \$1,382,550, requiring an income over \$300,000 per year to qualify for a loan (see **Figure 3.12**). The cost of multi-family homes has also increased, and to a greater degree. The median price of a townhome or condominium rose from \$493,750 in 2003 to \$780,000 in 2008. The required income to afford the median townhome or condominium rose from \$109,000 to over \$171,000.

Figure 3.12 Gap between Affordable Sales Price and Median Sales Price of Single Family Home in Sausalito, 2008



Source: Marin County Assessor's Office. Affordable sales price based on the following assumptions: 6.5% interest rate, 30-year fixed loan, 20% down-payment and no additional monthly payments or funds available.

Assuming 30% of gross monthly income is spent on rent, very low income four-person households can afford a maximum monthly rent of \$1,571 in Sausalito, based on the 2009 median income figure. Likewise, extremely low income four-person households can afford a maximum monthly rent of \$943. In 2008 the average rental price for a one-bedroom, one-bathroom apartment in Sausalito was \$1,482, a two bedroom, two bathroom apartment was 1,817 and a three-bedroom, two bathroom apartment was \$1,915 (Real Facts, 2008). Average priced rental accommodation may be affordable to households with lower or moderate income, but is still unaffordable to households with very low or extremely low income in Sausalito.

Programs like Section 8 or units built with affordability controls can help meet the needs of lower income households. To meet this need it may be important to provide deeper levels of subsidy or housing with supportive services.

3.1.5 Overpaying

The 2000 Census indicates that overpayment remains a critical problem for lower and moderate-income households, who are disproportionately affected by this burden compared to other households. Affordability problems occur when housing costs become so high in relation to income that households have to pay an excessive proportion of their income for housing, or are unable to afford any housing and are homeless. Housing overpayment refers to spending more than 30 percent of income on housing; severe overpayment is spending greater than 50 percent.

Three quarters of lower income families in Sausalito, those with incomes under 80% of the county median, over overpay for housing, meaning that more than 30% of their income goes to housing. For families lower down on the income scale the housing burden is worse. Three out of four extremely low income households devote more than half of their income to housing.

The percentage of Sausalito's lower income population with high housing cost burdens is show in **Table 3.9** below.

Table 3.9 Housing Cost Burden by Tenure and Household Size in Sausalito

	Total Renters	Total Owners	Total Households
Extremely Low Income	169	149	318
% with any housing problems	73.4%	100%	85.8%
% Cost Burden >30% (Overpayment)	73.4%	86.6%	79.6%
% Cost Burden >50% (Severe Overpayment)	73.4%	73.2%	73.3%
Very low income	159	105	264
% with any housing problems	100%	76.2%	90.5%
% Cost Burden >30% (Overpayment)	100%	76.2%	90.5%
Lower Income	249	210	459
% with any housing problems	88%	64%	77%
% Cost Burden >30% (Overpayment)	82%	64%	74%

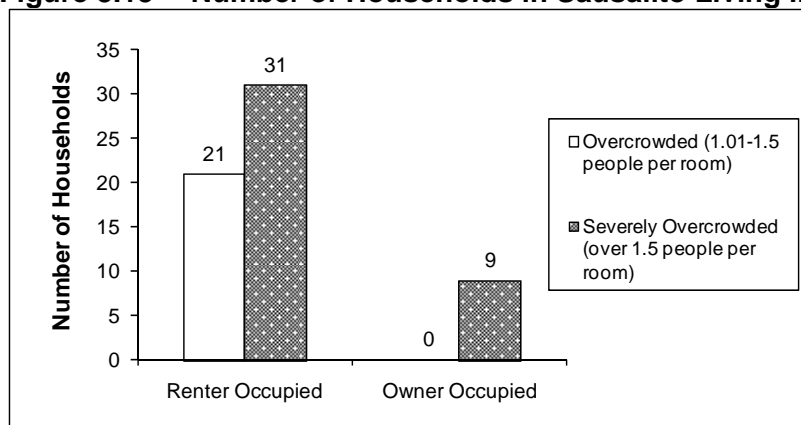
Source: State of the Cities Comprehensive Affordability Strategy (CHAS)

3.1.6 Overcrowding

The stated defines an overcrowded unit as one occupied by more than 1.01 people per room excluding bathrooms and kitchens. A unit with more than 1.5 people per room is severely overcrowded. The incidence of overcrowded housing is a general measure of whether there is an available supply of adequately sized housing units. In Sausalito in 2000, only 1.43% percent (61 households) of all households were considered overcrowded, and of these, 65 percent were severely overcrowded.

In Sausalito, tenure makes a significant difference in the rate of overcrowding. Of the 2,079 owner-occupied households in 2000, 0.43 percent were overcrowded. Overcrowding is much more prevalent in rental housing. Of the 2,183 rented units in Sausalito in 2000 2.38 percent of households were overcrowded and of these, 60 percent were severely overcrowded. See **Figure 3.13** for the number of households in Sausalito living in overcrowded units.

Figure 3.13 Number of Households in Sausalito Living in Overcrowded Units



Source: US Census 2000

3.1.7 Foreclosure

As of January 2008, California had the nation's second-highest foreclosure rate (RealtyTrac.com). The foreclosure crisis has had a relatively smaller impact on Marin than the Bay Area region or the State as a whole; nonetheless, the price of housing is still not affordable to lower income households and those that work in Marin-based industries. On January 7, 2009, the Marin Independent Journal reported, "Marin foreclosures more than tripled in 2008". In December 2008, 1 in 148 homes in California was in foreclosure. In Marin County, 1 in 528 homes was in foreclosure. Between 2007 and 2008, foreclosure rates rose in most jurisdictions throughout the Bay Area and the State. Many rates were high; however, this was frequently due to the very low rates in 2007 when a small increase would result in a high percentage change. In contrast, the median change in the Bay Area as a whole was approximately a 50% increase.

However, the crisis has impacted public perception. The idea that the need for new construction is obsolete because affordable homes are available due to the foreclosure crisis is widespread and may increase community opposition to new construction of affordable homes. Because Marin has one of the lowest foreclosure rates in the State, Marin is not eligible for funds such as the Neighborhood Stabilization Program (NSP) through HUD.

Another useful indicator of foreclosure trends is the proportion of housing stock at risk of foreclosure; a home is termed at risk (or "under water") when it is worth less than the amount the owner still owes on the original mortgage. Owners who owe more than their homes are worth have a higher frequency of foreclosure. There were 205 foreclosure notices in Marin County in December of 2008, of which 5 occurred in Sausalito. The number of foreclosure notices in Marin County was widely distributed from jurisdiction to jurisdiction, for example, in December of 2008 there were 3 foreclosure notices in Larkspur compared to 83 in Novato.

3.1.8 Assisted Developments at Risk of Conversion

California housing element law requires all jurisdictions to include a study of all lower income housing units which may at some future time be lost to the affordable inventory by the expiration of some type of affordability restrictions.

Sausalito does not have any housing that is "at-risk" of conversion to market rate. Sausalito has a total of 38 affordable rental housing units. Bee Street Housing, Inc., owns a six-unit senior housing property at 408 Bee street which is managed by EAH Housing. The maximum income for a one person household at the Bee Street Housing property is \$39,600 annually and for a two person household is \$45,250 annually. The units were built on a 20-year HUD 202 contract which was renewed by HUD until 2025.

The Sausalito Rotary (a 501.c.3 non-profit) owns and manages the remaining 32 affordable units in Sausalito. Rotary Place is a 10 unit senior housing property on Bee Street and Rotary Village is a 22 unit senior housing development on Olima Street. The Rotary Housing projects were built without restrictive loans and are maintained as affordable projects as part of the organization's community service.

3.2 Special Needs Housing

In addition to overall housing needs, every jurisdiction must make a special effort to facilitate the development of housing for special need groups. To meet the community's special housing needs (including the needs of seniors, people living with physical and mental disabilities, single parent and female-headed households, large families, farmworkers, and individuals and families who are homeless), Sausalito must be creative and look to new ways of increasing the supply,

diversity and affordability of this specialized housing stock. **Table 3.10 and Table 3.11** provide the number of households and people in Sausalito within the various special needs groups.

Table 3.10 Estimate of Special Needs Households in Sausalito, 2000

Special Needs Households	Total
Elderly (65+)	1,111
Large Family	28
Single-Female Headed	148
Total	1,287

Source: Census 2000, Claritas 2008

Table 3.11 Estimate of Special Needs Persons in Sausalito, 2000

Special Needs Persons	
Persons with disabilities:	1,728
16-64 years	1,221
65+ years	507
Farmworkers	491
Permanent	245
Seasonal (less than 150 days)	246
Total	2,219

Source: Census 2000, Claritas 2008

Special needs housing includes a variety of housing types and living arrangements, from independent living (owning or renting), to assisted living (licensed facilities), to supportive housing, transitional housing, and emergency shelter. Further, the vast majority of special needs housing is service enriched. In other words, services are offered to residents to help them maintain independent living as long as possible.

It is anticipated that liveaboards and second dwelling units are a significant potential for providing affordable housing in Sausalito. To provide affordable housing opportunities for lower income households, Sausalito allows 10% of the total number of berths in marinas or harbors in Sausalito to be occupied by liveaboards or houseboats. One of the marinas in the City, Galilee Harbor is owned by a co-op and is primarily occupied by households with below moderate incomes. There are **x.x** marinas in Sausalito. The number of available berths at each marina varies—the smallest number is **x.x** and the largest number is **x.x**. The 2000 Census indicated that **x.x** liveaboards were identified in Sausalito. It is estimated that there are **x.x** existing liveaboards in Sausalito, some of which have been formally permitted and some of which the City has an opportunity to formally recognize and permit.

Currently, Sausalito’s Zoning Ordinance prohibits the establishment or construction of a new second dwelling unit. Legal (i.e. permitted prior to the second unit prohibition) and illegal (i.e. established without a City zoning or building permit) second dwelling units exist throughout the City. **[xx.x insert info regarding number of second units]** It is fair to assume that second dwelling units, due to their nature as accessory units, provide an affordable housing resource for special needs groups in Sausalito.

3.2.1 Persons with Disabilities

According to 2000 Census data there are a total of 1,728 persons in Sausalito with disabilities (i.e., sensory, physical, mental and self-care disabilities), the majority of which are aged 16-64 (see **Table 3.11**). People living with disabilities represent a wide range of different housing

needs, depending on the type and severity of their disability as well as personal preference and lifestyle. The design of housing, accessibility modifications, proximity to services and transit, and group living opportunities represent some of the types of considerations and accommodations that are important in serving this need group. Incorporating barrier-free design in all new multifamily housing is especially important to provide the widest range of choice, and is required by the State of California and Federal Fair Housing laws.

Special consideration should also be given to the issue of income and affordability, as many people with disabilities may be in fixed income situations. As the population ages, the need for housing for people with disabilities will increase. Consideration can be given to dwelling conversion (or adaptability) and appropriate site design.

3.2.2 Seniors

As demonstrated in **Table 3.11**, seniors are a significant special needs group in Sausalito, with a total population of 1,111. With the overall aging of society, the senior population (persons over 65 years of age) will increase in most communities, including Sausalito. Consequently, the need for affordable and specialized housing for older residents will grow. The particular housing needs of this group includes the need for smaller and more efficient housing, for barrier-free and accessible housing, and for a wide variety of housing with health care and/or personal services, including the provision of a continuum of care as elderly households become less self-reliant. Typical forms of housing to meet the needs of seniors include smaller attached or detached housing for independent living (both market rate and below market rate); second units; shared housing; age-restricted subsidized rental developments; congregate care facilities; licensed facilities; and skilled nursing homes.

As people reach 75 years of age there is a dramatic increase in dementia, and in Marin County there is a significant need for dementia facilities or opportunities for seniors to remain with their family, such as in a “granny” or “in-law” second unit. There is also a need for housing where an “in-home” care-giver can reside.

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

- 1) Given the limited supply of vacant residential land, senior projects will compete with non-age-restricted housing for development sites, potentially conflicting with housing efforts aimed at meeting other important housing needs.
- 2) Senior households on fixed incomes have limited resources for home improvements to maintain or rehabilitate older housing. The need for rehabilitation assistance programs may increase.
- 3) Many seniors can become “trapped” in large houses due to upkeep expenditures and house payment increases that would result from moving into a smaller housing unit. This creates new information and assistance needs for local housing programs (Strategic Plan Data Focus Report 2004-2014, Division of Aging, Marin Health and Human Services)

Low- and very low-income seniors often cannot afford the cost of licensed facilities in Marin. According to the Marin County Division of Aging, the average basic rent is currently between \$3,500 to \$4,000 per month for a single bed (room, bathroom, and three meals a day). Personal care is an additional cost above the basic housing charge.

As discussed in Section 3.1.7 (Assisted Developments at Risk of Conversion) above, Sausalito has three facilities for very-low income seniors, one owned by the non-profit housing corporation and managed by the Ecumenical Association for Housing (EAH) and the other two owned by the Rotary Housing Corporation. The three facilities provide 38 affordable rental housing units for very-low income seniors.

3.2.3 Large Households

Large households, defined as households with five or more persons, have special housing needs. Large households tend to have difficulty purchasing housing because large housing units are rarely affordable for lower income families and rental units with three or more bedrooms are not common. It is likely that large households in Sausalito, and Marin County in general, would have a difficult time finding affordable, appropriately sized housing. However, given the low incident of overcrowding, the high proportion of single-person households in Sausalito, and the high cost of housing in general, it is likely that the number of large households seeking housing in Sausalito is fairly limited. This is supported by **Table 3.11** on page 16 that shows, based on 2000 Census data, that there are 28 large families within Sausalito, which amounts to 2 percent of the special needs households in Sausalito and only 0.7 percent of the total households in Sausalito.

3.2.4 Single Parent and Female-Headed Households

Single parent and female-headed households, like large households, may have difficulty finding appropriately sized housing and need affordable housing with day care and recreation programs on-site or nearby, in proximity to schools and with access to services. Also, despite fair housing laws, discrimination against children may make it more difficult for this group to find adequate housing. Women in the housing market, especially the elderly, lower and moderate income individuals, and single-parents, face significant difficulties finding housing, and both ownership and rental units are extremely expensive relative to the incomes of many people in this population category. In 2000 there were 148 single-female headed householders, which amounted to 3.5 percent of the total number of households in Sausalito. However, none of the single-female headed householders had incomes below the poverty line in 2000 (2000 Census SF 3: P10 and P90)

3.2.5 Farmworkers

State law requires that housing elements evaluate the need for farmworker housing in the local jurisdiction. Although the most recent regional needs determination did not assess the regional need for additional farmworker housing in the Bay Area, the 1988 needs determination concluded that there is no regional need for additional farmworker housing in the Bay Area. There are no agricultural uses in Sausalito and, because lots tend to be small, the demand for landscape maintenance workers is small. There was no migrant worker housing identified in Sausalito in the 1990 Census. **Table 3.11** on page 16 indicates that in 2000 there were 491 farmworkers in Sausalito, which were likely people working within the fishing industry. Sausalito has a diversity of housing types including houseboats and liveaboards that could serve the needs of this special needs group.

3.2.6 Individuals and Families who are Homeless

In order to comply with Senate Bill 2 (SB 2), the City must analyze the housing needs of its homeless population, including the need for emergency shelter, transitional and supportive housing. According to the State Department of Housing and Community Development, emergency shelter is defined as housing that offers minimal supportive services, limits occupancy to six months or less, and is provided at no cost to the family or individual.

Homeless individuals and families have perhaps the most immediate housing need of any group. They also have one of the most difficult sets of housing needs to meet, due to both the diversity and complexity of the factors that lead to homelessness, and to community concern regarding the siting of housing that serves homeless clients. Statistics regarding homelessness reflect everyone who does not have a permanent home of their own including people who are staying with friends or family, living in their cars, staying in shelters as well as those who are on the street.

Number of Homeless People

The best source of data for estimating the daily average number of homeless people is the 2009 Marin Homeless Point in Time Count, which was conducted by the Marin Health and Human Services on January 29, 2009. The data was gathered from 50 organizations serving homeless people and included a count of both unsheltered homeless people (those living on the streets) and those who were sheltered (living in emergency shelters and transitional housing) on the night of the count (see **Table 3.12**). The count reports numbers of sheltered and unsheltered homeless people to the U.S. Department of Housing and Urban Development (HUD), according to HUD's definition of homelessness.

The count found a total of 351 unsheltered homeless and a total of 726 sheltered homeless people in Marin County. The unsheltered homeless count is broken down by jurisdiction in **Table 3.12**.

Table 3.12 Marin County Unsheltered Homeless, 2009

City	Unsheltered Homeless Estimate	2008 Population Estimate	Percentage of Total County Population
Belvedere	3	2,161	0.8%
Corte Madera	13	9,512	3.7%
Fairfax	10	7,412	2.9%
Larkspur	17	12,204	4.7%
Mill Valley	19	13,925	5.4%
Novato	72	52,737	20.5%
Ross	3	2,393	0.9%
San Anselmo	17	12,601	4.9%
San Rafael	79	58,235	22.6%
Sausalito	10	7,503	2.9%
Tiburon	12	8,917	3.5%
Unincorporated County	96	69,806	27.1%
Total	351	257,406	100%

Source: 2009 Marin Homeless Point in Time Count, Claritas 2008

As shown above, the study found that there were 10 unsheltered homeless in Sausalito. Data is not available on the breakdown of the sheltered homeless population by jurisdiction, and since the vast majority of Marin's emergency shelters and transitional housing are located in either San Rafael or Novato, it is likely that most of the 726 sheltered homeless people were residing in one of those two jurisdictions on the night of the count.

Homeless Subpopulations and Service Needs

In addition to estimating the daily average number of homeless people, SB2 requires that jurisdictions include in their Housing Elements a description of the percentage of subpopulations

of homeless people in the community, including data that identifies specific service needs (e.g. mental illness, substance use, developmental disability, emancipated foster youth). The best source for estimating homeless subpopulations and service needs is the 2009 Marin Homeless Point in Time Count. As part of the 2009 count, data was gathered on how many homeless people had particular disabilities or other special needs. See **Table 3.13** below for a county-wide summary of these needs.

Table 3.13 Special Needs of the Homeless Community in Marin County, 2009

Subpopulation/Special Needs	Percentage
Chronically Homeless	32%
Mentally Ill	32%
Chronic Substance Abuse	1%
Veterans	41%
HIV/AIDS	0%
Domestic Violence	39%
Unaccompanied Youth (under age 18)	12%
Senior (65 or older)	0%
Physical Disability	53%
Emotional Disability	0%

Source: 2009 Marin Homeless Point in Time Count

This data demonstrates that homeless people in Marin County are likely to have at least one disability, with over 32% reporting a mental illness and/or a substance abuse issue and 53% reporting a physical disability. The survey found that 32% were chronically homeless, meaning they had a disability and had been homeless continuously for 12 months or had experienced four episodes of homelessness over a three year period. This data is consistent with national studies that have found high levels of disability among homeless people and suggests that both health and behavioral health services are needed to assist this population. Consistent with what has been found nationally, Marin’s homeless people also includes a significant number of veterans (41%) and people with domestic violence issues (39%).

The one-day count does not include a breakdown of homeless people by jurisdiction. The following table provides a rough estimate of the number of unsheltered homeless people by jurisdiction based on the percentage of Marin’s total population that lives in each community.

Inventory of Resources Available

SB 2 also requires that the Housing Element include an inventory of the homeless housing resources available within the community, including emergency shelters, transitional housing and supportive housing. Currently Sausalito does not have a dedicated emergency shelter, transitional housing or supportive housing within its jurisdictional boundary. Additionally, there is not currently any emergency shelter, transitional housing or supportive housing project in the development pipeline in Sausalito. However, the Citizens Housing Corporation maintains 50 beds at the Fireside Affordable Housing site in nearby Mill Valley, approximately 0.8 miles away from Sausalito’s city limits.

Unmet Need for Emergency Shelter, Transitional and Supportive Housing

There is no data presently available documenting the increased level of demand for shelter in Marin County during particular times of the year. Due to the relatively mild climate, the only time of year when increased demand appears to be a factor is during the winter months (December to February). The biannual homeless count always takes place in the last week of January,

which is a period when demand for shelter typically is at its highest. Since the year-round need described above is based on that biannual count, the seasonal need for emergency shelter is no likely greater than the year-round need.

In Sausalito, there are an estimated 10 unsheltered homeless individuals, creating an unmet need of 10 emergency shelter beds.

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