

# Marin Economic Forum advocates plan for housing crisis

By **Richard Halstead**, *Marin Independent Journal*

POSTED: 05/04/18, 6:12 PM PDT | UPDATED: 2 DAYS AGO

61 COMMENTS

Marin Economic Forum CEO Robin Sternberg and her team Friday presented their analysis of Marin County's housing crisis and recommendations for addressing it — as well as Marin's historical racial inequality.

During a breakfast meeting before about 170 people at the Embassy Suites hotel in San Rafael, Sternberg observed that while the housing crisis is much commented on, "There isn't a comprehensive plan to address it."

"Today we want to identify the barriers, push a bit and provide some bold recommendations of what we could be doing together to move forward," Sternberg said.

Marin's state Sen. Mike McGuire, D-Healdsburg, also spoke and provided an added incentive for Marin government and community leaders to unite in an effort to address the crisis.

"If we don't advance our own hometown solutions when it comes to affordable housing here in Marin, the state of California is going to do it for us," McGuire said.

McGuire said while the state's economy is continuing to expand rapidly it will eventually hit a wall if something isn't done about the statewide housing shortage. McGuire said the state currently faces a 3.4 million housing unit shortfall and will need to create an additional 1.8 million units over the next 10 years.

The mission of the forum, which is partly funded by the county, is to foster economic growth while simultaneously protecting the environment and promoting equity. Most of the county's largest businesses are members.



Robin Sternberg, chief executive officer of the Marin Economic Forum. (Photo by Trevor Henley) 2018

Sternberg, whose resume includes a stint as deputy commissioner of economic development for the state of Minnesota, presented four key recommendations.

She called for the county and its 11 cities to create a long-range economic development and housing plan that would include a comprehensive map of developable sites. Sternberg recommended support for housing developers be provided by streamlining the local permitting process, conducting environmental impact reports in advance on targeted, properties and training construction workers.

She advocated for addressing racial inequality in Marin by helping low-income residents buy homes and using public dollars to promote disadvantaged minority-owned businesses. She also recommended a campaign to build public support for housing creation in Marin.

“We need to talk about changing the culture and eliminating the fear to get this work done,” she said.

Before Sternberg laid out her plan, Robert Eyster, the forum’s chief economist and head of the economics department at Sonoma State University, and Jesus Guzman, a forum consultant, presented analyses demonstrating why supporting housing in Marin will be good for business.



Eyster said currently Marin is trying to have it all: low traffic, a vibrant job market, low density and a slow-growing housing stock. He said unfortunately that is not feasible.

Marin is achieving some of these goals. Eyster said while Marin’s economy is projected to grow by 4.86 percent in 2018, its population increased by only 1,134 people in 2017 and only 87 housing units were created countywide last year.

But Eyster said a shortage of low-wage workers is making Marin traffic a nightmare, pushing up

wages and inflating local prices.

“I actually paid \$6 for a cappuccino in Marin County two weeks ago,” Eyster said.

He said Marin’s average hourly wage is more than 100 percent higher than the state’s average wage.

Guzman provided data on what the lack of housing growth in Marin is costing and who is being most affected by the lost income. Guzman said the lack of housing growth is resulting in \$366 million in lost consumer spending and another \$130 million in missing construction spending.

Guzman said Marin’s minority populations are being affected the most by this lost spending. That is primarily because high housing costs in Marin are causing low-income renters to spend more than 30 percent of their income on housing, Guzman said. He said for whites in Marin their median income left after paying rent is \$48,400 while for blacks it is \$25,859 and for Latinos it is \$23,263.

And Guzman said Marin’s low-income population is under more pressure to move out of the county due to rising housing prices than low-income populations in any other Bay Area county.

Eyler said that building more rental housing may take some pressure off minorities and other low-income Marin residents to leave the county, but he said a minority homeownership program will be necessary to address economic inequality.

During the question and answer session that followed the presentations, Ken Casey, a prominent Novato real estate investor, brought up what he characterized as the elephant in the room — the cost of building.

“It costs you \$450,000 to build one apartment unit in Marin. You need a monthly rent of \$4,000 to pay for that,” Casey said. “There is a huge disconnect between the cost of building and what the rental market can or will pay.”

Eyler said that building more rental housing may take some pressure off minorities and other low-income Marin residents to leave the county, but he said a minority homeownership program will be necessary to address economic inequality.

During the question and answer session that followed the presentations, Ken Casey, a prominent Novato real estate investor, brought up what he characterized as the elephant in the room — the cost of building.

“It costs you \$450,000 to build one apartment unit in Marin. You need a monthly rent of \$4,000 to pay for that,” Casey said. “There is a huge disconnect between the cost of building and what the rental market can or will pay.”