

## 4.2 POPULATION AND HOUSING

This section provides background information on existing and projected population, employment, and housing conditions in San Rafael and estimates changes to the City's demographics and projected population growth that could result from the proposed project. The analysis is based on population, employment, and housing data published by the Association of Bay Area Governments (ABAG) and Metropolitan Transportation Commission (MTC),<sup>1</sup> the United States Census Bureau, the San Rafael General Plan 2040 (General Plan), and the 2023-2031 Housing Element of the City's General Plan.<sup>2</sup>

### 4.2.1 Setting

The following setting information provides a basic foundation of existing conditions with respect to population, housing, and employment conditions within San Rafael, as well as for the region. The information presented in this section is based on data, research, and growth projections drawn mainly from United States Census data, ABAG's Projections 2040,<sup>3</sup> the General Plan, the 2023-2031 Housing Element, and California Department of Finance data.

#### 4.2.1.1 Population

The City of San Rafael is located in Marin County in the northwestern region of the San Francisco Bay Area (Bay Area). San Rafael is bounded by Novato to the north, the Towns of Fairfax, San Anselmo, and Ross to the west, Larkspur to the south, and the San Pablo and San Francisco Bays to the east. According to the United States Census Bureau, San Rafael encompasses approximately 16.47 square miles.<sup>4</sup> In 2020, when the United States Census was conducted, the population in the Bay Area was 7,765,640, Marin County was 262,321, and San Rafael was 59,800.<sup>5</sup> Table 4.2.A provides a summary of the population trends and projections for the Bay Area, Marin County, and San Rafael from 2023 (the current year) to 2040. The 2023 projections show that the population in the area has declined slightly since the census was completed; nevertheless, future long-range regional population projections through 2040 remain valid as population trends may fluctuate over time according to market conditions and other factors (i.e., availability of housing, the COVID 19 pandemic). According to the State of California Department of Finance, the population of the Bay Area was 7,548,792 in 2023, and ABAG and MTC's Plan Bay Area 2050 projections estimates that the region's population

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<sup>1</sup> Association of Bay Area Governments (ABAG) and Metropolitan Transportation Commission (MTC). 2018. *Plan Bay Area Projections 2040*. Website: <http://projections.planbayarea.org/> (accessed January 17, 2022).

<sup>2</sup> City of San Rafael. 2023. *City of San Rafael 2023-2031 Housing Element*. June 7.

<sup>3</sup> Plan Bay Area 2050 was adopted October 21, 2021 but does not include detailed population projections for individual counties and cities within the Bay Area; therefore, this document utilizes projections from Plan Bay Area 2040.

<sup>4</sup> United States Census Bureau. n.d. *QuickFacts, San Rafael city, California*. Website: <https://www.census.gov/quickfacts/sanrafaelcitycalifornia> (accessed January 17, 2022).

<sup>5</sup> Ibid.

**Table 4.2.A: Population and Household Trends and Projections:  
2023 to 2040**

Area	2023			2025			2040		
	Population	Household	Average Household Size	Population	Household	Average Household Size	Population	Household	Average Household Size
San Francisco Bay Area (millions)	7.55	3.02	2.49	8.23 <sup>1</sup>	3.09 <sup>1</sup>	2.66	9.49 <sup>1</sup>	3.84 <sup>1</sup>	2.47
Marin County	252,959	112,183	2.25	277,580 <sup>2</sup>	123,991 <sup>2</sup>	2.23	320,569 <sup>e</sup>	144,874 <sup>e</sup>	2.21
San Rafael	59,681	24,699	2.41	65,056 <sup>2</sup>	25,271 <sup>2</sup>	2.57	68,710	28,160	2.43

Source 1: E-5 Population and Housing Estimates for Cities, Counties, and the State, 2020-2023 (California Department of Finance n.d.).

Source 2: *Plan Bay Area 2050, A Vision for the Future* (ABAG and MTC 2021).

Source 3: *San Rafael General Plan 2040* (City of San Rafael 2021a).

<sup>1</sup> Plan Bay Area 2050 assumes a growth rate of 1.45 percent per year.

<sup>2</sup> Projections for population and households at the County and City level are not available for 2025. These estimates are proportional to the County and City's share of population and households compared to 2023 and 2040.

<sup>3</sup> Plan Bay Area 2050 does not include population projections for the year 2040 at the County level. This estimate is proportional to average population per household in 2023 for the County (252,959/112,183 = 2.25 persons per households).

ABAG = Association of Bay Area Governments

MTC = Metropolitan Transportation Commission

n.d. = no date

will grow to approximately 9.49 million by 2040. Marin County's total population in 2023 was 252,959, with anticipated increases to 271,024 by 2025 and 320,569 by 2040.<sup>6</sup>

Of the 11 incorporated cities and towns within Marin County, San Rafael has the largest population as of 2023, with a total of 59,681 residents.<sup>7</sup> The San Rafael General Plan 2040 predicts that San Rafael's total population will increase to approximately 68,710 by 2040 (or by 9,029 residents compared to 2023 conditions or 8,910 residents compared to 2020 conditions when the General Plan was prepared, equating to a difference of 119 fewer residents during the 3-year period).<sup>8</sup> The data in Table 4.2.A indicate that the rate of population growth from 2023 to 2040 in San Rafael (15 percent) would be higher than the anticipated population growth of Marin County (8 percent), and less than the Bay Area as a whole (24 percent).

Based on the population and household estimates shown in Table 4.2.A, the Bay Area had an average household size (total population divided by number of households) of 2.49 persons in 2023, and is estimated to have average household sizes of 2.66 and 2.47 in 2025 and 2040, respectively. In 2023, Marin County had an average household size of 2.25, and San Rafael's average household size

<sup>6</sup> California Department of Finance. 2023. *E-5 Population and Housing Estimates for Cities, Counties, and the State, 2020-2023*. Website: <https://dof.ca.gov/forecasting/demographics/estimates/e-5-population-and-housing-estimates-for-cities-counties-and-the-state-2020-2023/> (accessed August 2023).

<sup>7</sup> City of San Rafael. 2021a. *San Rafael General Plan 2040*. August 2.

<sup>8</sup> City of San Rafael. 2021b. *San Rafael General Plan 2040 & Downtown Precise Plan Draft EIR*. January 7.

was 2.41.<sup>9</sup> As noted in Table 4.2.A, population and household projections are not available at the city and county level for 2025; therefore, estimates were made proportionate to the 2040 totals. These estimates indicate that average household size in Marin County would be approximately 2.23 in 2025 and 2.57 in San Rafael. In 2040, the average household size in Marin County is estimated to be approximately 2.21, and the average household size in San Rafael is estimated to be 2.43.

#### 4.2.1.2 Housing

The following section discusses existing housing conditions within San Rafael and focuses on the city’s housing stock, housing values/rental costs, rental affordability, overcrowding, and the city’s Regional Housing Needs share. Table 4.2.B shows the estimated number of total housing units in San Rafael, Marin County, and the Bay Area in 2023, as well as occupancy status and housing type. As shown in Table 4.2.B, according to the California Department of Finance, the estimated number of housing units in San Rafael as of January 1, 2023 was 24,699, with a vacancy of 1,140 units (a vacancy rate of 4.7 percent). The estimated number of housing units in Marin County and the Bay Area was 112,183 and 3,021,536, respectively.<sup>10</sup>

**Table 4.2.B: San Rafael and Marin County Housing Characteristics, 2023 Estimates**

Housing Characteristic – 2023 Estimates	San Rafael	Marin County	Bay Area
<b>Total Housing Units</b>	<b>24,699</b>	<b>112,183</b>	<b>3,021,536</b>
<b>Occupancy Status</b>			
Vacant Units	1,140	7,588	176,623
Occupied Units	23,559	104,595	2,844,913
<b>Housing Type</b>			
Single-Family Units (Detached and Attached)	13,926	79,958	1,845,125
Multiple-Family Units	10,380	30,334	1,118,831
Mobile Homes/Other	393	1,891	57,580

Source: E-5 Population and Housing Estimates for Cities, Counties, and the State, 2020-2023 (California Department of Finance n.d.).

According to ABAG and MTC, the number of households in Marin County is projected to grow to approximately 144,874 units by 2040, which is an increase of approximately 28 percent. According to forecasts from the San Rafael General Plan 2040, the number of households in San Rafael is projected

<sup>9</sup> It is acknowledged that the average household size can fluctuate over time and from year to year, as population trends and housing stock also fluctuates. For example, according to the 2023-2031 Housing Element, the average household size in San Rafael grew from 2.44 in 2020 to a high of 2.55 in 2023. The analysis in this Environmental Impact Report (EIR) considers the average household size in San Rafael to be 2.49 persons per household, which is consistent with the household size evaluated in the City of Rafael’s General Plan and the General Plan EIR, which include the growth assumptions for the planning area, including the project site, through the year 2040. This number also conservatively equates to the current regional Bay Area household size of 2.49.

<sup>10</sup> California Department of Finance. n.d. *E-5 Population and Housing Estimates for Cities, Counties, and the State, 2020-2023*. Website: <https://dof.ca.gov/forecasting/demographics/estimates/e-5-population-and-housing-estimates-for-cities-counties-and-the-state-2020-2023/> (accessed August 2023).

to grow to approximately 28,160 units by 2040, which is an increase of approximately 17 percent. Overall, the household growth rate in San Rafael is expected to be similar to the household growth rate for the Bay Area, which is 19 percent.

Of the 24,699 total housing units in San Rafael, approximately 56 percent of the housing stock consists of housing units within single-family detached and attached<sup>11</sup> structures, and 42 percent consists of multi-family units.<sup>12,13</sup> According to the United States Census, approximately 50 percent of the City's occupied housing units were owner-occupied between 2017 and 2021, the years for which the most recent data are available.<sup>14</sup>

**Housing Value/Rental Costs.** Housing prices in the Bay Area are among the highest in the country, and Marin County includes some of the most expensive residential communities in the Bay Area. According to 2019 United States Census data, Marin County was the fifth wealthiest county in the United States.<sup>15</sup> The median value of owner-occupied housing units in San Rafael was \$923,100 between 2015 and 2019, which represents a 14 percent increase from the 2006–2010 median value of \$811,000, and a 93 percent increase from the 2000 median value of \$477,100.<sup>16,17</sup> According to a variety of online real estate marketplaces, the current typical home value in San Rafael, as of January 2022, is between \$1 million and \$1.3 million. The need for affordable housing in San Rafael has been highlighted as a top issue in the current and previous General Plans since 1974.<sup>18</sup>

**Rental Affordability.** The cost of housing is generally the greatest expense for households. Generally accepted affordability standards measure housing cost in relation to gross household income. The measure of affordability is based on the 30 percent of income standard used in federal housing policy subsidy programs. For example, those households spending in excess of about 30 percent of their income on housing are generally “cost-burdened.” According to the San Rafael General Plan 2040, the median rental price for a two-bedroom, two-bath apartment was \$3,144 in 2019, a 65 percent increase from the 2010 median cost of \$1,904. According to United States Census data from 2014–2018, 5,264 renter-occupied units (or 47.5 percent of renters in San Rafael) paid more than 35 percent of their income on rent.<sup>19</sup> Table 4.2.C shows fair market rental rates per unit size for 2022.

<sup>11</sup> Single-family attached structures refer to side-by-side units such as townhomes.

<sup>12</sup> Ibid.

<sup>13</sup> A multi-family unit refers to two or more units included in a single building (e.g., apartments).

<sup>14</sup> United States Census Bureau. n.d. *QuickFacts, San Rafael city, California*. Website: <https://www.census.gov/quickfacts/sanrafaelcitycalifornia> (accessed January 17, 2022).

<sup>15</sup> City of San Rafael. 2021a. San Rafael General Plan 2040. August 2.

<sup>16</sup> United States Census Bureau. n.d. *QuickFacts, San Rafael city, California*. Website: <https://www.census.gov/quickfacts/sanrafaelcitycalifornia> (accessed January 17, 2022).

<sup>17</sup> Bay Area Census. n.d. *City of San Rafael, Marin County*. Website: <http://www.bayareacensus.ca.gov/cities/SanRafael.htm> (accessed January 17, 2022).

<sup>18</sup> City of San Rafael. 2015. *City of San Rafael 2015-2023 Housing Element*.

<sup>19</sup> City of San Rafael. 2021a. San Rafael General Plan 2040. August 2.

**Table 4.2.C: Fair Market Rents – Marin County, 2022**

No. of Bedrooms	Fair Market Monthly Rent
0	\$2,115
1	\$2,631
2	\$3,198
3	\$4,111
4	\$4,473

Source: 2022 Fair Market Rent Documentation System (United States Department of Housing and Urban Development n.d.).

**Overcrowding.** Information regarding overcrowding conditions can provide another measure of the relative affordability of housing in San Rafael. Typically, a housing unit is considered overcrowded if there is more than 1.0 person per room. According to United States Census data from 2021, 2,335 housing units (or 9.47 percent of households in San Rafael) met the definition of overcrowded.<sup>20</sup>

#### 4.2.1.3 Employment

The employment profile for an area provides an indication of the composition of an area’s economy and the present and future demand for employees. San Rafael is the county seat of Marin County and serves as an important employment and economic center, accounting for about 33 percent of Marin County’s jobs. There is primarily a concentration of health care and social assistance; retail; professional, scientific, and technical services; construction; and accommodation and food services.<sup>21</sup> As described in Chapter 3.0, Project Description, a total of 2,190 workers would be employed on the project site at full occupancy under current leasing agreements.

Approximately 66 percent of San Rafael residents over the age of 16 were estimated to be in the workforce as of 2019, slightly higher than the Marin County rate (64 percent) and State rate (63 percent). As of April 2021, Marin County had an unemployment rate of 4.6 percent.<sup>22</sup> As of 2021, the average median household income within San Rafael is \$104,521, and 9.2 percent of the population is below the poverty line.<sup>23</sup> Table 4.2.D presents ABAG and MTC’s projections for total jobs in San Rafael compared to Marin County and the Bay Area.

As shown in Table 4.2.D, ABAG and MTC projections from 2020 to 2040 show a steady increase in employment in the Bay Area (23.7 percent) and San Rafael (12 percent), and a slower increase in employment in Marin County (3.9 percent).

<sup>20</sup> City of San Rafael. 2021a. San Rafael General Plan 2040. August 2.

<sup>21</sup> Ibid.

<sup>22</sup> Ibid.

<sup>23</sup> United States Census Bureau. n.d. *QuickFacts, San Rafael city, California*. Website: <https://www.census.gov/quickfacts/sanrafaelcitycalifornia> (accessed January 17, 2022).

**Table 4.2.D: Employment Trends in San Rafael, Marin County, and the Bay Area, 2020-2040 (Total Number of Jobs)**

Jurisdiction	2020	2040	Growth (2020-2040)
San Rafael	43,430	48,650	4,050 (12 percent)
Marin County	129,900	134,960	5,060 (3.9 percent)
San Francisco Bay Area	4,080,000	5,050,000	970,000 (23.7 percent)

Source 1: San Rafael General Plan 2040 (City of San Rafael 2021a).

Source 2: *Plan Bay Area 2050, A Vision for the Future* (ABAG and MTC 2021).

ABAG = Association of Bay Area Governments

MTC = Metropolitan Transportation Commission

#### 4.2.1.4 Regulatory Framework

The following section provides brief discussions of the applicable State, regional, and local regulatory framework related to population and housing.

**State Regulations.** State regulations applicable to the proposed project include California Housing Element Law and recently adopted legislation, as described below.

**California Housing Element Law.** The Regional Housing Needs Allocation (RHNA) is a process established under the State Housing Element law that requires cities in California to plan for the future development of new housing units to meet their share of regional housing needs. Housing needs for each region in the State are determined by the State Department of Housing and Community Development (HCD) and submitted to Councils of Government for local jurisdictions. ABAG is ultimately responsible for determining the share of regional housing needs to be met by each city in the Bay Area. State housing law has established three housing affordability categories. The categories are based on the region's median income, taking into account households ranging in size from one to six people. These three affordability categories are used by ABAG in allocating regional housing needs:

- **Very-Low:** 0 to 50 percent of the area's median income
- **Low:** 51 to 80 percent of the area's median income
- **Moderate:** 81 to 120 percent of the area's median income

The current RHNA identifies allocated housing units for the 2023 to 2031 period.<sup>24</sup> As shown in Table 4.2.E, ABAG identified 3,220 units (defined by income category) as the City's fair share of the regional housing need for the 2023 to 2031 period.

<sup>24</sup> Association of Bay Area Governments (ABAG). 2022. *Final Regional Housing Needs Allocation (RHNA) Plan: San Francisco Bay Area, 2023-2031*. November.

**Table 4.2.E: ABAG Regional Housing Need Allocation for 2023–2031**

Income Level	San Rafael Need	Marin County Need	Regional Need
Very-Low	857	4,171	114,442
Low	492	2,400	65,892
Moderate	521	2,182	72,712
<b>Subtotal of Affordable Units</b>	<b>1,870</b>	<b>8,753</b>	<b>253,046</b>
Above Moderate	1,350	5,652	188,130
<b>Total</b>	<b>3,220</b>	<b>14,405</b>	<b>441,176</b>

Source: Final Regional Housing Needs Allocation (RHNA) Plan: San Francisco Bay Area, 2023–2031 (ABAG 2022).  
 ABAG = Association of Bay Area Governments

**Sustainable Communities Strategy and Senate Bill (SB) 375.** SB 375, adopted in 2008, requires preparation of a Sustainable Communities Strategy (SCS) as part of the Regional Transportation Plan (RTP) for the Bay Area. Plan Bay Area 2050, the SCS for the region, was jointly approved in October 2021 by ABAG and MTC. Plan Bay Area 2050 is the strategic update to the original Plan Bay Area, approved in 2013, which represented a transportation and land use/housing strategy for how the Bay Area will address its transportation mobility and accessibility needs, land development, and greenhouse gas (GHG) emissions reduction requirements through 2050. Plan Bay Area 2050 builds on earlier work to develop an efficient transportation network, provide more housing choices, and grow in a financially and environmentally responsible way. SB 375 requires that the RHNA be consistent with the SCS and establishes an 8-year cycle. The 2023-2031 RHNA has been incorporated into Plan Bay Area 2050.

**Housing Accountability Act, Permit Streamlining Act, and Senate Bill (SB) 330.** SB 330, adopted in 2019, made numerous changes to both the Housing Accountability Act (HAA) and Permit Streamlining Act (PSA), and established the Housing Crisis Act (HCA). SB 330 established a two-step process by which project sponsors can “lock in” applicable fees and development regulations by submitting a Preliminary Application.<sup>25</sup> The HAA was amended to prohibit more than five hearings for projects that comply with the general plan and zoning code objective standards in effect when full applications are deemed complete. SB 330 also shortens the time frame for approval of housing projects under the PSA, requiring local agencies to approve a project within 90 days of certification of an Environmental Impact Report (EIR). However, a local agency can disapprove a project that is inconsistent with objective development standards or that would have a specific adverse effect on public health and safety if there are no feasible mitigation measures to reduce the impact. Finally, the HCA restricts local agencies’ ability to adopt housing moratoria and from changing a land use designation to remove housing as a permitted use or to reduce residential density unless corresponding zoning amendments are made elsewhere to compensate for the reduced housing units.

<sup>25</sup> SB 1030, adopted in 2020, now allows project sponsors to lock in fees without a Preliminary Application.

**Regional Regulations.** ABAG and MTC are the regional planning and transportation agencies that consider regional population growth in the Bay Area. The applicable regulatory framework is described below.

**Plan Bay Area 2050.** As discussed above, Plan Bay Area 2050 is a State-mandated, integrated long-range transportation and land use plan for the San Francisco Bay Area. As required by SB 375, all metropolitan regions in California must complete an SCS as part of an RTP. This strategy integrates transportation, land use, and housing to meet GHG reduction targets set by the California Air Resources Board (CARB). The plan meets those requirements. In addition, the plan sets a roadmap for future transportation investments and identifies what it would take to accommodate expected growth. The plan neither funds specific transportation projects nor changes local land use policies.

In the San Francisco Bay Area, the MTC and ABAG adopted Plan Bay Area 2050 in October 2021. To meet the GHG reduction targets, the plan identifies four growth geographies where future growth in housing and jobs should be focused: Priority Development Areas (PDAs), Priority Production Areas (PPAs), Transit-Rich Areas (TRAs), and High-Resource Areas (HRAs). The agencies estimate more than 80 percent of housing growth would occur within TRAs and nearly 30 percent would be within HRAs, and more than 60 percent of job growth would be within walking distance of high-quality transit between 2015 and 2050.<sup>26</sup> The project site is located within the Northgate PDA, which indicates that it is an area generally near job centers or frequent transit that has been identified by the City of San Rafael for housing and job growth.

**Jobs-Housing Connection Strategy.** The Jobs Housing Connection Strategy was adopted by ABAG and MTC as part of Plan Bay Area in July 2013.<sup>27</sup> The Jobs Housing Connection Strategy reflects the preferred land use pattern, which was selected from a series of land use alternatives and based on input from the public, cities and counties, and transportation agencies. The preferred scenario aims to concentrate growth near transit-served employment centers in the inner Bay Area. For the SCS, the methodology used for assigning household growth to local jurisdictions incorporates multiple factors, including housing development capacity, base housing unit growth, vehicle miles traveled/transit service adjustment, and additional growth factors.

**Local Regulations.** The project would be required to comply with local regulations including the 2040 General Plan, the 2023-2031 Housing Element (Housing Element), and the Inclusionary Housing Requirements in the Zoning Ordinance.

**San Rafael General Plan 2040.** The General Plan contains the following goals, policies, and actions related to population and housing:

<sup>26</sup> Growth projections do not sum to 100 percent because PDAs, TRAs, and HRAs are not mutually exclusive.

<sup>27</sup> Association of Bay Area Governments (ABAG) and Metropolitan Transportation Commission (MTC). 2012. *Jobs-Housing Connection Strategy*. May.



**Goal LU-1: Well-Managed Growth and Change:** grow and change in a way that serves community needs, protects the environment, improves fiscal stability, and enhances the quality of life.

**Policy LU-1.3:** Land Use and Climate Change: focus future housing and commercial development in areas where alternatives to driving are most viable and shorter trip lengths are possible, especially around transit stations, near services, and on sites with frequent bus service. This can reduce the greenhouse gas emissions associated with motor vehicle trips and support the City's climate action goals.

**Policy LU-1.8:** Density of Residential Development: use the density ranges in the Land Use Element to determine the number of housing units allowed on properties within the Planning area.

**Goal LU-2: A Complete Community:** San Rafael is a complete community, with balanced and diverse land uses.

**Policy LU-2.2:** Mixed Use Development: encourage mixed-use development (combining housing and commercial uses) in Downtown San Rafael and on commercially designated properties elsewhere in the city. Mixed-use development should enhance its surroundings and be compatible with adjacent properties.

**Policy LU-2.12:** Innovative Housing Types: encourage non-traditional and innovative forms of housing that respond to local housing needs, changing demographics, high housing costs, remote work trends, and sustainability goals.

**Goal LU-3: Distinctive Neighborhoods:** create and sustain neighborhoods of integrity and distinctive character.

**Policy LU-3.3:** Housing Mix: encourage a diverse mix of housing choices in terms of affordability, unit type, and size, including opportunities for both renters and owners.

**Policy LU-3.5:** Neighborhood Identity: enhance neighborhood identity and sense of community by retaining and creating gateways, landscape features, and other improvements that help define neighborhood entries and focal points

**Policy LU-3.6:** Transitions Between Uses: outside of mixed use developments, maintain buffers between residential uses and adjacent commercial and institutional uses. Parking lots, loading areas, trash facilities, and similar activities associated with non-residential uses should be appropriately screened.

**Goal EV-1: A Healthy and Resilient Economy:** maintain a healthy and resilient local economy that attracts investment, creates jobs, and provides services for residents and visitors.

**Policy EV-1.8:** Workforce Housing: aggressively encourage creation and retention of housing that is affordable to low and moderate-income workers, especially those providing necessary local services, such as public safety, health care, elder care, and education.

**Goal EDI-3: Housing Stability:** improve housing stability for all San Rafael residents, particularly those with low or very low incomes.

**Policy EDI-3.2: Affordable Housing Development:** encourage the development of affordable rental housing to meet the needs of all San Rafael households.

**Policy EDI-3.4: Healthy Homes:** promote and ensure safe and sanitary housing and healthy living conditions for all residents, particularly lower income renters.

**City of San Rafael 2023-2031 Housing Element.** The Housing Element contains the following goals, policies, and actions related to population and housing:

**Goal H-4: Housing Choice.** Meet housing needs through a range of housing choices and affordability levels throughout the city.

**Policy H-4.2: Preventing Displacement.** Prevent the displacement of lower income residents due to expiring housing subsidies, rising costs, evictions without cause, conversion of housing units to non-residential use, and other factors that make it difficult for people to stay in San Rafael. Ensure that any housing units occupied by lower income renters are replaced in kind in the event they are demolished and redeveloped, including first right of return to renters who may be displaced.

**Policy H-4.14: Commercial to Residential Conversion.** Encourage the adaptive reuse of older commercial buildings, including office and retail buildings, for housing.

**Policy H-4.15: Housing and Infrastructure.** Coordinate with water, sanitary sewer, and dry utility service providers to ensure that infrastructure is available to support anticipated housing development. The cost of infrastructure maintenance and improvement should be equitably shared among property owners rather than assigned entirely to new development.

**San Rafael Zoning Ordinance.** Section 14.16.030 of the San Rafael Zoning Ordinance requires all new developments, residential and non-residential, to contribute to the provision of affordable housing units for very-low, low-, and moderate-income households. Residential projects providing 15 or more housing units are required to provide 5 percent of the proposed units (excluding density bonus units) as affordable to low-income households. Development of more than 15 units must also satisfy a secondary requirement of either additional on-site affordable units, in-lieu fees for residential development, off-site affordable units, or donation of land to the City of San Rafael (City). Non-residential projects are required to provide 20 percent of the total number of residential units needed to provide housing for project employees in very-low, low-, and moderate-income households.

#### 4.2.2 Impacts and Mitigation Measures

The following describes the proposed project's potential impacts related to population and housing according to the significance criteria described below. Mitigation measures are provided as appropriate.

#### 4.2.2.1 Significance Criteria

The proposed project would have a potentially significant effect related to population and housing if it would:

**Threshold 4.2.1:** Induce substantial unplanned population growth, either directly or indirectly through:

- Development in excess of applicable Plan Bay Area 2050 or San Rafael General Plan housing or employment projections;
- Provision of infrastructure improvements substantially in excess of that needed to serve increased housing and employment growth projected by the San Rafael General Plan or Plan Bay Area 2050; or

**Threshold 4.2.2:** Directly or indirectly displace existing housing or people such that construction of replacement housing would be needed elsewhere and in turn result in one or more significant environmental effects.

#### 4.2.2.2 Project Impacts

The following section discusses potential impacts related to population and housing associated with development of the proposed project, including construction and implementation of Phase 1, which would result in the creation of 922 residential units and a reduction of approximately 756 jobs (2025 Master Plan) and Phase 2, resulting in an additional 500 residential units and a reduction of approximately 813 jobs (2040 Vision Plan). Impacts associated with Phase 1 and Phase 2 are differentiated where appropriate.<sup>28</sup>

**Threshold 4.2.1: Unplanned Growth.** In its existing condition, the project site consists of an approximately 942,597-square-foot mall and associated parking, circulation, open space, and landscaping. As described in Chapter 3.0, Project Description, a total of approximately 2,190 workers would be employed on the project site under existing conditions at full occupancy. The proposed project would result in the redevelopment of the existing mall through demolition, renovation, and new construction to accommodate a mix of commercial and residential land uses. At full buildout, the proposed project would include approximately 217,520 square feet of commercial space and up to 1,422 residential units. At full buildout, approximately 10.5 percent of the proposed residential units (i.e., 147 of the 1,422 units) would be provided to Below Market Rate (BMR) households in compliance with Section 14.16.030 of the City's Zoning Ordinance, which requires that a minimum of 5 percent of the units be provided on site as BMR. While the City's Zoning Ordinance only requires 5 percent to be located on the project site, all of the affordable units would be provided on the project site. Additionally, despite the City's RHNA allocation, very-low income units are not

<sup>28</sup> Although this analysis discusses the potential impacts of Phase 1 and Phase 2 development as projected to occur in the years 2025 and 2040, respectively, it is acknowledged that potential development could be accelerated or slowed depending on market conditions. Therefore, to be conservative, this analysis considers the impact of project operations at full buildout as a singular phase.

required by the City. Affordable units would consist of units restricted to low-income households.<sup>29</sup> The proposed project would also include various associated site improvements, including a town square, modifications to the internal circulation and parking, and improvements to infrastructure and landscaping.

**Construction.** Construction of the proposed project would provide short-term construction jobs over two phases, with buildout expected by 2040. Many of the construction jobs for each phase would be temporary and would be specific to the variety of construction activities. The workforce would include a variety of construction trade workers, such as cement finishers, ironworkers, welders, carpenters, electricians, painters, grading workers, site prep workers, surveyors, and laborers. Generally, construction workers are only at a job site for the time frame in which their specific skills are needed to complete that phase of construction. Although the proposed project would increase the number of employees at the project site during construction activities, it is expected that local and regional construction workers would be available to serve the construction needs of the project, and construction workers would not be expected to permanently relocate their household as a consequence of working on the proposed project due to the short-term nature and localization of the construction work.

Overall, Phase 1 is anticipated to last approximately 19 to 32 months in total, with the majority of activities (demolition, site preparation, grading, etc.) lasting 2 months or less. The building construction phases would be the longest phases, with the residential portion lasting approximately 10 months and the retail portion lasting approximately 23 months. Construction of Phase 2 is anticipated to last approximately 60 months, including expected breaks between construction phases. Within each of these phases, a variety of trades would be used. As a result, no single trade would be on the project site for the entire Phase 1 or Phase 2 construction process. Therefore, it is not anticipated that any trade would be employed at the project site for a year or more. In the event of regional construction worker shortages, it is anticipated that workers from outside of the region or the State could temporarily relocate to the area for the duration of certain construction activities, but it is unlikely that such workers, who may be transient in nature due to their specific skillset, would permanently relocate to the area and be in need of permanent housing, thus increasing the demand for housing within San Rafael, Marin County, or the Bay Area.

Therefore, the proposed project would result in a **less than significant** impact associated with inducing substantial population growth or demand for housing through increased construction employment demands.

**Operation.** As detailed in Chapter 3.0, Project Description, it is estimated that the approximately 501,940 square feet of commercial uses in Phase 1 would generate an estimated maximum of 1,434 daily employees on the site, for a decrease of approximately 756 employees compared to the full occupancy of the project site that could occur under existing conditions. In light of the net reduction to approximately 217,520 square feet of commercial space associated with Phase 2, it is estimated that the proposed uses in Phase 2 would result in a decrease in the

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<sup>29</sup> Low-income households are those earning between 51 and 80 percent of the area median income, subject to adjustment factors.

estimated maximum number of daily employees on the site, from 1,434 to 621 employees, a reduction of 813 employees compared to Phase 1 and 1,569 compared to full occupancy of the project site.

As described in Section 4.1, Land Use and Planning, the proposed project fits within the overall development assumptions envisioned under the General Plan and assumed in the General Plan Final EIR, as well as the specific density requirements for the project site. In addition, Phase 1 of the proposed project is specifically identified in the 2023-2031 Housing Element, which was certified in May 2023 and did not change any of the overall buildout figures from the 2040 General Plan.

Based on San Rafael's average household size of 2.49 persons per household as identified in the San Rafael 2040 General Plan, the proposed project would result in an increase to the city's population by approximately 2,295 residents with completion of Phase 1 in approximately 2025 and an additional 1,246 residents with completion of Phase 2, for a total of 3,541 residents at project buildout in approximately 2040.<sup>30,31</sup> The number of residents conservatively assumed through Phase 1 and Phase 2 (buildout) represent approximately 64 percent and 39 percent of San Rafael's anticipated population growth of 3,575 and 9,029 residents by 2025 and 2040, respectively.<sup>32</sup> At full buildout, the proposed project would include 201 studio units, 823 one-bedroom units, 324 two-bedroom units, 54 three-bedroom units, and 20 four-bedroom units.

As outlined in Table 4.2.A, the County's population is expected to increase from 252,959 persons in 2023 to 320,569 in 2040. Population growth associated with the increase in housing supply would be approximately 5 percent of the projected increase in the County's population by 2040 (3,541 of the 67,610 person increase) and 0.2 percent of the projected increase in the region (3,541 of the 1,887,310 person increase). Therefore, the proposed project is within the forecasted population growth planned for in the San Rafael General Plan 2040 and ABAG and MTC Projections 2040, and the proposed project would not result in substantial unplanned population growth.

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<sup>30</sup> 922 residential units x 2.49 persons per household = 2,295;  
1,422 residential units x 2.49 persons per household = 3,541

<sup>31</sup> The average assumed household size of 2.49 persons per household is conservative and likely overestimates the projected population for the proposed project as evaluated in this EIR. According to the project sponsor, due to the smaller residential square footage and number of bedrooms proposed by the project, compared to the City's average dwelling unit types (which are typically single-family residential and include higher square footages and bedroom counts), the proposed project is likely to generate fewer new residents, at approximately 2,150 at project buildout (or 1,391 fewer residents than projected using the City's average household size). (Economic & Planning Systems, Inc. 2022. Household Size Analysis for the Northgate Town Square Project. September.)

<sup>32</sup> 2,258 residents introduced by Phase 1 ÷ 3,575 residents estimated in the General Plan by 2025 = 63%;  
3,541 residents introduced at project buildout (2040) ÷ 8,910 residents estimated at General Plan buildout (2040) = 39.7%

Furthermore, the proposed project would contribute to the projected housing supply needs for San Rafael, Marin County, and the Bay Area. The proposed project’s contribution to the increase in population and households is shown in Tables 4.2.F through 4.2.H. As shown in Tables 4.2.F through 4.2.H, the proposed project would represent less than 2 percent of the Bay Area’s population and household growth through 2025 and less than 0.2 percent through 2040. For Marin County, the proposed project would represent approximately 9.32 percent of the population growth and 7.8 percent of the household growth through 2025, and less than 6 percent of the population and household growth throughout 2040. For San Rafael, the proposed project would represent 42.7 percent of the projected population growth and 161 percent of the projected household growth through 2025, and approximately 39.2 percent of the population growth and 41.1 percent of the household growth through 2040.

**Table 4.2.F: Project Contribution to Projected Growth – Bay Area**

Type	2023	2025 Estimate	Change (2023-2025)	Proposed Project – Phase 1 (% Change)	2040 Estimate	Change (2023-2040)	Proposed Project Buildout (% Change)
Population	7.55 million	8.23 million	680,000	2,295 (0.49%)	9.49 million	1.94 million	3,541 (0.18%)
Households	3.02 million	3.09 million	70,000	922 (1.31%)	3.84 million	820,000	1,422 (0.17%)

Source 1: E-5 Population and Housing Estimates for Cities, Counties, and the State, 2020-2023 (California Department of Finance n.d.)

Source 2: *Plan Bay Area 2050, A Vision for the Future* (ABAG and MTC 2021)

Source 3: San Rafael General Plan 2040 (City of San Rafael 2021a).

ABAG = Association of Bay Area Governments

MTC = Metropolitan Transportation Commission

**Table 4.2.G: Project Contribution to Projected Growth – Marin County**

Type	2023	2025 Estimate	Change (2023-2025)	Proposed Project – Phase 1 (% Change)	2040 Estimate	Change (2023-2040)	Proposed Project Buildout (% Change)
Population	252,959	277,580	24,621	2,295 (9.32%)	320,569	67,610	3,541 (5.2%)
Households	112,183	123,991	11,808	922 (7.8%)	144,874	32,691	1,422 (4.3%)

Source 1: E-5 Population and Housing Estimates for Cities, Counties, and the State, 2020-2023 (California Department of Finance n.d.)

Source 2: *Plan Bay Area 2050, A Vision for the Future* (ABAG and MTC 2021)

Source 3: San Rafael General Plan 2040 (City of San Rafael 2021a).

ABAG = Association of Bay Area Governments

MTC = Metropolitan Transportation Commission

**Table 4.2.H: Project Contribution to Projected Growth – San Rafael**

Type	2023	2025 Estimate	Change (2023-2025)	Proposed Project – Phase 1 (% Change)	2040 Estimate	Change (2023-2040)	Proposed Project Buildout (% Change)
Population	59,681	65,056	5,375	2,295 (42.7%)	68,710	9,029	3,541 (39.2%)
Households	24,699	25,271	572	922 (161%)	28,160	3,461	1,422 (41.1%)

Source 1: E-5 Population and Housing Estimates for Cities, Counties, and the State, 2020-2023 (California Department of Finance n.d.)

Source 2: *Plan Bay Area 2050, A Vision for the Future* (ABAG and MTC 2021)

Source 3: San Rafael General Plan 2040 (City of San Rafael 2021a).

ABAG = Association of Bay Area Governments

MTC = Metropolitan Transportation Commission

As shown in Tables 4.2.F and 4.2.G, the proposed project would be consistent with the projected population and household growth for the Bay Area and Marin County for both 2025 and 2040. These projections are based on Plan Bay Area 2050, which sets housing development goals for the Bay Area. Additionally, Plan Bay Area 2050 designates the project site as a TRA and HRA, indicating that it has been identified as an appropriate area for growth.

As shown in Table 4.2.H, the proposed project would represent 161 percent more households than were anticipated within San Rafael by 2025 and approximately 42.7 percent of the population increase. The proposed project would be consistent with the projected population and household growth for 2040. The 2025 and 2040 population and housing estimates in Table 4.2.H are from the 2040 General Plan and 2023-2031 Housing Element. As discussed previously, it is acknowledged that potential development could be accelerated or slowed, depending on market conditions. Additionally, the 922 units anticipated by 2025 are accounted for in the City's 2023-2031 Housing Element, as shown in Table 4.2.H. Therefore, while the proposed project would account for more growth within the City than was previously projected for the year 2025, the proposed project would still be consistent with the City's 2023-2031 Housing Element and overall (2040) development projections within the General Plan. Therefore, the proposed project would not directly induce substantial unplanned population growth.

As previously discussed, the proposed project would result in a reduction of 756 employees in Phase 1 and 1,569 employees at full buildout. Given the type of new and renovated commercial uses on the site, the types of jobs available are anticipated to be similar to existing conditions. Therefore, the proposed project would not result in significant unplanned job growth or result in significant unplanned population growth in San Rafael.

Given the analysis above, the proposed project would substantially increase the housing stock within San Rafael and the region, and would reduce the number of employment opportunities within the area. Therefore, the proposed project would not result in substantial direct or indirect population growth beyond that planned for the city, county, or region, and instead would contribute to the needed and planned supply of housing, including affordable housing. Therefore, this impact would be **less than significant**.

**Threshold 4.2.2: Displacement.** In its existing condition, the project site consists of an approximately 942,597-square-foot mall and associated parking, circulation, open space, and landscaping. Approximately 2,190 workers are employed at the project site at full occupancy under existing conditions.

The proposed project itself would not directly displace people or housing by demolishing units because there is no existing housing on the project site. Instead, the proposed project would add to the supply of market rate and affordable housing by introducing 1,422 new residential units at buildout (2040).

Increasing the availability of market rate and affordable housing would tend to moderate or counteract displacement pressures to some degree by relieving market pressures on existing housing stock. Indirect displacement also occurs when employment, housing, or neighborhood conditions force existing residents to move or households feel like their move is involuntary.

Displacement can be caused by a range of physical, economic, and social factors including but not limited to foreclosure, condominium conversion, building deterioration or condemnation, increased taxes, natural disasters, eminent domain, and increases in housing costs.

As previously discussed, the proposed project would result in a decrease of approximately 756 employees in Phase 1 and 1,569 in Phase 2 compared to full occupancy of the mall. Therefore, the proposed project would result in a decrease in the level of demand for housing generated by workers at the project site. As previously discussed, as of April 2021, Marin County had an unemployment rate of 4.6 percent. This unemployment rate would indicate the workers who live in the area would have opportunities to find employment within Marin County and would not be expected to need to relocate due to job loss. Additionally, as previously discussed, the baseline for analysis in this EIR assumes full occupancy of the Northgate Mall. Many of the 2,190 persons assumed to be employed on the project site under existing conditions may not actually be realized due to current market conditions. Therefore, it is likely that the job loss on the project site is overstated. Additionally, the proposed project would provide up to 1,422 residential units. Increasing the availability of market rate and affordable housing would moderate or counteract displacement pressures to some degree by relieving market pressures on existing housing stock. Therefore, the proposed project would not directly or indirectly result in the displacement of housing or people necessitating the construction elsewhere. Impacts would be **less than significant**.

#### 4.2.2.3 Cumulative Impacts

As discussed in Chapter 4.0, Setting, Impacts, and Mitigation Measures, this EIR takes into account growth within the San Rafael city boundary based on projected growth from the City's General Plan as well as regional forecasts by ABAG and MTC. Cumulative development within San Rafael is anticipated to result in 4,460 new residential units, 8,910 new residents, and 4,115 new employees by 2040.

As discussed above, the project site does not contain any existing residential uses, and the proposed project would result in an increase in the available housing stock within San Rafael by introducing up to 1,422 new dwelling units. The proposed project would not displace housing or people necessitating the construction of replacement housing elsewhere. Accordingly, under the cumulative conditions, implementation of the proposed project would also not displace housing or substantial numbers of people, thereby necessitating the construction of replacement housing elsewhere.

As previously discussed, full buildout of the project site has been identified in regional and local planning documents prepared for the City, including Plan Bay Area 2050 and the associated RHNA, General Plan 2040, and the 2023-2031 Housing Element. In particular, the proposed project is identified as a key project in helping the City achieve its allocations from the 2023-2031 RHNA cycle and is specifically accounted for in the Housing Element.

As discussed above, the proposed project is also identified as a TRA and HRA in Plan Bay Area 2050, indicating that it is an appropriate area for growth within the City and region based on surrounding transit opportunities or access to schools, jobs, or open spaces among other advantages. Therefore, the proposed project would be consistent with regional projections for housing and population, and



when combined with other reasonably foreseeable projects, would not conflict with the development assumptions or projections for San Rafael, Marin County, or the Bay Area. In addition to the proposed project, a total of 225 residential units have either been approved or are under construction since adoption of the 2040 General Plan and 2023-2031 Housing Element. Furthermore, the proposed project would assist the City, County, and region in meeting the established RHNA goals for 2023-2031 and beyond. Therefore, the proposed project would have a **less than significant** impact related to population growth under the cumulative condition.

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