



STAFF REPORT

SAUSALITO CITY COUNCIL

AGENDA TITLE

Housing Element Update: 2013 Annual Housing Element Progress Report, Implementation of 2007-2014 Housing Element and Update of 2015-2022 Housing Element

RECOMMENDED ACTIONS

- 1- Receive an update on the Implementation of 2007-2014 Housing Element and Update of 2015-2022 Housing Element; and
- 2- Review, take public comment, and direct staff to submit the 2013 Annual Housing Element Progress Report (**Attachment 16**) to the State Department of Housing and Community Development.

SUMMARY

Implementation of 2007-2014 Housing Element and Update of 2015-2022 Housing Element

The Government Code requires jurisdictions to update their Housing Element every planning period and obtain certification from the HCD that the Element complies with Housing Element law. The work involves **two tracks**.

Tentative Schedule for Upcoming Meetings*

Track 1: Implementation of Existing Programs in 2007-2014 Housing Element

Housing Element Subcommittee Meetings (Jan 30, Feb 7, Feb 13, Apr 9, 2014)	City Council Meeting (Feb 25, 2014)	Community Workshop (Mar 15, 2014)	City Council Meeting (April 22, 2014)	Planning Comm. Hearing (May 21, 2014)	City Council Hearings to Adopt (TBD: June/July 2014)
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Track 2: 2015-2023 Housing Element Update

Housing Element Subcommittee Meetings (March 19, March 31, 2014)	City Council Meeting (Apr 22, 2014)	Community Workshop (TBD: May 2014)	City Council Meeting (TBD: June 2014)	Planning Comm. Hearings (TBD: June/July 2014)	City Council Meeting (TBD: July 2014)	City Council Hearings to Adopt (TBD: September/October 2014)
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*Months for these meetings are tentative. Check the website for exact dates. Get Involved! Please join the notification list by emailing LSchinsing@ci.sausalito.ca.us to get a notice prior to each meeting date or visit the Housing Element Information website at www.ci.sausalito.ca.us/Index.aspx?page=703 for background information and upcoming meeting documents.

The **first track** involves adopting a variety of Zoning Ordinance Amendments which were committed to in the existing Housing Element adopted in 2012. Specifically, the programs which are required to be implemented are: Housing Element Programs 8a/8b (Vertical Mixed Use[VMU]/Horizontal Mixed Use[HMU]), 10a/10b (Accessory Dwelling Units), 11 (Liveboards), 19 (Density Bonus), 20 (Multi-family Standards), 21 (Special Needs) and 25 (Reasonable Accommodations). If these amendments are not implemented by the end of 2014, the City's updated Housing Element in the second track will not be certified by the State, the eight year

cycle reverts to a four year cycle and the City's next Housing Element will be due in 2018, instead of 2023. The **second track** is a minor update to the adopted Housing Element and gaining certification by the State by January 31, 2015. The second track is reliant on the zoning amendments being adopted. It is anticipated that the City will be making only minor updates to the Housing Element by using the goals and policies of the existing Housing Element in the upcoming update.

2013 Annual Housing Progress Report

Pursuant to State law, Sausalito must provide a progress report on the implementation status of the City's Housing Element to the State of California on an annual basis. Additionally, the progress report must be considered at a public hearing with the City Council prior to submission to the State.

BACKGROUND

- For background information on the Housing Element Update process for 2015-2023 see **Attachment 1**.
- In **September 2013 and January 2014** the Council appointed **Mayor Ray Withy** and **Vice-Mayor Tom Theodores** as the City Council representatives and **Chair Joan Cox** and **Commissioner Cleveland-Knowles** as the Planning Commission representatives on the Housing Element Subcommittee to work with staff on preparation of the Zoning Ordinance amendments for implementation of the 2007-2014 Housing Element and Update of the 2015-2002 Housing Element Update.
- The full Subcommittee met on **January 30, 2014, February 7, 2014 and February 13, 2014** to review the draft amendments (**Track 1**).
- Staff provided an update to the City Council on **February 25, 2014** regarding the status of the draft amendments in **Track 1** and the update of the Housing Element in **Track 2**.
- A Community Workshop was held on March 15th at the Bay Model. Video from the meeting is here: https://www.youtube.com/watch?v=KomhhFcAa_w&feature=youtu.be (or on the Housing Element website <http://www.ci.sausalito.ca.us/index.aspx?page=703> under "March 15 Workshop"). Written responses to questions asked at the Community Workshop are provided in **Attachment 2**.
- The full Subcommittee met on March 19 and March 31, 2014 to review draft updates to the Housing Element (**Track 2**) and April 9, 2014 to review the draft amendments (**Track 1**).
- The draft ordinance amendments (**Attachments 2-9**) are recommended by the Subcommittee to be forwarded to the Planning Commission at a special meeting on May 21, 2014 for a recommendation to the City Council on adoption.
- The draft revisions to the Housing Element (**Attachments 10-15**) are still being reviewed by the Subcommittee. The Council will be updated in June regarding the Subcommittee's progress on the Housing Element revisions for the 2015-2023 cycle.

IMPLEMENTING ORDINANCE AMENDMENTS (HOUSING ELEMENT 2007-2014) OVERVIEW

The following provides a status of programs in the 2007-2014 Housing Element are required to be implemented in order to gain HCD certification of Sausalito's 2015-2023 Housing Element:

- Housing Element **Programs 8a/8b (VMU/HMU)**: Needs to be implemented. See more information and draft ordinance amendments to implement in **Attachment 3**.
- Housing Element **Programs 10a/10b (Accessory Dwelling Units)**: Completed. See update in **Attachment 4**.
- Housing Element **Program 11 (Liveboards)**: Partially completed. See update in **Attachment 5**.
- Housing Element **Program 19 (Density Bonus)**: Needs to be implemented. See more information and draft ordinance amendments to implement in **Attachment 6**.
- Housing Element **Program 20 (Multi-family Standards)**: Completed. Council adopted on March 18, 2014.
- Housing Element **Program 21 (Special Needs)**: Needs to be implemented. See more information and draft ordinance amendments to implement in **Attachment 7**.
- Housing Element **Program 25 (Reasonable Accommodations)**: Needs to be implemented. See more information and draft ordinance amendments to implement in **Attachment 8**.
- New Definitions to address new terms in the draft ordinances above are in **Attachment 9**.

HMU/Density Bonus. There has been community concern regarding the HMU Overlay Zone (Program 8b) and the Density Bonus Ordinance (Program 19) and the interface between the two. The main concern heard from the community is related to the ability to develop an all-residential project on the HMU Overlay Zone sites and also use the State Density Bonus provisions to exceed height limits and impact views in the Spring Valley neighborhood. To address community concern, the Subcommittee has done the following:

- 1- Produced a Fact Sheet on the HMU Overlay Zone and Density Bonus program (see **Attachment 10**). The Fact Sheet will be posted online on the Housing Element website, available for distribution at City Hall, sent to the email notification list, included in the *Currents*, and sent via mail to all property owners and occupants within 500 feet of the HMU Overlay Zone sites.
- 2- Recommending amendments to the HMU Overlay Zone program and the Density Bonus Ordinance (which have already been incorporated into the Ordinance):
 - **HMU Overlay Zone:** The Subcommittee is recommending the insertion of a purpose statement which makes it clear that the purpose of the HMU regulations is to encourage residential uses on the ground floor of buildings that accommodate a mix of housing opportunities and reduce the need for increased building heights that pose potential adverse impact on views from surrounding properties.
 - **Density Bonus Ordinance:** The City does not have discretion over allowing a density bonus or concessions if a qualifying applicant requests them. However, the City does have some discretion regarding the process for reviewing density bonus requests. The Subcommittee is recommending the Introduction of a tiered system for incentives/concessions. Applicants are encouraged to select incentives identified in Tier 1 before selecting concessions in Tier 2 as incentives with an anticipated greater

level of impact are identified as Tier 2 and are less preferred, and thus require a higher level of review and approval by the City. The Tiers proposed are as follows:

- Tier 1 would require review/decision by the Planning Commission:
 - reduced minimum lot setbacks
 - reduced minimum lot sizes and/or dimensions
 - increased maximum building coverage
 - increased maximum floor area ratio (FAR)
 - reduced common or private open space
 - approval of mixed use zoning in conjunction with the residential development if non-residential land uses will reduce the cost of residential development

- Tier 2 would include review/recommendation by the Planning Commission and review/ decision by the City Council:
 - reduced parking (beyond the State Alternative Parking Standards in the State Density Bonus)
 - building heights that do not comply with Sausalito Municipal Code Section 10.40.060
 - other regulatory incentives or concessions (such as impacts to primary views that do not comply with Sausalito Municipal Code Section 10.54.050.D.4) proposed by the applicant or City which result in identifiable, financially sufficient, and actual cost reductions

HOUSING ELEMENT UPDATE (HOUSING ELEMENT 2015-2023) OVERVIEW

The following provides a status of components of the 2007-2014 Housing Element which will be updated as noted and integrated into a revised Housing Element for the 2015-2023 cycle. The City's consultant, M-Group, has prepared a preliminary draft RHNA strategy table in **Attachment 11** which outlines current projections on how the RHNA will be met for the 2015-2023 cycle.

- **Introduction:** Required to be updated. Draft updates are in **Attachment 12**.
- **Chapter 2 (Housing Plan):** Required to be updated. Draft updates are in **Attachment 13**.
- **Chapter 3 (Housing Needs Summary):** Required to be updated. Subcommittee will review revisions after adoption of ordinances.
- **Chapter 4 (Housing Resources):** Required to be updated. Subcommittee will review revisions after adoption of ordinances.
- **Appendix A: Housing Needs Assessment:** Required to be updated. Draft updates are in **Attachment 14**.
- **Appendix B: Housing Constraints:** Required to be updated. Subcommittee will review revisions after adoption of ordinances.
- **Appendix C: Vacant and Underutilized Sites Analysis.** Required to be updated. Subcommittee will review revisions after adoption of ordinances in Track 1.

- **Appendix D: Evaluation of Housing Element Accomplishments.** Required to be updated. Subcommittee will review revisions after adoption of ordinances in Track 1.
- **Appendix E: Community Participation.** Required to be updated. Subcommittee will review revisions after second community workshop.
- **Appendix F: Housing Element Glossary.** Will be updated. Subcommittee will review revisions after full draft is completed.
- **Technical Appendix G: Vacant and Underutilized Site Inventory Chart.** Required to be updated. Draft updates are in **Attachment 15**.

NEXT STEPS

The following are the next steps in the Implementation of 2007-2014 Housing Element and Update of 2015-2022 Housing Element:

Track One (Implementation of 2007-2014 Housing Element):

Event	Timeframe
Subcommittee meeting: review draft ordinance amendments	January 30, February 7, February 13, April 9, 2014
Community meeting: discuss the ordinance amendments	Saturday, March 15, 10am-12pm, Bay Model
City Council meeting: update on ordinance amendments and housing element update	February 25, 2014 April 22, 2014
Planning Commission hearings: ordinance amendments	May 21, 2014 Second meeting if necessary
City Council hearings: to adopt ordinance amendments	June/July, date TBD

Track Two (Update of 2015-2022 Housing Element):

Event	Timeframe
Subcommittee meeting: review draft Element	March 19, March 31, 2014
City Council meeting: update on ordinance amendments and Housing Element update	April 22, 2014
Community meeting: discuss the draft Element	May- date TBD
City Council meeting: update on ordinance amendments and housing element update	June- date TBD
Planning Commission hearings: recommend draft Element	June/July- dates TBD
City Council meeting: review of recommended draft Element	July - date TBD
HCD: reviews draft Element	August/September
City Council hearings: to adopt updated Element	October/November- dates TBD
Adopted Housing Element Due to HCD	No later than January 31, 2015

2013 ANNUAL PROGRESS REPORT

Pursuant to Government Code Section 65400(a)(2) local jurisdictions must provide an Annual Progress Report (APR) to the State of California Department of Housing and Community Development (HCD) and the Office of Planning and Research (OPR) by April 1st (with a 60-day grace period) on the implementation status of the City's Housing Element for the prior calendar year. Additionally, changes in state law initiated by Senate Bill 375 require local jurisdictions to present the report at a City Council public hearing prior to submission to HCD and OPR.

In 2009, the State developed a standardized Progress Report form for municipalities State-wide to utilize for annual reporting purposes, and as of 2013, the standardized form is available for online completion and submission by the local jurisdiction. Staff has prepared a draft completed APR (see **Attachment 16**). The following is a brief summary of the City's completed APR form for 2013:

- Table A is the City's new residential production, by lower income category, for units that were issued a building permit within the calendar year 2013. Ten total units in 2013 were issued permits (seven amnesty ADUs and three new ADUs)
- Table A2 is the number of units rehabilitated, preserved or acquired by the City that meet the specific criteria of Government Code Section 65583.1(c)(1). No units qualify to be reported in this table.
- Table A3 is the City's new residential production of above moderate-income units that were issued a building permit within the 2013 calendar year. One building permit was issued for a new single-family dwelling in 2013.
- Table B is the City's new residential progress towards meeting the City's 2007-2014 RHNA allocation. This is a summary table of progress towards the 2007-2014 RHNA.
- Table C is the City's narrative of the City's Program Implementation Status of the 2007-2014 Housing Element.

Following City Council receipt of the Housing Element Progress Report, the Report is required to be sent to HCD for their review/filing.

STAFF RECOMMENDATION

- 1- Receive an update on the Implementation of 2007-2014 Housing Element and Update of 2015-2022 Housing Element
- 2- Review, take public comment, and direct staff to submit the 2013 Annual Housing Element Progress Report (**Attachment 16**) to the State Department of Housing and Community Development

ATTACHMENTS:

1. Background Information
2. Q&A from Community Workshop
3. Programs 8a/8b (VMU/HMU)
4. Programs 10a/10b (Accessory Dwelling Units)
5. Program 11 (Liveaboards)
6. Program 19 (Density Bonus)
7. Program 21 (Special Needs)
8. Program 25 (Reasonable Accommodations)
9. Definitions (of terms used in the amendments)
10. Fact Sheet: HMU and Density Bonus
11. Preliminary Draft RHNA Strategy for 2015-2023
12. Draft Revisions to Housing Element Introduction
13. Draft Revisions to Housing Element Chapter 2 (Housing Plan)

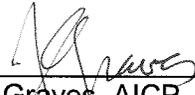
- 14. Draft Revisions to Housing Element Appendix A: Housing Needs Assessment
- 15. Draft Revisions to Housing Element Technical Appendix G: Vacant and Underutilized Site Inventory Chart
- 16. 2013 Annual Progress Report

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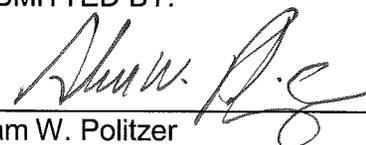
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BACKGROUND INFORMATION

The City's 2007-2014 Housing Element was adopted on October 9, 2012 and certified to be in conditional compliance with Housing Element Law by the California Department of Housing and Community Development (HCD) on November 7, 2012. The adopted Housing Element reflects the unique character of Sausalito while also being responsive to the State's legal requirements by using a multi-faceted approach that has a low impact on the community.

The Government Code requires jurisdictions to update their housing element every planning period and obtain certification from the HCD that the element complies with Housing Element law. The current planning period is from 2014-2022 (an eight year cycle), provided that the City receives certification from HCD by January 31, 2015. ***If the City does not gain certification from HCD by the statutory deadline, the eight year cycle reverts to a four year cycle*** (see discussion below in the "Penalty for Non-Compliance" section).

2014-2022 RHNA

The Regional Housing Need Allocation (RHNA) is the process by which each community is assigned its share of the regional housing need for an eight-year period. The allocation process consists of two steps. First, HCD determines the total housing need for each region in the state. Second, the Association of Bay Area Governments (ABAG) is assigned the responsibility to distribute this housing need to local governments within the Bay Area. The following actions have occurred regarding the 2014-2022 RHNA:

- On February 24, 2012, HCD provided ABAG with its determination of total regional housing need.
- On May 17, 2012, the ABAG Executive Board approved the draft RHNA methodology and a draft share of the region's total housing need for each of the subregions.
- On April 25, 2012, Sausalito sent a comment letter to ABAG regarding the proposed methodology.
- On June 19, 2012, the ABAG Executive Board adopted the final RHNA methodology and approved release of the draft allocations.
- On June 28, 2012, Sausalito sent a comment letter to ABAG regarding the methodology.
- On July 18, 2013, the ABAG Executive Board adopted the Final RHNA.
- See http://www.abag.ca.gov/planning/housingneeds/pdfs/2014-22_RHNA_Plan.pdf for the *Regional Housing Need Plan for the San Francisco Bay Area: 2014-2022*.

Sausalito's RHNA for the 2014-2022 Housing Element cycle is a total of **79 units**, which is substantially less than the 207 units from the 1999-2006 RHNA and the 165 units from the 2007-2014 RHNA. See the table below, from ABAG's *Regional Housing Need Plan for the San Francisco Bay Area: 2014-2022*, which divides Sausalito's 2014-2022 RHNA into Very Low, Low, Moderate, and Above Moderate Income categories.

Appendix C: FINAL REGIONAL HOUSING NEED ALLOCATION (2014-2022)

	Very Low 0-50%	Low 51-80%	Moderate 81-120%	Above Moderate 120%+	Total
Marin County					
Belvedere	4	3	4	5	16
Corte Madera	22	13	13	24	72
Fairfax	16	11	11	23	61
Larkspur	40	20	21	51	132
Mill Valley	41	24	26	38	129
Novato	111	65	72	167	415
Ross	6	4	4	4	18
San Anselmo	33	17	19	37	106
San Rafael	240	148	181	438	1,007
Sausalito	26	14	16	23	79
Tiburon	24	16	19	19	78
Marin County Unincorporated	55	32	37	61	185
	618	367	423	890	2,298

STREAMLINED REVIEW

For the first time, HCD is offering a streamlined review for the upcoming Housing Element cycle. While all local governments are still required to adopt a housing element update, the streamlined review is designed to reduce the number and scope of housing element submittals per jurisdiction and to focus resources on providing assistance to jurisdictions to ensure compliance and effectively addressing housing needs. *Jurisdictions that do not adopt a Housing Element by January 31, 2015 will not be eligible for the streamlined review.* The benefits to opting with a streamlined review with HCD include:

- Priority review status (less than the typical 60 day review);
- Ability to use a template to show changes made to Housing Element, which shortens the HCD review period and focuses the HCD questions to those relevant portions of the Element;
- Flexibility in having to only minimally update, or not update at all, certain sections of the Element;
- Permission to show changes to the Housing Element in a strikeout, underline, redline, or highlighting format.

In order to qualify for the streamlined review, the following requirements apply:

Streamlined Review Requirements	Status
<input type="checkbox"/> A housing element for the previous planning was adopted and found to be in compliance with State housing element law	<input checked="" type="checkbox"/> The 2007-2014 Housing Element was adopted and found to be in conditional compliance with State housing element law
<input type="checkbox"/> Any programs which the City was given conditional certification for need to be completed (Housing Element Programs 10a, 10b and 11)	<input checked="" type="checkbox"/> The ordinance regarding new and amnesty ADUs was adopted in late 2012

Streamlined Review Requirements	Status
	<input type="checkbox"/> Liveboard work is partially completed
<input type="checkbox"/> Zoning Ordinance Amendment completed to permit emergency shelters without discretionary action (Housing Element Program 21)	<input type="checkbox"/> Ordinance drafted and reviewed by Subcommittee. Ordinance needs to be adopted.
<input type="checkbox"/> Zoning Ordinance Amendment completed to permit transitional and supportive housing as a residential use and only subject to those restrictions that apply to other residential dwellings of the same type in the same zone (Housing Element Program 21)	<input type="checkbox"/> Ordinance drafted and reviewed by Subcommittee. Ordinance needs to be adopted.
<input type="checkbox"/> Zoning Ordinance Amendment completed to authorize reasonable accessibility accommodations with respect the zoning, permit processing and building regulations(Housing Element Program 25)	<input type="checkbox"/> Ordinance drafted and reviewed by Subcommittee. Ordinance needs to be adopted.
<input type="checkbox"/> Zoning Ordinance Amendment completed to update the current density bonus provisions in the Zoning Ordinance (Housing Element Program 19)	<input type="checkbox"/> Ordinance drafted and reviewed by Subcommittee. Ordinance needs to be adopted.

It should be noted that a significant part of the Housing Element Update will include requirement to "Review and Revise." This will require the City to review the status of and demonstrate compliance with important implementing programs:

Streamlined Review Requirements	Status
<input type="checkbox"/> VMU/HMU Regulations (Housing Element Programs 8a and 8b)	<input type="checkbox"/> Ordinance drafted and reviewed by Subcommittee. Ordinance needs to be adopted.
<input type="checkbox"/> Multi-family Standards (Housing Element Program 20)	<input checked="" type="checkbox"/> The ordinance multi-family standards was adopted on March 18, 2014

PENALTY FOR NON-COMPLIANCE

Senate Bill 375 (SB 375) changed the RHNA process from a five-year cycle to an eight-year cycle. However, the penalty for not adopting an updated Housing Element within 120 days of the statutory deadline (for the upcoming cycle: January 31, 2015) is that the Housing Element update cycle would be transformed from an eight-year cycle to a four-year cycle. This would mean that a city that does not adopt an updated Housing Element within 120 days of the statutory deadline would now have **two** required updates in the eight-year period: once by January 31, 2019 and another by January 31, 2023.

What: Summary of answers to all questions asked at the Community Meeting on the Housing Element which was held on Saturday, March 15, 2014 at the Bay Model

For More Information on this process, the specifics of the update or amendments: Visit <http://www.ci.sausalito.ca.us/index.aspx?page=703> or contact Lilly Schinsing, Analyst, at (415) 289-4134 or

LSchinsing@ci.sausalito.ca.us

To watch the **video** from the Community Meeting visit: www.ci.sausalito.ca.us/index.aspx?page=703

1. **What are the consequences if the City does not adopt an updated Housing Element by January 31, 2015?**

If the City does not adopt an updated Housing Element and submit it to the California State Department of Housing and Community Development (HCD) by January 31, 2015 there are a number of consequences:

- (1) The City would not be eligible for an expedited review by HCD ("streamlined review"). For the first time, HCD is offering a focused review of the City's Element which allows the City to only update certain portions of the Element in a redlined format. This reduces costs to the City. It is important to note that the "streamlined review" is only streamlined on HCD's end—the normal process of community participation with community meetings/workshops, public subcommittee meetings, public Planning Commission meetings and public City Council meetings will occur.
- (2) The City will have missed the mandated deadline imposed by the State of California and therefore our Housing Element will be out of compliance and several things will/can happen:
 - (a) The City will have to submit an updated Housing Element to HCD every 4 years, instead of every 8 years, and each update must address the full **Regional Housing Needs Allocation (RHNA)**. This means that the City will have to spend additional time and money updating the Element twice as many times as we would if we adopted an updated Element on time. The City may only go back on to an 8 year cycle after adopting 2 consecutively revised Housing Elements by the required due date.
 - (b) The City may be subject to litigation due to not having a compliant Housing Element and in some cases the courts have taken away a City's local land use control (e.g., being able to issue Building Permits) until the City is compliant with Housing Element law.
- (3) The City will be ineligible for certain grants and funding opportunities.

2. **How does the RHNA get distributed from the State to ABAG to the City?**

The RHNA is the state-mandated process to identify the total number of housing units (by affordability level) that each jurisdiction must accommodate in its Housing Element. As part of this process, HCD identifies the total housing need for the San Francisco Bay Area for an eight-year period (in this cycle, from 2014 to 2023). The **Association of Bay Area Governments (ABAG)** and the **Metropolitan Transportation Commission (MTC)** must then develop a methodology to distribute this need to local governments in the Bay Area in a manner that is consistent with the development pattern included in the **Sustainable Communities Strategy (SCS)**. Once a local government has received its final RHNA, it must revise its Housing Element to show how it plans to accommodate its portion of the region's housing need. The City is not required to build the units. For the 2014-2023 cycle, Sausalito's RHNA is 79 units. This means that the City needs to show how we have developed opportunities for 79 new units (at varying affordability levels) in Sausalito over the next eight years.

3. **The City had a buffer in its RHNA in the last adopted Housing Element from 2012— how is that being used?**

The City's RHNA for the 2015-2023 Housing Element Cycle is 79 units. We anticipate that due to the buffer that was put in place in the last Housing Element, the City will be able to show that we can accommodate the 79 units through the programs which are already in our adopted Housing Element. These programs are in place/will be put in place prior to adopting the updated Housing Element. Therefore, at this point we anticipate that the City will be making only minor updates to the Housing Element by using the goals, policies and programs of the existing Housing Element in the update.

Attachment 2

Q&A from the Community Meeting on the Housing Element Workshop, Continued

4. Local control and minimal impact on the community is important— can the City opt out of this update process or any of the Zoning Ordinance amendments?

The City is required to update the **Housing Element** pursuant to State Housing Element law. In order to gain certification from HCD, the city is also required to implement— or put in place— certain programs which were committed to in the most recently adopted Housing Element. Specifically, these programs are related to **Reasonable Accommodations** (e.g., allowing a ramp in a setback to allow access to an entry door for a wheelchair-bound resident), **Transitional and Supportive Housing** (i.e., cities are required to make transitional and supportive housing a residential use and allow “single room occupancy” facilities as a commercial use), **Density Bonuses** (i.e., cities are required to grant density bonuses ranging from 5% to 35% depending on the affordability provided by a residential development when request by a project sponsor), **Emergency Shelter** (i.e., cities are required by the State to identify a Zoning District where homeless shelters are permitted by right, subject to normal Design Review procedures), the **VMU program** (i.e., the City committed to requiring any upper level construction in the City’s commercial districts (CC, CR, CN-1) to be limited to residential use only, with a minimum of one affordable unit), and the **HMU program** (i.e., the City committed to creating an overlay zone where two commercial properties could utilize the ground floor level of buildings for residential use in exchange for providing a percentage of affordable units and three-bedroom units— see Question #13 and #14). The Housing Update provides the best tool for local control over land use decisions. If the City does not update the Housing Element by the specified timeframe the City will not be in compliance with Housing Element law (see Question #1). It is to the City’s advantage to adopt its own regulations which comply with State statutes in order to establish local control over the issues addressed by the State statutes. This allows the City to retain its discretion on certain issues instated of being forced to evaluate a residential development under the State statutes.

5. Why doesn’t Marin City absorb Sausalito’s housing needs?

The northern City limit of Sausalito is before Gate 6 Road. Marin City is outside of Sausalito’s City limits. Marin City is in unincorporated Marin County. Therefore, the County must plan for Marin City’s housing needs. Sausalito cannot take credit for housing built or planned in Marin City toward Sausalito’s Housing Element.

6. How is the Sausalito Housing Element related to the Marin City Priority Development Area (PDA)?

Priority Development Areas (PDAs) are areas considered by the local jurisdiction to be well suited to infill development due to their proximity to public transit, jobs, services or other amenities. PDAs are eligible for certain funding opportunities that non-PDA areas are not. Sausalito does not have a PDA and Sausalito’s Housing Element is not related to the Marin City PDA.

7. Were shared units (i.e., renting portions of a home) considered as a strategy?

Yes, shared housing was discussed, but as the state specifies that cities plan for an additional number of units, shared housing does not count towards RHNA, as the number of units on a particular property is not increased.

8. Will the end result of the Housing Element strategies be rent control?

No, HCD would consider rent control as a constraint to housing. Therefore this is not a strategy that would be implemented in a Housing Element update to address the RHNA.

9. What is the status of the three abandoned homes along Bridgeway between Napa and Filbert (1757 Bridgeway)?

The City has received an application for a 16-unit residential project at that location. Planning Staff is reviewing the application for completeness. Once it has been deemed complete and an environmental review document has been prepared, public hearings with the Planning Commission will be scheduled and noticed. For more information on this project please contact the Community Development Department at (414) 289-4128.

10. Have there been any traffic studies completed?

Sausalito adopted a Negative Declaration with the last updated Housing Element in 2012. In order to fulfill the RHNA during the last Housing Element update there was no increase in the density on any property, nor was the City considering any actual development project, and therefore traffic studies were not required. If the City receives a project which requires a traffic study, one will be required and evaluated.

Q&A from the Community Meeting on the Housing Element Workshop, Continued

11. Can we make Accessory Dwelling Units (ADUs) a larger component of our strategy to fulfill the RHNA?

ADUs are small ancillary units to a primary unit on a residential property. They are otherwise known as “second units,” “mother-in-law units,” “granny units,” or “in-law units.” Sometimes ADUs are affordable due to their size (usually they are studio and one bedroom units). During the last Housing Element cycle the City attempted to aggressively count ADUs towards the City’s RHNA. However, due to the state’s requirement to address a multitude of housing types (not just studio and one bedroom units), HCD only accepted 12 new ADUs and 12 “amnesty” ADUs towards the RHNA. Looking forward to the upcoming cycle, in order to justify crediting ADUs toward the RHNA, the City must rely on past trends in ADU approval. To date, the City has approved 4 new ADUs since January 2013 and is processing applications for 2 additional ADUs. The City will be looking at permitting trends as the year progresses to decide how many ADUs we can reasonably justify will be constructed through 2023.

12. What is the Density Bonus law and why are we incorporating it into our Zoning Ordinance?

The State Density Bonus law applies to new development in Sausalito which can provide at least five (5) units. State statutes have required cities to offer density bonus incentives since the 1980’s. Periodically the State Legislature updates the statutes to require cities to offer greater incentives. The Zoning Ordinance update adopted in 2003 included Section 10.40.130 “Residential Density Bonuses and Incentives” which complied with the State statutes in effect at the time. In 2005 the State updated the statutes and as a result, the City needs to update its Zoning Ordinance to reflect the changes. The number of density bonus units allowed is on a sliding scale depending on the affordability of the units proposed. For example, for a project which is 10 units, a property owner could ask for a maximum 20% density bonus (two additional units), and would have to provide 10% of the units (one unit) as affordable to low income households (50-80% of the County Median Income). Density Bonus law also allows property owners of qualifying properties to request “concessions” from the City (e.g., relaxed development standards like parking, setbacks, coverage) if they can demonstrate that without the concessions the project would not be viable.

13. What is the Horizontal Mixed Use (HMU) overlay zone?

The **Horizontal Mixed Use (HMU) Overlay Zone** is a program that was committed to in the most recently adopted Housing Element in order to address HCD’s requirement that the City show that we have adequate sites for large households. The HMU program allows the sites at 1901 Bridgeway (the Seven-Eleven commercial strip at Bridgeway and Easterby) and 2015 Bridgeway (the three-story office building at Bridgeway and Olive) to utilize the ground floor of a building on the site for residential use, where today’s regulations for those sites only allow commercial use on the ground floor (therefore the change contemplated in this program is what the ground floor can be used for— residential or commercial). In exchange, the property owner must make a certain percentage of the units three-bedroom units to accommodate large households and a certain percentage of the units must also be affordable. It’s important to note that any project which is proposed on either of the HMU overlay zone sites (either using the HMU Overlay Zone requirements or the base zoning district requirements), must go through the City’s normal permitting procedures. In the case of a new structure, or a height increase to an existing structure, notification would be given via mail to all property owners and occupants within 300 feet, in addition to story poles being erected at the site. The Planning Commission would then consider a Design Review Permit, taking into consideration such factors as views, sunlight and privacy. The HMU program does not modify the process of review for any potential project, but would allow residential use, not just commercial use, on the ground floor of the two sites identified above in exchange for a three-bedroom requirement and an affordability requirement.

14. How does the HMU) overlay zone affect the sites at 1901 Bridgeway and 2015 Bridgeway ?

As stated in Question #13, the HMU program allows the sites at 1901 Bridgeway (the Seven-Eleven commercial strip at Bridgeway and Easterby) and 2015 Bridgeway (the three-story office building at Bridgeway and Olive) to utilize the ground floor of a building on the site for residential use, where today’s regulations for those sites only allow commercial use on the ground floor. If the property owner of either of the HMU overlay sites does not wish to avail themselves of the HMU requirements, they do not have to. There is no requirement of the property owner to build any housing units— the HMU Overlay Zone simply puts the opportunity in place to build residential units on the ground floor if the property wishes to (in exchange for the unit sizes and affordability requirements as described above). **The HMU Overlay Zone does not increase the potential number of units at either site from what is currently allowed today.** Both properties are designed as CN-1 (“Neighborhood-Commercial”) and today’s regulations (without the HMU Overlay designation) allow ground floor commercial and upper level commercial or residential, a maximum of 50% building footprint, a maximum of 70% floor area, and a maximum of 32-feet in height. Additionally, a property owner/applicant could, through the State Density Bonus provisions (see question #12), seek concessions from development standards like floor area, setbacks, parking, height, etc. without being designated as an HMU Overlay Zone site.

Memorandum

TO: City Council

FROM: Geoff I. Bradley, AICP Principal, Metropolitan Planning Group
Dave Javid, AICP, LEED AP, Principal Planner, Metropolitan Planning Group
Karen Warner, AICP, Principal, Karen Warner Associates

SUBJECT: Vertical Mixed Use and Horizontal Mixed Use Regulations
Sausalito 2009-2014 Housing Element Programs #8a and 8b

BACKGROUND

Sausalito's adopted 2009-2014 Housing Element includes Program #8 "*Mixed Use Zoning in Commercial Districts.*" Findings in the Housing Element update determined the greatest potential for residential development within the City occur as infill sites within commercial districts. The program follows direction set by the following Housing Element policies:

- Policy 2.1 Variety of Housing Choices;
- Policy 2.3 Adaptive Reuse;
- Policy 4.2 Flexible Development;
- Policy 5.3 Family Housing; and
- Policy 6.5 Jobs/Housing Balance

Program #8 is divided into Vertical Mixed Use (#8a) and Horizontal Mixed Use (#8b) sections. Provisions within each section aim to encourage and incentivize the development of residential uses adjacent to commercial uses within specified zoning districts. Incentives, standards, mandates, and modifications to the existing Zoning Ordinance are outlined within the provisions of this program and reflected in the following regulations. See **Exhibit A** for an excerpt from the Housing Element regarding Program #8.

PURPOSE

Vertical and Horizontal Mixed Use (VMU and HMU) Regulations have been developed with standards to encourage the inclusion of affordable residential units within commercial districts within the City. Though the existing Zoning Ordinance allows residential uses within these districts, these regulations deliver modifications to the existing standards within the applicable zoning districts to facilitate the addition of residential units in these areas. These regulations lay out standards, procedures, design and parking, requirements, and applicability of residential units within vertical and horizontal mixed-use developments. The provisions of these regulations can provide additional affordable and market rate units within infill sites.

Exhibit B is the draft VMU regulations, which have been incorporated into Zoning Ordinance Section 10.44.190 (Residential Use in Commercial Districts). **Exhibit C** is the existing, clean lined version of Section 10.44.190 (for reference).

City Council Meeting
April 22, 2014

Attachment 3
VMU/HMU Memo

Exhibit D is the draft HMU regulations, which would be included in the Overlay Chapter of the Zoning Ordinance. Note that the draft HMU regulations have been updated since the 2/25/14 version presented to the Council in a redlined fashion with the insertion of a purpose statement which makes it clear that the purpose of the HMU regulations is to encourage residential uses on the ground floor of buildings that accommodate a mix of housing opportunities and reduce the need for increased building heights that pose potential adverse impact on views from surrounding properties. **Exhibit E** is the draft edits that would be necessary to the Zoning Map. **Exhibit F** is the Amendments to Table 10.12-2 and 10.24-1 to incorporate the HMU overlay.

Exhibits

- A. Sausalito Housing Element Program #8a and 8b
- B. Draft VMU Regulations (Amend Zoning Ordinance Section 10.44.190)
- C. Existing Zoning Ordinance Section 10.44.190
- D. Draft HMU regulations (Amend Chapter 10.28)
- E. Draft Zoning Map Amendments to incorporate HMU overaly
- F. Draft Amendments to Tables 10.12-2 and 10.24-1 to incorporate HMU overlay

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Exhibit A: Housing Element Program #8a and 8b

(Policy 2.2 Adequate Sites)

As part of this Housing Element, a detailed analysis of all vacant and underutilized residential and commercial parcels in Sausalito was conducted. The analysis used the Marin Map GIS system and was confirmed by review of aerial photographs and site visits. A number of filters were applied in order to identify only those parcels that truly have realistic development potential. The analysis determined that under existing zoning designations, approximately 100 additional units can be accommodated within the City's residential zoning districts and approximately 50 units within the City's commercial zones. Only limited vacant sites remain, with the majority of future residential development opportunities on underutilized parcels that are more challenging to develop.

2009-2014 Objectives: *Maintain a current inventory of vacant and underutilized residential sites, and mixed-use sites within the City's commercial districts. Provide the site inventory and available development incentives information to interested developers.*

8. Mixed Use Zoning in Commercial Districts

(Policy 2.1 Variety of Housing Choices, Policy 2.3 Adaptive Reuse, Policy 4.2 Flexible Development Standards, Policy 5.3 Family Housing, Policy 6.5 Jobs/Housing Balance)

With approximately one-third of the City's residential infill potential occurring within its commercial districts, it will be important that the City's standards facilitate residential mixed use. The following provisions currently encourage the integration of residential use within the CC, CR and CN commercial zoning districts:

- Allowances for residential housing on upper stories, up to the City's height limit of 32 feet, with commercial uses at ground level;
- Prohibition against conversion of existing residential uses to commercial (except in CC district where permitted with Minor Use Permit);
- Allowances for commercial and residential users to share their parking with a conditional use permit (CUP); and
- Allowances for tandem parking with a CUP.

8a. Vertical Mixed Use Requirements in Commercial Districts

"Vertical Mixed Use" (VMU) is a new mandatory requirement to be applied throughout the CN-1, CR and CC zoning districts to better facilitate the provision of upper story residential use above ground floor commercial (i.e. "vertical" mixed use), and encourage the integration of affordable units within market-rate projects. VMU requirements are as follows:

- New construction of 2nd and 3rd stories is limited to residential use.
- A minimum of one unit must be affordable. Projects with 6 or more units must provide

20% affordable units.

- Affordable rental units are targeted to low income (80% AMI) households, and affordable ownership units are targeted to moderate income (120% AMI) households.
- Affordable units must have a minimum of two bedrooms to accommodate families.
- The affordable units must be deed-restricted for a period of not less than forty years.
- The conversion of existing upper story residential uses to commercial uses is prohibited.
- The following exceptions to VMU requirements may be approved by the City Council:
 - a. To allow the expansion of an existing business;
 - b. If the property owner can demonstrate a financial hardship; and
 - c. If project applications for non-residential uses are deemed complete prior to March 31, 2013, to allow for potential projects that are currently under consideration to be reviewed according to existing zoning regulations.

Incentives to foster the creation of upper story residential VMU units include:

- Raising the current Conditional Use Permit requirement for 4 or more residential units to 7 or more residential units.
- Allowance for commercial and residential users to share parking, and for tandem and off-site parking leases with a Minor Use Permit.
- Allowance for affordable units to vary in square footage, design and interior amenity within reason from non-affordable units to reduce the cost of providing affordable units.
- Reduction or waiver of certain application and development review fees for the affordable units.

***2009-2014 Objectives:** Adopt VMU requirements for CN-1, CR and CC zoning districts within six months of Housing Element adoption.*

8b. Horizontal Mixed Use Incentives in Neighborhood Commercial (CN-1) District

To further facilitate the provision of housing within the Neighborhood Commercial (CN-1) Zoning District, the City will implement "Horizontal Mixed Use" (HMU) incentives to encourage the integration of housing with an affordable component¹. These are voluntary incentives that allow commercial property owners of designated CN-1 zoned sites (1901 Bridgeway and 2015 Bridgeway) to utilize the ground floor level of buildings for residential use, rather than the commercial uses otherwise required. The optional HMU incentives may be used in combination with incentives available under State density bonus law for affordable units.

In exchange for the by-right provision of ground floor residential use, the property owner would be required to:

- Ensure a minimum 30% three+ bedroom units to accommodate larger families;
- Ensure 25% very low income and 25% low income households;
- Ensure affordable units are deed-restricted for a period of not less than forty years;
- Meet the existing development standards in the Zoning Ordinance and existing findings for Design Review.

¹ The integration of 100% residential projects within a commercial district is referred to as "horizontal" mixed use as it allows residential uses next to commercial uses, on either the same or nearby parcels.

The following two sites are designated for Horizontal Mixed Use incentives:

- 1901 Bridgeway
- 2015 Bridgeway

2009-2014 Objectives: *Adopt HMU incentives on designated parcels within six months of Housing Element adoption.*

9. Non-Traditional Housing Types

(Policy 2.1 Variety of Housing Choices, Policy 4.2 Flexible Development Standards)

The community recognizes the changing housing needs of its population, including a growing number of non-family households, aging seniors in need of supportive services, and single-parent families in need of childcare and other services. To address such needs, the City can support the provision of non-traditional and innovative housing types to meet the unique needs of residents, including co-housing, shared housing, and assisted living for seniors, among others.

Co-housing is an innovative type of collaborative housing originated in Denmark in the 1960s. Co-housing communities consist of individually owned, private homes clustered around common facilities and amenities in a walkable, sustainable environment. Common features may include a community garden, recreational areas, and a common house where day care and meals can be shared. The communities are managed by the residents who have chosen to live in a close-knit neighborhood. Hundreds of co-housing communities currently exist throughout the country in a variety of settings, including communities in Berkeley, Oakland, Pleasant Hill, Cotati, Grass Valley, Davis and Santa Barbara.

Given the economic downturn, shared housing living situations are becoming more common. Homeowners are taking in renters, and renters are advertising for roommates to share in housing costs. Bringing in a tenant can be particularly helpful to the community's elderly homeowners to provide the necessary support to allow them to remain in their homes. The City supports these types of shared living situations.

Assisted living facilities are designed for elderly individuals needing assistance with certain activities of daily living - such as eating, bathing, and transportation - but desiring to live as independently as possible. Such facilities bridge the gap between independent living and nursing homes. With 7% of Sausalito's population over the age of 75, assisted living can help meet the housing and supportive service needs of the community's more frail senior residents. The Zoning Ordinance currently provides reduced parking standards for senior housing facilities.

2009-2014 Objectives: *Facilitate the development of alternative housing models suited to the community's housing needs by modifying zoning regulations to allow for such additional housing types.*

Exhibit B: Draft Amendments for VMU Regulations (Amend Section 10.44.190)

10.44.190 Residential Use in Commercial Districts

A. Purpose and Applicability. Residential uses located in CC, CR and CN zoning districts are subject to the requirements of this section, as provided by Section 10.24.030 (Allowable Land Uses, Commercial Zoning Districts). In addition to the general purposes of this Chapter, the specific purposes of regulating residential uses in commercial zones are as follows:

1. To further the objectives of the 1985 Traffic Initiative by prohibiting conversion of existing residential uses to commercial uses; and
2. To provide valuable opportunities for affordable housing while locating residential land uses adjacent to active commercial areas, to implement the goals and policies of the General Plan and specific programs in the Housing Element.
3. To encourage the retention of existing residential uses in the Central Commercial (CC), Mixed Commercial and Residential (CR), and Neighborhood Commercial (CN-1) Zoning Districts, by prohibiting the conversion of existing upper story residential units to commercial uses.
4. To encourage a mix of residential and commercial uses in the Central Commercial (CC), Mixed Commercial and Residential (CR) and Neighborhood Commercial (CN-1) Zoning Districts, by retaining commercial use on the first (ground or street) levels and requiring that residential use is the only allowed use on all levels above the ground level in the mixed use commercial districts, as specified in this section.

B. Location.

1. Residential uses in the Central Commercial (CC), Mixed Commercial and Residential (CR), and Neighborhood Commercial (CN-1 and CN-2) Zoning Districts are allowed as follows:
 - a. Central Commercial (CC) Zoning District. All uses located above the first (street or ground) level of all existing and new structures shall be residential. Existing residential uses located in the CC Zoning District may be converted to commercial uses with the issuance of a Minor Use Permit pursuant to Chapter 10.58 (Minor Use Permits).
 - b. Mixed Commercial and Residential (CR) Zoning District. All uses located above the first (street or ground) level of all existing and new structures shall be residential. Existing residential uses located in the CR Zoning District are to be preserved.
 - c. Neighborhood Commercial (CN-1) Zoning District. All uses located above the first (street or ground) level of all existing and new structures shall be residential in the CN-1 Zoning Districts located in the Second and Main Street area and the Bridgeway and Spring Street area.
 - d. Neighborhood Commercial (CN-2) Zoning District: Residential uses are not permitted in the CN-2 Zoning District located along Bridgeway between Coloma

Street and Ebbitide Avenue.

2. Existing residential uses located on the first (street or ground) level of a structure are permitted to remain in their current location.
3. Commercial uses are an allowed use on the first (street or ground) level pursuant to Section 10.24.030.

C. Permit Applications for Residential Units.

1. Development Standards. Development standards shall be those of the base zoning district for residential projects per Table 10.24-2 (Site Development Standards – Commercial Zoning Districts). For Residential Density Bonus and Incentives see Section 10.40.130.
2. Requirements. Each of the following requirements shall be met as a part of any residential project, including new construction and/or conversion of existing building space:
 - a. Developments of 1 (one) to 5 (five) units must provide a minimum of one (1) Affordable Unit. Developments with six (6) or more units shall require at least twenty (20) percent of the units as affordable. When the number of Affordable Units is calculated to a fractional number, any fraction of less than 0.5 shall be rounded down to the next whole number; any fraction of 0.5 or greater shall be rounded up to the next whole number. In the event that the Affordable Unit(s) are rental unit(s) the applicant shall enter into an agreement with the City regarding such unit(s). The agreement shall meet the requirements of California Civil Code Section 1954.52(b).
 - b. Affordable Units made available as rentals shall be provided to low income (80% AMI) households at an affordable rent.
 - c. Affordable Units made available as ownership units shall be sold to moderate income (120% AMI) households at an Affordable Ownership Housing Cost. Purchasers of Affordable Units must remain as owner-occupants, and may not rent or lease the unit, unless written approval is first obtained from the Director. The Director may approve the renting or leasing only if all of the following conditions are met: (1) the term is not greater than twelve (12) months and cannot be extended without the Director's written approval; (2) the owner demonstrates to the Director's reasonable satisfaction that the owner will incur substantial hardship if he or she is not permitted to rent or lease the Property or any part thereof to a third party; and (3) the rent does not exceed

1 the lesser of: (i) thirty percent (30%) of the income of the tenant household
2 that is renting the Property, or (ii) the owner's monthly cost of principal and
3 interest on the First Mortgage Loan and any Second Mortgage Loan, and
4 property insurance and property taxes associated with Property. Affordable
5 Units shall be constructed to include a minimum of two (2) bedrooms in order
6 to accommodate families. Affordable Units shall be constructed to include a
7 minimum of two (2) bedrooms in order to accommodate families.

8 d. Affordable Units must be deed-restricted for a period of not less than forty (40)
9 years.

10
11 3.. Incentives. The following incentives and conditions shall be granted to developers of
12 residential projects under this Section 10.44.190:

13 a. Development may permit commercial and residential tenants to share parking,
14 and for tandem and off-site parking leases with a Minor Use Permit. In order to
15 approve a Minor Use Permit for joint use, the Applicant shall demonstrate the
16 following:

17 i. There is no substantial conflict in the principal operating hours of the
18 building or uses for which the joint use of off-street parking facilities is
19 proposed; and

20
21 ii. The proposed joint use parking area is conveniently located to the uses to
22 be served.

23
24 iii. If the area to be used for parking and the parcel on which the subject land
25 use is located are not the same, then the Zoning Administrator shall
26 consider whether a deed restriction is warranted as a condition of approval.
27 Said deed restriction would stipulate that the shared parking agreement
28 shall remain in effect for the life of the subject land use.

29
30 b. Affordable Units may be permitted to be smaller in aggregate size and have
31 different interior finishes and features within reason from market-rate units.
32 The interior amenities in Affordable Units should generally be the same as those
33 of the market rate units in the project. Appliances need not be the same make,
34 model, or type of such item as long as they are of good and new quality and are
35 consistent with current standards for housing. Deviations between market rate
36 and Affordable Units shall be described in writing by the applicant and shall
37 require written approval by the Director.

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c. Development and application fees, including plan check and building permit fees, shall be reduced to a rate of 50 percent of the adopted development fees for the affordable portions of the project. The fee reduction shall be calculated on pro-rata basis by the Director.

4. Access and Facilities. Both market rate and Affordable Units shall maintain separate entrances from commercial and/or office uses. A Minor Use Permit shall be required to deviate from the separate entrance requirement. In order to approve a Minor Use Permit for joint entrance, the Applicant shall demonstrate that the addition of a separate entrance is infeasible due to physical constraints. All residential units shall contain a separate kitchen and bathroom facility.

5. Exceptions to Requirements. Waiver of specific use requirements in this Section 10.44.190 pursuant to Section 10.44.010.E shall only be considered in the following two instances:

- a. To allow for an exception to Section 10.44.190.B.1, which requires that all uses located above the first (street or ground) level of all existing and new structures shall be residential. The expansion of an existing business within the same or adjacent site may be a special situation considered by the Planning Commission when evaluating an exception to Section 10.44.190.B.1.
- b. To allow for an exception to Section 10.44.010.E, which requires that Affordable Units provide a minimum of two (2) bedrooms. To receive an exception from Section 10.44.010.E, it must be demonstrated that there are physical site constraints which make infeasible units with two or more bedrooms whether affordable or market rate.

Section 10.44.010.E shall not be used to grant any other exceptions from this Chapter 10.44.190 except for the two instances listed above.

Exhibit C: Existing Section 10.44.190

- H. **Low and Moderate Income Housing.** As vacancies occur, marina operators shall give preference to qualified Low and Moderate income tenants until such tenants constitute at least 50% of the liveaboard vessels in the marina.

10.44.180 Veterinary Clinics

When allowed by Chapters 10.20 through 10.28 (Zoning District Regulations) in the zoning districts that are subject to the Marinship (-M) overlay district, veterinary clinics are subject to the requirements of this section:

- A. **Boarding.** Veterinary clinics may offer short-term boarding of animals to serve the primary purpose of providing health care for animals.
- B. **Noise.** All areas where animals have access or are kept shall be soundproofed to contain all sounds on-site prior to the issuance of a Zoning Permit.

10.44.190 Residential Use in Commercial Districts

- A. **Purpose and Applicability.** Residential uses located in CC, CR and CN zoning districts are subject to the requirements of this section, as provided by Section 10.24.030 (Allowable Land Uses, Commercial Zoning Districts). In addition to the general purposes of this Chapter, the specific purposes of regulating residential uses in commercial zones are as follows:
1. To further the objectives of the 1985 Traffic Initiative by prohibiting conversion of existing residential uses to commercial uses; and
 2. To encourage the retention of existing residential uses in the CR zoning district, by requiring a Conditional Use Permit for any commercial uses above street level.
- B. **Location.** All residential uses shall be located above the first (street or ground) level of all existing and new structures. Existing residential uses located on the first (street or ground) level of a structure are permitted to remain in their current location.
- C. **CC zoning district.** Existing residential uses located in the Central Commercial (CC) zoning district may be converted to commercial uses with the issuance of a Minor Use Permit pursuant to Chapter 10.58 (Minor Use Permits).
- D. **CR zoning district.** Existing residential uses located in the Mixed Commercial and Residential (CR) zoning district are to be preserved. Only new residential uses are allowed on levels above the street level. Commercial use on levels above the street shall require a Conditional Use Permit.
- E. **CN zoning district.** Residential uses are permitted above the ground floor in the CN Zoning Districts located in the Second and Main Street area and the Bridgeway and Spring Street area. Residential uses are not permitted in the CN Zoning District located along Bridgeway between Coloma Street and Ebbtide Avenue.

Exhibit D: Draft HMU regulations (Amend Chapter 10.28)

Amendment to Chapter 10.28 – Overlay Districts: New Section 10.28.080 Horizontal Mixed Use (HMU)

A. Purpose. To encourage residential uses on the ground floor of buildings that accommodate a mix of housing opportunities and reduce the need for increased building heights that pose potential adverse impact on views from surrounding properties.

A-B. Applicability. These regulations apply to Horizontal Mixed Use (HMU) Overlay sites situated within the Neighborhood Commercial 1 (CN-1) zoning district. An applicant may elect to comply with the provisions of this Section 10.28.080 in which case the requirements of MSC 10.44.190 shall not apply. In the event an applicant does not elect to comply with the provisions of this Section 10.28.080 then the requirements of SMC 10.44.090 shall apply.

B-C. Zoning Map Indicator. Each HMU overlay district shall be shown on the zoning map by adding an “—HMU” designator to the base district designation.

C-D. Permit Applications for Residential Units.

1. Location. Residential dwelling units within HMU projects may be permitted on all levels of existing and new buildings.

2. Development Standards. Development standards shall be those of the base zoning district for residential projects per Table 10.24-2 (Site Development Standards – Commercial Zoning Districts). For Residential Density Bonus and Incentives see Section 10.40.130.

3. Requirements. HMU projects shall comply with each of the following provisions:

- a. Thirty percent of residential units within HMU projects shall provide a minimum of three (3) bedrooms in order to accommodate “large households” (i.e., households with five or more persons, typically consisting of families with children). If the number of units is calculated to a fractional number, any fraction of less than 0.5 shall be rounded down to the next whole number; any fraction of 0.5 or greater shall be rounded up to the next whole number.
- b. A minimum of 25 percent of the units in an HMU project must be provided at an affordable rents or sales price to very low income (50% AMI) households, and an additional 25% must be provided as affordable to low income (80% AMI) households. If the affordable number of units is calculated to a fractional number, any fraction of less than 0.5 shall be rounded down to the next whole number; any fraction of 0.5 or greater shall be rounded up to the next whole number.
- c. Affordable Units shall be deed-restricted for a period of not less than forty years.

4. Incentives. The following incentives shall be granted to HMU projects compliant with the development standards and requirements in these regulations.

- a. Affordable Units may be permitted to be smaller in aggregate size and have different interior finishes and features within reason from market-rate units. The interior amenities in Affordable Units should generally be the same as those of the market rate units in the project. Appliances need not be the same make, model, or type of such item as long as they are of good and new quality and are consistent with current standards for housing.

- 1 Deviations between market rate and Affordable Units shall be described in writing by the
- 2 applicant and shall require approval by the Director.
- 3 b. Development and application fees, including plan check and building permit fees, shall be
- 4 reduced to a rate of 50 percent of the adopted development fees for the affordable portions
- 5 of the project. The fee reduction shall be calculated on pro-rata basis by the Director.
- 6 5. Access and Facilities. Residential units of both market rate and affordable varieties shall
- 7 maintain separate entrances from commercial and/or office uses. A Minor Use Permit shall be
- 8 required to deviate from the separate entrance requirement. In order to approve a Minor Use
- 9 Permit for joint entrance, the Applicant shall demonstrate that the addition of a separate
- 10 entrance is infeasible due to physical constraints. All residential units shall contain a separate
- 11 kitchen and bathroom facility.
- 12 6. Exceptions to HMU Requirements. The Planning Commission may waive the requirement in
- 13 Section 10.28.080.C.3.a, which requires that 30% of the units provide a minimum of units of three
- 14 (3) or more bedrooms in order to accommodate larger households in special situations when it is
- 15 demonstrated that there are physical site constraints which make infeasible units of three or more
- 16 bedrooms. In order to waive this requirement, the following findings shall be made:
- 17 a. Based on the unique project characteristics and location, the requirement in Section
- 18 10.28.080.C.3.a is not necessary to meet the goals and policies of the General Plan and
- 19 specific programs in the Housing Element.
- 20 b. There is an adequate mix of units in the proposed development for larger households.
- 21

Exhibit E: Draft Amendments to Zoning Map to Incorporate -HMU

Draft Amendments to Zoning Map to Incorporate HMU Overlay Zone

Draft date: 2/7/14

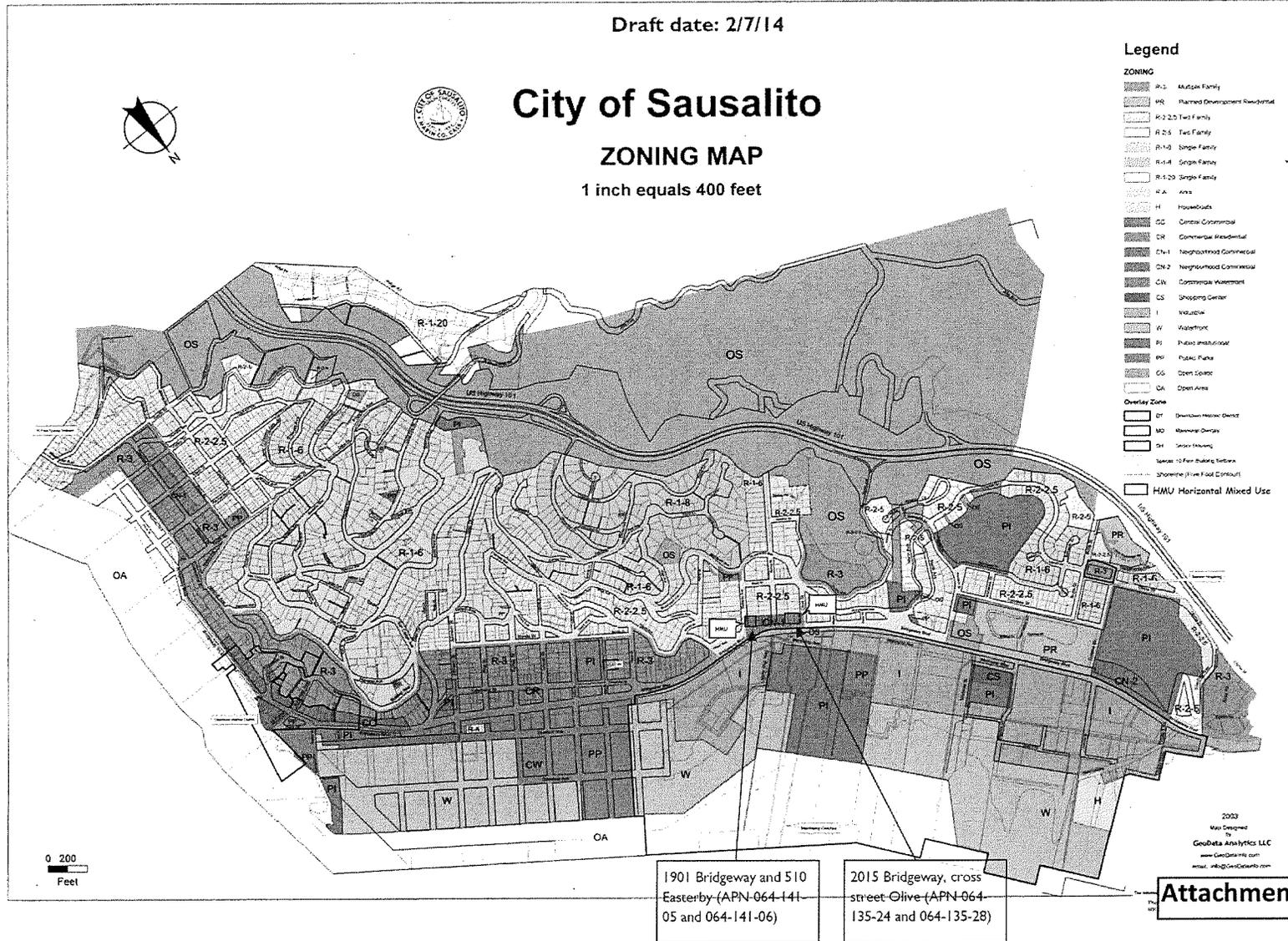


Exhibit F: Draft Amendments to Tables 10.12-2 and 10.24-1

Table 10.12-2 OVERLAY DISTRICT DESIGNATIONS		
Designator	Overlay Zoning District	Regulations in Section
-H	Historic	10.28.040 and Chapter 10.46 (Historic Overlay District and Landmarks)
-M	Marinship	10.28.050
-Pd	Planned Development	10.28.060
-Sh	Senior Housing	10.28.070 and Section 10.44.120 (Senior Housing Projects)
<i>-HMU</i>	<i>Horizontal Mixed Use</i>	<i>10.28.080</i>

Table 10.24-1 (continued)
LAND USES ALLOWED IN COMMERCIAL DISTRICTS*1*

LAND USE	CC	CR	CN	SC	CW	W	W-M	SEE SECTION
Residential accessory uses	P	P	P					10.44.020 (Accessory Uses and Structures)
Senior housing projects	CUP	CUP	CUP*4'					10.44.120 (Senior Housing Projects)
Upper floor residential								
One to three (1- 3) dwelling units six 6	P	P or CUP	P*4'					10.44.190 (Residential Use in Com. Dist.)
Seven Four (7) or more dwelling units	CUP	CUP	CUP*4'					
Retail Trade								
Art galleries dealing in original art	P	CUP						Sec. 10.44.230 (Visitor Serving Stores and Art Galleries)
Drinking Establishments	CUP	CUP	CUP		CUP*5			
Building material stores	P	P	P		P			
Formula Retail (Applies to all forms of retail trade.)	CUP		CUP	CUP				Sec. 10.44.240 (Formula Retail)
Full service supermarket				P				
Furniture, furnishings and equipment stores	P	P	P		P			
Grocery stores	P	P	P		P			
Jewelry stores – precious metals & gems	P	P						
Liquor stores	P	CUP	CUP					
Lumberyard				CUP				
Plant nurseries	CUP		CUP		CUP			
Recreational equipment sales and rentals	P	P			P	P		
Restaurants	P	CUP	CUP		P		CUP*6	10.44.210 (Restaurants) and 10.44.220 (– Outdoor Eating Areas)
Outdoor dining (on public right-of-way or private property)	MUP	MUP	MUP		MUP		MUP	
Retail stores, general merchandise (non-visitor-serving)	P	P	P					
Secondhand or thrift stores	P	P	P					
Visitor serving stores	CUP							10.44.230 (Visitor Stores)
Wholesale and retail fish sales	P	P	P		P	P	CUP	
Wine shops	P	P						

Memorandum

TO: City Council
FROM: Karen Warner, AICP, Principal, Karen Warner Associates
DATE: April 22, 2014
SUBJECT: **Accessory Dwelling Unit Program Status Update**
Sausalito 2009-2014 Housing Element Program #10a/b

Summary

Housing Element Program #10a states the following:

Adopt accessory dwelling unit (ADU) regulations in 2012 to facilitate the provision of ADUs for seniors, caregivers, and other lower and extremely low income households. Develop a brochure and make information available to the public on the City's website, at the City Hall public counter, and through other community resources. Seek to create 12 ADUs during the remaining 2012-2014 planning period. Monitor the City's progress in conjunction with the Annual Housing Element Report.

Housing Element Program #10b states the following:

Adopt and begin implementation of an ADU registration and amnesty program in 2012. Seek to legalize a minimum of 12 ADUs during the remaining 2012-2014 planning period, bringing them into the City's official housing stock and crediting them towards the RHNA. Monitor progress in conjunction with the Annual Housing Element Report and report to HCD in 2013. To the extent there is a shortfall in the number and affordability of legalized ADUs to address the RHNA, the City will amend the Housing Element to identify additional strategies.

The following summarizes the work that has been completed to date on these programs.

Amnesty ADUs

An amnesty ADU ordinance was adopted in November of 2012 and applications for amnesty ADUs were accepted beginning in 2013. Since that date the City has received 64 applications to legalize an ADU. Out of the 64 applications, **13 have been approved which can count towards addressing the RHNA**, 4 have been approved but cannot count towards addressing the RHNA as the unit was counted in the 2000 Census, and the remaining applications are still in the process of being reviewed or are completing requirements for health and safety. The amnesty period expired on March 31, 2014, at which point property owners were required to have complete applications in with the Community Development Department for consideration for amnesty. Based on discussions with HCD, the City maintains the option of crediting amnesty ADUs approved in 2014 towards its 2007-2014 RHNA, or the 2014-2023 RHNA for the upcoming Housing Element. The City will make this determination prior to submitting its draft Housing Element update to HCD based on the need to offset any shortfall in new ADUs and/or

liveboards assumed in the 2009-2014 Housing Element sites inventory. Given the number of remaining unpermitted ADUs in Sausalito, the draft 2015-2023 Housing Element proposes initiating another amnesty program in 2015.

New ADUs

An ADU ordinance was adopted in November of 2012 and applications for ADUs were accepted beginning in 2013. Since that date the City has received 6 applications to construct/create a new ADU. Out of the 6 applications, **4 have been approved** and the remaining 2 applications are still in the process of being reviewed.

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Memorandum

TO: City Council
FROM: Karen Warner, AICP, Principal, Karen Warner Associates
DATE: April 22, 2014
SUBJECT: **Liveaboard Program Status Update**
Sausalito 2009-2014 Housing Element Program #11

Summary

Housing Element Program #11 states the following:

Contact marina operators and facilitate any required local permitting in 2012. Report permitted liveaboards to the State Department of Finance (DOF) at the next reporting period in early 2013. Coordinate with Sausalito Yacht Harbor to ensure all BCDC and City permitting required for increasing liveaboard capacity to 10% is completed no later than 2013, and report permitted liveaboards to DOF in early 2014. Establish procedures for monitoring and enforcement of local low and moderate income occupancy requirements. Pursue means to improve mail service and public communication with the liveaboard community.

The following summarizes the work that has been completed to date on this program.

Existing Liveaboards

A. 2000 Census Count of Liveaboards

For purposes of the 2009-2014 Housing Element site inventory, the following methodology was utilized to quantify the number of existing liveaboards to be credited towards Sausalito's RHNA:

1. Document the number of liveaboards counted in the 2000 census and thus already reflected in ABAG's count of existing units in Sausalito in the 2009-2014 RHNA;
2. Document the number of existing "legal" liveaboards in each census block with permits from the San Francisco Bay Conservation and Development Commission (BCDC); and
3. Quantify the number of permitted liveaboards not counted by the 2000 census by census block or subsequently counted by the Department of Finance, and apply towards the City's RHNA.

Table 1 below (excerpted from the adopted Housing Element) compares the 2000 Census count of liveaboards by census block with the actual number of existing "legal" liveaboards as authorized by

BCDC. As indicated by this table, the 2000 Census identifies 76 housing units¹ within the three census blocks which encompass the City's eight marinas. In contrast, a total of 108 existing liveaboards with BCDC permits are located within these census blocks (excluding the 38 berth Galilee Harbor which was occupied in 2003 and thus counted as a project for the prior planning period). A comparison of the 2000 Census housing unit count within each census block with the number of existing BCDC permitted liveaboards reflects a net Census undercount of 38 liveaboard units.

Table 1: Comparison of Existing Permitted Liveaboards and 2000 Census

Census Block # (Tract 1302, Block Group 1)	2000 Census Housing Unit Count	Marina	Existing Liveaboards in 2000 with BCDC Permits	2000 Census Undercount of Permitted Liveaboards
1000	8	Pelican Harbor	9	32
		Sausalito Yacht Harbor	31	
1001	10	Galilee Harbor*	(38)	6
		Schoonmaker Marina	16	
		Sausalito Marine Ways	--	
1020	58	Clipper Yacht Harbor	52	0
		Marina Plaza	--	
		Sausalito (Arques)	--	
		Shipyards	--	
Totals	76 units		108	38 units

Source: 2000 U.S. Census; San Francisco Bay Conservation and Development Commission (BCDC) December 2011; City of Sausalito *Liveaboard Technical Report*, May 25, 2011.

*Note: As the new Galilee Harbor opened as a legally permitted marina in 2003, it is assumed none of the 10 units counted in 2000 in census block 1001 are attributable to Galilee Harbor.

In order to credit these 38 undercounted liveaboard units towards Sausalito's 2009-2014 RHNA, Program #11 in the City's adopted Housing Element (*Liveaboards and Houseboats*) commits the City to reporting these undercounted berths to the State Department of Finance, thus bringing all permitted liveaboards within the City's official housing stock. However, while the five marinas with BCDC authorized liveaboards have various permits on file with the City, only Galilee Harbor has a recorded CUP which explicitly permits liveaboards. In order to be recognized as a legal unit reportable to the State, liveaboards must also have the necessary City permits. City staff have evaluated the additional local permitting required for each of these 4 marinas with BCDC permits, and has concluded the following:

¹ The Census does not break down housing units by type of unit at the block level. However, the three 2000 census blocks which contain Sausalito's 8 marinas coincide with the waterfront and contain no housing units on land.

- Pelican Harbor: conforming status of liveaboards unknown, City to conduct additional research to determine if liveaboard use is a legal non-conforming use at this marina or if additional permits are needed.
- Sausalito Yacht Harbor: conforming status of liveaboards unknown, City to conduct additional research to determine if liveaboard use is a legal non-conforming use at this marina or if additional permits are needed. Will need a Conditional Use Permit to exceed 5% of the berths for liveaboards.
- Schoonmaker Marina: liveaboard use is a legal non-conforming use in the Marinship and therefore liveaboards are grandfathered and do not need additional City permits at this point in time.
- Clipper Yacht: liveaboard use is a legal non-conforming use in the Marinship and therefore liveaboards are grandfathered and do not need additional City permits at this point in time.

In summary, for purposes of the 2000 census undercount of 38 liveaboards, (6 units in Schoonmaker Marina, and 32 units in Pelican and Sausalito Yacht Harbors), only the liveaboards in Schoonmaker Marina have been confirmed to not require additional City permits and thus can be counted towards the 2009-2014 RHNA. In order to capture the 32 unit census undercount in Pelican and Sausalito Yacht Harbor, necessary City permitting in these marinas will need to be completed in calendar year 2014.

B. 2010 Census Count of Liveaboards

Discussions with the State Department of Finance (DOF) regarding appropriate reporting of undercounted liveaboards indicate that from this point forward, the City will need to evaluate any undercount in comparison with the housing unit counts from the 2010 Census. So while the 2009-2014 RHNA developed by ABAG is based on housing unit counts from the 2000 Census, the current housing unit counts reported by DOF now utilize the 2010 Census as the baseline.

Unfortunately, both the 2010 census block numbers and boundaries have changed significantly from the 2000 Census, with census blocks now encompassing both waterfront homes and marinas. As shown in Table 2, the 2010 housing unit count by census block now exceeds the number of BCDC permitted liveaboards.

Discussion of this issue with the State Department of Housing and Community Development (HCD) has confirmed the City's ability to continue to utilize the 2000 Census as the basis for the liveaboard undercount in the City's 2009-2014 Housing Element. However, while these undercounted units will not be reported to DOF, HCD has stressed that any liveaboards to be credited towards the 2009-2014 RHNA must have the necessary City permits in place in 2014.

Table 2: Comparison of Existing Permitted Liveaboards and 2010 Census

Census Block # (Tract 1302.02 Block Group 1)	2010 Census Housing	Marina	Existing Liveaboards with BCDC
--	---------------------------	--------	--------------------------------------

	Unit Count		Permits
1023	75	Clipper Yacht Harbor	52
1035	80	Galilee Harbor	38
		Schoonmaker Marina	16
1038	27	Sausalito Marine Ways	--
1039	62	Sausalito Yacht Harbor	31
		Pelican Harbor	9
Totals	244 units		146

Future Liveboard Capacity

Similar to residential sites capacity under zoning, several marinas have additional capacity within their existing berths for liveboards as authorized by BCDC. As illustrated in **Table 3** (excerpted from the Housing Element), BCDC has authorized 201 liveboards within five marinas in the City whereas 146 permitted liveboards currently exist in these marinas, providing capacity for 55 additional liveboards.

Table 3: Additional Liveboard Capacity in Permitted Marinas

Marinas with BCDC Permits	Authorized Liveboards under BCDC Permit	Existing Permitted Liveboards	Additional Liveboard Capacity
Pelican Harbor	9	9	0
Sausalito Yacht Harbor	62	31	31
Galilee Harbor	38	38	0
Schoonmaker Marina	20	16	4
Clipper Yacht Harbor	72	52	20
Totals	201	146	55

Source: San Francisco Bay Conservation and Development Commission (BCDC) December 2011; City of Sausalito *Liveboard Technical Report*, May 25, 2011.

Two of the marinas with unused liveboard capacity (Clipper Yacht Harbor and Schoonmaker Marina) have the necessary BCDC permits in place, and are located within the Marinship where liveboards are grandfathered in as a legal non-conforming use, and thus can accommodate a combined total of 24 additional liveboards at any time. The BCDC permit for the third marina with additional liveboard capacity (Sausalito Yacht Harbor) currently authorizes 5%, or 31, liveboard berths; BCDC indicates the permit can be amended to increase liveboard berths to 10% upon the owner's request and demonstration of compliance with the San Francisco Bay Plan and Richardson's Bay Plan policies and requirements. The City has reviewed the

requirements of these Plans with representatives of Sausalito Yacht Harbor, and will be required to provide sufficient parking and obtain a Conditional Use Permit to expand to 62 liveaboard berths. In order to count towards Sausalito's 2009-2014 and 2015-2023 RHNA, the necessary City and BCDC permitting for Sausalito yacht harbor will need to be completed in calendar year 2014.

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Memorandum

TO: City Council

FROM: Geoff I. Bradley, AICP Principal, Metropolitan Planning Group
Dave Javid, AICP, LEED AP, Principal Planner, Metropolitan Planning Group
Karen Warner, AICP, Principal, Karen Warner Associates

SUBJECT: **Draft Density Bonus Ordinance**
Sausalito 2009-2014 Housing Element Program #19

BACKGROUND

Sausalito's adopted 2009-2014 Housing Element sets forth Program #19 "*Density Bonus and Other Incentives for Affordable Housing*" to bring the City into compliance with State Density Bonus Law (Government Code Section 65915). See **Exhibit A** for an excerpt from the Housing Element regarding Program #19. The purpose of the density bonus law is to encourage the development of affordable housing through granting density increases above that permitted under zoning, along with other incentives, **to developers of residential projects with five or more units** who commit to providing a certain percentage of affordable units within their projects.

State density bonus law (found in Government Code Sections 65915-65918) was first enacted in 1979, with significant changes to density bonus provisions enacted in 2005 pursuant to SB 1818. Jurisdictions are required to adopt local density bonus ordinances that meet the minimum standards set by this legislation. Jurisdictions who do not comply with the adoption of the density bonus ordinance and its provisions are considered to be in violation of State law.

In addition to offering density bonuses, incentives and concessions through the provision of affordable housing, applicants may opt to develop senior citizen units, donate land, or construct child care facilities as a method of achieving an awarded bonus.

PURPOSE

In compliance with Government Code Sections 65915-65918, and as specified under Program 19 of Sausalito's adopted Housing Element, the City is preparing the ordinance to amend Title 10 (Zoning) of the Sausalito Municipal Code (see **Exhibit B** for the draft Ordinance). The ordinance will establish applicability, requirements, density bonus awards, incentives, concessions, approval requirements and other criteria for use by the City and applicants in processing density bonus projects. Although Sausalito currently has a Density Bonus Ordinance (see **Exhibit C**) in place within the Zoning Ordinance, it does not

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Attachment 6
Density Bonus Memo

reflect many of the updated standards established under SB 1818, thus requiring updating and reorganization.

The City does not have discretion over allowing a density bonus or concessions if a qualifying applicant requests them. However, the City does have some discretion regarding the process for reviewing density bonus requests. The Subcommittee is recommending the Introduction of a tiered system for incentives/concessions. Applicants are encouraged to select incentives identified in Tier 1 before selecting concessions in Tier 2 as incentives with an anticipated greater level of impact are identified as Tier 2 and are less preferred, and thus require a higher level of review and approval by the City.

- Tier 1 would require review/decision by the Planning Commission:
 - reduced minimum lot setbacks
 - reduced minimum lot sizes and/or dimensions
 - increased maximum building coverage
 - increased maximum floor area ratio (FAR)
 - reduced common or private open space
 - approval of mixed use zoning in conjunction with the residential development if non-residential land uses will reduce the cost of residential development
- Tier 2 would include review/recommendation by the Planning Commission and review/ decision by the City Council:
 - reduced parking (beyond the State Alternative Parking Standards in the State Density Bonus)
 - building heights that do not comply with Sausalito Municipal Code Section 10.40.060
 - other regulatory incentives or concessions (such as impacts to primary views that do not comply with Sausalito Municipal Code Section 10.54.050.D.4) proposed by the applicant or City which result in identifiable, financially sufficient, and actual cost reductions.

A matrix comparing existing and revised standards are enclosed as **Exhibit D**. The State Density Bonus Law is attached as **Exhibit D**. A reference density bonus chart is included in **Exhibit F** for information only.

Exhibits

- A. Program #19, Sausalito Housing Element
- B. Draft Density Bonus Ordinance (amending Zoning Ordinance Chapter xx)
- C. Existing Density Bonus Ordinance
- D. Comparison Matrix: Existing and Updated Density Bonus Ordinance
- E. State Density Bonus Law
- F. Density Bonus Chart (for information only)

City Council Meeting
April 22, 2014

Attachment 6
Density Bonus Memo

Exhibit A: Housing Element Program #19

Goal 4.0: Reducing Governmental Constraints

18. Fee Deferrals and/or Waivers for Affordable Housing (Policy 4.1 Regulatory Incentives for Affordable Housing)

The City collects various fees from development projects to cover the costs of processing permits and providing services and facilities. While these fees are assessed on a pro rata share basis, they are an element in the cost of housing and could potentially constrain the provision of affordable housing. The deferral, reduction or waiver of City fees can lower the production costs of affordable housing.

The City will continue to offer a reduction in City fees as an incentive for affordable housing. In order to specifically encourage the provision of housing affordable to extremely low income (ELI) households (<30% AMI), the City will waive 100% of application processing fees for projects with a minimum of 5% ELI units.

In addition, the California legislature passed AB 641 in 2007, which helps to address the cash flow challenges inherent in many affordable housing projects during the construction phase. For affordable housing developments in which at least 49 percent of the units are affordable to low or very low-income households, AB 641 prohibits local governments from requiring the payment of local developer fees prior to receiving a certificate of occupancy.

2009-2014 Objectives: Provide information to the affordable housing community that fee deferrals, reductions and waivers may be requested for affordable housing projects. Adopt a resolution waiving 100% of application processing fees for projects with a minimum of 5% ELI units.

19. Density Bonus and Other Incentives for Affordable Housing (Policy 4.1 Regulatory Incentives for Affordable Housing)

Under Government Code section 65915-65918, for housing projects of at least five units cities must grant density bonuses ranging from 5% to 35% (depending on the affordability provided by the housing project) when requested by the project sponsor, and provide up to three incentives or concessions unless specific findings can be made. Local jurisdictions are required to adopt regulations that specify how compliance with the State's density bonus law will be implemented. The City is also required to establish procedures for waiving or modifying development and zoning standards that would otherwise inhibit the utilization of the density bonus on specific sites. These procedures must include, but not be limited to, such items as minimum lot size, side yard setbacks, and placement of public works improvements.

2009-2014 Objectives: Amend the Zoning Ordinance text to comply with current State requirements, including permit processing procedures as well as regulatory concessions and incentives. Define the relationship between HMU incentives, VMU Requirements, and State density bonus law.

Exhibit B: Draft Amendment to Zoning Ordinance Section 10.40.130

1 **10.40.130 Residential Density Bonus.**

2 **A. Purpose.** The purpose of this section is to demonstrate the standards and procedures in granting
3 affordable housing density bonuses for housing developments, in an effort to incentivize the
4 construction of Affordable Units within new developments in the City. This section implements the
5 requirements of Government Code Section 65915 ("State Density Bonus Law").
6

7 **B. Applicability.**

- 8 1. This section shall apply to all zoning districts within the City that allow residential use.
- 9 2. The bonus granted pursuant to this section shall apply only to residential projects or residential
10 components of mixed-use projects, not including units granted as a density bonus.
- 11 3. The proposed project shall have all of the following characteristics in order to qualify for a
12 density bonus:
 - 13 a. The residential development must include a minimum of five (5) dwelling units.
 - 14 b. The applicant seeks and agrees to provide housing units to very-low, low or moderate income
15 households or senior citizens at rates consistent with those specified in Table 10.40-2
16 (Density Bonus Standards).
 - 17 c. The resulting density is beyond that permitted by the applicable zoning district.
 - 18 d. The applicant agrees to retain the affordable status of housing units for at least thirty (30)
19 years through the recordation of a deed restriction.
20

21 **C. Application Requirements.**

- 22 1. Any applicant requesting a density bonus, incentives, and/or concessions must provide the City
23 with a written proposal.
- 24 2. The proposed project shall have all of the following characteristics in order to qualify for a
25 density bonus:
 - 26 a. Requested Density Bonus.
 - 27 i. Evidence that the project meets thresholds set by State Density Bonus Law, excluding
28 the units added by the granted density bonus;
 - 29 ii. Calculations showing the maximum base density;
 - 30 iii. Number or percentage of affordable units and the income level at which the units will
31 be restricted to;
 - 32 iv. Number of market rate units to result from the granted density bonus;
 - 33 v. Resulting density, described in units per square foot; and,
 - 34 vi. A written acknowledgement that the project will be subject to a condition of approval
35 and deed restriction to retain affordability of the affordable unit(s) for at least thirty
36 (30) years.
37

1 b. Documentation of Requested Incentives or Concessions.

- 2 i. A pro forma or other report demonstrating that the requested incentives and
 3 concessions result in identifiable, financially sufficient and actual cost reductions
 4 necessary to ensure the financial feasibility of the proposed units shall be prepared.
 5 ii. A detailed report to allow the City to verify the conclusions of the report submitted in
 6 Section 10.40.130.D.2.b.i above shall be prepared. The City may require that an
 7 independent financial review be conducted and the applicant shall be responsible for
 8 all consulting costs for document preparation and review.
 9 iii. The proposal shall include a description of any proposed waivers of development
 10 standards and why they are necessary for making the project physically possible.
 11 iv. All requested incentives and concessions should not exceed the limits stated in Table
 12 10.40-3 (Incentives and Concessions).

13 3. Payment of fees set by resolution of the City Council.

14 **D. Density Bonus Allowance.**

- 15 1. ~~A request for a density bonus shall not require any discretionary approval by the City.~~ A request
 16 for a density bonus pursuant to this section shall only be granted if the applicant agrees to
 17 construct one of the following:
 18 a. At least five percent (5%) of the units are dedicated to very-low income households;
 19 b. At least ten percent (10%) of the units are dedicated to very-low income and/or low income
 20 households;
 21 c. At least ten percent (10%) of the units are dedicated to moderate-income households and
 22 are developed as common interest developments (including condominium projects, planned
 23 developments, community apartment projects or stock cooperatives) and are available to the
 24 general public for sale; or,
 25 d. At least thirty-five (35) dwelling units are dedicated and available exclusively to persons aged
 26 fifty-five (55) and older and to those residing with them in accordance with State Density
 27 Bonus Law Section (65915(b)(1)(c)).
 28

Table 10.40-2. Density Bonus Standards

Target Group	Proportion of Total Affordable Dwelling Units	Maximum Density Bonus	Example Project with 10 Base Units (Except Senior Citizen Housing Development)			
			Base Units		Bonus Units ⁽⁴⁾	Maximum Number of Units
			Market Units	Minimum Affordable Units		
Very-Low Income ⁽¹⁾	5%	20%	9	1	1	11
	10%	33%	9	1	4	14

Target Group	Proportion of Total Affordable Dwelling Units	Maximum Density Bonus	Example Project with 10 Base Units (Except Senior Citizen Housing Development)			
			Base Units		Bonus Units ⁽⁴⁾	Maximum Number of Units
			Market Units	Minimum Affordable Units		
	11% or above	35%	8	2	4	14
Low Income ⁽²⁾	10%	20%	9	1	2	12
	20% or above	35%	8	2	4	14
Moderate Income ⁽³⁾ (Common interest developments)	10%	5%	9	1	1	11
	20%	15%	8	2	2	12
	40% or above	35%	4	6	4	14
Senior Citizen	35 units (minimum)	20%	35		7	42

(1) For each 1% increase over 5% of the Target Units, the Density Bonus shall be increased by 2.5% up to a maximum of 35%

(2) For each 1% increase over 10% of the Target Units, the Density Bonus shall be increased by 1.5% up to a maximum of 35%

(3) For each 1% increase over 10% of the Target Units, the Density Bonus shall be increased by 1% up to a maximum of 35%

(4) Rounded up to the next whole number

- 1
 - 2
 - 3
 - 4
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 - 12
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 - 17
2. The density bonuses available under this section shall not be combined.
 3. All calculations resulting in fractional units shall be rounded up to the next whole number.

E. Floor Area Bonus and Concessions for Child Care Facilities.

1. When the applicant proposes to construct a housing development that includes affordable housing units as stated in Table 10.40-2 (Density Bonus Standards) and includes a "child care facility," as defined in State Density Bonus Law Section 65915(h)(4), to be located on the premises of, constructed as part of, or located adjacent to the housing development, the City shall grant either of the following to the applicant:
 - a. An additional density bonus in an amount that is equal to or greater than the total square footage of the child care facility; or
 - b. An additional incentive or concession that contributes significantly to the economic feasibility of the construction of the child care facility.
2. A housing development shall be eligible for either the density bonus or concession described in this section once the granting authority makes all of the following findings:

- 1 a. The granted density bonus or concession would contribute to the economic feasibility of the
2 construction of the child care facility.
- 3 b. The density bonus or concession would not have a significant adverse impact on public
4 health, public safety or the physical environment to an extent which cannot be feasibly
5 mitigated or avoided without compromising the affordability of very-low income, low income
6 and moderate income housing units. A specific adverse impact is a significant, quantifiable,
7 direct, and unavoidable impacts, based on objective, identified, written public health or
8 safety standards, policies, or conditions as they existed on the date that application was
9 deemed complete.
- 10 c. The child care facility shall remain in operation for the same period of time in which
11 Affordable Units of the development are proposed and required to remain affordable.
- 12 d. Of the children attending the child care facility, the percentage of children of very-low
13 income, low income or moderate income households shall be equal to or greater than the
14 percentage of the dwelling units proposed to be affordable to very-low income, low income
15 and moderate income households.
- 16 e. The City shall not be required to grant a density bonus or concession if it determines, based
17 on substantial evidence, that the community has adequate child care facilities.
- 18 f. A floor area density bonus for the provision of a child care facility may be combined with a
19 density bonus granted for the provision of affordable housing units. The combined density
20 bonus for any residential development shall not exceed thirty-five percent (35%).
21

22 **F. Incentives and Concessions.**

- 23 1. In addition to the density bonus, an applicant who utilizes the density bonus provisions of this
24 chapter may request one or more concessions or incentives. The number of incentives or
25 concessions granted to the applicant shall be pursuant to the State Density Bonus Law, as set
26 forth in Table 10.40-3 (Incentives and Concessions),), unless the City makes the findings and
27 rejects a request under the procedures described in subsection 6 pursuant to the State Density
28 Bonus Law except as provided in subsection (6) of this section.
- 29 2. Incentives and Concessions may include:

30 A reduction in site development standards or a modification of zoning code requirements or
31 architectural design requirements which exceed the minimum building standards provided in
32 Part 2.5 (commencing with Section 18901) of Division 13 of the California Health and Safety
33 Code, and which result in identifiable, financially sufficient, and actual cost reductions. These
34 incentives (or concessions) are broken down into two tiers, with applicants encouraged to
35 select incentives identified in Tier 1 before selecting concessions in Tier 2. Incentives with an
36 anticipated greater level of impact are identified as Tier 2 and are less preferred, and thus
37 require a higher level of review and approval by the City. The overall goal of this hierarchy is

1 choose concessions that reduce neighborhood impacts, further the project's consistency with
2 the General Plan, and promote affordability.

3
4
5 **Tier 1 Incentives/Concessions** (review/decision by the Planning Commission)

- 6 i. reduced minimum lot setbacks
7 ii. reduced minimum lot sizes and/or dimensions
8 iii. increased maximum building coverage
9 iv. increased maximum floor area ratio (FAR)
10 v. reduced common or private open space
11 vi. approval of mixed use zoning in conjunction with the residential development if non-
12 residential land uses will reduce the cost of residential development and the City finds
13 that the proposed non-residential uses are compatible with the residential development
14 and with existing or planned development in the area where the proposed residential
15 development will be located.

16
17 **Tier 2 Incentives/Concessions** (review/recommendation by the Planning Commission and
18 review/ decision by the City Council)

- 19 i. reduced parking (beyond the State Alternative Parking Standards identified in Section G of
20 this Chapter)
21 ii. building heights that do not comply with Sausalito Municipal Code Section 10.40.060
22 iii. other regulatory incentives or concessions (such as impacts to primary views that do not
23 comply with Sausalito Municipal Code Section 10.54.050.D.4) proposed by the applicant or
24 City which result in identifiable, financially sufficient, and actual cost reductions.

25 ~~2.~~

26 ~~a. Regulatory incentives proposed by the City or the applicant resulting in identifiable,~~
27 ~~financially sufficient, and actual cost reductions. The incentive may include a direct financial~~
28 ~~incentive, such as a reduced application fee.~~

29 ~~b. Site development standards that results in identifiable, financially sufficient and actual cost~~
30 ~~reductions, such as reducing parking or setback requirements for the development.~~

31 ~~c. Waivers of development standards to enable development at an increased density provided~~
32 ~~that the applicant must demonstrate that the project would be physically impossible to~~
33 ~~construct otherwise.~~

- 34 3. Applicants may seek a waiver or modification of development standards that will have the effect
35 of precluding the construction of a residential development meeting the criteria of Section D of
36 this chapter at the densities or with the concessions or incentives permitted by this Division. The
37 applicant must demonstrate that the waiver or modification is necessary to make the residential
38 project, with the affordable units, economically feasible.

1 ~~3.4.~~ The denial of an incentive is separate from a decision to approve or deny the project as a whole.
 2 ~~4.5.~~ The granting of a density bonus, incentives or concessions shall not be interpreted to require a
 3 General Plan amendment, Zoning Map amendment, or other discretionary action for approval. If
 4 the base project requires discretionary approval, the City retains discretion whether to make the
 5 required findings for the project's approval.
 6

7 **Table 10.40-3. Incentives and Concessions**

Unit Affordability Level	Percentage of Total Housing Units	Number of Incentive(s) or Concession(s)
Very-Low Income	5%	1
Low Income	10%	1
Moderate Income	10%	1
Very-Low Income	10%	2
Low Income	20%	2
Moderate Income	20%	2
Very-Low Income	15%	3
Low Income	30%	3
Moderate Income	30%	3

8
 9 ~~5.6.~~ The City reserves the right to deny density bonus incentives and concessions requests if written
 10 findings are made based upon substantial evidence demonstrating any of the following :
 11 1. The concession or incentive would be contrary to State or Federal law;
 12 2. The concession or incentive is not required to provide for affordable housing costs as
 13 defined in Health and Safety Code Section 50052.5, or for rents for the targeted units to be
 14 set at affordable levels as specified in Section xx;
 15 3. The concession or incentive would have a specific adverse impact as defined in
 16 Government Code Section 65589.5(d)(2) upon:
 17 i. Public health or safety for which there is no feasible method to satisfactorily mitigate or
 18 avoid the specific adverse impact without rendering the development unaffordable to low
 19 and moderate income households;
 20 ii. The physical environment for which there is no feasible method to satisfactorily mitigate
 21 or avoid the specific adverse impact without rendering the development unaffordable to
 22 low and moderate income households; or
 23 iii. Any real property listed in the California Register of Historical Resources.

1 4. Development is physically possible without granting a waiver of development standards.
2

3 **G. Alternative Parking Standards.** For density bonus projects meeting the criteria set forth under Table
4 10.40-2 (Density Bonus Standards), upon a request by the applicant, the City shall allow the following
5 modified parking requirements: :

- 6 1. Zero to one bedroom units – one off-street parking space per unit
- 7 2. Two to three bedroom units – two off-street parking spaces per unit
- 8 3. Four and more bedrooms – two and one-half off-street parking spaces per unit

9 These spaces are inclusive of accessible and guest parking spaces. All fractions of numbers shall be
10 rounded up. An applicant may use tandem or uncovered parking spaces to meet these parking
11 requirements.

12 **H. Design and Quality.**

13 Affordable units must be constructed concurrently with market rate units and shall be dispersed
14 within the development. The number of bedrooms of the affordable units shall be equivalent to the
15 bedroom mix of the market rate units in the development. Affordable units shall be of equal design
16 and quality as market rate units unless approved by the City. Exterior architectural appearance shall
17 not differentiate between affordable and market rate units. Interior design, finishes and amenities of
18 affordable units may differ from market rate units, but may not be of substandard or inferior quality
19 as determined by the Community Development Director.
20

21 **I. Donation of Land.**

- 22 1. An applicant for a tentative subdivision map, parcel map, or other residential development who
23 donates land to the City, as provided for in this Section 10.40.130, shall be entitled to a fifteen
24 percent (15%) increase above the otherwise maximum allowable residential density under the
25 applicable zoning district and the Land Use Element of the General Plan for the entire
26 development. For each one percent increase above the minimum ten percent land donation for
27 very-low income units described in paragraph (3)(a) of this section, the Density Bonus shall be
28 increased by one percent, up to a maximum of thirty-five percent (35%) as shown in Table
29 10.40-4 (Density Bonus for Land Donations).
30
- 31 2. This increase shall be in addition to any increase in density allowed by Section E, up to a
32 maximum combined Density Bonus of thirty-five percent (35%) if an applicant seeks both the
33 increase required pursuant to this Section and Section E. When calculating the number of
34 permitted Density Bonus Units, any calculations resulting in fractional units shall be rounded to
35 the next larger integer.
36
- 37 3. An applicant shall be eligible for the increased density bonus described in this subsection I when
38 all of the following requirements are met:

- 1 a. The applicant shall donate and transfer the land no later than the date of approval of the
- 2 final tract or parcel map, or application for the construction of residential units.
- 3 b. The development acreage and zoning classification of the land being transferred shall be
- 4 sufficient to permit construction of units affordable to very-low income households in an
- 5 amount not less than ten percent of the number of residential units of the proposed
- 6 development.
- 7 c. The transferred land shall be at least one acre in size or of sufficient size to permit
- 8 development of at least forty (40) units, has the appropriate General Plan designation, is
- 9 appropriately zoned for development as affordable housing, and is or will be served by
- 10 adequate public facilities and infrastructure. The land shall have appropriate zoning and
- 11 development standards to make the development of the affordable units feasible.
- 12 d. No later than the date of approval of the final subdivision map, parcel map, or of the
- 13 residential development, the transferred land shall have all the permits and approval, other
- 14 than building permits, necessary for development of the very-low income housing units on
- 15 the transferred land except that the City may subject the proposed development to
- 16 subsequent design review to the extent authorized by subdivision (i) of Health and Safety
- 17 Code Section 65583.2, as amended from time to time, if the design is not reviewed by the
- 18 City prior to the time of transfer.
- 19 e. The land shall be transferred to the City of Sausalito, or to a housing developer approved by
- 20 the City of Sausalito.
- 21 f. The transferred land and the very-low income units constructed on the land will be subject to
- 22 a deed restriction ensuring continued affordability of the units constructed consistent with
- 23 this chapter, which restriction will be recorded on the property at the time of transfer.
- 24 g. The transferred land shall be within the boundary of the proposed development or, with the
- 25 approval of the City, within one-quarter mile of the boundary of the proposed development
- 26 h. A bonus shall not be granted unless a source of funding for the very-low income units has
- 27 been identified not later than the date of approval of the final parcel or tract map, or
- 28 application for the construction of residential units.

Table 10.40-4. Density Bonus for Land Donation

Percentage Very-Low Income Units	Percentage Density Bonus
10	15
11	16
12	17
13	18
14	19

15	20
16	21
17	22
18	23
19	24
20	25
21	26
22	27
23	28
24	29
25	30
26	31
27	32
28	33
29	34
30	35

Exhibit C: Existing Sausalito Density Bonus Ordinance: Zoning Ordinance Section 10.40.130

be considered as providing required parking unless a Conditional Use Permit is secured per Chapter 10.60 (Conditional Use Permits) of this Title.

2. **Off-Site Parking.** The Planning Commission may, upon application by the owner or lessee of any property, authorize a Conditional Use Permit for off-site parking to serve a new use and/or structure subject to the following conditions:
 - a. If the required parking space(s) are located on a separate lot of record from the lot of record of the building, structure, improvement, or use requiring the parking space(s), a covenant shall be recorded in the office of the County Recorder of Marin County, State of California. Such owner or owners shall record the Covenant for the benefit of the City in a form approved by the City. Covenant shall provide that such owner or owners will continue to maintain such parking space so long as said building, structure or improvement is maintained within said City. The covenant shall stipulate that the title to and right to use the parcel or parcels upon which the parking space is to be provided will be subservient to the title to the premises upon which the building is to be erected. The covenant shall guarantee that said parcel or parcels are not and will not be made subject to any other covenant or contract for use without prior written consent of the City; and
 - b. The required parking space(s) must be located on an adjacent parcel or site that is readily accessible to the site containing the building, structure, improvement, or use requiring the parking space(s).

10.40.130 Residential Density Bonuses and Incentives

- A. **Purpose.** As required by California Government Code Section 65915, the purpose of this section is to offer incentives to developers for providing housing that is affordable by families of very low or lower income and senior citizens. In offering such incentives, it is the intent of this section to carry out the requirements of California Government Code Sections 65913 and 65915 et seq. This zoning ordinance includes additional density bonus provisions in Section 10.44.120 (Senior Housing Projects).
- B. **Eligibility for bonus and incentives.** In order to be eligible for a density bonus and other incentives as provided by this section, a proposed residential development project shall:
 1. Consist of five or more rental units; and
 2. Be designed and constructed so that at least one of following requirements are met:
 - a. 20 percent of the total number of proposed units are for lower income households, as defined in §50079.5 of the California Health and Safety Code; or

- b. 10 percent of the total number of proposed units are for very low income households, as defined in §50105 of the California Health and Safety Code; or
 - c. 50 percent of the total number of proposed units are for qualifying residents as determined by §51.3 of the California Civil Code (senior citizens of any income level); and
 - 3. Satisfy all other applicable provisions of this Title.
- C. **Density bonus.** A housing development that satisfies all applicable provisions of this section shall be entitled to up to a 25 percent increase in the number of dwelling units normally allowed by the applicable zoning district as of the acceptance date of the project land use permit application. No single project shall be granted more than one density bonus pursuant to this section.
- D. **Other incentives.** A qualifying housing development shall be entitled to at least one of the concessions or incentives identified by California Government Code §65915(b) and 65915(h), and the granting authority is hereby authorized to approve such measures, notwithstanding other provisions of this Title. The granting authority may limit its approval to a density bonus only if it makes a written finding that the additional concession or incentive is not required in order for rents for the targeted units to be set as specified by California Government Code §65915(c).
- E. **Continued availability.** The land use permit application for the residential project shall include the procedures proposed by the developer to maintain the continued affordability of all lower income density bonus units as follows:
 - 1. **Projects with City or County Funding.** Projects receiving a direct financial contribution or other financial incentives from the City or other governmental agencies shall maintain the availability of all lower income density bonus units for a minimum of 30 years, as required by California Government Code §65915(c) and §65916.
 - 2. **Private projects - Density bonus only.** Privately-financed projects that receive a density bonus as the only incentive from the City shall maintain the availability of lower income density bonus units for a minimum of 10 years, consistent with California Government Code § 65915(c).
 - 3. **Private projects – Additional incentives.** Projects receiving a density bonus and at least one other concession or incentive as provided by subsection D (Other incentives) of this section shall maintain the availability of all lower income density bonus units for a minimum of 30 years, as required by California Government Code § 65915(c).
- F. **Location of bonus units.** As required by California Government Code §65915(g), the location of density bonus units within the qualifying housing development may be at the discretion of the developer, and need not be in the same area of the project where the units for the lower income households are located.

Exhibit D: Comparison Matrix (for information only)

Comparison Matrix: Sausalito's Existing and Updated Density Bonus Ordinance

No.	Target Development Type	% of Affordable Units		Bonus Granted		Maximum allowed Density Bonus		Density Bonus Increase	% Affordable Units Required for Maximum Bonus
		State	Saus.	State	Saus.	State	Saus.		
A.	Very Low Income housing units	5%	10%	20%	up to 25%	35%	25%	2.5	11
B.	Lower Income housing units	10%	20%	20%	up to 25%	35%	25%	1.5	20
C.	Moderate Income housing units in a comment interest development	10%	N/A	5%	up to 25%	35%	25%	1	40
D.	Senior Housing	35 units	50%	20%	up to 25%	35%	25%	N/A	N/A
E.	Conversion of apartments to condominiums	33%	N/A	25%	N/A	N/A	N/A	N/A	N/A
F.	Housing Development with child care facility		N/A	equal to SF of facility	N/A	N/A	N/A	N/A	N/A

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Attachment 6, Exhibit D
Density Bonus Memo

Exhibit E: State Density Bonus Law

GOVERNMENT CODE
SECTION 65915-65918

65915. (a) When an applicant seeks a density bonus for a housing development within, or for the donation of land for housing within, the jurisdiction of a city, county, or city and county, that local government shall provide the applicant with incentives or concessions for the production of housing units and child care facilities as prescribed in this section. All cities, counties, or cities and counties shall adopt an ordinance that specifies how compliance with this section will be implemented. Failure to adopt an ordinance shall not relieve a city, county, or city and county from complying with this section.

(b) (1) A city, county, or city and county shall grant one density bonus, the amount of which shall be as specified in subdivision (f), and incentives or concessions, as described in subdivision (d), when an applicant for a housing development seeks and agrees to construct a housing development, excluding any units permitted by the density bonus awarded pursuant to this section, that will contain at least any one of the following:

(A) Ten percent of the total units of a housing development for lower income households, as defined in Section 50079.5 of the Health and Safety Code.

(B) Five percent of the total units of a housing development for very low income households, as defined in Section 50105 of the Health and Safety Code.

(C) A senior citizen housing development, as defined in Sections 51.3 and 51.12 of the Civil Code, or mobilehome park that limits residency based on age requirements for housing for older persons pursuant to Section 798.76 or 799.5 of the Civil Code.

(D) Ten percent of the total dwelling units in a common interest development as defined in Section 4100 of the Civil Code for persons and families of moderate income, as defined in Section 50093 of the Health and Safety Code, provided that all units in the development are offered to the public for purchase.

(2) For purposes of calculating the amount of the density bonus pursuant to subdivision (f), the applicant who requests a density bonus pursuant to this subdivision shall elect whether the bonus shall be awarded on the basis of subparagraph (A), (B), (C), or (D) of paragraph (1).

(3) For the purposes of this section, "total units" or "total

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Density Bonus Memo

dwelling units" does not include units added by a density bonus awarded pursuant to this section or any local law granting a greater density bonus.

(c) (1) An applicant shall agree to, and the city, county, or city and county shall ensure, continued affordability of all low- and very low income units that qualified the applicant for the award of the density bonus for 30 years or a longer period of time if required by the construction or mortgage financing assistance program, mortgage insurance program, or rental subsidy program. Rents for the lower income density bonus units shall be set at an affordable rent as defined in Section 50053 of the Health and Safety Code. Owner-occupied units shall be available at an affordable housing cost as defined in Section 50052.5 of the Health and Safety Code.

(2) An applicant shall agree to, and the city, county, or city and county shall ensure that, the initial occupant of the moderate-income units that are directly related to the receipt of the density bonus in the common interest development, as defined in Section 4100 of the Civil Code, are persons and families of moderate income, as defined in Section 50093 of the Health and Safety Code, and that the units are offered at an affordable housing cost, as that cost is defined in Section 50052.5 of the Health and Safety Code. The local government shall enforce an equity sharing agreement, unless it is in conflict with the requirements of another public funding source or law. The following apply to the equity sharing agreement:

(A) Upon resale, the seller of the unit shall retain the value of any improvements, the downpayment, and the seller's proportionate share of appreciation. The local government shall recapture any initial subsidy, as defined in subparagraph (B), and its proportionate share of appreciation, as defined in subparagraph (C), which amount shall be used within five years for any of the purposes described in subdivision (e) of Section 33334.2 of the Health and Safety Code that promote home ownership.

(B) For purposes of this subdivision, the local government's initial subsidy shall be equal to the fair market value of the home at the time of initial sale minus the initial sale price to the moderate-income household, plus the amount of any downpayment assistance or mortgage assistance. If upon resale the market value is lower than the initial market value, then the value at the time of the resale shall be used as the initial market value.

(C) For purposes of this subdivision, the local government's

proportionate share of appreciation shall be equal to the ratio of the local government's initial subsidy to the fair market value of the home at the time of initial sale.

(d) (1) An applicant for a density bonus pursuant to subdivision (b) may submit to a city, county, or city and county a proposal for the specific incentives or concessions that the applicant requests pursuant to this section, and may request a meeting with the city, county, or city and county. The city, county, or city and county shall grant the concession or incentive requested by the applicant unless the city, county, or city and county makes a written finding, based upon substantial evidence, of any of the following:

(A) The concession or incentive is not required in order to provide for affordable housing costs, as defined in Section 50052.5 of the Health and Safety Code, or for rents for the targeted units to be set as specified in subdivision (c).

(B) The concession or incentive would have a specific adverse impact, as defined in paragraph (2) of subdivision (d) of Section 65589.5, upon public health and safety or the physical environment or on any real property that is listed in the California Register of Historical Resources and for which there is no feasible method to satisfactorily mitigate or avoid the specific adverse impact without rendering the development unaffordable to low- and moderate-income households.

(C) The concession or incentive would be contrary to state or federal law.

(2) The applicant shall receive the following number of incentives or concessions:

(A) One incentive or concession for projects that include at least 10 percent of the total units for lower income households, at least 5 percent for very low income households, or at least 10 percent for persons and families of moderate income in a common interest development.

(B) Two incentives or concessions for projects that include at least 20 percent of the total units for lower income households, at least 10 percent for very low income households, or at least 20 percent for persons and families of moderate income in a common interest development.

(C) Three incentives or concessions for projects that include at

least 30 percent of the total units for lower income households, at least 15 percent for very low income households, or at least 30 percent for persons and families of moderate income in a common interest development.

(3) The applicant may initiate judicial proceedings if the city, county, or city and county refuses to grant a requested density bonus, incentive, or concession. If a court finds that the refusal to grant a requested density bonus, incentive, or concession is in violation of this section, the court shall award the plaintiff reasonable attorney's fees and costs of suit. Nothing in this subdivision shall be interpreted to require a local government to grant an incentive or concession that has a specific, adverse impact, as defined in paragraph (2) of subdivision (d) of Section 65589.5, upon health, safety, or the physical environment, and for which there is no feasible method to satisfactorily mitigate or avoid the specific adverse impact. Nothing in this subdivision shall be interpreted to require a local government to grant an incentive or concession that would have an adverse impact on any real property that is listed in the California Register of Historical Resources. The city, county, or city and county shall establish procedures for carrying out this section, that shall include legislative body approval of the means of compliance with this section.

(e) (1) In no case may a city, county, or city and county apply any development standard that will have the effect of physically precluding the construction of a development meeting the criteria of subdivision (b) at the densities or with the concessions or incentives permitted by this section. An applicant may submit to a city, county, or city and county a proposal for the waiver or reduction of development standards that will have the effect of physically precluding the construction of a development meeting the criteria of subdivision (b) at the densities or with the concessions or incentives permitted under this section, and may request a meeting with the city, county, or city and county. If a court finds that the refusal to grant a waiver or reduction of development standards is in violation of this section, the court shall award the plaintiff reasonable attorney's fees and costs of suit. Nothing in this subdivision shall be interpreted to require a local government to waive or reduce development standards if the waiver or reduction would have a specific, adverse impact, as defined in paragraph (2) of subdivision (d) of Section 65589.5, upon health, safety, or the physical environment, and for which there is no feasible method to satisfactorily mitigate or avoid the specific adverse impact. Nothing in this subdivision shall be interpreted to require a local government to waive or reduce development standards that would have

an adverse impact on any real property that is listed in the California Register of Historical Resources, or to grant any waiver or reduction that would be contrary to state or federal law.

(2) A proposal for the waiver or reduction of development standards pursuant to this subdivision shall neither reduce nor increase the number of incentives or concessions to which the applicant is entitled pursuant to subdivision (d).

(f) For the purposes of this chapter, "density bonus" means a density increase over the otherwise maximum allowable residential density as of the date of application by the applicant to the city, county, or city and county. The applicant may elect to accept a lesser percentage of density bonus. The amount of density bonus to which the applicant is entitled shall vary according to the amount by which the percentage of affordable housing units exceeds the percentage established in subdivision (b).

(1) For housing developments meeting the criteria of subparagraph (A) of paragraph (1) of subdivision (b), the density bonus shall be calculated as follows:

Percentage Low-Income Units	Percentage Density Bonus
10	20
11	21.5
12	23
13	24.5
14	26
15	27.5
17	30.5
18	32
19	33.5
20	35

(2) For housing developments meeting the criteria of subparagraph (B) of paragraph (1) of subdivision (b), the density bonus shall be calculated as follows:

Percentage Very Low Income Units	Percentage Density Bonus
5	20
6	22.5
7	25
8	27.5
9	30
10	32.5

11. 35

(3) For housing developments meeting the criteria of subparagraph (C) of paragraph (1) of subdivision (b), the density bonus shall be 20 percent of the number of senior housing units.

(4) For housing developments meeting the criteria of subparagraph (D) of paragraph (1) of subdivision (b), the density bonus shall be calculated as follows:

Percentage Moderate- Income Units	Percentage Density Bonus
10	5
11	6
12	7
13	8
14	9
15	10
16	11
17	12
18	13
19	14
20	15
21	16
22	17
23	18
24	19
25	20
26	21
27	22
28	23
29	24
30	25
31	26
32	27
33	28
34	29
35	30
36	31
37	32
38	33
39	34
40	35

(5) All density calculations resulting in fractional units shall be rounded up to the next whole number. The granting of a density bonus shall not be interpreted, in and of itself, to require a

general plan amendment, local coastal plan amendment, zoning change, or other discretionary approval.

(g) (1) When an applicant for a tentative subdivision map, parcel map, or other residential development approval donates land to a city, county, or city and county in accordance with this subdivision, the applicant shall be entitled to a 15-percent increase above the otherwise maximum allowable residential density for the entire development, as follows:

Percentage Very Low Income	Percentage Density Bonus
10	15
11	16
12	17
13	18
14	19
15	20
16	21
17	22
18	23
19	24
20	25
21	26
22	27
23	28
24	29
25	30
26	31
27	32
28	33
29	34
30	35

(2) This increase shall be in addition to any increase in density mandated by subdivision (b), up to a maximum combined mandated density increase of 35 percent if an applicant seeks an increase pursuant to both this subdivision and subdivision (b). All density calculations resulting in fractional units shall be rounded up to the next whole number. Nothing in this subdivision shall be construed to enlarge or diminish the authority of a city, county, or city and county to require a developer to donate land as a condition of development. An applicant shall be eligible for the increased density bonus described in this subdivision if all of the following conditions are met:

(A) The applicant donates and transfers the land no later than the date of approval of the final subdivision map, parcel map, or residential development application.

(B) The developable acreage and zoning classification of the land being transferred are sufficient to permit construction of units affordable to very low income households in an amount not less than 10 percent of the number of residential units of the proposed development.

(C) The transferred land is at least one acre in size or of sufficient size to permit development of at least 40 units, has the appropriate general plan designation, is appropriately zoned with appropriate development standards for development at the density described in paragraph (3) of subdivision (c) of Section 65583.2, and is or will be served by adequate public facilities and infrastructure.

(D) The transferred land shall have all of the permits and approvals, other than building permits, necessary for the development of the very low income housing units on the transferred land, not later than the date of approval of the final subdivision map, parcel map, or residential development application, except that the local government may subject the proposed development to subsequent design review to the extent authorized by subdivision (i) of Section 65583.2 if the design is not reviewed by the local government prior to the time of transfer.

(E) The transferred land and the affordable units shall be subject to a deed restriction ensuring continued affordability of the units consistent with paragraphs (1) and (2) of subdivision (c), which shall be recorded on the property at the time of the transfer.

(F) The land is transferred to the local agency or to a housing developer approved by the local agency. The local agency may require the applicant to identify and transfer the land to the developer.

(G) The transferred land shall be within the boundary of the proposed development or, if the local agency agrees, within one-quarter mile of the boundary of the proposed development.

(H) A proposed source of funding for the very low income units shall be identified not later than the date of approval of the final subdivision map, parcel map, or residential development application.

(h) (1) When an applicant proposes to construct a housing development that conforms to the requirements of subdivision (b) and

includes a child care facility that will be located on the premises of, as part of, or adjacent to, the project, the city, county, or city and county shall grant either of the following:

(A) An additional density bonus that is an amount of square feet of residential space that is equal to or greater than the amount of square feet in the child care facility.

(B) An additional concession or incentive that contributes significantly to the economic feasibility of the construction of the child care facility.

(2) The city, county, or city and county shall require, as a condition of approving the housing development, that the following occur:

(A) The child care facility shall remain in operation for a period of time that is as long as or longer than the period of time during which the density bonus units are required to remain affordable pursuant to subdivision (c).

(B) Of the children who attend the child care facility, the children of very low income households, lower income households, or families of moderate income shall equal a percentage that is equal to or greater than the percentage of dwelling units that are required for very low income households, lower income households, or families of moderate income pursuant to subdivision (b).

(3) Notwithstanding any requirement of this subdivision, a city, county, or city and county shall not be required to provide a density bonus or concession for a child care facility if it finds, based upon substantial evidence, that the community has adequate child care facilities.

(4) "Child care facility," as used in this section, means a child day care facility other than a family day care home, including, but not limited to, infant centers, preschools, extended day care facilities, and schoolage child care centers.

(i) "Housing development," as used in this section, means a development project for five or more residential units. For the purposes of this section, "housing development" also includes a subdivision or common interest development, as defined in Section 4100 of the Civil Code, approved by a city, county, or city and county and consists of residential units or unimproved residential lots and either a project to substantially rehabilitate and convert

an existing commercial building to residential use or the substantial rehabilitation of an existing multifamily dwelling, as defined in subdivision (d) of Section 65863.4, where the result of the rehabilitation would be a net increase in available residential units. For the purpose of calculating a density bonus, the residential units shall be on contiguous sites that are the subject of one development application, but do not have to be based upon individual subdivision maps or parcels. The density bonus shall be permitted in geographic areas of the housing development other than the areas where the units for the lower income households are located.

(j) The granting of a concession or incentive shall not be interpreted, in and of itself, to require a general plan amendment, local coastal plan amendment, zoning change, or other discretionary approval. This provision is declaratory of existing law.

(k) For the purposes of this chapter, concession or incentive means any of the following:

(1) A reduction in site development standards or a modification of zoning code requirements or architectural design requirements that exceed the minimum building standards approved by the California Building Standards Commission as provided in Part 2.5 (commencing with Section 18901) of Division 13 of the Health and Safety Code, including, but not limited to, a reduction in setback and square footage requirements and in the ratio of vehicular parking spaces that would otherwise be required that results in identifiable, financially sufficient, and actual cost reductions.

(2) Approval of mixed-use zoning in conjunction with the housing project if commercial, office, industrial, or other land uses will reduce the cost of the housing development and if the commercial, office, industrial, or other land uses are compatible with the housing project and the existing or planned development in the area where the proposed housing project will be located.

(3) Other regulatory incentives or concessions proposed by the developer or the city, county, or city and county that result in identifiable, financially sufficient, and actual cost reductions.

(l) Subdivision (k) does not limit or require the provision of direct financial incentives for the housing development, including the provision of publicly owned land, by the city, county, or city and county, or the waiver of fees or dedication requirements.

(m) This section shall not be construed to supersede or in any way alter or lessen the effect or application of the California Coastal Act of 1976 (Division 20 (commencing with Section 30000) of the Public Resources Code).

(n) If permitted by local ordinance, nothing in this section shall be construed to prohibit a city, county, or city and county from granting a density bonus greater than what is described in this section for a development that meets the requirements of this section or from granting a proportionately lower density bonus than what is required by this section for developments that do not meet the requirements of this section.

(o) For purposes of this section, the following definitions shall apply:

(1) "Development standard" includes a site or construction condition, including, but not limited to, a height limitation, a setback requirement, a floor area ratio, an onsite open-space requirement, or a parking ratio that applies to a residential development pursuant to any ordinance, general plan element, specific plan, charter, or other local condition, law, policy, resolution, or regulation.

(2) "Maximum allowable residential density" means the density allowed under the zoning ordinance and land use element of the general plan, or if a range of density is permitted, means the maximum allowable density for the specific zoning range and land use element of the general plan applicable to the project. Where the density allowed under the zoning ordinance is inconsistent with the density allowed under the land use element of the general plan, the general plan density shall prevail.

(p) (1) Upon the request of the developer, no city, county, or city and county shall require a vehicular parking ratio, inclusive of handicapped and guest parking, of a development meeting the criteria of subdivision (b), that exceeds the following ratios:

(A) Zero to one bedroom: one onsite parking space.

(B) Two to three bedrooms: two onsite parking spaces.

(C) Four and more bedrooms: two and one-half parking spaces.

(2) If the total number of parking spaces required for a development is other than a whole number, the number shall be rounded up to the next whole number. For purposes of this subdivision, a development may provide "onsite parking" through tandem parking or uncovered parking, but not through onstreet parking.

(3) This subdivision shall apply to a development that meets the requirements of subdivision (b) but only at the request of the applicant. An applicant may request parking incentives or concessions beyond those provided in this subdivision pursuant to subdivision (d).

65915.5. (a) When an applicant for approval to convert apartments to a condominium project agrees to provide at least 33 percent of the total units of the proposed condominium project to persons and families of low or moderate income as defined in Section 50093 of the Health and Safety Code, or 15 percent of the total units of the proposed condominium project to lower income households as defined in Section 50079.5 of the Health and Safety Code, and agrees to pay for the reasonably necessary administrative costs incurred by a city, county, or city and county pursuant to this section, the city, county, or city and county shall either

(1) grant a density bonus or
(2) provide other incentives of equivalent financial value. A city, county, or city and county may place such reasonable conditions on the granting of a density bonus or other incentives of equivalent financial value as it finds appropriate, including, but not limited to, conditions which assure continued affordability of units to subsequent purchasers who are persons and families of low and moderate income or lower income households.

(b) For purposes of this section, "density bonus" means an increase in units of 25 percent over the number of apartments, to be provided within the existing structure or structures proposed for conversion.

(c) For purposes of this section, "other incentives of equivalent financial value" shall not be construed to require a city, county, or city and county to provide cash transfer payments or other monetary compensation but may include the reduction or waiver of requirements which the city, county, or city and county might otherwise apply as conditions of conversion approval.

(d) An applicant for approval to convert apartments to a condominium project may submit to a city, county, or city and county a preliminary proposal pursuant to this section prior to the submittal of any formal requests for subdivision map approvals. The city, county, or city and county shall, within 90 days of receipt of a written proposal, notify the applicant in writing of the manner in

which it will comply with this section. The city, county, or city and county shall establish procedures for carrying out this section, which shall include legislative body approval of the means of compliance with this section.

(e) Nothing in this section shall be construed to require a city, county, or city and county to approve a proposal to convert apartments to condominiums.

(f) An applicant shall be ineligible for a density bonus or other incentives under this section if the apartments proposed for conversion constitute a housing development for which a density bonus or other incentives were provided under Section 65915.

65916. Where there is a direct financial contribution to a housing development pursuant to Section 65915 through participation in cost of infrastructure, write-down of land costs, or subsidizing the cost of construction, the city, county, or city and county shall assure continued availability for low- and moderate-income units for 30 years. When appropriate, the agreement provided for in Section 65915 shall specify the mechanisms and procedures necessary to carry out this section.

65917. In enacting this chapter it is the intent of the Legislature that the density bonus or other incentives offered by the city, county, or city and county pursuant to this chapter shall contribute significantly to the economic feasibility of lower income housing in proposed housing developments. In the absence of an agreement by a developer in accordance with Section 65915, a locality shall not offer a density bonus or any other incentive that would undermine the intent of this chapter.

65917.5. (a) As used in this section, the following terms shall have the following meanings:

(1) "Child care facility" means a facility installed, operated, and maintained under this section for the nonresidential care of children as defined under applicable state licensing requirements for the facility.

(2) "Density bonus" means a floor area ratio bonus over the otherwise maximum allowable density permitted under the applicable zoning ordinance and land use elements of the general plan of a city, including a charter city, city and county, or county of:

(A) A maximum of five square feet of floor area for each one

square foot of floor area contained in the child care facility for existing structures.

(B) A maximum of 10 square feet of floor area for each one square foot of floor area contained in the child care facility for new structures.

For purposes of calculating the density bonus under this section, both indoor and outdoor square footage requirements for the child care facility as set forth in applicable state child care licensing requirements shall be included in the floor area of the child care facility.

(3) "Developer" means the owner or other person, including a lessee, having the right under the applicable zoning ordinance of a city council, including a charter city council, city and county board of supervisors, or county board of supervisors to make an application for development approvals for the development or redevelopment of a commercial or industrial project.

(4) "Floor area" means as to a commercial or industrial project, the floor area as calculated under the applicable zoning ordinance of a city council, including a charter city council, city and county board of supervisors, or county board of supervisors and as to a child care facility, the total area contained within the exterior walls of the facility and all outdoor areas devoted to the use of the facility in accordance with applicable state child care licensing requirements.

(b) A city council, including a charter city council, city and county board of supervisors, or county board of supervisors may establish a procedure by ordinance to grant a developer of a commercial or industrial project, containing at least 50,000 square feet of floor area, a density bonus when that developer has set aside at least 2,000 square feet of floor area and 3,000 outdoor square feet to be used for a child care facility. The granting of a bonus shall not preclude a city council, including a charter city council, city and county board of supervisors, or county board of supervisors from imposing necessary conditions on the project or on the additional square footage. Projects constructed under this section shall conform to height, setback, lot coverage, architectural review, site plan review, fees, charges, and other health, safety, and zoning requirements generally applicable to construction in the zone in which the property is located. A consortium with more than one developer may be permitted to achieve the threshold amount for the available density bonus with each developer's density bonus equal to the percentage participation of the developer. This facility may be

located on the project site or may be located offsite as agreed upon by the developer and local agency. If the child care facility is not located on the site of the project, the local agency shall determine whether the location of the child care facility is appropriate and whether it conforms with the intent of this section. The child care facility shall be of a size to comply with all state licensing requirements in order to accommodate at least 40 children.

(c) The developer may operate the child care facility itself or may contract with a licensed child care provider to operate the facility. In all cases, the developer shall show ongoing coordination with a local child care resource and referral network or local governmental child care coordinator in order to qualify for the density bonus.

(d) If the developer uses space allocated for child care facility purposes, in accordance with subdivision (b), for purposes other than for a child care facility, an assessment based on the square footage of the project may be levied and collected by the city council, including a charter city council, city and county board of supervisors, or county board of supervisors. The assessment shall be consistent with the market value of the space. If the developer fails to have the space allocated for the child care facility within three years, from the date upon which the first temporary certificate of occupancy is granted, an assessment based on the square footage of the project may be levied and collected by the city council, including a charter city council, city and county board of supervisors, or county board of supervisors in accordance with procedures to be developed by the legislative body of the city council, including a charter city council, city and county board of supervisors, or county board of supervisors. The assessment shall be consistent with the market value of the space. A penalty levied against a consortium of developers shall be charged to each developer in an amount equal to the developer's percentage square feet participation. Funds collected pursuant to this subdivision shall be deposited by the city council, including a charter city council, city and county board of supervisors, or county board of supervisors into a special account to be used for child care services or child care facilities.

(e) Once the child care facility has been established, prior to the closure, change in use, or reduction in the physical size of, the facility, the city, city council, including a charter city council, city and county board of supervisors, or county board of supervisors shall be required to make a finding that the need for child care is no longer present, or is not present to the same degree as it was at the time the facility was established.

(f) The requirements of Chapter 5 (commencing with Section 66000) and of the amendments made to Sections 53077, 54997, and 54998 by Chapter 1002 of the Statutes of 1987 shall not apply to actions taken in accordance with this section.

(g) This section shall not apply to a voter-approved ordinance adopted by referendum or initiative.

65918. The provisions of this chapter shall apply to charter cities.

Exhibit F: Density Bonus Chart (for information only)

KMTG
REFERENCE GUIDE

Density Bonus Chart*

Affordable Unit Percentage**	Very Low Income Density Bonus	Low Income Density Bonus	Moderate Income Density Bonus	Land Donation Density Bonus	Senior Density Bonus ***
5%	20%	-	-	-	20%
6%	22.5%	-	-	-	20%
7%	25%	-	-	-	20%
8%	27.5%	-	-	-	20%
9%	30%	-	-	-	20%
10%	32.5%	20%	5%	15%	20%
11%	35%	21.5%	6%	16%	20%
12%	35%	23%	7%	17%	20%
13%	35%	24.5%	8%	18%	20%
14%	35%	26%	9%	19%	20%
15%	35%	27.5%	10%	20%	20%
16%	35%	29%	11%	21%	20%
17%	35%	30.5%	12%	22%	20%
18%	35%	32%	13%	23%	20%
19%	35%	33.5%	14%	24%	20%
20%	35%	35%	15%	25%	20%
21%	35%	35%	16%	26%	20%
22%	35%	35%	17%	27%	20%
23%	35%	35%	18%	28%	20%
24%	35%	35%	19%	29%	20%
25%	35%	35%	20%	30%	20%
26%	35%	35%	21%	31%	20%
27%	35%	35%	22%	32%	20%
28%	35%	35%	23%	33%	20%
29%	35%	35%	24%	34%	20%
30%	35%	35%	25%	35%	20%
31%	35%	35%	26%	35%	20%
32%	35%	35%	27%	35%	20%
33%	35%	35%	28%	35%	20%
34%	35%	35%	29%	35%	20%
35%	35%	35%	30%	35%	20%
36%	35%	35%	31%	35%	20%
37%	35%	35%	32%	35%	20%
38%	35%	35%	33%	35%	20%
39%	35%	35%	34%	35%	20%
40%	35%	35%	35%	35%	20%

* All density bonus calculations resulting in fractions are rounded up to the next whole number.

** Affordable unit percentage is calculated excluding units added by a density bonus.

*** No affordable units are required for senior housing units to receive a density bonus.

From "A Developer's Guide to the California Density Bonus Law." 2012, Kronick Moskovitz, et al.

Available online at http://www.kmtg.com/sites/default/files/publications/density_bonust_law_2012.pdf

Memorandum

TO: City Council

FROM: Geoff I. Bradley, AICP Principal, Metropolitan Planning Group
Dave Javid, AICP, LEED AP, Principal Planner, Metropolitan Planning Group
Karen Warner, AICP, Principal, Karen Warner Associates

SUBJECT: Zoning Text Amendments for Special Needs Housing
Sausalito 2009-2014 Housing Element Program #21

BACKGROUND

Sausalito's adopted 2009-2014 Housing Element sets forth Program #21 "Zoning Text Amendments for Special Needs Housing" to bring the City into compliance with State statutes by making various Zoning Ordinance provisions for special needs housing. The following summarizes the State requirements to be implemented through these Ordinance revisions. See **Exhibit A** for an excerpt from the Housing Element regarding Program #21.

In 2007, the State enacted legislation commonly referred to as Senate Bill 2 (SB 2). This legislation requires local agencies to address housing needs for homeless populations in their communities. Generally, SB 2 specifies that at least one zone in a city or county be identified where "emergency shelters" are a permitted use without a conditional use or other discretionary permit, subject to development and management standards permitted under Government Code Sections 65582, 65583 and 65589.5. Additionally, the jurisdiction must demonstrate that there is sufficient capacity within the designated zone to accommodate the current need for emergency shelters as identified in the Housing Element.

SB 2 further requires that a jurisdiction's Zoning Ordinance specify that "supportive housing" and "transitional housing" be considered a residential use of property, subject to the same standards as other residential uses of the same type in the same zone.

While not specified within SB 2, Government Code Section 65583 also requires jurisdictions to provide zoning for a variety of housing types, including "single room occupancy units", commonly referred to as SROs.

PURPOSE

In compliance with Government Code Sections 65582, 65583 and 65589.5, and as specified under Program 21 of Sausalito's adopted Housing Element, the City is preparing a draft Ordinance (**Exhibit 2**) to amend Title 10 (Zoning) of the Sausalito Municipal Code. The ordinance will establish approval requirements and development standards for emergency shelters, transitional and supportive housing, and single room occupancy units within the City. A comparison matrix (**Exhibit 3**) is provided which compares Emergency Shelter regulations adopted in other Marin County jurisdictions, as well as two southern California jurisdictions with socioeconomic characteristics similar to Sausalito.

City Council Meeting
April 22, 2014

Attachment 7
Special Needs Memo

The City's adopted Housing Element designates the Public Institutional (PI) Zoning District as the zone in which Emergency Shelters will be principally allowed, subject to the specific use standards to be adopted by the City. An inventory (**Exhibit 4**) and map (**Exhibit 5**) of all parcels zoned Public Institutional (PI) is provided as well.

Exhibits

- A. Sausalito Housing Element Program #21
- B. Special Needs Ordinance Amendments (create a new Section 10.44.350, amend Tables 10.20-1, 10.22-1, 10.24-1)
- C. Comparison Matrix
- D. Inventory of PI Parcels
- E. Map of PI Parcels

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Exhibit A: Housing Element Program #21

20. Multi-family Development in Multi-family Districts

(Policy 4.3 Efficient Use of Multi-Family Zoning)

Encourage two-family and multi-family development on R-2-5, R-2-2.5 and R-3 residentially-zoned sites, and discourage the development of single-family homes on such sites, by evaluating the establishment of minimum density thresholds and/or varied development standards for multiple units on a sliding scale (e.g., reduced Floor Area Ratio or Lot Coverage Ratio for projects with a lower density). These would apply except where there are physical or environmental constraints, or significant incompatibility with neighborhood character.

Evaluate options for provision of an ADU or payment of an in-lieu housing fee as an alternative to developing multi-family units (*this measure is currently under study by a Planning Commission subcommittee*).

Evaluate the following incentives for addition to the Zoning Ordinance, for projects that propose the maximum number of units allowed on parcels, or projects that propose multiple units:

- Adoption of new parking standards specifically for projects with multiple units;
- Tandem parking opportunities; and
- Processing priority and expedited plan checks for projects that propose multiple units.

Amend the Design Review regulations in the Zoning Ordinance to add requirements for the submittal of schematic site design to demonstrate the feasibility of constructing the maximum number of units allowed under zoning, or reserving site capacity for the future addition of an Accessory Dwelling Unit on the subject parcel.

2009-2014 Objectives: *Develop and adopt standards within the Zoning Ordinance in 2012 that promote and incentivize the development of two-family and multi-family developments in multi-family zoning districts, and discourage the development of single-family homes in such districts.*

21. Zoning Text Amendments for Special Needs Housing

(Policy 4.5 Zoning for Special Needs, Policy 5.4 Housing for Persons with Disabilities)

Consistent with Senate Bill 2 (Government Code sections 65582, 65583 and 65589.5) the City will specify transitional and supportive housing to be treated as a residential use under the Zoning Ordinance, identify a zoning district where emergency shelters will be permitted by right, and specify provisions for Single-Room Occupancy buildings. The City will establish procedures to encourage and facilitate the creation of emergency shelters and transitional housing, by:

- Adding transitional housing and supportive housing to the Zoning Ordinance's definition section, and regulate as a permitted use within residential zoning districts;

- Adding single room occupancy (SRO) facilities within the Zoning Ordinance's definition section, and conditionally allow within the CC, CR and CN-1 commercial zoning districts; and
- Identifying emergency shelters as a permitted use in the Public Institutional Zoning District and in local churches.

Emergency shelters will be subject to the same development and operational standards as other permitted uses in the Public Institutional Zoning District. However, the City will develop written, objective standards to regulate the following, as permitted under SB 2:

- The maximum number of beds or persons permitted to be served nightly by the facility;
- Off-street parking based on demonstrated need, but not to exceed parking requirements for other residential or commercial uses in the same zoning district;
- The size and location of exterior and interior onsite waiting and client intake areas;
- The provision of onsite management;
- The proximity of other emergency shelters, provided that emergency shelters are not required to be more than 300 feet apart;
- The length of stay;
- Lighting; and
- Security during hours that the emergency shelter is in operation.

2009-2014 Objectives: Adopt text amendments to the Zoning Ordinance to make explicit provisions for a variety of special needs housing. Develop objective standards to regulate emergency shelters as provided for under SB 2, and amend the Zoning Ordinance text within one year of Housing Element adoption.

Exhibit B: Draft Amendments for Special Needs Housing

1 **AMEND CHAPTER 10.44 – SPECIFIC USE REGULATIONS (add a new Section 350)**

2 **10.44.350 Emergency Shelters**

- 3 A. Purpose. These emergency shelter regulations are intended to allow the provision of
4 shelter for homeless persons or others in need of a temporary (six months or less) shelter,
5 while ensuring the shelter is operated in a manner that is compatible with surrounding
6 areas. The purpose of this chapter is also to comply with Government Code Section 65583
7 relating to emergency shelters.
8
- 9 B. Applicability. Emergency shelters shall be a permitted use on parcels within the Public
10 Institutional (PI) zoning district.
11
- 12 C. Development Standards. The following development standards shall apply to emergency
13 shelters:
- 14 1. Property Development Standards. The shelter shall conform to all property
15 development standards of the zoning district in which it is located except as modified
16 by these performance standards.
 - 17 2. Shelter Capacity. An emergency shelter for homeless persons shall contain no more
18 than twenty (20) beds and shall serve no more than twenty (20) persons nightly. The
19 physical size of the shelter shall not be larger than necessary for the number of
20 persons the shelter serves.
 - 21 3. Parking. On-site parking for residents shall be based on one space for every four
22 beds, and staff parking shall be based on one space for each employee on the
23 maximum staffed shift.
 - 24 4. Lighting. Adequate external lighting shall be provided for security purposes. The
25 lighting shall be stationary and designed, arranged and installed so as to confine
26 direct rays onto the premises and to direct light away from adjacent structures and
27 public rights-of-way. External lighting shall be of an intensity compatible with the
28 neighborhood.
 - 29 5. On-site Waiting and Intake Areas. An interior waiting and intake area shall be
30 provided which contains a minimum of 200 square feet. Waiting and intake areas
31 may be used for other purposes (excluding sleeping) as needed during operations of
32 the shelter.
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D. Common Facilities. The development may provide one or more of the following specific common facilities for exclusive use of the residents and staff, provided that such facilities do not substantially increase the overall size of the shelter facility:

1. Central cooking and dining room.
2. Recreation room.
3. Laundry facilities to serve the number of occupants at the shelter.
4. Other uses that are considered ancillary to the primary use such as office and storage, not to exceed 10% of the total floor area of the shelter facility, exclusive of items 1, 2, and 3 above.

E. On-site Staff. At least one manager shall be on-site during all hours of operation of the facility. Such manager must be an individual who does not utilize the shelter's beds or other services and who resides off-site. The manager must be accompanied by one supporting staff member for every fifteen (15) beds occupied in the facility.

F. Security. Security personnel shall be provided during operational hours whenever clients are on the site. A security plan shall be submitted to the City prior to issuance of a certificate of occupancy.

G. Concentration of Uses. No more than one emergency shelter shall be permitted within a radius of 300 feet of another emergency shelter.

H. Emergency Shelter Operations. The agency or organization operating the emergency shelter shall comply with the following requirements:

1. Hours of Operation. Clients shall only be on site and admitted to the facility between 5:00 p.m. and 8:00 a.m.
2. Length of stay. Each emergency shelter resident shall stay for no more than 90 days (cumulative, not consecutive) in a 365 day period. Extensions up to a total stay of 180 days in a 365-day period may be granted by the shelter provider if no alternative housing is available.
3. Management Plan. Prior to commencing operation, the shelter operator shall provide a written management plan to the Director for approval. The management plan shall address: hours of operation, admission hours and process, staff training, neighborhood outreach and privacy, security, resident counseling and treatment, maintenance plans, residency and guest rules and procedures, and staffing needs.
4. Annual report. The provider shall provide an annual report of the use of the facility and determination of compliance with the City's development standards for the use.

1 **AMEND TABLE 10.20-1 – LAND USES ALLOWED IN OPEN SPACE AND PUBLIC DISTRICTS**
 2

Table 10.20-1 LAND USES ALLOWED IN OPEN SPACE AND PUBLIC DISTRICTS

Land Use	Open Space Public Zoning Districts*				See SMC
	OS	PP	PI	OA	
Service Uses					
<u>Emergency Shelters</u>			<u>P</u>		<u>SMC 10.44.350 (Emergency Shelters)</u>
* Zoning permit required for all uses			Chapter 10.52 SMC		
P Permitted use					
MUP Minor use permit required			Chapter 10.58 SMC		
CUP Conditional use permit required			Chapter 10.60 SMC		

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AMEND TABLE 10.22-1 – LAND USES ALLOWED IN RESIDENTIAL DISTRICTS

Table 10.22-1 LAND USES ALLOWED IN RESIDENTIAL DISTRICTS*

Land Use	Residential Zoning Districts						See SMC
	R-1	R-2	PR	R-3	H	A	
Residential Uses							
<u>Supportive Housing</u> ¹	<u>P</u>	<u>P</u>	<u>P</u>	<u>P</u>			<u>SMC 10.88.040 (Definitions)</u>
<u>Transitional Housing</u> ¹	<u>P</u>	<u>P</u>	<u>P</u>	<u>P</u>			<u>SMC 10.88.040 (Definitions)</u>
* Zoning permit required for all uses			Chapter 10.52 SMC				
P Permitted use							
MUP Minor use permit required			Chapter 10.58 SMC				
CUP Conditional use permit required			Chapter 10.60 SMC				
¹ <u>Supportive Housing and Transitional Housing shall be subject to those restrictions that apply to other residential dwellings of the same type in the same zoning district. For example, such housing structured as single-family is permitted in the R-1, R-2, PR and R-3 residential zoning districts, whereas transitional and supportive housing structured as multi-family is limited to the PR and R-3 residential zoning districts.</u>							

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AMEND TABLE 10.24-1 – LAND USES ALLOWED IN COMMERCIAL DISTRICTS

Table 10.24-1 LAND USES ALLOWED IN COMMERCIAL DISTRICTS*

Land Use	CC	CR	CN	SC	CW	W	W-M	See SMC
Residential Uses								
<u>Single Room Occupancy Housing</u>	<u>CUP</u>	<u>CUP</u>	<u>CUP</u>					SMC 10.88.040 (Definitions)
<u>Supportive Housing, levels above first (street or ground) only¹</u>	<u>P</u>	<u>P</u>	<u>P</u>					SMC 10.88.040 (Definitions)
<u>Transitional Housing, levels above first (street or ground) only¹</u>	<u>P</u>	<u>P</u>	<u>P</u>					SMC 10.88.040 (Definitions)
* Zoning permit required for all uses Chapter 10.52 SMC P Permitted use MUP Minor use permit required Chapter 10.58 SMC CUP Conditional use permit required Chapter 10.60 SMC								
<u>¹Supportive Housing and Transitional Housing shall be subject to those restrictions that apply to other residential dwellings of the same type in the same zoning district.</u>								

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Exhibit C: Comparison Matrix—Zoning Standards for Emergency Shelters

	Marin County Jurisdictions*						Other Upper Income Cities	
	Belvedere	Larkspur	Marin Co.	Ross	San Rafael	Tiburon	Agoura Hills	Beverly Hills
Status of By-Right Emergency Shelter Zoning	Adopted	Adopted	Adopted	Adopted	Draft ordinance	Adopted	Adopted	Adopted
Zones Where Permitted By-Right	R (Recreation)	A-P (Administrative Professional) and where A-P uses are permitted (e.g. Planned Development Districts)	C1 (Retail Business) CP (Planned Commercial)	C-D (Civic District)	By right in GC and LI/O (Light Industrial/Office) overlay. CUP in HR, C/O, R/O, I, CCI/O, and LMU zones. CUP in GC and LI/O areas outside overlay.	NC Neighborhood Commercial	By right in CRS (Commercial Retail Service). CUP in CS, CN and CS-MU zones.	Special Needs Housing Overlay Zone
Maximum Capacity Permitted	3 persons	20 persons	40 persons	Not specified	Determined by the occupancy limits est. under Building Code.	10 persons	20 persons	Min floor area of 150 sf/ occupant up to 50 persons
Parking Requirements	1 space per bed	25% of total client beds + staff parking at 10% of total beds	25% of total client beds + staff parking at 10% of total beds	None specified.	<u>Resid zones:</u> 1 space/on duty employee + 1 space per 5 beds <u>Comm/Lt Indus zones:</u> 1 space/on duty employee + 1 space per 10 beds	Not specified	1 space per 250 sf gross floor area, consistent with requirements for commercial retail uses in CRS zone	1 space per 10 beds, plus 0.5 space/ bdrm for families, plus 1 space per employee on duty. 25% parking reduction if w/in 1000' transit stop.

* Note: Marin County cities of San Anselmo, Corte Madera, Fairfax and Novato do not currently specify provisions for emergency shelters within their Municipal Codes, as referenced on each city's website.

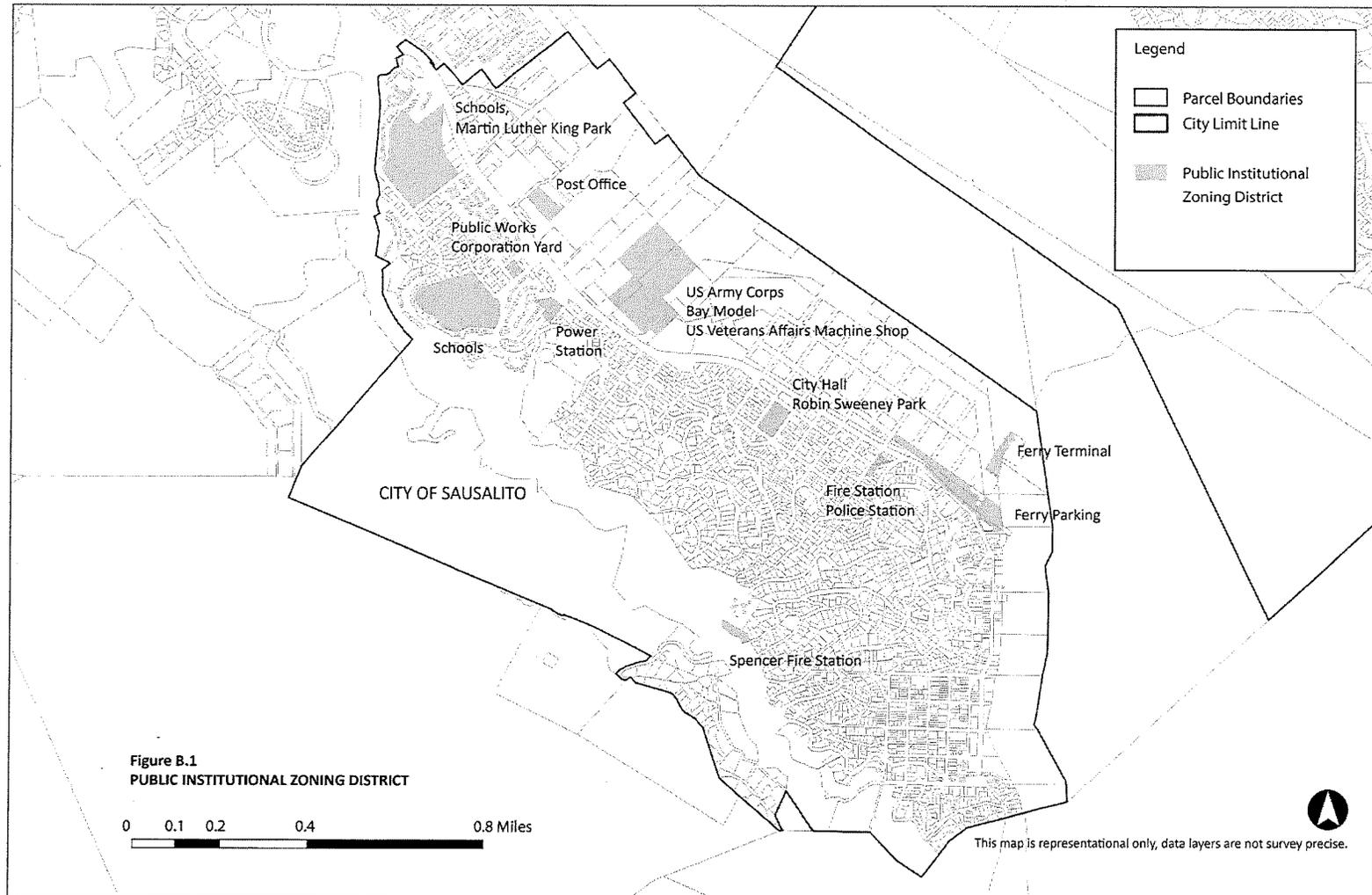
Exhibit D: Inventory of Parcels Zoned Public Institutional (PI)

<u>Existing Use</u>	<u>APN</u>	<u>Owner</u>	<u>Address</u>	<u>Parcel Size (SqFt)</u>
Electrical Power Station	064-345-01	PG&E		0
Post Office	064-341-04	SAUSALITO CITY OF	530 NEVADA ST	18,000
Post Office	064-341-10	SAUSALITO CITY OF		7,500
Spencer Fire Station	065-181-44	SAUSALITO CITY OF	300 SPENCER AVE	50,057
Parking	065-073-03	SAUSALITO CITY OF		88,890
Fire Station on Johnson St	065-061-04	SAUSALITO CITY OF		18,771
Fire Station on Johnson St	065-061-05	SAUSALITO CITY OF		4,067
Fire Station on Johnson St	065-061-06	SAUSALITO CITY OF	333 JOHNSON ST	4,300
Parking	065-041-11	SAUSALITO CITY		41,058
Parking	065-073-02	SAUSALITO CITY OF		26,920
Parking	065-073-01	SAUSALITO CITY OF		7,440
Parking	065-042-06	SAUSALITO CITY OF	780 BRIDGEWAY	14,000
Parking	065-042-05	SAUSALITO CITY OF		14,160
Parking	065-042-03	SAUSALITO CITY OF		5,100
Parking	065-042-02	SAUSALITO CITY OF		14,184
Parking	065-042-01	SAUSALITO CITY OF		2,700
Parking	065-021-04	SAUSALITO CITY		89,298
Schools, Martin Luther King Jr Park	063-170-03	SAUSALITO SCHOOL DISTRICT	100 EBBTIDE AVE	740,520
US Veterans Affairs Machine Shop	063-110-14	U S MARITIME COMMISSION		345,430
Post Office	063-130-03	US POSTAL SERVICE	150 HARBOR DR	90,169
Army Corps of Engineers Bay Model	063-100-11	UNITED STATES OF AMERICA	2100 BRIDGEWAY	626,828
City Hall	064-165-12	SAUSALITO CITY OF	420 LITHO ST	0
Bayside Elementary School and Willow Creek Academy School	064-322-01	SAUSALITO SCHOOL DISTRICT	630 NEVADA ST	581,526
Johnson Police Station	065-062-24	SAUSALITO CITY OF	407 JOHNSON ST	5,810
			TOTAL PI ZONING	2,796,728 sq.ft.
				64.2 acres

City Council Meeting
February 25, 2014

Attachment 6, Exhibit D
Special Needs Memo

Exhibit E: PI Parcel Map



Memorandum

TO: City Council
FROM: Geoff I. Bradley, AICP Principal, Metropolitan Planning Group
Dave Javid, AICP, LEED AP, Principal Planner, Metropolitan Planning Group
Karen Warner, AICP, Principal, Karen Warner Associates

SUBJECT: Reasonable Accommodation Ordinance
Sausalito 2009-2014 Housing Element Program #25

BACKGROUND

Sausalito's adopted 2009-2014 Housing Element sets forth Program #25 "*Reasonable Accommodation Procedures*" to establish specific written procedures for requesting and granting a reasonable accommodation consistent with State and Federal statutes, as summarized below. See **Exhibit A** for an excerpt from the Housing Element regarding Program #25.

Pursuant to the Federal Fair Housing Amendments Act of 1988 and California's Fair Employment and Housing Act, jurisdictions are required to have in place a process by which persons with disabilities can request reasonable accommodations (modifications or exceptions) to the jurisdiction's codes, rules, policies, practices or services, necessary to afford persons with disabilities an equal opportunity to use or enjoy a dwelling. Section 804 of the Fair Housing Amendments Act specifically cites a refusal to provide reasonable accommodation through rules, policies, practices, or services as an act of discrimination. These laws prohibit discrimination against individuals with disabilities and eliminate practices that deny housing opportunities to this population.

In order to comply with State and Federal law, the City must amend the Zoning Ordinance and develop procedures for granting reasonable accommodations with respect to zoning, permit processing and building regulations. Procedures must provide clear rules, policies, and procedures for obtaining reasonable accommodation. The implemented ordinance must be monitored to ensure consistent compliance with the previously stated fair housing laws.

PURPOSE

The purpose of the attached draft Reasonable Accommodation Ordinance (**Exhibit B**) is to remove potential constraints for persons with disabilities to enjoy equal access to housing by facilitating requests for reasonable accommodation to the City's zoning, permit processing and building regulations. **Exhibit C** is an example request form that could be used. City staff are currently evaluating where to integrate the Reasonable Accommodation Ordinance within the Municipal Code, and will number the Ordinance accordingly once a determination has been made.

Exhibits

- A. Sausalito Housing Element Program #25
- B. Reasonable Accommodation Ordinance
- C. Application Request Form

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Exhibit A: Housing Element Program #25

24. Home Sharing and Tenant Matching Opportunities
(Policy 5.2 Senior Housing)

“Home Connection of Marin” is a free shared housing program which matches very low income home seekers with home providers interested in sharing their homes. Housing counselors interview each potential roommate and obtain references and background checks, leaving the decision to the potential roommates whether to make a match. Sharing a home promotes independent living, provides additional income for the provider, an affordable rent for the seeker, and the potential for deeper relationships for both. The average age of community members in Sausalito is growing older, and over 330 seniors currently live alone in single-family homes in the City. Shared housing promotes the efficient use of the housing stock, and can help address the housing needs of seniors in our community.

2009-2014 Objectives: Implement a homesharing/matching program for homeseekers and single-family homeowners with excess space. Collaborate with Marin Housing and Sausalito Village Senior Services to actively promote “Home Connection of Marin” within Sausalito.

25. Reasonable Accommodation Procedures
(Policy 5.4 Housing for Persons with Disabilities)

It is the policy of the City to provide reasonable accommodation for persons with disabilities seeking fair access to housing in the application of its zoning and building regulations. Depending on the nature and extent of a requested accessibility modification, the City would accommodate such requests either through a building permit, an administrative adjustment, or a zoning permit. While Sausalito has not identified any constraints on the development, maintenance or improvement of housing for persons with disabilities, the City does not have in place specific procedures for requesting and granting a reasonable accommodation. As a means of facilitating such requests and removing constraints for persons with disabilities, the City will develop specific written reasonable accommodation procedures.

2009-2014 Objectives: Amend the Zoning Ordinance and develop written procedures to allow the Community Development Director to authorize reasonable accessibility accommodations with respect to zoning, permit processing, and building regulations. Procedures will specify who may request an accommodation, time frame for decision-making and modification provisions.

1 **Exhibit B: Draft Amendment to Establish Reasonable Accommodations (new Section in SMC or**
2 **amendment of Title 10: Zoning TBD)**

3
4 **Purpose.**

5 The purpose of this chapter is to establish a procedure for requesting reasonable accommodation for
6 persons with disabilities seeking equal access to housing under the Federal Fair Housing Act and the
7 California Fair Employment and Housing Act (the Acts) in the application of zoning and building laws and
8 other land use regulations, policies and procedures.
9

10 **Applicability.**

11 A. Definition of Disability. Under the Acts, an individual with a disability is someone who has a
12 physical or mental impairment that limits one or more major life activities; anyone who is
13 regarded as having such impairment; or anyone with a record of such impairment. Individuals in
14 recovery from drug or alcohol abuse are protected by federal and state fair housing laws
15 although individuals currently using illegal substances are not protected under the law unless
16 they have a separate disability. This chapter is intended to apply to those persons who are
17 defined as disabled under the Acts.
18

19 B. Scope of Accommodation. A request for a reasonable accommodation may include a
20 modification or exception to the rules, standards and practices for the siting, development and
21 use of housing or housing-related facilities that would eliminate regulatory barriers and provide
22 an individual with a disability equal opportunity to housing of their choice. Requests for
23 reasonable accommodation shall be made in the manner prescribed by Section X (Application
24 Contents and Submittal), and shall not require a fundamental alteration to the City's zoning or
25 building laws, policies, and/or procedures, as defined under the Acts. A modification approved
26 under this chapter is considered a personal accommodation for the individual applicant and
27 does not run with the land.
28

29 C. Eligibility to Request Accommodation. A request for reasonable accommodation may be made
30 by any individual with a disability, his or her representative, or a developer or provider of
31 housing for individuals with disabilities, when the application of a land use, zoning or building
32 regulation, policy, practice or procedure acts as a barrier to fair housing opportunities.
33

34 **Notice to the Public of Availability of Accommodation Process.**

35 Notice of the availability of reasonable accommodation shall be displayed at the public information
36 counter in the Community Development Department advising the public of the availability of the
37 procedure for eligible individuals. Forms for requesting reasonable accommodation shall also be made
38 available.
39

1 **Application Contents and Submittal.** Requests for reasonable accommodation shall be submitted on an
2 application form provided by the Community Development Department and shall contain the following
3 information:

- 4 1. The applicant's name, address and telephone number.
- 5 2. Address of the property for which the request is being made, and the name, address and
6 telephone number of the property owner.
- 7 3. The current existing use of the property.
- 8 4. The basis for the claim that the individual is considered disabled under the Acts.
- 9 5. The zoning code provision, regulation or policy from which reasonable accommodation is
10 being requested.
- 11 6. Reason the requested accommodation may be necessary to make the specific property
12 accessible to the individual.

13
14 **Authority.**

- 15 A. Community Development Director. Requests for reasonable accommodation shall be reviewed
16 by the Director of Community Development, or his/her designee (Director) if no approval is
17 sought other than the request for reasonable accommodation.
- 18
19 B. Other Review Authority. Requests for reasonable accommodation submitted for concurrent
20 review with another discretionary land use application shall be reviewed by the authority
21 reviewing the discretionary land use application.

22
23 **Review Procedure.**

- 24 A. Director Review. The Community Development Director, or his/her designee, shall make a
25 written determination within 45 days of submittal of a complete application and either grant,
26 grant with modifications, or deny a request for reasonable accommodation in accordance with
27 Section X (Findings and Decision). The Director shall mail a notice of a request for reasonable
28 accommodation to contiguous owners of property, as shown on the latest equalized Marin
29 County assessment roll, but may include other property owners as determined by the Director.
30 Said notice shall be mailed at least ten days prior to making a determination.
- 31
32 B. Other Reviewing Authority. Written determinations on requests for reasonable accommodation
33 submitted for concurrent review with another discretionary land use application shall be made
34 by the authority responsible for reviewing the discretionary land use application. The written
35 determination to grant or deny the request for reasonable accommodation shall be made in
36 accordance with Section X (Findings and Decision).
- 37
38 C. Additional Information. If necessary to reach a determination on the request for reasonable
39 accommodation, the reviewing authority may request further information from the applicant
40 consistent with the Acts, specifying in detail the information that is required. In the event that a
41 request for additional information is made, the 45 day period to issue a decision is stayed until
42 the applicant responds to the request.

City Council Meeting
April 22, 2014

Attachment 8, Exhibit B
Reasonable Accommodations Memo

- 1
2 D. The reviewing authority may approve an alternative reasonable accommodation that provides
3 the applicant an opportunity to use and enjoy a dwelling equivalent to that provided by the
4 specific accommodation requested, where such an alternative accommodation would:
5 1. Reduce impacts to neighboring properties or the surrounding area; or
6 2. Not require a deviation from the provisions of Title 8 or Title 10 of the Municipal Code or
7 would require less of a deviation than the requested accommodation.
8

9 **Findings and Decision.**

- 10 A. Findings. The reasonable accommodation shall be approved, with or without conditions, if the
11 reviewing authority finds, based upon all of the evidence presented, that all of the following
12 findings can be made:
13 1. The housing, which is the subject of the request, will be occupied by an individual
14 considered disabled under the Acts.
15 2. The requested accommodation is necessary to provide a disabled individual with an equal
16 opportunity to use and enjoy a dwelling.
17 3. The requested accommodation would not impose an undue financial or administrative
18 burden on the City, as defined under the Acts.
19 4. The requested accommodation would not require a fundamental alteration to the City's
20 zoning or building laws, policies, and/or procedures, as defined under the Acts. In
21 considering whether the accommodation would require such a fundamental alteration, the
22 reviewing authority may consider, among other factors:
23 a. Whether the requested accommodation would fundamentally alter the character of
24 the neighborhood;
25 and
26 b. Whether the requested accommodation would substantially undermine any express
27 purpose of either Sausalito's General Plan or an applicable specific plan.
28 5. There are no other reasonable accommodation(s) that would allow the applicant to use and
29 enjoy the dwelling which would:
30 a. Be less impactful to neighboring properties or the surrounding area; or
31 b. Not require a deviation from the provisions of Title 8 or Title 10 of the Municipal Code
32 or would require less of a deviation than the requested accommodation.
33
34 B. Conditions of Approval. In granting a request for reasonable accommodation, the reviewing
35 authority may impose any conditions of approval deemed reasonable and necessary to ensure
36 that the reasonable accommodation would comply with the findings required by Subsection A
37 above, including but not limited to the following:
38 1. Inspection of the property periodically, as specified, to verify compliance with this section
39 and any conditions of approval.
40 2. Recordation of a deed restriction requiring removal of the improvements when the need for
41 which the accommodation was granted no longer exists, except where the Director finds

- 1 that removal would constitute an unreasonable financial burden and/or is physically
2 integrated with the structure and cannot feasibly be removed.
- 3 3. Time limits and/or expiration of the approval if the need for which the accommodation was
4 granted no longer exists.
 - 5 4. Measures to reduce the impact on surrounding uses.
 - 6 5. Measures in consideration of the physical attributes of the property and structures.
 - 7 6. Other conditions necessary to protect the public health, safety and welfare.
- 8
- 9 C. Written Decision. The written decision on the request for reasonable accommodation shall
10 explain in detail the basis of the decision, including the reviewing authority's findings required
11 by Subsection A above. All written decisions shall give notice of the applicant's right to appeal
12 and to request reasonable accommodation in the appeals process as set forth below.
13

14 **Appeals.**

- 15 A. A determination by the reviewing authority to grant or deny a request for reasonable
16 accommodation may be in compliance with Chapter 10.84 (Appeals) of the Sausalito Municipal
17 Code. Appeals shall be submitted on an application form provided by the Community
18 Development Department. If an individual needs assistance in filing an appeal on an adverse
19 decision, the City will provide assistance to ensure the appeals process is accessible.

APPLICATION FOR REQUEST FOR REASONABLE ACCOMMODATION

NOTE: If you need help in completing this request form, the Department will assist you. Please contact the Community Development Director at 415-289-4133 or help@sausalto.org.

1. Name of Applicant

Telephone Number

2. Applicant Address

3. Address of housing at which accommodation is requested.

4. Property owner name, address and telephone number.

5. Describe the accommodation you are requesting and the specific regulation(s) and/or procedure(s) from which accommodation is sought.

6. Give the reason that the reasonable accommodation may be necessary for you or the individual with disabilities. You do not need to tell us the name or extent of your disability or that of the individual seeking the housing.

7. If we have questions about your request for reasonable accommodation and you would like us to contact someone assisting you with this request, instead of you, please give us that person's name, address and telephone number.

8. Signature of Applicant _____ Date _____

Please attach any documents that support your request for reasonable accommodation and would assist city staff in considering your request.

NOTICE OF DECISION ON REASONABLE ACCOMMODATION REQUEST

1. Date of Application: _____

2. Date of Decision: _____

3. The request for Reasonable Accommodation is:

_____ Granted _____ Denied (See Notice below regarding right to appeal decision)

4. The reasons for this decision are as follows:

5. The facts relied on in making this decision:

Signature of Designee _____ Date _____

NOTICE: If your request for accommodation was denied, you may appeal the reviewing authority's decision to the Planning Commission within ten (10) days of the date of this decision. To file an appeal, complete and file an Appeal of Denial of Reasonable Accommodation Request form with the Department.

APPEAL OF DENIAL OF REASONABLE ACCOMMODATION REQUEST

1. Date of Adverse Decision: _____

2. Date Appeal Filed: _____

3. State why you think the denial of your request for accommodation was wrongly decided:

4. Provide any new information, facts or documents that support your request for accommodation:

5. Signature _____ Date _____

NOTICE: Please attach to this appeal form:

- (1) A copy of your reasonable accommodation request along with any attachments submitted with the request; and**
- (2) The notice of the decision denying your accommodation request.**

Memorandum

TO: City Council

FROM: Geoff I. Bradley, AICP Principal, Metropolitan Planning Group
Dave Javid, AICP, LEED AP, Principal Planner, Metropolitan Planning Group
Karen Warner, AICP, Principal, Karen Warner Associates

SUBJECT: Definitions

PURPOSE

The attached definitions, which are to be used with the proposed Zoning Ordinance amendments, are to be inserted into SMC Section 10.88.080.

Exhibits

A. New Definitions

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City Council Meeting
April 22, 2014

Attachment 9
Definitions Memo

Item 5A - Attach 9
04-22-2014
Page 1 of 3

Exhibit A: New Definitions (for Chapter 10.88)

Amend Section 10.88.040

Affordable Ownership Housing Cost. The Total Housing Costs paid by a qualifying household, which shall not exceed a specified fraction of their gross income as specified in California Health and Safety Code Section 50052.5.

Affordable Units. Units within a residential development which will be reserved for sale or rent to, and made available at an affordable rent or affordable ownership cost to very low, low or moderate income households.

Affordable Rent. The Total Housing Costs, including a reasonable utility allowance, paid by a qualifying household, which shall not exceed a specified fraction of their gross income as specified in California Health and Safety Code Section 50053.

Area Median Income (AMI). The median family income of a geographic area of the State, as published annually by the California Department of Housing and Community Development pursuant to Health and Safety Code Section 50093.

Director. The Director of Community Development or his designee.

Emergency shelter. Housing with minimal supportive services for homeless persons that is limited to occupancy of six months or less by a homeless person. No individual or household may be denied emergency shelter because of an inability to pay. (*Health and Safety Code Section 50801(e)*)

Granting Authority. Includes the Building Official, Director, Zoning Administrator, Historic Landmarks Board, Planning Commission and City Council.

Horizontal Mixed Use (HMU). A development with commercial and residential land uses occupying the ground floor space, or exclusively a residential development located within a commercial zone. HMU developments typically feature residential uses adjacent to commercial uses on the ground floor rather than arranged in one building on separate floors.

Household Income Levels: Very Low, Low and Moderate. Households whose gross incomes do not exceed the qualifying very low, low and moderate income limits established in Section 6932 of the California Code of Regulations, and amended periodically based on the U.S. Department of Housing and Urban Development (HUD) estimate of median income in Marin County, and as adjusted by the State Department of Housing and Community Development (HCD). Pursuant to Code Sections 6926, 6928 and 6930, these income limits are equivalent to the following:

- Very low income household: 50 percent of area median income, adjusted for household size appropriate for the unit and other factors determined by HUD
- Low income household: 80 percent of area median income, adjusted for household size appropriate for the unit and other factors determined by HUD
- Moderate income households: 120 percent of area median income adjusted for household size appropriate for the unit and other factors determined by HUD

Pursuant to the Code of Federal Regulations (24 CFR 5.609(b)(3) and 24 CFR 5.603(b)), and consistent with the income eligibility criteria utilized by Marin Housing, "interest, dividends, and other net income of any kind from real personal property" are included in the calculation of annual household income.

Single Room Occupancy Housing (SRO). Refers to a residential facility where individual secure rooms are rented to a one or two person household. Rooms are generally 150 to 375 square feet in size and include a sink, closet and toilet, with shower and kitchen facilities typically shared. SRO units are rented to tenants on a weekly or monthly basis.

Supportive housing. Permanent affordable housing with no limit on length of stay that is occupied by the target population as defined in the Health & Safety Code Section 53260(d), and that is linked to on- or off-site services that assist the supportive housing resident in retaining the housing, improving his or her health status, and maximizing his or her ability to live and, when possible, work in the community. *(Health and Safety Code Section 50675.14(b))*

Target population. Adults with low income having one or more disabilities, including mental illness, HIV or AIDS, substance abuse, or other chronic health conditions, or individuals eligible for services under the Lanterman Developmental Disabilities Services Act (Division 4.5 of the Welfare and Institutions Code, commencing with Section 4500) and may, among other populations, include families with children, elderly persons, young adults aging out of the foster care system, individuals exiting from institutional settings, veterans, or homeless people. *(Health and Safety Code Section 53260(d))*

Total Housing Cost. The total monthly or annual recurring expenses required of a household to obtain shelter. For a rental unit, total housing costs include the monthly rent payment and utilities. For an ownership unit, total housing costs include the mortgage payment (principal and interest), homeowner's association dues, mortgage insurance, taxes, utilities, and any other related assessments.

Transitional housing and transitional housing development. Buildings configured as rental housing developments, but operated under program requirements that call for the termination of assistance and recirculation of the assisted unit to another eligible program recipient at some predetermined future point in time, which shall be no less than six months. *(Health and Safety Code Section 50675.2(h))*. The housing may take several forms such as group housing and multi-family units and may include supportive services to allow individuals to gain necessary life skills in support of independent living.



City of Sausalito
420 Litho Street
Sausalito, CA 94965

In This Fact Sheet>>>

What is the State Density Bonus? (pg. 2)

What are the HMU regulations? (pg. 3)

How are the HMU and State Density Bonus related? (pg. 3)

Next steps and how to get involved (pg. 4)

Frequently Asked Questions (pg. 4)

April 2014

Horizontal Mixed-Use and Density Bonus Facts

Background >>>

The City worked closely with the community from 2009-2012 on a new Housing Element to plan for housing in Sausalito. The goal was to comply with State Law that requires every city in California to have an adopted and certified Housing Element that plans for a certain number of units ranging in affordability and provides a variety of housing types. The City adopted a Housing Element in October of 2012 which complies with State law. The City is currently working towards implementing a number of policies contained within the Housing Element.

Like all other California jurisdictions, Sausalito is required to have a Housing Element to plan for its fair share of housing. A Housing Element establishes policies to guide future development but does not propose any specific projects. The California Department of Housing and Community Development (HCD) reviews and certifies the Housing Element. Sausalito worked extensively with members of the community in drafting its current Housing Element (covering 2009 – 2014) that includes a range of 33 programs, some of which the City must implement in order for HCD to certify our Housing Element for the next cycle (2015-2023). The community has recently been concerned about two of those 33 programs – the Horizontal Mixed Use overlay and the update to Sausalito’s existing Density Bonus provisions. Those two programs, including how they interact with each other, are described in this Fact Sheet.

There has been some concern in the community about why the HMU and Density Bonus programs are being implemented, what they are, and how they interact with each other. This fact sheet was prepared to provide additional information and encourage further dialogue on these important issues.

Quick Facts>>>

State Density Bonus

- Is a **State Law**; cities are required to adhere to it
- Applies to all new developments in Sausalito with 5+ units
- A property owner may voluntarily agree to provide some residential units as affordable
- In exchange— City must allow for additional residential units (a “density bonus”)
- Property owner can ask for incentives/concessions from the City in order to make the project financially feasible (i.e., exceptions to setbacks, height, parking, etc.)

HMU Regulations

- Is a program to address need for large-family households in Sausalito
- Applies to two mixed commercial/residentially zoned sites in Sausalito
- Allows ground-floor residential use instead of normally-required commercial use
- In exchange— property owner must make some units 3+ bedrooms and restrict as affordable
- There are no other changes (i.e., all existing regulations regarding maximum number of units, height, parking, views, etc. remain in place)

State Density Bonus Law >>>

California State Law requires that all cities in California adopt provisions which would allow for density bonuses.

The Density Bonus law applies to new development in Sausalito which can provide at least five (5) units. For projects that provide a certain number of affordable units at certain affordability levels the Law allows for a density bonus of from 5% to up to 35% of the total units. Sausalito must update its current Density Bonus ordinance to be in compliance with State law in order to gain certification of the Housing Element by HCD. Sausalito is considering a tailored local Density Bonus ordinance with the overall goal being to reduce neighborhood impacts while promoting affordability.

Affordability. A property owner gets a higher density bonus by providing either more affordable units or units that are affordable to households at lower incomes or both. For example, a 10-unit project that proposes 10% of the total units (1 unit) as affordable to:

- **moderate income** households may receive 5% of the units as a density bonus (one additional unit) for a total project of 11 units.
- **low income** households may receive 20% of the units as a density bonus (2 additional units) for a total project of 12 units.
- **very low income** households may receive 32.5% of the units as a density bonus (4 additional units) for a total project of 14 units.

What is "Affordable?"

Units within a residential development which will be reserved for sale or rent to, and made available at an affordable rent or affordable ownership cost to very low, low or moderate income households.

- Moderate Income are those who earn between 80-120% of the AMI*
- Low Income households are those who earn less than 80% of the AMI
- Very Low Income households are those who earn less than less than 50% of the AMI

*AMI is the Area Median Income. For reference, the Area Median Income is currently \$103,000 in Marin County for a family of four (4).

Incentives or Concessions. In some cases, a qualifying property owner may only be able to develop the affordable units if certain exceptions to development standards are considered. In such cases, a qualifying property owner must first demonstrate that they need the exceptions from the City (i.e., "incentives or concessions") in order to make the project financially feasible (in terms of providing the affordable units). Then they may request 1 to 3 incentives depending on whether they demonstrate need and depending on how much and what type of affordable housing they provide as a part of a Density Bonus request. Sausalito is considering a local Density Bonus ordinance where every applicant requesting a Density Bonus must submit a pro forma demonstrating financial need. Additionally, the concessions and incentives for consideration are prioritized in two tiers from most to least preferred. Tier One are the City's preferred concessions including development standards like reduced setbacks and increased building coverage and floor area. Tier Two are the City's least preferred concessions including increases to allowed building heights and impacts to private primary views.

Pursuant to Density Bonus law, the city shall grant the concession or incentive requested by the applicant unless the city makes a written finding, based upon substantial evidence, of any of the following:

- The concession or incentive is not required in order to provide for affordable housing costs, or for rents for the targeted units.
- The concession or incentive would have a specific adverse impact for upon public health and safety or the physical environment or on any real property that is listed in the California Register of Historical Resources and for which there is no feasible method to satisfactorily mitigate or avoid the specific adverse impact without rendering the development unaffordable to low- and moderate income households.
- The concession or incentive would be contrary to state or federal law.

An incentive or concession means any of the following:

- A reduction in site development standards or a modification of zoning code requirements or architectural design requirements that exceed the minimum building standards approved by the California Building Standards Commission, including but not limited to, a reduction in setback and square footage requirements and in the ratio of vehicular parking spaces that would otherwise be required that results in identifiable, financially sufficient, and actual cost reductions.
- Approval of Mixed-use zoning in conjunction with the housing project (does not apply as mixed-use zoning is already in place).
- Other regulatory incentives or concessions proposed by the developer that result in identifiable, financially sufficient, and actual cost reductions.

Table 1: Comparing Parking Requirements

Multi-family Requirement	Required Spaces per Unit	
	Sausalito's	State Density Bonus
Studio or 1 bedroom	1.5 spaces	1 space
2 bedrooms+	2 spaces	2- 2.5 spaces

Source: Government Code Title 7, Division 1, Chapter 4.3, Density Bonuses and Other Incentives (65915-65918).

HMU Regulations >>>

In addition to requiring a Housing Element to plan for a certain number of units at certain affordability levels, State Law also requires a Housing Element to plan for a variety of housing types.

In 2012, HCD found that, while Sausalito had adequately planned for many types of smaller housing types such as accessory dwelling units (ADUs) and liveaboards, the City needed to provide more housing opportunities for large families; i.e.; five (5) or more people.

In response, the City developed the HMU regulations to provide an overlay for certain commercial districts to encourage family-sized housing at affordable levels. Currently, residential uses are not allowed on the ground floor in commercial districts. The HMU program is a voluntary program where in exchange for being able to utilize the ground floor for residential use, the

property owner would be required to:

- Ensure a minimum of 30% three (3) or more bedroom units to accommodate larger families;
- Ensure 25% of the total units are very low income and 25% of the total are low income households;
- Deed restrict the affordable units for a period of not less than 40 years;
- Meet development standards in the Zoning Ordinance and findings for design review.

The HMU allows residential uses on both the ground and upper floors,

reducing the likelihood that, if a project is proposed, it would need to build as high to accommodate housing. Sausalito identified two commercial sites for the HMU in the CN-1 Zoning District (1) 2015 Bridgeway and (2) 1901 Bridgeway/510 Easterby. See **Table 3** below for more information on the two sites. The current Zoning regulations **and** the HMU limit residential development to a maximum of eight (8) units at each site. This is calculated by taking the size of each site (12,000 s.f.) and the current zoning limit for the sites (one unit per 1,500 s.f. of land area).

HMU Regulations & State Density Bonus Law >>>

There have been many questions from the community regarding what the potential would be for the HMU sites if a property owner/applicant sought density bonuses on the HMU sites. Therefore, this section was prepared to address those questions.

A property owner/applicant may currently apply for a density bonus for a qualifying project on any parcel in Sausalito that allows residential use.

Table 2: Comparing Requirements of the HMU and State Density Bonus Law

	Affordability (% of units)	Unit Sizes	Density Bonuses	Incentives
Today's standards	No requirement	No requirement	See State Density Bonus	None
HMU standards	25% Very Low + 25% Low = 50% total	30% required to be 3 bedrooms	No provisions in HMU	Allow ground floor for residential use
State Density Bonus standards	<u>Varies:</u> 5% - 11% Very Low 10% - 20% Low 10% - 40% Moderate	No requirement	Up to 35% of total units depending on affordability of units	See Incentives & Concessions section of this Fact Sheet

Table 3: Development Standards Summary Table-HMU Sites

HMU Site Address / Site Size	Description	Maximum Unit Potential			
		Current Regulations— Commercial only on Ground Floor, Residential allowed on Upper Floors		HMU Regulations— Option to have Residential on Ground Floor in addition to Upper Floors	
		Per Zoning	With density bonus	Per Zoning	With density bonus
2015 Bridgeway cross street Olive 12,000 s.f.	"L" shaped three-story office building	8 units	9-11 units	8 units	9-11 units
1901 Bridgeway and 510 Easterby 12,000 s.f.	Single story 7-Eleven commercial center	8 units	9-11 units	8 units	9-11 units

The HMU regulations are not linked to the State Density Bonus law. That is, the HMU regulations do not require that a property owner/applicant apply for a density bonus and conversely, the Density Bonus law could be applied to the HMU sites regardless of the property owner taking advantage of the HMU regulations or not. For the HMU sites, applying the Density Bonus law could potentially result in a total range of nine (9) to eleven (11) units (or an additional one (1) to three (3) units). See **Table 2** above for comparisons between the HMU regulations and the Density Bonus standards. See **Table 3** to the left for a comparison in development standards for HMU sites under current zoning, HMU regulations and Density Bonus law.

Next Steps >>>

Housing Element Update Website:
www.ci.sausalito.ca.us/index.aspx?page=703

Track 1 are Zoning Ordinance amendments to implement programs in the City's adopted Housing Element. Among other amendments, the City is working on making changes to the Zoning Ordinance in order to implement the Horizontal Mixed-Use regulations and the updated Density Bonus ordinance. The first step is Planning Commission review of the Ordinance amendments in May at public hearings. The second step is City Council review and consideration of the Ordinance amendments in June at public hearings. The Ordinance amendments could be adopted at that time.

Track 2 is the Housing Element Update. The City will update the Housing Element in the Spring and review the updated Housing Element with the Planning Commission and City Council at public hearings in the Fall. The Council could adopt the updated 2015-2023 Housing Element in September.

The best way to get involved in this process is to attend the public hearings. To stay involved please get on the email notification list for the Housing Element by emailing Lilly Schinsing, Analyst-Project Manager, at LSchinsing@ci.sausalito.ca.us with the subject line: "Housing Element Notification."

Frequently Asked Questions>>>

Q: Why does the City need Horizontal Mixed-Use (HMU) regulations? What is the goal?

A: HCD found that the draft Housing Element they reviewed in early 2012 relied mainly on small sites that did not provide adequate opportunities for large families (like Accessory Dwelling Units and liveboards). HCD also stated a minimum capacity of at least 20 units for any site in this category. The City was able to point to a number of smaller affordable housing projects within the community. As a result, HCD accepted eight units as the minimum capacity for sites selected to provide capacity for family size multi-family housing opportunities.

Q: Why were these two sites selected for the HMU regulations?

A: Site selection was based on unit capacity, access to transit and services as well as age and condition of existing structures that could reasonably be expected to be redeveloped in the near future. Within the sites inventory there are a very limited number of sites (3 total) that had a capacity of eight (8) or more units and met the required density to qualify as an appropriate site.

Q: Will views still be protected?

A: The HMU regulations allows use of the ground floor for housing which reduces the need to go as high as compared to building housing over existing commercial uses as is currently allowed on the two HMU sites. The City has a Design Review Permit process to minimize the obstruction of primary views. The City would work closely with applicants to minimize obstruction of primary views. However, obstruction of views could be requested as a concession by an applicant under the separate Density Bonus law (which is a law independent of the HMU regulations). In such a case, the City would require the applicant to provide a financial pro-forma demonstrating that the view obstruction concession was necessary to make the project economically feasible, and would require approval by the City Council.

Q: What was done to gain community input on these policies?

A: The City has conducted a significant amount of public outreach throughout the Housing Element process including numerous public meetings (50+), community workshops, city-wide public notice mailings, flyers mailed to neighbors near each of the HMU sites, all materials posted on the City website, email alerts and a walking tour.

Q: How will these two sites affect property values if they are developed with affordable housing?

A: Local examples of small affordable housing projects have not resulted in any known decrease in surrounding property values. Current research on the topic suggest that the type of affordable housing matters less than the quality of the properties' design, management and maintenance—which would be reviewed during permitting.

Q: What about the Density Bonus Law? How does that come into play?

A: Applicants can currently request a Density Bonus and from one to three incentives or concessions to make affordable units financially feasible on any site in Sausalito that can support five or more units. The two sites affected by the HMU policy would be no different.

Q: How often is the Density Bonus law used?

A: A total of seven density bonus projects have been approved in Marin County over the last 10 years (none in Sausalito).

SAUSALITO RHNA PLAN & STRATEGY

LOW-IMPACT STRATEGIES

RHNA	PLAN	Sites Inventory	New ADUs	Amnesty ADUs	Unused Liveboard Capacity	STRATEGY	BUFFER
Very Low	26	15	5	7		27	1
Low	14	15	9	14	13	51	37
Moderate	16	97	2	3	11	113	97
Above Moderate	23	19	0	0		19	-4
TOTAL	79	146	16	24	24	210	131

Assumptions:

- 1) Sites Inventory the same as 2009-2014 Housing Element except for removals based on approved or pending projects and Butte Steet site (Pending = 115 SOUTH STREET, APN 065-301-05 and Approved = 34 MARIE STREET and 27 CENTRAL AVENUE).
- 2) New ADUs assumes 2 new ADUs per year for 8 years for a total of 16 ADUs. (from Jan. 1, 2015 thru Dec. 31, 2022)
- 3) Amnesty ADUs assumes another 1 year amnesty period for a total of 24 ADUs.
- 4) ADU affordability levels based on 2010 rent survey:
 - 28% Very Low
 - 57% Low
 - 15% Moderate
- 5) Unused liveboard capacity based on 20 add'l liveboards in Clipper Yacht (52 existing liveboards, permits for 72), and 4 add'l liveboards in Schoonmaker (16 existing liveboards, permits for 20). Source: Housing Element Table 4.6 - existing liveboard count needs to be confirmed/updated.

Attachment 11

CHAPTER I – INTRODUCTION

A. Sausalito Community Context

Considered one of the most charming cities in Northern California, Sausalito is nestled between the bay and the mountains. The City is well known for its beautiful waterfront with sweeping views of the bay, a historic downtown with numerous restaurants and shops, and its proximity to the Golden Gate Bridge. The City has roughly 7,000 residents within its densely populated 2.2 square miles and attracts a large number of visitors all year round.

Sausalito accommodates a variety of housing types that respects its natural setting: a mix of single family residences, cottages, accessory dwelling units, and small scale multi-family units in the wooded glens and flats; residential units above ground-floor commercial businesses in the downtown; houseboats and liveboards along the waterfront; and view estates and several larger multi-family complexes stepped down the hillsides. This Housing Element seeks to protect and enhance the best aspects of the community's historic patterns of development, while permitting a balanced, low impact approach to accommodating incremental growth.

This Housing Element acknowledges Sausalito's unique demographics and identifies solutions that address those trends and demographics, including the very high percentage of single-person households, an aging population, and a special needs population of marine workers. These distinctive and inherent community characteristics have resulted in unique housing types in the community, and have driven the consideration of housing development potential and housing policies in this Housing Element.

B. Housing Element Overview and Purpose

Every jurisdiction in California is required to have a Housing Element in its General Plan, to ensure that appropriate long-range planning measures are in place in response to the community's housing conditions and needs.

The purpose of the Housing Element is to achieve an adequate supply of safe, affordable housing for all economic segments of the community, including individuals with special housing needs. The desirability of the Bay Area and Marin County in particular has made it one of the most expensive housing markets in the country, rendering the availability of affordable housing increasingly scarce. Housing affordable to more modest income households often requires public assistance, of which there are several successful examples in Sausalito, including Bee Street Housing (6 very low income units), Rotary Place (10 very low income units), Sausalito Rotary Senior Housing (22 very low income units), and Galilee Harbor (35 rent and income restricted berths). The shortage of affordable housing has its impacts: it becomes more difficult for employers to recruit and retain employees; roadways become congested with workers traveling longer distances; and many young families, longtime residents and other community members may relocate because they can no longer afford to live in the community.

Attachment 12

The housing supply for all economic segments and special groups in Sausalito needs to be addressed by looking at the unique features of the community, and development constraints and opportunities. As Sausalito is compact and built out, large tracts of land for new development are not available, but many opportunities exist for infill in smaller parcels throughout the community. Additional factors must be considered when looking at sites with housing potential, including steep slopes, soil stability issues, poor drainage, and narrow roads limiting access and parking in certain neighborhoods. Sausalito's proximity to the waterfront has also influences the types of housing needed in the community. Community members have expressed a strong desire to preserve the existing small-town character of the community through the goals and policies of the Housing Element.

Therefore, the goals and policies of this Housing Element recognize the unique housing opportunities in Sausalito, and enhance the diversity of income and community groups that comprise the existing community character.

The Housing Element is divided into four chapters:

- Chapter 1 contains introductory material to the Housing Element, including State Laws and requirements;
- Chapter 2 contains the Housing Plan, including housing goals and objectives, policies and implementing programs;
- Chapter 3 contains a summary of the community's existing and future housing needs; and
- Chapter 4 contains an analysis of available sites for housing, and resources available to assist in the implementation of Sausalito's housing programs.

Sausalito's last approved Housing Element was for the planning period ending in ~~1998~~2014. ~~Thus, the~~The City's Housing Element is required to fulfill the Regional Housing Needs Allocation (RHNA) for both the current (2015-2023) and prior (1999-2006) RHNA planning periods. This 2015-2023 Housing Element covers the RHNA for this planning period, aiming to accommodate 79 units within this 8 year period. With the exception of this prior RHNA, this Housing Element covers the 2009-2014 Housing Element cycle as defined by statute for jurisdictions in the Bay Area.

C. Housing Element Law and Changes to State Requirements

The Housing Element is one of the required seven elements of the General Plan, mandated by California law. Enacted in 1969, Housing Element law requires all jurisdictions in California to develop a plan to ensure that all existing and future housing needs of the community will be adequately met. The law seeks to assure that local governments adopt land use plans and regulations which do not constrain housing and are permissive to the construction of units to accommodate housing need. In essence, the Housing Element should identify appropriate housing types and potential sites to facilitate private market response in providing adequate housing.

Housing Elements are required by law to be submitted to the California Department of Housing and Community Development (HCD) for review. HCD is in turn responsible for assessing the Housing Element to ensure its compliance with state law while also reporting findings to the subject jurisdiction. If the submitted Housing Element is found to be in compliance with State law, HCD will "certify" the housing element. Under provisions within State Housing Element law, a Housing Element that has been certified by HCD will be more secure against litigation challenging the document's validity.

State Housing Element law requires Housing Elements to include several components within the document, some of which have recently been added as part of State law. The previous Housing Element included policies to comply with several of these laws. These incorporated laws are described as follows:

- Senate Bill 2 (2007): Amended Housing Element law and requiring jurisdictions to support local homeless populations by permitting emergency shelters by right within a designated zoning district(s).
- Assembly Bill 1866 (2002): Facilitates development of Accessory Dwelling Units (ADUs) and allows identification of realistic capacity for second units.
- Senate Bill 375 (2008): Established a monitoring program requiring an annual Housing Element report to be submitted to HCD. The law also outlines repercussions for jurisdictions who fail to adopt a Housing Element.

A Streamlined Update approach is a new procedure established by HCD and designed to save time and money for California jurisdictions. The Streamlined Update approach template is also applicable to select areas of the Housing Element. However, the approach may only be utilized by jurisdictions whose existing Housing Element is adopted and certified and also have amended their Zoning Ordinances to include Density Bonus, SB 2, Reasonable Accommodation, and Transitional and Supportive Housing ordinances. Cities and Counties seeking eligibility must also have completed any re-zoning efforts necessary to meet the Regional Housing Needs Allocation (RHNA) number from the 2009-2014 cycle. Eligible jurisdictions will benefit from the Streamlined Update as they will receive priority when submitting their Draft Housing Elements. HCD will also provide an expedited, 60-day review for streamlined Housing Element Updates.

Since Sausalito has successfully implemented the aforementioned ordinances and drafted a certified 2009-2014 Housing Element, the 2015-2023 Housing Element Update for Sausalito will follow a Streamlined Update approach. The Streamlined Update builds off the existing Housing Element, updating outdated information, policies, and programs of the existing document. The Housing Element is one of the seven elements of the general plan required by California Government Code. State Housing Element law enacted in 1969, requires local governments to adequately plan to meet the existing and projected housing needs of all economic segments of the community. This law acknowledges that, in order for the private market to adequately address housing needs and demand, local governments must adopt land use plans and regulations which provide opportunities for, and do not unduly constrain, housing development. As a result, housing policy in the State rests largely upon the effective implementation of local general plans and, in particular, local housing elements. Housing Element law also requires that the California Department of Housing and Community Development (HCD) review local housing

~~elements for compliance with State law and to report its written findings to the local government. If HCD finds that the housing element substantially complies with State Housing Element law, HCD "certifies" the housing element. If a housing element has been certified by HCD, State Housing Element law states that there shall be a "rebuttable presumption of validity of the element" in any court challenge to the validity of the housing element.~~

~~Components of the housing element required by State Housing Element law include a "Residential and Mixed Use Sites Inventory", identifying where housing potential is present in the jurisdiction. Housing Element law, as amended by Senate Bill (SB) 2 in 2007, requires local governments to support homeless persons in obtaining shelter and services. Specifically, SB 2 requires cities to identify a zoning district (or districts) where emergency shelters are allowed as a permitted use, without a conditional use or other discretionary permit. The bill also requires local governments to add transitional and supportive housing and emergency shelters to its provisions for very low, low, or moderate income households. While the previously certified housing element addressed homeless issues, this housing element contains updates which address the requirements of SB 2.~~

~~Assembly Bill (AB) 1866 passed in 2002 facilitates the creation of second units, or Accessory Dwelling Units, through ministerial approval procedures. It also clarifies Housing Element law to allow identification of realistic capacity for second units, based on development trends of second units in the jurisdiction.~~

~~Senate Bill (SB) 375 passed in 2008, requires the annual submission of reports to the HCD monitoring the Housing Element, and outlines consequences for the failure to adopt a Housing Element.~~

~~Another recent law that affects this Housing Element is the requirement of "reasonable accommodation" procedures. This is a federal mandate that is implemented in the Housing Element, in order to accommodate persons with disabilities in the provision of housing.~~

Comment [DJ1]: Deleted and revised to update with progress made to date.

D. Relationship to the General Plan

The General Plan serves as the "constitution" for development in a jurisdiction. It is a long-range planning document that describes goals, policies and programs to guide decision-making. All development-related decisions must be consistent with the General Plan. If a development proposal is not consistent with the General Plan, the proposal must be revised, or the General Plan itself must be amended. State law requires a community's General Plan to be internally consistent. This means that the Housing Element, although subject to special requirements and a defined timetable of updates, must function as an integral part of the overall General Plan, with consistency between it and the other General Plan elements. This Housing Element is consistent with Sausalito's General Plan.

E. Community Participation Summary

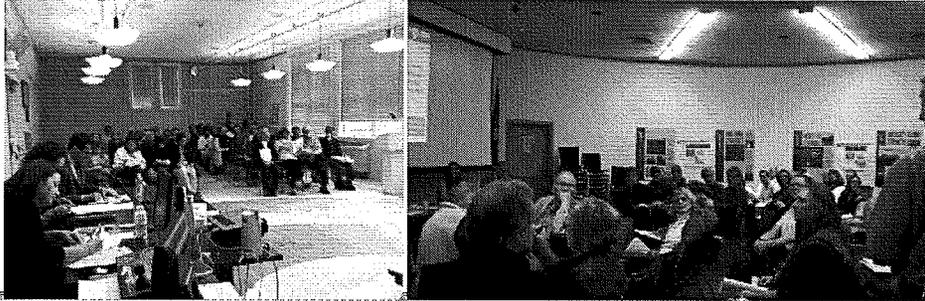
Comment [DJ2]: This section and Appendix E will be updated once the outreach process is completed. Summary of input from Workshop 1 included for review.

In 2009, the City Council established a Housing Element Committee, which subsequently was transformed into the Housing Element Task Force in 2011. Following the strategy of the 2009-2014 Housing Element Update process, the City Council continued working with a Housing Element Subcommittee throughout the 2015-2023 Housing Element update process. ~~The Task Force~~ was composed of City Council representatives, Planning Commission representatives, and City residents. Over ~~45~~ TBD public meetings were held, including ~~three~~ TBD community workshops, to engage community residents and property owners in the discussion of topics related to the update of the Housing Element.

~~The three workshops were devoted to educating and soliciting feedback from the community. The first workshop was aimed at explaining the background of the Housing Element and new State laws influencing the update purpose and background of the Housing Element and an update on the zoning ordinance amendments that will implement programs outlined in the 2009-2014 Housing Element. The second workshop reviewed options to meet the Housing Element State law, and the third workshop reviewed and solicited feedback on the goals, policies and implementing programs of the Housing Element.~~

~~Community concerns raised at the workshops included the impact of the Housing Element policies on the development patterns and density in Sausalito, and how the Housing Element might affect current property values. Residents also expressed interest in the RHNA calculation, clarifying Housing Element procedures, and suggesting additional issues for analysis and discussion in the Housing Element. Throughout the community workshops and Task Force meetings, residents were particularly concerned about potential rezoning and other measures that would negatively impact the existing small town character of Sausalito. Community members offered constructive suggestions on the implementation and operation of affordable housing. Workshop attendees voiced concern over the Density Bonus ordinance and Vertical and Horizontal Mixed Use regulations that were strategies in the previous Housing Element. Questions regarding the repercussions of Housing Element non-compliance, maximizing local control, opportunities to re-allocated RHNA to neighboring communities, the planning area, shared housing units and rent control were fielded and addressed during the community workshop.~~

~~In addition to the City's direct efforts, Sausalito residents forwarded concerns regarding the potential impacts of specific strategies proposed in the Housing Element.~~ More details on community participation are provided in Appendix E.
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CHAPTER II – HOUSING PLAN

The Housing Plan sets forth Sausalito's goals, policies and implementing programs to be implemented over the 2015-2023 planning period of the Housing Element. The 2009-2014 Housing Plan, which has been drafted with community and decision-maker input, is prepared in the context of: 1) Sausalito's housing needs; 2) land availability and environmental constraints; 3) funding limitations; and 4) experience gained from implementation of the City's adopted 2009-2014 Housing Element. identifies housing needs, resources and constraints and is based upon experience gained from implementation of the former Housing Element adopted in 1995. The first section of the Housing Plan sets forth the Element's goals and policies, followed by the second section, which establishes the implementing programs. Each of these two sections is organized around the following seven goals of the Element:

- Preserving housing and neighborhood assets.
Goal 1.0: Maintain and enhance the quality of existing housing and ensure that new residential development is compatible with Sausalito's small town character.
- Encouraging diversity in housing.
Goal 2.0: Provide opportunities for a range of housing types in a variety of locations and densities to meet the diverse needs of the Sausalito community.
- Enhancing housing affordability.
Goal 3.0: Expand and protect opportunities for households of all income levels to find housing in Sausalito and afford a greater choice of rental and homeownership opportunities.
- Reducing governmental constraints.
Goal 4.0: Reduce governmental constraints on the maintenance, improvement and development of housing while maintaining community character.
- Promoting equal housing opportunities.
Goal 5.0: Promote equal housing opportunities for all residents, including Sausalito's special needs populations, so that residents can reside in the housing of their choice.
- Implementing environmental sustainability.
Goal 6.0: Promote environmental sustainability through support of existing and new development which minimizes reliance on natural resources.
- Promoting community involvement.
Goal 7.0: Promote the active participation of citizens, community groups, and governmental agencies in housing and community development activities.

Attachment 13

A. Goals and Policies

The following Housing Element goals and policies will guide the City's actions pertaining to housing during the planning period.

Preserving Housing and Neighborhood Assets

Goal 1.0: Maintain and enhance the quality of existing housing and ensure that new residential development is compatible with Sausalito's small town character.

Policies

Policy 1.1 Housing Design. Review proposed new housing and accessory dwelling units to achieve excellence in development design. Encourage design that enhances neighborhood identity with sensitive transition of scale and building bulk, is compatible to the surrounding neighborhood, and uses quality building materials.

Implementing Programs:

Program 4 – Residential Design Review

Policy 1.2 Historic Preservation. Support efforts to identify and preserve historic structures. Ensure the compatibility of infill development in the context of Sausalito's historic resources.

Implementing Programs:

Program 3 – ~~Historic Design Guidelines and~~ Preservation Regulations and Incentives

Policy 1.3 Maintenance and Management of Quality Housing. Support good management practices and the long-term maintenance and improvement of existing housing through code enforcement and housing rehabilitation programs.

Implementing Programs:

Program 1 – Code Enforcement;

Program 2 – Residential Rehabilitation Loan and Energy Retrofit Programs

Policy 1.4 Rental Housing Conservation. Continue to conserve the existing rental housing stock by limiting the conversion of rental units to ownership or non-residential uses.

Implementing Programs:

Program 5 – Condominium Conversion Regulations

Policy 1.5 Protection of Existing Affordable Housing. Ensure the continued affordability of income-restricted housing for lower and moderate income households.

Implementing Programs:

Program 6 – Preservation of Existing Affordable Rental Housing

Policy 1.6 Neighborhood Services. Promote neighborhood vitality and reduced reliance on the automobile by supporting the provision of neighborhood serving uses, such as grocery stores.

Implementing Programs:

Land Use Element Program LU-2.13.1 – Zoning Ordinance – Neighborhood Commercial uses

Economic Development Element Program E-5.1.1 – Permitted Uses (Neighborhood Commercial)

Encouraging Diversity in Housing

Goal 2.0: Provide opportunities for a range of housing types in a variety of locations and densities to meet the diverse needs of the Sausalito community.

Policies

Policy 2.1 Variety of Housing Choices. Encourage diversity in the type, size, price and tenure of residential development in Sausalito, while maintaining quality of life goals.

Implementing Programs:

Program 8 – Mixed Use Zoning in Commercial Districts

Program 9 – Non-Traditional Housing Types

Program 10a – Accessory Dwelling Units – ~~Adoption of Regulations to Encourage New ADUs~~

Program 10b – Accessory Dwelling Units – ~~Registration and Amnesty of Existing ADUs~~

Program 11 – Liveaboard Housing

Policy 2.2 Adequate Sites. Provide adequate housing sites through appropriate land use and zoning designations, consistent with Sausalito's regional housing growth needs.

Implementing Programs:

Program 7 – Residential and Mixed- Use Site Inventory

Policy 2.3 Adaptive Reuse.

Support innovative strategies for the adaptive reuse of commercial structures to provide for a range of housing types and residential uses, for example, the residential use of upper floors of commercial buildings.

Implementing Programs:

Program 8 – Mixed Use Zoning in Commercial Districts

Policy 2.4 Legalization of Existing Accessory Dwelling Units.

~~Provide an amnesty program for existing accessory dwelling units by allowing establishing a period of time for owners of un-permitted units to register their units and make them legal.~~

Implementing Programs:

Program 10b – Accessory Dwelling Units – Registration and Amnesty of Existing ADUs

Policy 2.5 Creation of New Accessory Dwelling Units.

Enable the construction and/or creation of new accessory dwelling units in residential zoning districts to increase the supply of affordable housing and address a portion of Sausalito's regional housing needs. Ensure accessory dwelling units are designed to be compatible with the surrounding neighborhood.

Implementing Programs:

Program 4 – Residential Design Review

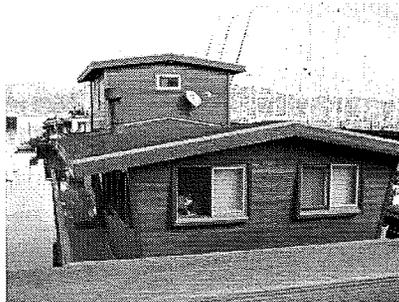
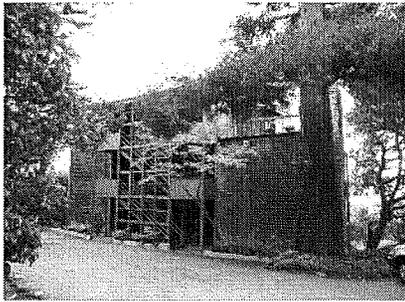
Program 10a – Accessory Dwelling Units – ~~Adoption of Regulations to Encourage New ADUs~~

Policy 2.6 Liveaboard Housing.

Protect liveaboards as a source of affordable housing and officially recognize them as part of the community's housing stock. Work with residents, marine operators and owners, agencies and non-profit groups to identify ways to assist in the long-term affordability and maintenance of this unique form of housing in Sausalito.

Implementing Programs:

Program 11 – Liveaboard Housing



Enhancing Housing Affordability

Goal 3.0: Expand and protect opportunities for households of all income levels to find housing in Sausalito and afford a greater choice of rental and homeownership opportunities.

Policies

Policy 3.1 Incentives.

Facilitate the development of affordable housing through site assembly, financial assistance, and regulatory incentives. Implement new models and approaches in the provision of affordable housing.

Implementing Programs:

Program 12 – Affordable Housing Development Assistance;

Program 13 – Local Affordable Housing Fund

Policy 3.2 Partnerships.

Explore collaborative partnerships with nonprofit organizations, developers, governmental agencies and the business community to develop, rehabilitate and preserve affordable housing.

Implementing Programs:

Program 14 – Partnerships for Affordable Housing

Policy 3.3 Homeownership Assistance.

Encourage the provision of financial assistance to low and moderate income first-time homebuyers through County and State programs.

Implementing Programs:

Program 15 – Homebuyer Assistance

Policy 3.4 Rental Assistance.

Support and publicize available rental assistance programs for lower income and special needs households.

Implementing Programs:

Program 16 – Section 8 Rental Assistance

Policy 3.5 Inclusionary Housing.

Evaluate requiring new residential developments and residential land divisions above a certain size to provide a percentage of affordable units, or contribute proportionately to the development of affordable units.

Implementing Programs:

Program 17 – Inclusionary Housing Regulations

Reducing Governmental Constraints

Goal 4.0: Reduce governmental constraints on the maintenance, improvement and development of housing while maintaining community character.

Policies

Policy 4.1 Regulatory Incentives for Affordable Housing.

Support the use of various incentives to offset the costs of affordable housing while ensuring that potential impacts are addressed.

Implementing Programs:

Program 18 – Fee Deferrals and/or Waivers for Affordable Housing

Program 19 – Density Bonus and Other Incentives for Affordable Housing

Policy 4.2 Flexible Development Standards.

Provide flexibility in development standards to accommodate new models and approaches to providing housing, such as transit-oriented development, mixed use and co-housing.

Implementing Programs:

Program 8 – Mixed Use Zoning in Commercial Districts

Program 9 – Non-Traditional Housing Types

Program 10a – Accessory Dwelling Units – ~~Adoption of Regulations to Encourage New ADUs~~

Program 12 – Affordable Housing Development Assistance

Policy 4.3 Efficient Use of Multi-Family Zoning.

Encourage the sustainable use of land and promote affordability by encouraging development of two-family and multi-family housing within the City's multi-family zoning districts (R-2-5, R-2-2.5, R-3).

Implementing Programs:

Adopted Program 20 – Multi Family Development in Multi-Family Districts

Policy 4.4 Development Review.

Explore continued improvements to the entitlement process to streamline and coordinate the processing of development permits, design review and environmental clearance.

Implementing Programs:

Program 3 – ~~Historic Design Guidelines and~~ Preservation Regulations and Incentives

Policy 4.5 Zoning for Special Needs.

Provide for transitional and supportive housing, emergency shelters, and single room occupancy uses, consistent with State law.

Implementing Programs:

Program 20a – Zoning Text Amendments for Special Needs Housing

Promoting Equal Housing Opportunities

Goal 5.0: Promote equal housing opportunities for all residents, including Sausalito's special needs populations, so that residents can reside in the housing of their choice.

Policies

Policy 5.1 Fair Housing.

Seek to ensure that individuals and families pursuing housing in Sausalito do not experience discrimination on the basis of race, color, religion, marital status, disability, age, sex, familial status, national origin, sexual preference or other arbitrary factors, identified in the Fair Housing Act.

Implementing Programs:

Program ~~212~~ – Fair Housing Program

Policy 5.2 Senior Housing.

Support development and maintenance of affordable senior rental and ownership housing and supportive services to facilitate maximum independence and the ability of seniors to remain in their homes and/or in the community.

Implementing Programs:

Program 6 – Preservation of Existing Affordable Rental Housing

Program 12 – Affordable Housing Development Assistance

Program ~~223~~ – Sausalito ~~Village~~ Senior Services

Program ~~234~~ – Home Sharing and Tenant Matching Opportunities

Policy 5.3 Family Housing.

Support families by encouraging the development of larger rental and ownership housing units for families with children, and the provision of family support services such as childcare and after-school care.

Implementing Programs:

Program 8a – Vertical Mixed Use Requirements in Commercial Districts

Program 8b – Horizontal Mixed Use Incentives in Commercial Districts

Program 12 – Affordable Housing Development Assistance

Policy 5.4 Housing for Persons with Disabilities.

Address the special housing needs of persons with disabilities through provision of supportive housing, homeowner accessibility grants, zoning for group housing, and adoption of reasonable accommodation procedures.

Implementing Programs:

Program 2 – Residential Rehabilitation Loan and Energy Retrofit Programs

Program ~~204~~ – Zoning Text Amendments for Special Needs Housing

Program ~~245~~ – Reasonable Accommodation Procedures

Program ~~256~~ – Universal Design/Visitability

Policy 5.5 Housing for Marine Workers.

Support affordable housing options for persons employed in Sausalito's waterfront to allow them to live in the community in which they work.

Implementing Programs:

Program 11 – Liveaboard Housing

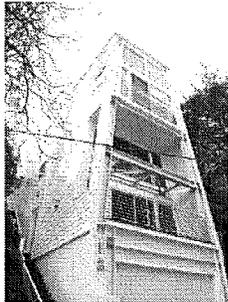
Program ~~267~~ – Housing for Marine Workers

Policy 5.6 Homeless Housing and Services.

Work cooperatively with Marin County and other applicable agencies to provide a continuum of care for the homeless, including emergency shelter, transitional housing, supportive housing and permanent affordable housing.

Implementing Programs:

Program ~~278~~ – Homeless Continuum of Care



Implementing Environmental Sustainability

Goal 6.0: Promote environmental sustainability through support of existing and new development which minimizes reliance on natural resources.

Policies

Policy 6.1 Green Building.

Develop a local Green Building Program to implement practices focused on reducing Sausalito's greenhouse gas emissions and consumption of natural resources.

Implementing Programs:

Program ~~298~~ – Local Green Building Regulations

Policy 6.2 Sustainable Construction.

Promote the use of sustainable construction techniques and environmentally sensitive design for housing.

Implementing Programs:

Program ~~298~~ – Local Green Building Regulations

Policy 6.3 Alternative Energy.

Promote the use of alternative energy sources such as solar energy, cogeneration, and non-fossil fuels.

Implementing Programs:

Program ~~3029~~ – Climate Action Plan

Comment [DJ1]: Will be updated based on latest direction of Sustainability Commission

Policy 6.4 Transportation Alternatives.

Incorporate transit and other transportation alternatives such as walking and bicycling into the design of new development.

Implementing Programs:

Program ~~298~~ – Local Green Building Regulations

Policy 6.5 Jobs/Housing Balance.

Encourage a closer link between housing and jobs in the community, including housing opportunities for Sausalito workers.

Implementing Programs:

Program 8 – Mixed Use Zoning in Commercial Districts

Program ~~2930~~ – Climate Action Plan

Comment [DJ2]: Will be updated based on latest direction of Sustainability Commission

Promoting Community Involvement

Goal 7.0: Promote the active participation of citizens, community groups, and governmental agencies in housing and community development activities.

Policies

Policy 7.1 Community Participation.

Take an active role in fostering community participation from all economic segments and special needs groups in the formulation and review of housing needs, issues and programs.

Implementing Programs:

Program ~~301~~ – Ongoing Community Education and Outreach

Policy 7.2 Public Review of Development.

Encourage public awareness and involvement in housing development proposals to facilitate the design of new housing that fits within the neighborhood context.

Implementing Programs:

Program ~~301~~ – Ongoing Community Education and Outreach

Policy 7.3 Housing Element Implementation.

Ensure the timely follow through of actions identified in the Housing Element.

Implementing Programs:

Program ~~312~~ – Housing Element Monitoring/Annual Report

Program ~~323~~ – Association of Bay Area Governments (ABAG) Housing Needs Process

Program ~~334~~ – Staff Affordable Housing Training and Education

B. Implementing Programs

The goals and policies contained in the Housing Element are implemented through a series of housing programs. The housing programs described on the following pages include existing programs, as well as new measures and programs developed to address identified needs. The overall strategy for addressing housing needs is structured around the Element's seven goals, addressing the following themes:

- Preserving housing and neighborhood assets
- Encouraging diversity in housing
- Enhancing housing affordability
- Reducing governmental constraints
- Promoting equal housing opportunities
- Implementing environmental sustainability
- Promoting community involvement

The Summary Table 2.1 located near the end of this section specifies the following for each implementing program: program summary, ~~2009-2014~~2015-2023 program objective; funding sources; entities responsible for implementation; and implementation time frame.

The Programs below are followed by the Policy (or Policies) that they implement in parentheses.

Housing Element statutes now require an analysis of the needs of extremely low income (<30% AMI) households, and programs to assist in the creation of housing for this population. Sausalito's Housing Element sets forth several programs which help to address the needs of extremely low income households, including: Accessory Dwelling Units (Program 10); Affordable Housing Development Assistance (Program 12); Section 8 Rental Assistance (Program 16); Fee Deferrals or Waivers for Affordable Housing (Program 18); Density Bonus and Other Incentives for Affordable Housing (Program 19); Zoning Text Amendments for Special Needs Housing (Program 21); and Home Sharing and Tenant Matching Opportunities (Program 24).

Goal 1.0: Preserving Housing and Neighborhood Assets

1. Code Enforcement and Public Information

(Policy 1.3 Maintenance and Management of Quality Housing)

The existing code enforcement program seeks to protect and preserve the existing housing stock and the overall quality of neighborhoods. Enforcement of regulatory codes is fundamental to the protection of life safety within the community. Coordination of housing, building and fire code compliance can streamline compliance and improve living conditions. The opportunity exists to move beyond a pure compliance approach and begin to offer information on how qualifying property owners can utilize existing resources for improving housing conditions.

Coordination with *Marin Housing*, *Marin Clean Energy* and PG&E would be increased under this program. The purpose of this implementation program is to expand the City's current Code

Enforcement program to include the offering of useful referral information. The City will provide information to property owners on rehabilitation assistance available through the *Marin Housing* for lower income homeowners, and energy retrofit programs available through PG&E. This will also include information about community service clubs and other organizations that provide volunteer labor assistance housing improvement programs for homeowners physically or financially unable to maintain their homes. The City will support such programs through public outreach and coordination.

~~2009-2014~~ **2015-2023 Objectives:** ~~Develop~~ Provide informational handouts on available rehabilitation assistance and energy retrofit programs for distribution as part of the normal code enforcement process. Provide information about volunteer labor organizations on the City's website.

2. Residential Rehabilitation Loan and Energy Retrofit Programs
(Policy 1.3 Maintenance of Quality Housing, Policy 5.4 Housing for Persons with Disabilities)

As a participating city in Marin County's Community Development Block Grant (CDBG) program, very low income Sausalito residents are eligible to participate in the Residential Rehabilitation Loan Program administered by *Marin Housing*. This program provides technical assistance to homeowners and makes low interest property improvement loans of up to \$35,000 for correction of substandard conditions, elimination of health and safety hazards, energy conservation measures, and accessibility improvements. Loans are available for owner-occupied single-family homes, accessory dwelling units, and houseboats and liveaboards in approved berths. Applicants apply directly through *Marin Housing*.



Sausalito homeowners and renters are eligible for a variety of financial incentives through PG&E and Marin Clean Energy for making energy efficiency improvements to their homes, including rebates for home energy assessments, energy efficiency updates, and solar energy improvements. The Energy Savings Assistance Program provides free minor home improvements and replacement of old space and water heating systems for income-qualified residents. PG&E also offers rebates on hundreds of energy efficient appliances and products.

~~2009-2014~~ **2015-2023 Objectives:** Pro-actively publicize the *Marin Housing Residential Rehabilitation Loan Program*, and Marin Clean Energy and PG&E energy retrofit programs on the City's website, through Sausalito Village and through brochures at City Hall and other community locations, and strive to assist ~~eight~~ nine households during the planning period. Specifically promote available rehabilitation assistance among the liveboard community in permitted marinas.

3. Historic Design Guidelines and Preservation Regulations and Incentives
(Policy 1.2 Historic Preservation, Policy 4.4 Development Review)

Comment [DJ3]: To be updated to include note on direction from PC/CC on Historic Overlay regulations.

The City places a strong emphasis on preserving its historic resources and maintaining a unique sense of place and community. Preservation of historic buildings contributes to the high standards of the community's housing and neighborhoods. The City staff, Historic Landmarks Board, Planning Commission and City Council all work closely with property owners to preserve historic buildings. The City's Historic Overlay Zoning District provides the following incentives for preservation:

- Design Review application fees may be waived;
- The City utilizes the State of California Historic Building Code;
- Exceptions to development standards including setbacks, height, parking, coverage and FAR may be granted; and
- Uses otherwise not allowed may be approved through a conditional use permit.

The City will update the Historic Preservation regulations based on the recently adopted Historic Design Guidelines. The City will utilize the recently obtained Certified Local Government status to pursue funds for historic preservation, including funding for preservation of historic wooden boats being used as housing.

~~2009-2014~~2015-2023 Objectives: Update the Historic Preservation regulations contained within the Zoning Ordinance by 2014. ~~by when?~~ Disseminate the City's ~~Provide a brochure~~ on available sources of funds including loans and grants for historic preservation.

4. Residential Design Review

(Policy 1.1 Housing Design, Policy 2.5 Creation of New Accessory Dwelling Units)

The City is committed to maintaining its small-town character. The Design Review process ensures proposed projects and modifications to existing buildings are consistent with the General Plan, Zoning Ordinance, and design guidelines. The Design Review process also checks whether the proposed development is compatible with its surroundings and the neighborhood.

The City of Sausalito seeks to foster creativity and innovation in project design and exerts minimal control over project architecture, and hence has chosen not to adopt prescriptive design guidelines.

~~2009-2014~~2015-2023 Objectives: Continue to provide design review to ensure that new projects and modifications of existing buildings are consistent with the small-town character of Sausalito. ~~Evaluate revisions to Design Review Procedures to encourage multi-family use in multi-family districts.~~

Comment [LS4]: Removed as Housing Element #20 has been implemented

5. Condominium Conversion Regulations

(Policy 1.4 Rental Housing Conservation)

As a means of maintaining the supply of rental units and preserving the affordable housing stock, multi-family rental units proposed for conversion to condominium ownership are subject

to Condominium Conversion regulations (Zoning Ordinance Chapter 10.66). These regulations set forth a series of tenant protections including tenant noticing, relocation compensation and right of first purchase, and prohibit the eviction of senior citizen tenants and conversion of low and moderate income rentals. The regulations limit the number of conversions to no greater than 5% of the City's potentially convertible rental stock in any given year. Conversions involving five or more units are subject to a 15% low and moderate income inclusionary requirement (with not less than one affordable unit provided), with resale restrictions to assure long-term affordability.

In recent years, the primary requests for condominium conversions have involved small projects (e.g., projects with four or fewer units). In order to mitigate the loss of rentals from these smaller projects, the City will evaluate strengthening its current regulations to extend the low and moderate income inclusionary requirement to projects with 3 and 4 units, providing smaller projects an option to pay an in-lieu housing fee as supported by a nexus study. In order to assure that long-term homeowners of small projects are not adversely affected, relief may be provided to projects which are primarily homeowner occupied. The City will also evaluate prohibiting conversions when the rental vacancy rate falls below a certain level (e.g., 5%).

~~2009-2014~~**2015-2023 Objectives:** *Continue to assure that the requirements of the Condominium Conversion regulations are met. ~~By 2016: 1) evaluate strengthening the current regulations by extending inclusionary requirements to projects with 3 or 4 units and prohibiting conversions during periods of low rental vacancy rates; and 2) 2) Examine options for providing relief for condominium conversion projects with 3 or 4 units which are primarily occupied by long-term homeowners.~~*

6. Preservation of Existing Affordable Rental Housing

(Policy 1.5 Protection of Existing Affordable Housing, Policy 5.2 Senior Housing)

Currently three income-restricted affordable rental projects are located in the City: Bee Street Housing (6 very low income units); Rotary Place (10 very low income units); and Sausalito Rotary Senior Housing (22 very low income units). In addition, of the 38 berths in Galilee Harbor, five berths are reserved for extremely low income, 7 for very low income, 15 for low income, and 7 for moderate income houseboat and liveaboard tenants at affordable rents. In total, 72 rent-restricted affordable housing opportunities are available, none of which are at risk of conversion to market rate.

~~2009-2014~~**2015-2023 Objectives:** *Ensure the preservation of 5 extremely low income, 45 very low income, 15 low income and 7 moderate income housing opportunities. Require long-term affordability controls on all future affordable housing projects.*

Goal 2.0: Encouraging Diversity in Housing

7. Residential and Mixed-Use Site Inventory

(Policy 2.2 Adequate Sites)

As part of this Housing Element, a detailed analysis of all vacant and underutilized residential and commercial parcels in Sausalito was conducted. The analysis used the Marin Map GIS system and was confirmed by review of aerial photographs and site visits. A number of filters were applied in order to identify only those parcels that truly have realistic development potential. The analysis determined that under existing zoning designations, approximately 100 additional units can be accommodated within the City's residential zoning districts and approximately 50 units within the City's commercial zones. Only limited vacant sites remain, with the majority of future residential development opportunities on underutilized parcels that are more challenging to develop.

~~2009-2014~~**2015-2023 Objectives:** *Maintain a current inventory of vacant and underutilized residential sites, and mixed-use sites within the City's commercial districts. Provide the site inventory and available development incentives information to interested developers.*

8. Mixed Use Zoning in Commercial Districts

(Policy 2.1 Variety of Housing Choices, Policy 2.3 Adaptive Reuse, Policy 4.2 Flexible Development Standards, Policy 5.3 Family Housing, Policy 6.5 Jobs/Housing Balance)

With approximately one-third of the City's residential infill potential occurring within its commercial districts, it will be important that the City's standards facilitate residential mixed use. The following provisions currently encourage the integration of residential use within the CC, CR and CN commercial zoning districts:

- Allowances for residential housing on upper stories, up to the City's height limit of 32 feet, with commercial uses at ground level;
- Prohibition against conversion of existing residential uses to commercial (except in CC district where permitted with Minor Use Permit) ;
- Allowances for commercial and residential users to share their parking with a conditional use permit (CUP); and
- Allowances for tandem parking with a CUP.

8a. Vertical Mixed Use Requirements in Commercial Districts

IN PROCESS- scheduled for adoption June/July 2014

"Vertical Mixed Use" (VMU) is a new mandatory requirement to be applied throughout the CN-1, CR and CC zoning districts to better facilitate the provision of upper story residential use above ground floor commercial (i.e. "vertical" mixed use), and encourage the integration of affordable units within market-rate projects. VMU requirements are as follows:

- New construction of 2nd and 3rd stories is limited to residential use.
- A minimum of one unit must be affordable. Projects with 6 or more units must provide 20% affordable units.
- Affordable rental units are targeted to low income (80% AMI) households, and

- affordable ownership units are targeted to moderate income (120% AMI) households.
- Affordable units must have a minimum of two bedrooms to accommodate families.
- The affordable units must be deed-restricted for a period of not less than forty years.
- The conversion of existing upper story residential uses to commercial uses is prohibited.
- The following exceptions to VMU requirements may be approved by the City Council:
 - a. To allow the expansion of an existing business;
 - b. If the property owner can demonstrate a financial hardship; and
 - c. If project applications for non-residential uses are deemed complete prior to March 31, 2013, to allow for potential projects that are currently under consideration to be reviewed according to existing zoning regulations.

Incentives to foster the creation of upper story residential VMU units include:

- Raising the current Conditional Use Permit requirement for 4 or more residential units to 7 or more residential units.
- Allowance for commercial and residential users to share parking, and for tandem and off-site parking leases with a Minor Use Permit.
- Allowance for affordable units to vary in square footage, design and interior amenity within reason from non-affordable units to reduce the cost of providing affordable units.
- Reduction or waiver of certain application and development review fees for the affordable units.

Comment [DJ5]: Language to be updated once VMU ordinance is adopted

~~2009-2014~~ **2015-2023 Objectives:** ~~Implement~~ Adopt the City's new VMU requirements within the for CN-1, CR and CC zoning districts. By 2015, develop and disseminate educational materials on the new VMU regulations, within six months of Housing Element adoption.

8b. Horizontal Mixed Use ~~Overlay~~ Incentives in Neighborhood Commercial (CN-1) District
IN PROCESS- scheduled for adoption June/July 2014

To further facilitate the provision of housing within the Neighborhood Commercial (CN-1) Zoning District, the City has ~~adopted~~ will implement a new "Horizontal Mixed Use" (HMU) Overlay with incentives to encourage the integration of housing with an affordable component¹. These are voluntary incentives that allow commercial property owners of designated CN-1 zoned sites (1901 Bridgeway and 2015 Bridgeway) to utilize the ground floor level of buildings for residential use, rather than the commercial uses otherwise required. The optional HMU incentives may be used in combination with incentives available under State density bonus law for affordable units.

In exchange for the by-right provision of ground floor residential use, the property owner would be required to:

- Ensure a minimum 30% three+ bedroom units to accommodate larger families;

¹ The integration of 100% residential projects within a commercial district is referred to as "horizontal" mixed use as it allows residential uses next to commercial uses, on either the same or nearby parcels.

- Ensure 25% very low income and 25% low income households;
- Ensure affordable units are deed-restricted for a period of not less than forty years;
- Meet the existing development standards in the Zoning Ordinance and existing findings for Design Review.

The following two sites are designated for Horizontal Mixed Use incentives:

- 1901 Bridgeway
- 2015 Bridgeway

~~2009-2014~~ 2015-2023 **Objectives:** *Implement the City's new Adopt HMU Overlay and incentives on designated parcels within six months of Housing Element adoption.*

Comment [DJ6]: Language to be updated once HMU ordinance is adopted

9. Non-Traditional Housing Types

(Policy 2.1 Variety of Housing Choices, Policy 4.2 Flexible Development Standards)

The community recognizes the changing housing needs of its population, including a growing number of non-family households, aging seniors in need of supportive services, and single-parent families in need of childcare and other services. To address such needs, the City can support the provision of non-traditional and innovative housing types to meet the unique needs of residents, including co-housing, shared housing, and assisted living for seniors, among others.

Co-housing is an innovative type of collaborative housing originated in Denmark in the 1960s. Co-housing communities consist of individually owned, private homes clustered around common facilities and amenities in a walkable, sustainable environment. Common features may include a community garden, recreational areas, and a common house where day care and meals can be shared. The communities are managed by the residents who have chosen to live in a close-knit neighborhood. Hundreds of co-housing communities currently exist throughout the country in a variety of settings, including communities in Berkeley, Oakland, Pleasant Hill, Cotati, Grass Valley, Davis and Santa Barbara.

Given the economic downturn, shared housing living situations are becoming more common. Homeowners are taking in renters, and renters are advertising for roommates to share in housing costs. Bringing in a tenant can be particularly helpful to the community's elderly homeowners to provide the necessary support to allow them to remain in their homes. The City supports these types of shared living situations.

Assisted living facilities are designed for elderly individuals needing assistance with certain activities of daily living - such as eating, bathing, and transportation - but desiring to live as independently as possible. Such facilities bridge the gap between independent living and nursing homes. With 7% of Sausalito's population over the age of 75, assisted living can help meet the housing and supportive service needs of the community's more frail senior residents. The Zoning Ordinance currently provides reduced parking standards for senior housing facilities.

~~2009-2014~~ **2015-2023 Objectives:** Evaluate the modification of zoning regulations to allow for the development of alternative housing models suited to the community's housing needs by modifying zoning regulations to allow for such additional housing types.

10. Accessory Dwelling Units

An accessory dwelling unit (ADU) is a self-contained living unit with cooking, eating, sleeping, and full sanitation facilities, either attached to or detached from the primary residential unit on a single lot. ADUs offer several benefits. First, they typically rent for less than apartments of comparable size, and can offer affordable rental options for seniors, single persons and even small families. Second, the primary homeowner receives supplementary income by renting out the ADU, which can help many modest income and elderly homeowners afford to remain in their homes. ADUs can offer an important opportunity to help Sausalito address its regional housing needs while maintaining the community's small town character.

The City adopted regulations in 1984 prohibiting the development of ADUs in all residential zoning districts. As part of the ~~2009-2014 current~~ Housing Element update, the City conducted a survey of residential property owners which indicated 15% of the 700+ survey respondents had an ADU on their property, and another 19% of respondents would be inclined to build an ADU if the City's regulations permitted. The community has come to recognize ADUs as a low impact approach to addressing a portion of the community's very low and low income housing needs, and the Housing Element thus establishes the following programs to both allow new ADUs and legalize existing ADUs built without permits.

10a. ~~Accessory Dwelling Units (ADUs) Adoption of Zoning Regulations to Encourage New ADUs~~ (Policy 2.1 Variety of Housing Choices, Policy 2.5 Creation of New Accessory Dwelling Units, Policy 4.2 Flexible Development Standards)

Sausalito's ADU Working Group met over several months in 2012 to develop draft ADU regulations, as well as parameters for an amnesty program for existing non-permitted ADUs. After extensive public review and refinement, City Council adopted an ordinance in November 2012 to facilitate the provision of new and the legalization of existing ADUs. The City is proceeding with preparation of ADU regulations and an amnesty program in conjunction with the Housing Element, and has established a Working Group of the Housing Element Task Force to develop draft ADU regulations. The ADU Working Group began meeting in March 2012, and is scheduled to meet twice monthly through early July after which time they will forward the recommended ADU regulations and amnesty program to Planning Commission and City Council for public hearings and adoption.

In compliance with AB 1866 adopted by the State in 2002, the City ~~has now will~~ established a ministerial approval process for ~~accessory dwelling units (ADUs) within residential districts, and has developed.~~ The ADU Working Group is charged with recommending development standards which both facilitate the provision of ADUs and promote quality design and neighborhood

compatibility. The Working Group is specifically evaluating the following ADU incentives, and is scheduled to finalize their recommendations in early July and forward to the Planning Commission and City Council:

Flexible development standards including relaxed height limits (under consideration is an increase from 15 feet to 18 feet) for ADUs in detached structures and exemption of ADUs from floor area standards;

Discounted building permit fees; and

Reduced or waived parking standards on sites with demonstrated parking constraints; allowances for tandem parking; and allowances for parking in setback areas.

The City will work with architects and residents to prepare stock ADU building plans appropriate for local neighborhoods, and will develop a brochure to provide information on the City's ADU standards, and promote their development. Public education on ADUs will also be provided via the ADU amnesty program, described in Program 10b.

~~2009-2014~~**2015-2023 Objectives:** ~~Implement~~**Adopt** *the City's recently adopted accessory dwelling unit (ADU) regulations in 2012 to facilitate the provision of ADUs for seniors, caregivers, and other lower and extremely low income households. Develop a brochure and make information available to the public on the City's website, at the City Hall public counter, and through other community resource. Seek to create an average of two new ADUs annually, for a total of 2416 ADUs during the eight year planning period, remaining 2012-2014 planning period. Monitor the City's progress in conjunction with the Annual Housing Element Report.*

10b. ADU Registration and Amnesty Program

(Policy 2.1 Variety of Housing Choices, Policy 2.4 Legalization of Existing ADUs)

The City recognizes the existence of numerous ADUs in the community built illegally which may or may not meet basic health and safety guidelines. The City's goal is to legalize these units, bring them into the City's official housing stock to contribute towards meeting regional housing needs allocation (RHNA), and make them safe and sanitary for current and future tenants. Sausalito has supported the legalization of existing ADUs developed without proper permits, with 14 previously unpermitted units not counted in the Census being brought up to code as a result of the January 2013 - March 2014 amnesty program. At the conclusion of the amnesty program on March 31, 2014, an additional 18 units had submitted applications for amnesty and were going through the permitting process.

To achieve this goal, the City will implement an ADU amnesty program to allow property owners with ADUs not currently recognized as "units" in the U.S. Census the opportunity to register these units with the City without facing fines for non-permitted construction. As an incentive to property owners to apply for an amnesty permit, the City will offer certain modified standards to accommodate existing buildings; property owners will not be penalized for ADUs which do not meet certain amnesty requirements, with the exception of basic defined health and safety requirements. In addition to the standards for new ADUs defined in Program 10a

above, the following incentives to legalize existing non-permitted ADUs are being explored by the ADU Working Group:

- ~~Waiver of parking requirements;~~
- ~~Exemption of ADUs from floor area limits;~~
- ~~Significant discounts in building permit and utility hook up fees;~~
- ~~Elimination of the ADU permit application fee; and~~
- ~~Rehabilitation assistance to correct for health and safety code violations.~~

~~To receive an ADU amnesty permit, all health and safety code violations must be corrected based on City building inspections of the unit. For purposes of crediting the ADU towards the RHNA, property owners will need to demonstrate that the unit did not have an individual address as of the 2000 census and did not have a building permit of record; City planning staff will determine if any building permits exist for the ADU and will assist applicants in providing the appropriate records.~~

~~Marin County and Mill Valley have had highly successful ADU amnesty programs, which the City and its ADU advisory body will build upon in establishing its program. Both of these jurisdictions received a 50% reduction in water connection fees from the Marin Municipal Water District during the ADU amnesty period; the City will contact the Water District to establish a similar fee reduction.~~

~~**200915-201423 Objectives: Evaluate/initiateing of another amnesty program in 2015². Adopt and begin implementation of an ADU registration and amnesty program in 2012. Seek to legalize a minimum of 12 [number TBD]24 ADUs (inclusive of the 18 applications in process) during the remaining 2012-2014 planning period[period TBD], bringing them into the City's official housing stock, reporting to the State Department of Finance, and crediting them towards the City's RHNA. Monitor progress in conjunction with the Annual Housing Element Report and report to HCD in 2013. To the extent there is a shortfall in the number and affordability of legalized ADUs to address the RHNA, the City will amend the Housing Element to identify additional strategies.**~~

Comment [LS7]: Policy decision to the Council whether or not to extend the Amnesty ADU period. If extended, include this policy and modify.

11. Liveaboards and Houseboats

(Policy 2.1 Variety of Housing, Policy 2.6 Liveaboards, Policy 5.5 Housing for Marine Workers)

Sausalito has a well-established and vibrant marine culture that plays an important role in shaping the character of the community. There are eight marinas in the City where many boat owners reside in their boats as permanent housing. The San Francisco Bay Conservation and

² To receive RHNA credit, ADUs under the future amnesty program would be subject to the same provisions as the initial program, as applied to the 2015-2023 planning period: documentation the unit did not have an individual address as of the 2010 census, does not have a permit of record, and was constructed prior to January 1, 2014.

Development Commission (BCDC)³ and Sausalito Zoning Ordinance both allow for up to 10% of marina berths to be used as liveaboard housing. Liveaboards provide a valuable source of affordable housing in Sausalito, offering one of the few local housing options for marine workers employed in Sausalito's waterfront. Both the Environmental Protection Agency and the National Oceanic and Atmospheric Administration support the provision of liveaboards in well-managed marinas as an environmentally sustainable housing option.

The Housing Element recognizes liveaboards as a low impact approach to addressing a key segment of the City's affordable housing needs, and establishes the following actions to maintain and enhance liveaboards as a permanent form of housing in the community:

- ~~—Maintain zoning provisions which allow up to 10% of berths in recreational marinas in the C-W and W Zoning Districts to be occupied by liveaboards and houseboats, subject to a conditional use permit (CUP).~~
- While five marinas have recorded permits with BCDC authorizing 146 liveaboards and have various permits on file with the City, none have local permits ~~a CUP~~ which explicitly permits liveaboards. The City will complete the local permitting process for BCDC approved liveaboards. ~~If it is determined by the City that a CUP is still required, the City Council will adopt a resolution to recognize these liveaboards and officially bring them into Sausalito's housing stock, and begin reporting to the State Department of Finance.~~
- Coordinate with Sausalito Yacht Harbor to facilitate amendment of its BCDC permit, and provide guidance on the Conditional Use Permit process. ~~any required City permits to increase liveaboard capacity from 5% to the maximum of 10%, no later than 2011.~~
- Zoning Ordinance Section 10.44.170.H regarding liveaboards states: "As vacancies occur, marina operators shall give preference to qualified low and moderate income tenants until such tenants constitute at least 50% of the liveaboard vessels in the marina." The City will work with marina operators to determine the best way to establish implementation, monitoring and enforcement ~~of these provisions as part of the local permitting approval process.~~
- The majority of the City's liveaboard community was not counted as part of the 2000 census and do not receive mail on-site. The City will coordinate with marine operators to establish a bulletin board at each marina for the posting of public notices, and pursue the establishment of mailboxes for liveaboard tenants.

~~2009-2014~~2015-2023 Objectives: Complete local permitting of BCDC approved liveaboards in 2014, and work with marinas to contact marina operators and facilitate any required local permitting in 2012. Report permitted liveaboards to the State Department of Finance (DOF) at the next reporting period in early 2013. Coordinate with Sausalito Yacht Harbor to ensure all BCDC and City permitting required for increasing liveaboard capacity to 10% is completed no later than 2013, and report permitted liveaboards to DOF in early 2014. Establish procedures for implementation, monitoring and enforcement of local low and moderate income occupancy requirements. regarding

³ While Sausalito fronts on Richardson's Bay and its waterfront is subject to regulation by the San Francisco Bay Conservation and Development Commission (BCDC), the City does not fall within the California Coastal Zone.

~~the number of low and moderate income tenants~~ Continue to work with Sausalito Yacht Harbor in exploring options to expand its liveaboard capacity to 10%. Pursue means to improve mail service and public communication with the liveaboard community.

Goal 3.0: Enhancing Housing Affordability

12. Affordable Housing Development Assistance

(Policy 3.1 Incentives, Policy 4.2 Flexible Development Standards, Policy 5.2 Senior Housing, Policy 5.3 Family Housing)

The City can play an important role in facilitating the development of quality, affordable housing in the community through provision of regulatory incentives; and direct financial assistance. By utilizing various tools to facilitate infill development, the City can help to address the housing needs of its extremely low, very low, low and moderate income households. The following are among the types of incentives that will be considered upon request:

- Reduction in development fees
- Flexible development standards
- Density bonuses as described in Implementing Program 19
- City support in affordable housing funding applications
- Financial assistance through future Affordable Housing Fund resources *(refer to following program)*

~~2009-2014~~**2015-2023 Objectives:** *Provide financial and regulatory incentives to private developers for the development of high quality affordable housing for families and seniors.*

13. Local Affordable Housing Fund

(Policy 3.1 Incentives)

Because Sausalito does not have a Redevelopment Agency and has limited access to state and federal housing resources, the City faces practical and financial constraints in its ability to facilitate the construction of affordable housing. To create a more viable funding source, the City proposes to establish an Affordable Housing Fund that will be used to construct or help leverage construction of affordable housing. Potential Fund resources include: in-lieu fees from an Inclusionary Housing Program; in-lieu fees on small condominium conversions (three to four units); in-lieu fees for development of single-family units in multi-family districts; and commercial in-lieu fees. Implementing regulations will be established to manage the Fund and establish parameters for allocation of funds towards projects. This program will move forward once a funding source has been identified, and will coincide with the collection of fees.

~~2009-2014~~**2015-2023 Objectives:** *Upon adoption of a program that generates in-lieu housing fees, establish a dedicated Affordable Housing Fund for deposit of in-lieu fee revenues. Consult with Marin County on their Housing Fund, and establish implementing regulations to govern Fund oversight and expenditures. Actively pursue public and private funding sources for affordable housing, and support developers in securing outside funding sources.*

14. Partnerships for Affordable Housing
(Policy 3.2 Partnerships)

The Bay Area is home to numerous nonprofit housing developers who have produced thousands of high-quality affordable housing projects over the past 40 years. In Sausalito, two non-profits have a track record of developing and managing successful affordable housing projects – Rotary Housing and the Ecumenical Association for Housing (EAH). The key to the success of non-profits lies in three areas: 1) their ability to access a diversity of funding sources; 2) their commitment to working cooperatively with the local community; and 3) their long-term dedication to their projects. The Nonprofit Housing Association of Northern California serves as a resource organization for affordable housing developers in the Bay Area.

~~2009-2014~~**2015-2023 Objectives:** *Explore partnerships with a variety of affordable housing providers, utilizing the Nonprofit Housing Association of Northern California as a resource to identify nonprofits with experience in developing small scale infill projects consistent with Sausalito's character.*

15. Homebuyer Assistance
(Policy 3.3 Homeownership Assistance)

First-time homebuyers in Sausalito have access to several homebuyer assistance programs offered through *Marin Housing*.

The Mortgage Credit Certificate (MCC) program administered by *Marin Housing* provides qualified first time homebuyers with a federal income tax credit of up to 15% of the annual interest paid on the homebuyer's mortgage. This enables homebuyers to have more disposable income available to qualify for a mortgage loan and make the monthly mortgage payments. Eligibility includes maximum household incomes of approximately \$100,000 (for 2 person household), and sales price limits of approximately \$400,000.

Marin Housing also administers a Below Market Rate (BMR) first-time homebuyer program on behalf of jurisdictions in the County with inclusionary housing requirements. The BMR program includes over 300 affordable ownership units within the unincorporated County and seven participating cities. Any inclusionary units generated through Sausalito's condominium conversion regulations or potential future inclusionary housing regulations could also be administered by *Marin Housing*, thereby reducing the administrative burden to the City.

~~2009-2014~~**2015-2023 Objectives:** *Continue act ~~Marin Housing~~ regarding participation in the Mortgage Credit Certificate (MCC) program, and potential future participation in the Below Market Rate program. As MCCs become available on an annual basis, actively publicize availability through local media and on the City's website. Pending adoption of a local inclusionary program, contact Marin Housing regarding participation in the Below Market Rate program.*

16. Section 8 Rental Assistance
(Policy 3.4 Rental Assistance)

The Section 8 Rental Assistance Program extends rental subsidies to very low-income households (50% area median income or AMI²), including families, seniors, and the disabled. The Section 8 Program offers a voucher that pays the difference between the current fair market rent (FMR) and what a tenant can afford to pay (i.e. 30% of household income). The voucher allows a tenant to choose housing that costs above the payment standard, provided the tenant pays the extra cost. Given the significant gap between market rents and what very low income households can afford to pay for housing, Section 8 plays a critical role in allowing such households to remain in the community, and is a key program to address the needs of extremely low and very low income households. The City will offer tenants information regarding Section 8 rental subsidies and referrals to *Marin Housing* for assistance. The City will also encourage landlords to register units with the Housing Authority by providing informational brochures to rental property owners.

~~2009-2014~~ **2015-2023 Objectives:** ~~The City will continue to provide brochures, information at City Hall and information on the City's website regarding Section 8 rental subsidies, and to extremely low to very low income tenants and refer inquiring parties to Marin Housing for assistance. The City will also, and encourage landlords to register their units with the Housing Authority and direct to www.GoSection8.com, Marin Housing's new enhanced program for on-line listing of rental properties. by providing informational brochures to rental property owners,~~

17. Inclusionary Housing Regulations
(Policy 3.5 Inclusionary Housing)

Inclusionary zoning is a tool used by cities to integrate affordable units within market rate developments. One-third of cities in California have adopted some form of inclusionary zoning, requiring a stated percentage (typically 10 to 20%) of affordable units to be provided within newly constructed housing projects. The majority of these regulations allow for payment of a housing in-lieu fee as an alternative to providing the required affordable units on-site. Within Marin, seven cities and the county have adopted inclusionary zoning requirements to help address local affordable housing needs and contribute towards housing element production requirements.

The City will pursue adoption of inclusionary housing regulations to require a minimum percentage of units within new residential development above an established size threshold to be price-restricted as affordable to lower and moderate income households.⁴ The City will

² Freddie Mac, Glossary of Finance and Economic Terms, http://www.freddiemac.com/smm/a_f.htm

⁴ Current case law (*Palmer/Sixth Street Properties v. City of Los Angeles*) limits the application of inclusionary requirements to: 1) rental projects receiving financial or regulatory assistance from the City subject to a written development agreement; and 2) for-sale housing projects.

consider granting in-lieu fees where there are hardships or site-specific constraints to the provision of on-site or off-site affordable housing, and the City will conduct an Inclusionary Housing Nexus Study to document the relationship between residential development and demand for affordable housing, and to determine both the maximum supportable and recommended in-lieu fee amount. In-lieu fees generated from the program will be placed in an Affordable Housing Fund to support affordable housing activities.

~~2009-2014~~**2015-2023 Objectives:** *In 2015, ~~conduct an Inclusionary Housing Nexus and In-Lieu Fee Study including an analysis of alternative strategies to address inclusionary requirements, such as the provision of an ADU above a detached garage. Based on the Study's findings, by 2016, develop and adopt inclusionary housing regulations structured to offer incentives to help offset the cost of providing affordable units.~~*

Goal 4.0: Reducing Governmental Constraints

18. Fee Deferrals and/or Waivers for Affordable Housing (Policy 4.1 Regulatory Incentives for Affordable Housing)

The City collects various fees from development projects to cover the costs of processing permits and providing services and facilities. While these fees are assessed on a pro rata share basis, they are an element in the cost of housing and could potentially constrain the provision of affordable housing. The deferral, reduction or waiver of City fees can lower the production costs of affordable housing.

The City will continue to offer a reduction in City fees as an incentive for affordable housing. In order to specifically encourage the provision of housing affordable to extremely low income (ELI) households (<30% AMI), the City will waive 100% of application processing fees for projects with a minimum of 5% ELI units.

In addition, the California legislature passed AB 641 in 2007, which helps to address the cash flow challenges inherent in many affordable housing projects during the construction phase. For affordable housing developments in which at least 49 percent of the units are affordable to low or very low-income households, AB 641 prohibits local governments from requiring the payment of local developer fees prior to receiving a certificate of occupancy.

~~2009-2014~~**2015-2023 Objectives:** Provide information to the affordable housing community that fee deferrals, reductions and waivers may be requested for affordable housing projects. By 2015, Adopt a resolution waiving 100% of application processing fees for projects with a minimum of 5% ELI units.

19. Density Bonus and Other Incentives for Affordable Housing (Policy 4.1 Regulatory Incentives for Affordable Housing)

IN PROCESS- scheduled for adoption June/July 2014

Under Government Code section 65915-65918, for housing projects of at least five units cities must grant density bonuses ranging from 5% to 35% (depending on the affordability provided by the housing project) when requested by the project sponsor, and provide up to three incentives or concessions unless specific findings can be made. Local jurisdictions are required to adopt regulations that specify how compliance with the State's density bonus law will be implemented. The City is also required to establish procedures for waiving or modifying development and zoning standards that would otherwise inhibit the utilization of the density bonus on specific sites. These procedures must include, but not be limited to, such items as minimum lot size, side yard setbacks, and placement of public works improvements.

~~2009-2014~~**2015-2023 Objectives:** Implement the City's updated residential density bonus provisions (Zoning Ordinance Chapter 10.40.130), consistent with Government Code section 65915. Amend the Zoning Ordinance text to comply with current State requirements, including permit processing procedures as well as regulatory concessions.

~~and incentives. Define the relationship between HMU incentives, VMU Requirements, and State density bonus law.~~

20. Multi-family Development in Multi-family Districts
(Policy 4.3 Efficient Use of Multi-Family Zoning)

Encourage two-family and multi-family development on R-2.5, R-2.2.5 and R-3 residentially-zoned sites, and discourage the development of single-family homes on such sites, by evaluating the establishment of minimum density thresholds and/or varied development standards for multiple units on a sliding scale (e.g., reduced Floor Area Ratio or Lot Coverage Ratio for projects with a lower density). These would apply except where there are physical or environmental constraints, or significant incompatibility with neighborhood character.

Evaluate options for provision of an ADU or payment of an in-lieu housing fee as an alternative to developing multi-family units (this measure is currently under study by a Planning Commission subcommittee).

Evaluate the following incentives for addition to the Zoning Ordinance, for projects that propose the maximum number of units allowed on parcels, or projects that propose multiple units:

Adoption of new parking standards specifically for projects with multiple units;
Tandem parking opportunities; and
Processing priority and expedited plan checks for projects that propose multiple units.

Amend the Design Review regulations in the Zoning Ordinance to add requirements for the submittal of schematic site design to demonstrate the feasibility of constructing the maximum number of units allowed under zoning, or reserving site capacity for the future addition of an Accessory Dwelling Unit on the subject parcel.

~~2009-2014/2015-2022 Objectives: Develop and adopt standards within the Zoning Ordinance in 2014 that promote and incentivize the development of two-family and multi-family developments in multi-family zoning districts, and discourage the development of single-family homes in such districts.~~

Comment [LS9]: Housing Element Program #20 Removed, as was implemented on 3/18/14.

2120. Zoning Text Amendments for Special Needs Housing

(Policy 4.5 Zoning for Special Needs, Policy 5.4 Housing for Persons with Disabilities)
IN PROCESS- scheduled for adoption June/July 2014

Consistent with Senate Bill 2 (Government Code sections 65582, 65583 and 65589.5) the City's Zoning Ordinance has been amended to ~~will~~ specify transitional and supportive housing are to be treated as a residential use ~~under the Zoning Ordinance~~, identified by a zoning district where emergency shelters will be permitted by right, ~~and specified~~ provisions for Single-Room Occupancy buildings. ~~More specifically, the City has~~ ~~will~~ established procedures to encourage and facilitate the creation of emergency shelters and transitional housing, by:

- Adding transitional housing and supportive housing to the Zoning Ordinance's definition section, and regulate as a permitted use within residential zoning districts;
- Adding single room occupancy (SRO) facilities within the Zoning Ordinance's definition section, and conditionally allow within the CC, CR and CN-1 commercial zoning districts; and
- Identifying emergency shelters as a permitted use in the Public Institutional Zoning District, ~~and in local churches,~~

Emergency shelters ~~are~~ will be subject to the same development and operational standards as other permitted uses in the Public Institutional Zoning District. However, the City ~~has~~ will developed written, objective standards to regulate the following, as permitted under SB 2:

- The maximum number of beds or persons permitted to be served nightly by the facility;
- Off-street parking based on demonstrated need, but not to exceed parking requirements for other residential or commercial uses in the same zoning district;
- The size and location of exterior and interior onsite waiting and client intake areas;
- The provision of onsite management;
- The proximity of other emergency shelters, provided that emergency shelters are not required to be more than 300 feet apart;
- The length of stay;
- Lighting; and
- Security during hours that the emergency shelter is in operation.

~~2009-2014~~ **2015-2023 Objectives:** ~~Implement updated zoning provisions for special needs housing consistent with SB 2. Adopt text amendments to the Zoning Ordinance to make explicit provisions for a variety of special needs housing. Develop objective standards to regulate emergency shelters as provided for under SB 2, and amend the Zoning Ordinance text within one year of Housing Element adoption.~~

Comment [DJ10]: The Special Housing section will be edited to match what is adopted.

Goal 5.0: Promoting Equal Housing Opportunities

~~2221~~ Fair Housing Program (Policy 5.1 Fair Housing)

Fair Housing of Marin (FROM) is the designated provider of fair housing and tenant-landlord information in Marin County. FROM provides fair housing investigation and coordinates referral services to assist individuals who may have been the victims of discrimination. Many of the people who contact FROM have basic questions about landlord and tenant rights and responsibilities; FROM's housing counselors provide clients with comprehensive information to help resolve tenant/landlord issues. FROM conducts extensive fair housing education and outreach throughout Marin County, and is a certified HUD Foreclosure Counseling agency.

~~2009-2014~~**2015-2023 Objectives:** *Continue to promote fair housing practices, and refer fair housing complaints to Fair Housing of Marin. As a means of furthering fair housing education and outreach in the local community, by 2014, the City will publicize the fair housing program through placement of fair housing services brochures at the public counter, on the City's website and in other community locations.*

~~2322~~ Sausalito ~~Village~~ Senior Services (Policy 5.2 Senior Housing)

Sausalito Village, ~~and its parent Marin Village,~~ is a non-profit membership organization dedicated to providing resources and assistance to enable seniors to remain in their own homes as they age. Since its establishment in ~~October~~ 2010, Sausalito Village has ~~been~~ ~~recruiting~~ recruited a growing team of Sausalito volunteers to help members with occasional transportation assistance, household tasks, home visits and phone check-ins. In addition to home support services, Sausalito Village hosts social events, cultural programs, and educational and fitness classes to support seniors in remaining active and connected to their community. The organization publishes two electronic newsletters - Sausalito Village Update is a bi-weekly weekly on-line newsletter and maintains a community calendar of meetings and events, and Sausalito Village Voice is a more in-depth quarterly publication; both which can be accessed at <http://www.marinsausalitovillage.org/sausalito>.

In 2013 the City Council created the Age-Friendly Sausalito Task Force in response to the fact that Sausalito has one of the fastest aging populations in Marin County. The purpose of the Task Force is to assess the current age-friendliness of the City, develop a strategic plan which will assist the City in future planning.

~~2009-2014~~**2015-2023 Objectives:** *Support the efforts of Sausalito Village to allow seniors to age in place and utilize as a resource to help promote available housing assistance programs for seniors. By [date TBD], explore options to develop a citywide plan of action for seniors.*

2324. Home Sharing and Tenant Matching Opportunities

(Policy 5.2 Senior Housing)

“Home Connection of Marin” is a free shared housing program which matches very low income home seekers with home providers interested in sharing their homes. Housing counselors interview each potential roommate and obtain references and background checks, leaving the decision to the potential roommates whether to make a match. Sharing a home promotes independent living, provides additional income for the provider, an affordable rent for the seeker, and the potential for deeper relationships for both. The average age of community members in Sausalito is growing older, and over 330 seniors currently live alone in single-family homes in the City. Shared housing promotes the efficient use of the housing stock, and can help address the housing needs of seniors in our community.

~~2009-2014~~**2015-2023 Objectives:** *Implement a homesharing/matching program for homeseekers and single-family homeowners with excess space. Collaborate with Marin Housing and Sausalito Village Senior Services to actively promote “Home Connection of Marin” within Sausalito.*

2524. Reasonable Accommodation Procedures

(Policy 5.4 Housing for Persons with Disabilities)

IN PROCESS- scheduled for adoption June/July 2014

Sausalito has adopted an ordinance through which the City can grant reasonable modifications to the requirements of the zoning code where necessary to avoid discrimination on the basis of disability, and to ensure persons with disabilities have the same opportunity to enjoy the rights and privileges available to residents or property owners in the same zoning district. This ordinance establishes the process for requesting and granting reasonable modifications to zoning and development regulations, building codes, and land use.

~~It is the policy of the City to provide reasonable accommodation for persons with disabilities seeking fair access to housing in the application of its zoning and building regulations. Depending on the nature and extent of a requested accessibility modification, the City would accommodate such requests either through a building permit, an administrative adjustment, or a zoning permit. While Sausalito has not identified any constraints on the development, maintenance or improvement of housing for persons with disabilities, the City does not have in place specific procedures for requesting and granting a reasonable accommodation. As a means of facilitating such requests and removing constraints for persons with disabilities, the City will develop specific written reasonable accommodation procedures.~~

~~**2009-2014**~~**2015-2023 Objectives:** A Continue to implement the Reasonable Accommodation ordinance. Periodically analyze the City’s process to determine any constraints to the development, maintenance, and improvement of housing for persons with disabilities and take measures to remove these constraints.

~~*mend the Zoning Ordinance and develop written procedures to allow the Community Development Director to authorize reasonable accessibility accommodations with respect to zoning, permit processing, and building regulations. Procedures will specify*~~

~~who may request an accommodation, time frame for decision making and modification provisions.~~

Comment [DJ11]: Reasonable Accommodation section to be refined if needed to be consisted with what is adopted.

2625. Universal Design/Visitability

(Policy 5.4 Housing for Persons with Disabilities)

As the community's population continues to age, providing housing that is accessible to people of all abilities becomes increasingly important. The majority the City's housing stock was built prior to 1991 when current ADA accessibility standards took effect, and thus it is important for the City to facilitate the retrofit of existing housing to provide greater accessibility, as well as to promote accessibility in new construction. The goal of universal design is to accommodate a wide range of abilities including children, aging populations, and persons with disabilities by providing features in residential construction that enhance accessibility. Examples of universal design features include:

- Entrances without steps that make it easier for persons to enter the home;
- Wider doorways that enhance interior circulation and accommodate strollers and wheelchairs;
- Lever door handles that are easier to use, especially by parents with an infant or persons with arthritis; and
- Light switches and electrical outlets that are located at a height more convenient and accessible to the elderly.

Housing that is "visitible" is accessible at a basic level, enabling persons with disabilities to visit the homes of their friends, relatives, and neighbors. Visitability can be achieved in new construction by utilizing two simple design standards: (1) providing a 32-inch clear opening in all interior and bathroom doorways; and (2) providing at least one accessible means of ingress and egress for each unit.

~~2009-2014~~**2015-2023 Objectives:** Distribute the City's recently prepared brochure on develop guidelines encouraging principles of universal design and visitability at City Hall, through Sausalito Village, and on the City's website, and provide to residential development applicants.

2726. Housing for Marine Workers

(Policy 5.5 Housing for Marine Workers)

Marine workers are an integral part of Sausalito's history and the community's working waterfront. Marine-related occupations including boat builders and boat repair workers, sailmakers, canvas workers, marine surveyors, harbor masters, ship mates, captains and merchant marines, among others. Many of Sausalito's marine workers reside on liveaboards, and the majority are lower income. The Galilee Harbor co-op was specifically established to provide an affordable liveboard community for Sausalito's artists and maritime workers, and since the opening of its new marina in 2003, has provided 38 rent- and income-restricted berths. Support of similar and other affordable housing options would help workers to locate in Sausalito, and showcase the skills of local marine workers.

~~2009-2014~~2015-2023 Objectives: Support liveaboard and other affordable housing options, which address the housing needs of local marine workers and allow them to live in the community in which they work. Work with marina operators to establish procedures for implementation of low and moderate income occupancy requirements.

2827. Homeless Continuum of Care
(Policy 5.6 Homeless Housing and Services)

Support Countywide programs and the Marin Continuum of Care in the provision of resources to address the needs of the homeless and persons at risk of homelessness, including emergency shelter, transitional housing, supportive housing and permanent housing. Provide flyers and information on the City's website about the emergency 211 toll-free call system for information and referral.

~~2009-2014~~2015-2023 Objectives: Support implementation of the Homeless Countywide Continuum of Care and publicize the emergency 211 call system.

Goal 6.0: Implementing Environmental Sustainability

~~2928~~ Local Green Building Regulations

(Policy 6.1 Green Building, Policy 6.2 Sustainable Construction, Policy 6.4 Transportation Alternatives)

Green building is also known as green construction or sustainable building, and refers to using environmentally responsible and resource-efficient processes throughout the life cycle of a building, from its conceptual phases to deconstruction. Local Green Building regulations (e.g., Marin County “Green Building, Energy Retrofit, & Solar Transformation” or BERST) aim to reduce the overall impact of the built environment on human health, the environment, and resources.

Community Development Department staff will be tasked with the development of local Green Building regulations consistent with the State Green Building Code, to require and encourage residents and the development sector to build green.

Examples of green regulations include:

- Incorporating sustainable materials in new construction or remodels;
- Creating healthy indoor environments with minimal pollutants; and
- Landscaping that utilizes native plants to reduce water usage.

The City will include community participation by residents and the construction sector in the preparation of the Green Building regulations, and market the information upon completion.

~~2009-2014~~**2015-2023 Objectives:** Adopt local Green Building regulations, including appropriate policies and programs, in 2014. The preparation process will include community input from City residents and the construction sector. The completed documents will be provided to residents, developers, and architects who wish to build in Sausalito.

~~3029~~ Climate Action Plan

(Policy 6.3 Alternative Energy, Policy 6.5 Jobs/Housing Balance)

As the State of California continues to develop environmental laws (such as Assembly Bill 32 and Senate Bill 375) and increased mandatory reporting requirements of greenhouse gas emissions, the City would benefit from integrating greenhouse gas reduction measures into its General Plan and City infrastructure. The City Council adopted Resolution No. 4935 in 2008, to join ICLEI – Local Governments for Sustainability (International Council for Local Environmental Initiatives) as a full member, and participation in the Cities for Climate Protection Campaign. As a participant, the City pledged to take a leadership role in promoting public awareness about the causes and impacts of climate change.

The City has completed a municipal Greenhouse Gas Emissions Inventory, and aims to complete a baseline Community-wide Greenhouse Gas Emissions Inventory. These inventories give an

Comment [DJ12]: Will be updated and broadened based on latest direction of Sustainability Commission

accounting of greenhouse gases emitted by residents and businesses, as well as the City's municipal operations. It also establishes a baseline for tracking the community's emission trends.

The Climate Action Plan will encourage and require, to the extent required by State law, the City, its residents, and businesses, to reduce greenhouse gas emissions in many sectors and aspects of their daily activities. The Plan would identify emission reduction targets and strategies to accomplish those targets. These areas include building energy use, transportation, land use, green purchasing, waste and water use. Energy use, in particular, may be significantly reduced in the community by defining emissions reduction strategies related to building construction and operation. The mandatory and encouraged measures would include the local Green Building regulations, to achieve a wider net reduction in emissions.

~~2009-2014~~**2015-2023 Objectives:** *Complete the Community-wide Greenhouse Gas Emissions Inventory, and adopt and implement the Climate Action Plan by [date TBD]. Provide community outreach and education to residents and the development sector to include their input on sustainability in new and existing building structures.*

Goal 7.0: Promoting Community Involvement

31. Ongoing Community Education and Outreach

(Policy 7.1 Community Participation, Policy 7.2 Public Review of Development)

In late 2009, the City Council appointed the Housing Element Task Force, comprised of City Council and Planning Commission representatives, as well as City residents. The Task Force has held over 45 public meetings, including three publicly noticed Community Workshops to engage residents and property owners in the decision-making process.

In addition to the City's direct efforts, Sausalito residents have also formed grassroots organizations to forward their concerns with regards to the potential impacts of specific strategies proposed in the draft Housing Element.

After the adoption of the Housing Element, several programs would begin implementation through City staff work and initiatives by various agencies. The public meetings held by the Planning Commission and City Council would continue to serve as platforms for residents to comment and provide input on specific items discussed for implementation, and the annual progress report would be presented at City Council meetings as well where public comment may be given.

As part of an effective implementation program, City staff members will post information and assistance programs on affordable housing on the City's website to provide resources for homeowners, renters, and property owners.

2009-2014 2015-2023 Objectives: *Continue to include residents and community organizations in the implementation of this Housing Element and the development of the next Housing Element, by publicizing public meetings through the local newspapers, City website, and email lists, and taking public comment and feedback at such meetings. When the Housing Element is adopted, various programs and efforts will be publicized in the community through online information and the direct distribution of educational handouts to relevant parties.*

32. Housing Element Monitoring/Annual Report

(Policy 7.3 Housing Element Implementation)

The Community Development Department ~~is~~ will be responsible for establishing the regular monitoring of the Housing Element, and preparing an Annual Progress Report for review by the public, City decision-makers and submittal to State HCD, by April 1 of each year.

The reports need to show:

- A report of Sausalito's annual building activity, including moderate, low, and very low-income units and mixed-income multi-family projects;
- A report summary for above moderate income units;

- Progress on the Regional Housing Needs Allocation; and
- The implementation status of various programs.

~~2009-2014~~**2015-2023 Objectives:** *The Community Development Department will review the Housing Element annually and provide opportunities for public participation, in conjunction with the submission of the City's Annual Progress Report to the State Department of Housing and Community Development by April 1st of each year.*

33. Association of Bay Area Governments (ABAG) Housing Needs Process
(Policy 7.3 Housing Element Implementation)

Actively monitor and participate in ABAG's future Regional Housing Needs Allocation (RHNA) planning process, and provide ongoing reporting to Council.

The City Council has appointed an ABAG delegate, and has participated at the ABAG RHNA planning meetings for the next housing planning cycle to bring perspective and actual data from Sausalito for ABAG's consideration, and will continue to provide reports to the City Council on the projected and confirmed RHNA numbers, until the end of the planning cycle.

~~2009-2014~~**2015-2023 Objectives:** *The City Council's ABAG delegate will continue to monitor, participate and provide reports to the City Council on the preparation and confirmation of the RHNA for the next Housing Element planning cycle.*

34. Staff Affordable Housing Training and Education
(Policy 7.3 Housing Element Implementation)

In order to effectively administer available housing programs to residents, designated City staff needs to be responsible for providing information, responding to questions, and making referrals to appropriate programs. A budget should also be set aside for the designated staff to receive training. Training could include attendance at relevant sessions held by public agencies, or meetings with local organizations such *Marin Housing*, to gain familiarity with the implementation of existing and new offered programs.

~~2009-2014~~**2015-2023 Objectives:** *Designated City staff members shall attend training sessions and provide on-going assistance to homeowners, renters, and developers by posting information on the City's website and taking public queries.*

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APPENDIX A – HOUSING NEEDS ASSESSMENT

A. 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~~187,990 for the ~~2007-2014~~2015-2023 planning period. Of this figure, ~~4,882,298~~ units were allocated to Marin County for the planning period (roughly ~~699,287~~ a year) through distribution formula developed by ~~The~~the Association of Bay Area Governments. Of this figure, ~~165-79~~ units were allocated to the City of Sausalito. Table A.1 presents Sausalito's RHNA allocation allocated among the four income categories.

Table A.1: Sausalito ~~2007-2014~~2015-2023 RHNA Allocation

Housing Income Limits and Needs (Based on Median Income of \$95,103 <u>\$103,000</u>)	
	Housing Units
Very Low (<50% Median Income)	4526
Low (<80% Median Income)	3014
Moderate (<120% Median Income)	3416
Above Moderate (> 120% Median Income)	5623
Total Allocation	16579

* Of the total 45-unit very low income RHNA allocation, half is allocated to extremely low income households (23 units) and half to very low income households (22 units). Source: ABAG 2013

Assembly Bill 1233, which took effect on January 1, 2006, requires local governments which failed to identify or make adequate sites available in the prior planning period to "carry over" any ~~unaccommodated~~unaccommodated RHNA need.

Since Sausalito did not adopt housing element for the prior 1999-2006 planning period, the City must carry over any ~~unaccommodated~~ RHNA allocation from the prior planning period into the current 2007-2014 planning period. Furthermore, any rezoning necessary to address the shortfall in sites from the prior planning period must be completed within the first year of the new housing element. Sausalito has fully addressed its prior ~~1999-2006~~2009-2014 RHNA for ~~207~~165 units through a combination of developed projects and existing residential zoning, and thus has no RHNA carry-over into the ~~2007-2015~~2014-2023 planning period (refer to Section IVA "Sites to Accommodate the 1999-2006 RHNA").

It should be stressed that Sausalito is required to demonstrate that ~~165-79~~ 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.

Attachment 14

Much of the data in this report is taken from the ~~2000-2010~~ US Census, with ~~2010-2008-2012~~ Census-American Community Survey (ACS) information incorporated as available, and projections and estimates by the Association of Bay Area Governments (ABAG). Some projections extend 25 years into the future, to ~~2035~~2040. 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.

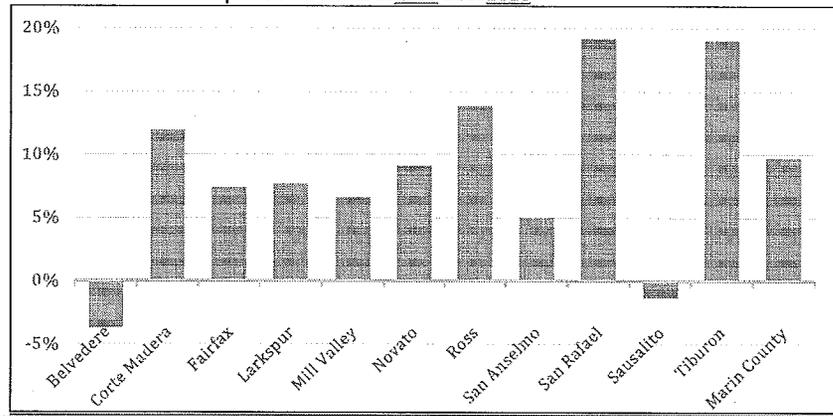
B. Existing Housing Need

1. Population and Employment

a. Population Trends and Projections

The population of Sausalito has remained relatively constant from 1990-2010. The census documents that the population of Sausalito has declined slightly, it has remained relatively constant between 1990 and 2010. (see Table A.2).

Table A.2: Sausalito's Population from 1990-2010



Jurisdiction	1990	2000	2010	% Change 1990-2010
Sausalito	7,152	7,330	7,061	-1%
Belvedere	2,147	2,125	2,068	-4%
Corte Madera	8,272	9,100	9,253	12%
Fairfax	6,931	7,319	7,441	7%
Larkspur	11,070	12,014	11,926	8%
Mill Valley	13,038	13,600	13,903	7%
Novato	47,585	47,630	51,904	9%
Ross	2,123	2,329	2,415	14%
San Anselmo	11,743	12,378	12,336	5%
San Rafael	48,404	56,063	57,713	19%
Tiburon	7,532	8,666	8,962	19%
Marin County	230,096	247,289	252,409	10%

Source: US Census 1990, 2000, 2010

Jurisdiction	1990	2000	2010	% Change 1990-2010
Sausalito	7,152	7,330	7,061	-1%
Belvedere	2,147	2,125	2,068	-4%
Corte Madera	8,272	9,100	9,253	12%
Fairfax	6,931	7,319	7,441	7%

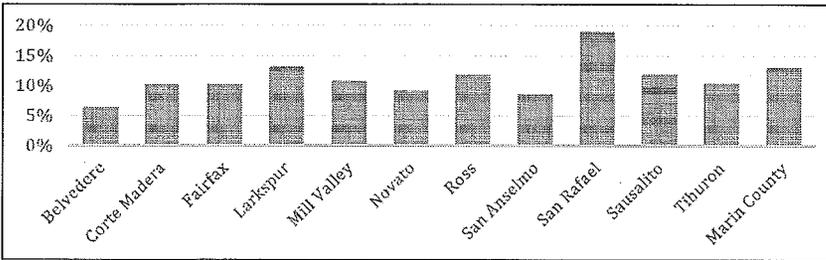
Larkspur	11,070	12,014	11,926	8%
Mill Valley	13,038	13,600	13,903	7%
Novato	47,585	47,630	51,904	9%
Ross	2,123	2,329	2,415	14%
San Anselmo	11,743	12,378	12,336	5%
San Rafael	48,404	56,063	57,713	19%
Tiburon	7,532	8,666	8,962	19%
Marin County	230,096	247,289	252,409	10%

While Marin County's population is projected to grow at a slightly faster pace in the next 10-30 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, with some jurisdictions anticipated to yield higher growth rates than others. See Table A.3 below for the population figures and projected annual growth rates for 2000-2010 to 2020-2040.

Table A.3: Projected Countywide Annual Growth Rate (2000-2010/2010-2040): Marin County

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

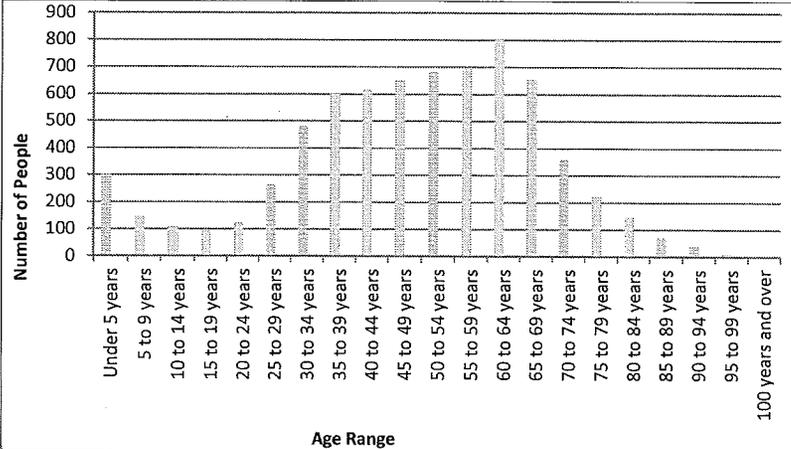


Jurisdiction	2010	2020	2030	2040	2010-2020 Growth Rate	2020-2030 Growth Rate	2030-2040 Growth Rate
Sausalito	7,061	7,300	7,600	7,900	3%	4%	4%
Belvedere	2,068	2,100	2,200	2,200	2%	5%	0%
Corte Madera	9,253	9,500	9,800	10,200	3%	3%	4%
Fairfax	7,441	7,600	7,900	8,200	2%	4%	4%
Larkspur	11,926	12,400	12,900	13,500	4%	4%	5%
Mill Valley	13,903	14,300	14,800	15,400	3%	4%	4%
Novato	51,904	53,200	54,700	56,700	3%	3%	4%
Ross	2,415	2,500	2,600	2,700	4%	4%	4%
San Anselmo	12,336	12,600	13,000	13,400	2%	3%	3%
San Rafael	57,713	60,800	64,400	68,700	5%	6%	7%
Tiburon	8,962	9,200	9,500	9,900	3%	3%	4%
Unincorporated	67,427	69,600	72,700	76,600	3%	5%	5%
Countywide	252,409	261,100	272,100	285,400	3%	4%	5%

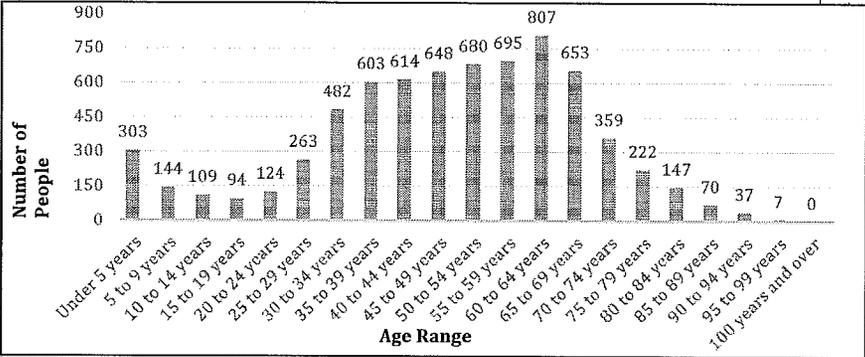
Source: ABAG 2013 Projections

Sausalito's age distribution is strongly skewed towards those 24 and older. Figure A.1 below provides the breakdown based on recent data from the 2010 Census. The 2010 Census documented that Sausalito's age distribution was heavily skewed towards those 25 years or older. Figure A.1 below provides a population breakdown by age range from 2010 Census data.

Figure A.1: Age Breakdown of Sausalito Residents (2010)



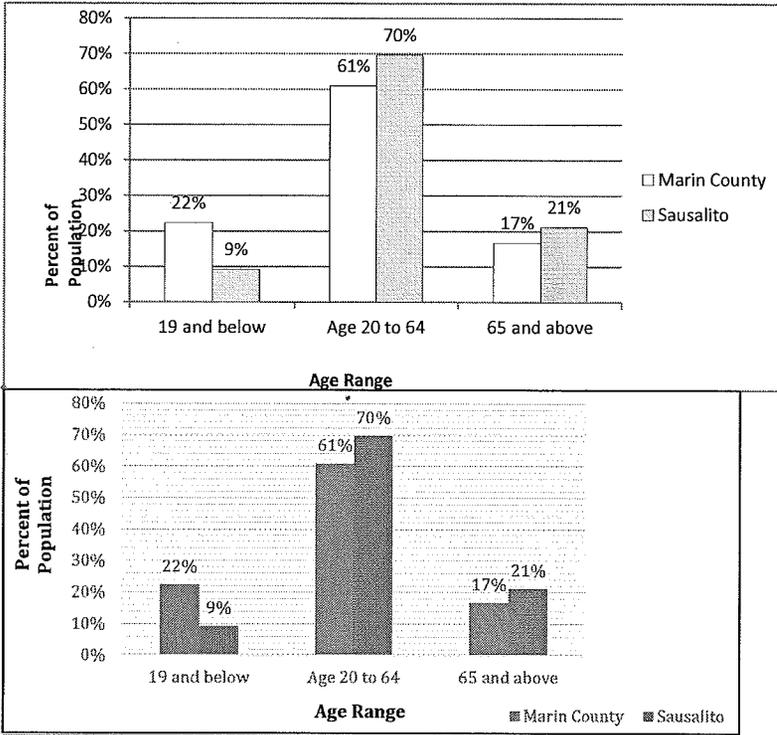
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Source: US Census 2010

Sausalito's percentage of persons under 18 (9%) is 13 points lower than the Marin County figure, while the percentage for people between 18 and 65 (70%) is 9 points higher than the County. The percentage of people over 65 (21%) is also higher than the County by 4% points (see Figure A.2).

Figure A.2: Age of Sausalito Residents Compared to Marin County (2010)



Source: US Census 2010

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. According to the Marin Commission on Aging (MCA)¹, the greatest increases in population age groups in Marin County from 2000 to 2020 are expected to be persons 60 years or older. The 2010 Census shows that one quarter of Marin residents are 60 years or older, and about two-thirds of those aged 85 years of age and older are women.

b. Employment Trends

Data from ABAG documents an estimated 4,581 employed residents in Sausalito in 2013. More than one-fourth were employed in the professional, scientific, management, administrative, and waste management services industry. See Table A.4 for a complete distribution of employed Sausalito residents by industry. 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 A.4). The services, agricultural, construction and

¹ Marin Commission on Aging, Marin County Area Plan for Aging 2009-2012

transportation industries combined employ less than one eighth of the working population, or 617 people.

Table A.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 A.3).

Table A.4: Occupation by Industry in Sausalito

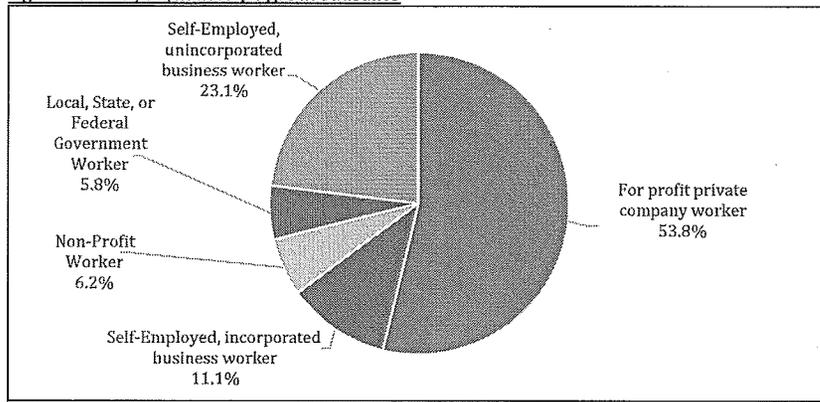
Industry	Number of Employed Sausalito Residents	Percentage
Professional, Scientific, Management, Administrative	1,179	26%
Educational, Health, and Social Services	772	17%
Finance, Insurance, Real Estate and Rental Leasing	693	15%
Manufacturing	370	8%
Retail Trade	265	6%
Wholesale Trade	275	6%
Other Services	282	6%
Information	249	5%
Arts, Entertainment, Recreation, Accommodation and Food Services	161	4%

Transportation on Warehousing and Utilities	108	2%
Construction	148	3%
Agriculture, Forestry, Fishing and Hunting, and Mining	32	1%
Public Administration	47	1%
Total Employed Civilian Population 16 years and over	4,581	100%

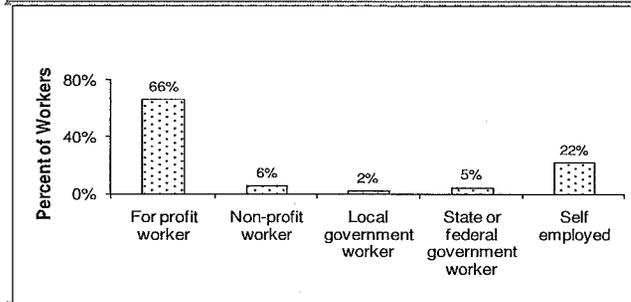
Source: ABAG 2013

An 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 A.3).

Figure A.3: Employment by Type in Sausalito



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Source: Claritas 2008-2010 Census, ACS 2008-2012

According to the Department of Finance figures, the median annual salary of a job based in Marin was \$37,000 in 2007. The California Office of Employment Statistics has compiled wages for select occupations, organized by income limit category. Typical Marin County Bay Area wages are listed below in Table A.5 below.

Table A.5: Typical Marin County Wages Bay Area Wages for Select Occupations

Very Low Income (< \$45,250 - 2 person household)	Hourly Wage	Annual Income	Max. Monthly Affordable Housing Cost
Waiters/Waitresses	\$12.02	\$25,009	\$625
Home Health Aides	\$12.39	\$25,774	\$644
Retail Salespersons	\$13.67	\$28,427	\$711
Security Guards	\$15.56	\$32,354	\$809
Preschool Teachers	\$18.18	\$37,829	\$946
Nursing Assistants	\$19.09	\$39,713	\$993
Low Income (\$45,250 - \$72,400 - 2 person household)	Hourly Wage	Annual Income	Max. Monthly Affordable Housing Cost
Dental Assistants	\$23.00	\$47,851	\$1,196
Tax Preparers	\$31.52	\$65,555	\$1,639
Computer Support Specialists	\$31.67	\$65,872	\$1,647
Elementary School Teachers	n/a	\$66,590	\$1,665
Real Estate Agents	\$32.16	\$66,895	\$1,672
Paralegals and Legal Assistants	\$33.50	\$69,684	\$1,742
Moderate Income (\$72,400 - \$98,900 - 2 person household)	Hourly Wage	Annual Income	Max. Monthly Affordable Housing Cost
Graphic Designers	\$34.92	\$72,624	\$1,816
Social Service and Community Service Managers	\$36.41	\$75,735	\$1,893
Librarians	\$36.97	\$76,884	\$1,922
Accountants and Auditors	\$41.65	\$86,642	\$2,166
Physical Therapists	\$44.11	\$91,765	\$2,294
Firefighters	\$44.21	\$91,953	\$2,299

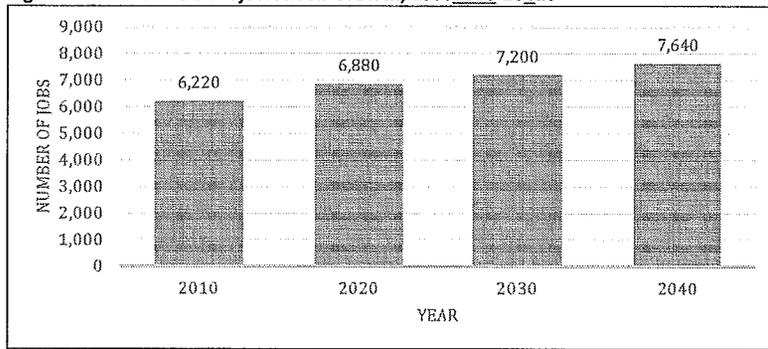
Source: 2013 California Occupational Employment Statistics – San Francisco – San Mateo – Redwood City

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

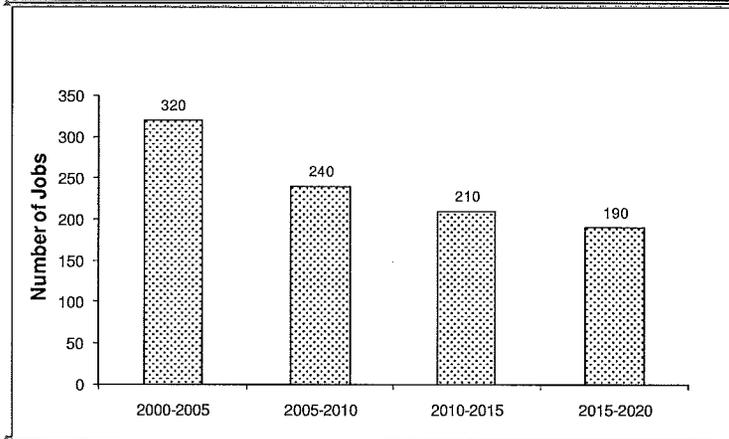
Source: CA Employment Development Department

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 56-66 new jobs per year over the past 10 from 2010 to 2020 years to only 40-32 per year for the next 10 years. See Figure A.4 for Sausalito's projected job growth through 2020.

Figure A.4: Sausalito's Projected Job Growth, 2010-2040



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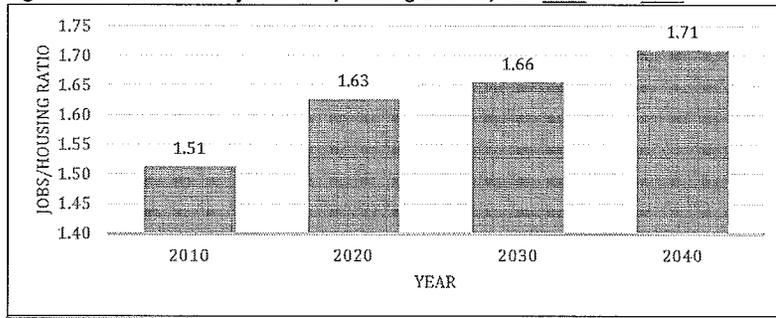
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Source: ABAG Projections 2007 ABAG 2013

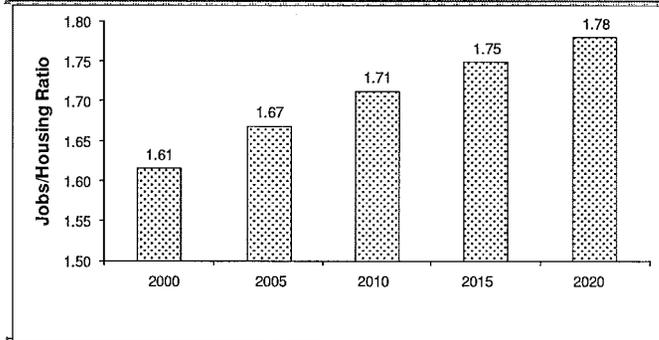
In general, jobs/housing balance is an indicator of how many vehicle miles workers must commute to their jobs. A highly skewed ratio often means workers must commute far from where they live. The ratio of jobs per households is expected to increase in Sausalito from 1:1.6

51 in 2000-2010 to 1:1.637 in 2020 and 1:1.66 in 2030 (see Figure A.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 employed residents.

Figure A.5: Sausalito's Projected Jobs/Housing Balance, 2000-2010-2020-2040



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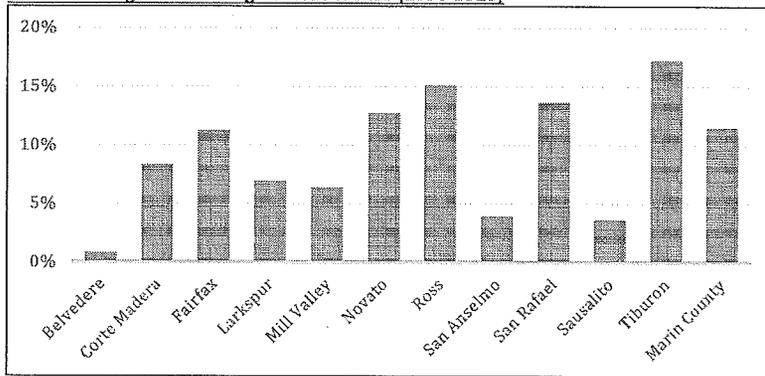
Source: ABAG Projections 2007-2013

2. Housing Condition

a. Housing Types and Production

The 2010 Census documented a total of 4,536 housing units within Sausalito. This represents a 4% increase from the 1990 Census' report, a very slight increase when compared to other Marin County jurisdictions. Table A.6 summarizes the regional housing growth trends between 1990 and 2010 and illustrates Sausalito's relatively slow housing growth over this period.

Table A.6: Regional Housing Growth Trends (1990-2010)



Jurisdiction	1990	2000	2010	% Change 1990-2010
Belvedere	1,037	1,059	1,045	Less than 1%
Corte Madera	3,717	3,850	4,026	8%
Fairfax	3,225	3,418	3,585	11%
Larkspur	5,966	6,413	6,376	7%
Mill Valley	6,139	6,286	6,534	6%
Novato	18,782	18,994	21,158	13%
Ross	768	805	884	15%
San Anselmo	5,330	5,408	5,538	4%
San Rafael	21,139	22,948	24,011	14%
Sausalito	4,378	4,511	4,536	4%
Tiburon	3,433	3,893	4,025	17%
Marin County	99,757	104,990	111,214	12%

Source: US Census 1990, 2000, 2010

Surprisingly, Sausalito has almost exactly the same number of housing units in single family as in multi family structures. During the past decade, Sausalito has seen a net loss in over 400 multi-family units in small properties with two to four units, and an increase in over 400 single-family attached units. While some of these changes may be a result of re-categorization of unit types by the Department of Finance, City staff confirms that the majority of new housing growth has been accommodated through the redevelopment of duplexes, triplexes and fourplexes. Table A.6-7 below shows the details and summarizes the change in housing types in Sausalito from 2000 to 2010.

Table A.67: Change in Housing Types in Sausalito, 2000-2011

Unit Type	2000		2008		2011		2000-2011 Change	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Single-Family								
Detached	1,706	38%	1,743	38%	1,751	38%	45	2%
Attached	423	9%	427	9%	427	9%	4	1%
Subtotal Single-Family	2,129	47%	2,170	48%	2,178	48%	49	2%
Multi-Family								
2-4 units	1,353	30%	1,346	29%	1,344	29%	-9	-1%
5+ Units	805	18%	827	18%	827	18%	22	3%
Mobile Home and Other	224	5%	224	5%	224	5%	0	0%
Subtotal Multi-Family	2,382	53%	2,397	52%	2,395	52%	13	1%
Totals	4,511	100%	4,567	100%	4,573	100%	62	1%

Unit Type	2000		2010*		2000-2010 Change	
	Number	Percent	Number	Percent	Number	Percent
Single-Family						
Detached	1,706	38%	1,789	39%	83	5%
Attached	423	9%	824	18%	401	95%
Subtotal Single-Family	2,129	47%	2,613	57%	484	23%
Multi-Family						
2-4 units	1,353	30%	900	20%	-453	-34%
5+ Units	805	18%	938	21%	133	17%
Mobile Home and Other	224	5%	85	2%	-139	-62%
Subtotal Multi-Family	2,382	53%	1,923	43%	-459	-19%
Totals	4,511	100%	4,536	100%	25	1%

Source: Department of Finance E-5

*Major decline of "2-4 units" in multi-family housing type and increase of "Attached" in single-family housing type between 2000 and 2010 due to recategorization by the Department of Finance.

b. Age and Condition of the Housing Stock

Sausalito's housing stock is old. Well over 85% of the 4,534,376 housing units surveyed 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 A.78). Only a net of 56,135 units were added to the stock between 2000 and 2009, which is not enough to make a significant change in the percentage of units in the various age categories.

Table A.78: 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 Marin County
1999 to March 2000	37	1%	998	1%
1995 to 1998	76	2%	2,693	3%
1990 to 1994	126	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

Year Built	Sausalito		Marin County	
	Number	Percentage	Number	Percentage
2000 to 2009	135	3%	5,568	5%
1990 to 1999	311	7%	6,780	6%
1980 to 1989	302	7%	12,193	11%
1970 to 1979	956	22%	22,619	20%
1960 to 1969	718	16%	25,117	23%
1950 to 1959	483	11%	19,946	18%
1940 to 1949	180	4%	6,163	6%
1939 or earlier	1,291	30%	12,505	11%
Total	4,376	100.0%	111,083	100.0%

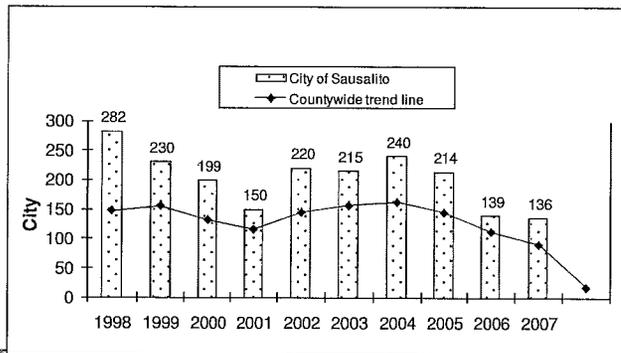
Source: US Census 2010

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.

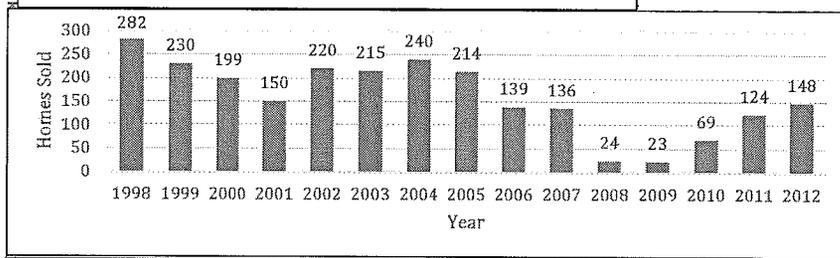
c. Construction prices and trends

From 2000 to 2007-2012, 2,410-32 homes were sold in Sausalito (see Figure A.6). As demonstrated in the following graph, home sales were impacted between 2008 and 2010 due to the economic recession. 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 A.6: Homes Sold in Sausalito, 1998-2012



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Source: DataQuick, Zillow.com for 2008-2010 sales

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 A.89). Compared to the county as a whole, median sales prices in Sausalito rose by a higher percentage than all other jurisdictions besides Ross within the 2000-2008 period. 2013 saw an additional increase in the median sales price of homes in Sausalito as the figure rose to \$895,000, representing a 12% increase.

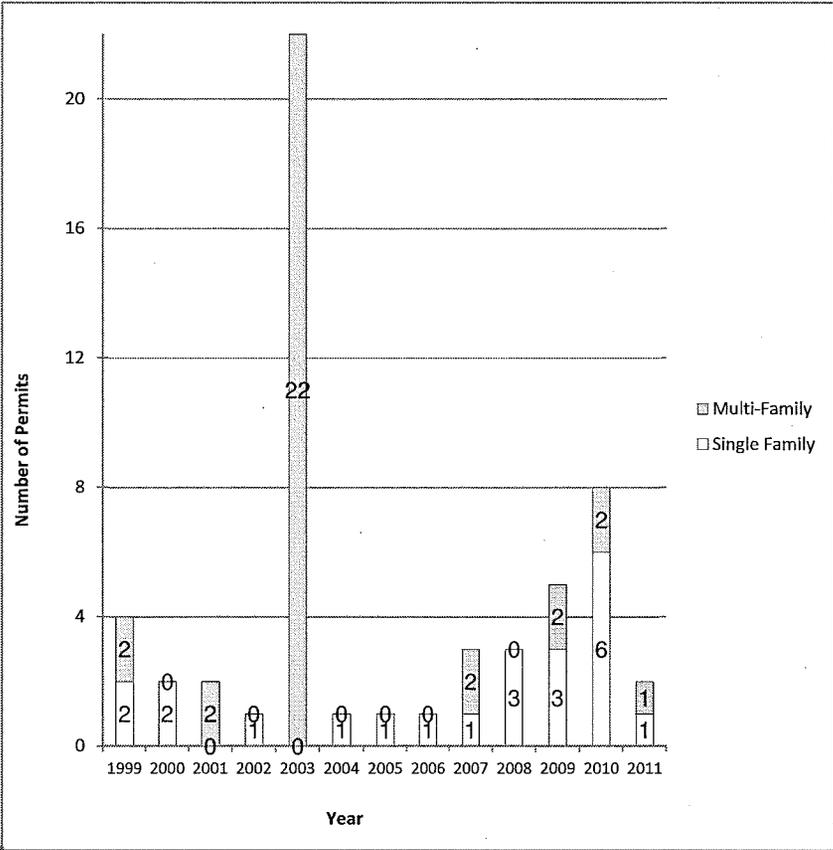
Table A.89: Regional Median Sale Price 2000-2013 (2007 dollars)

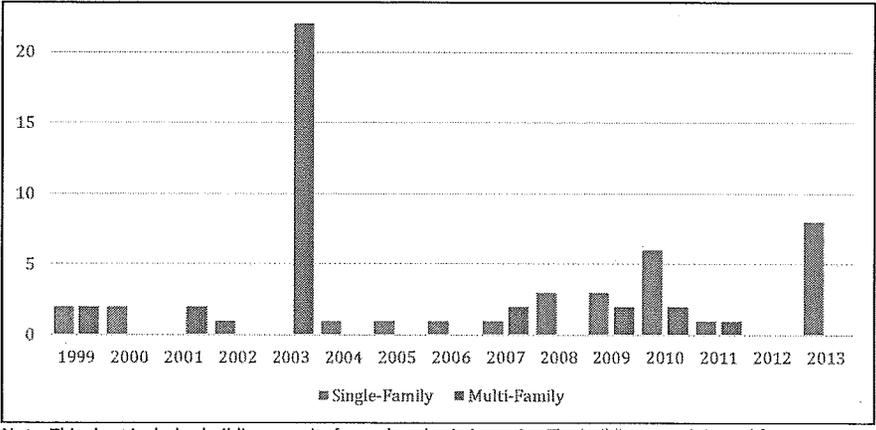
	2000	2004	2008	2013*
Sausalito	\$494,238	\$779,144	\$742,628	\$895,000
Belvedere/Tiburon	\$1,123,268	\$1,630,150	\$1,531,457	\$1,800,000
Corte Madera	\$657,320	\$800,324	\$885,678	\$872,000
Fairfax	\$499,230	\$605,160	\$684,450	\$645,000
Larkspur	\$873,300	\$1,018,130	\$1,230,000	\$1,255,000
Mill Valley	\$748,845	\$1,005,322	\$999,297	\$1,050,000
Novato	\$457,628	\$603,647	\$636,539	\$580,900
Ross	\$1,476,889	\$2,239,092	\$2,661,826	\$2,220,000
San Anselmo	\$626,534	\$801,837	\$855,563	\$869,500
San Rafael	\$557,474	\$724,679	\$757,002	\$677,500
Sausalito	\$494,238	\$779,144	\$742,628	

Source: DataQuick, *Dataquick Annual Sales Price Charts by Zip Code, 2013

From 1999 through 2013~~4~~ the number of building permits issued for housing units in Sausalito fluctuated. On average over the last ~~thirteen~~ fifteen years, about 2 building permits for single family units and about 2.2 building permits for multifamily units were issued per year (see Figure A.7). Rotary Village, a 22-unit multi-family senior housing project, contributed to the sharp spike in building permits issued in 2003.

Figure A.7: Building Permits Issued for Sausalito Housing Units, 19996-~~2011~~2013





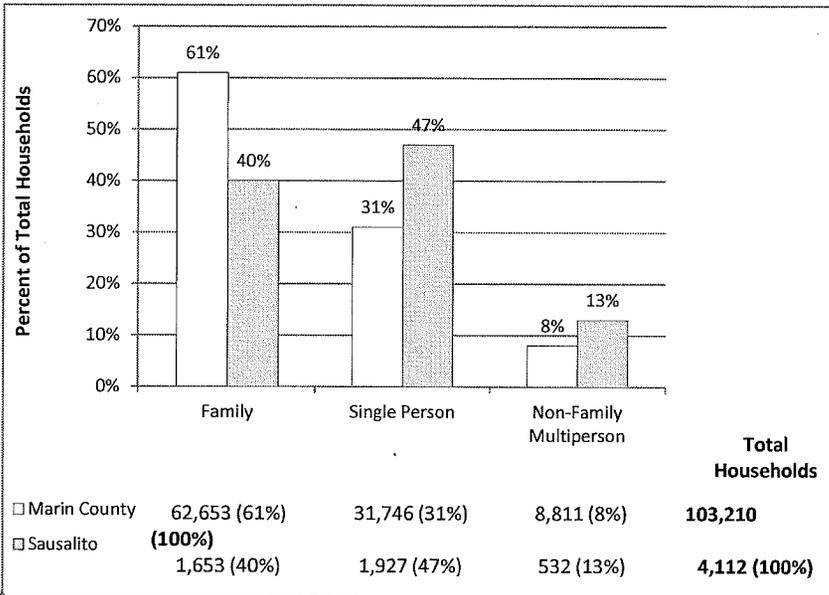
Note: This chart includes building permits for replaced existing units. The building permit issued for one multi-family unit in 2011 was for a residential unit in the Central Commercial Zoning District.
 Source: Sausalito Community Development Department, April 2014.

3. Household Characteristics

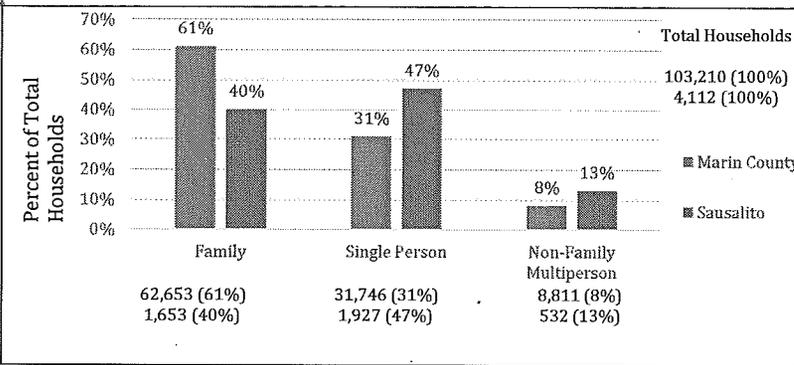
a. Household Type and Tenure

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 2010 there were 4,112 households in Sausalito. Almost half of those households (47%) consisted of people living alone, compared to just 31 percent single-person households in Marin County. In contrast, families comprised 40 percent of households in Sausalito, compared to 61 percent families in the County. See Figure A.8 for a comparison of households by type in Sausalito and Marin County in 2010.

Figure A.8: Households by Type, 2010



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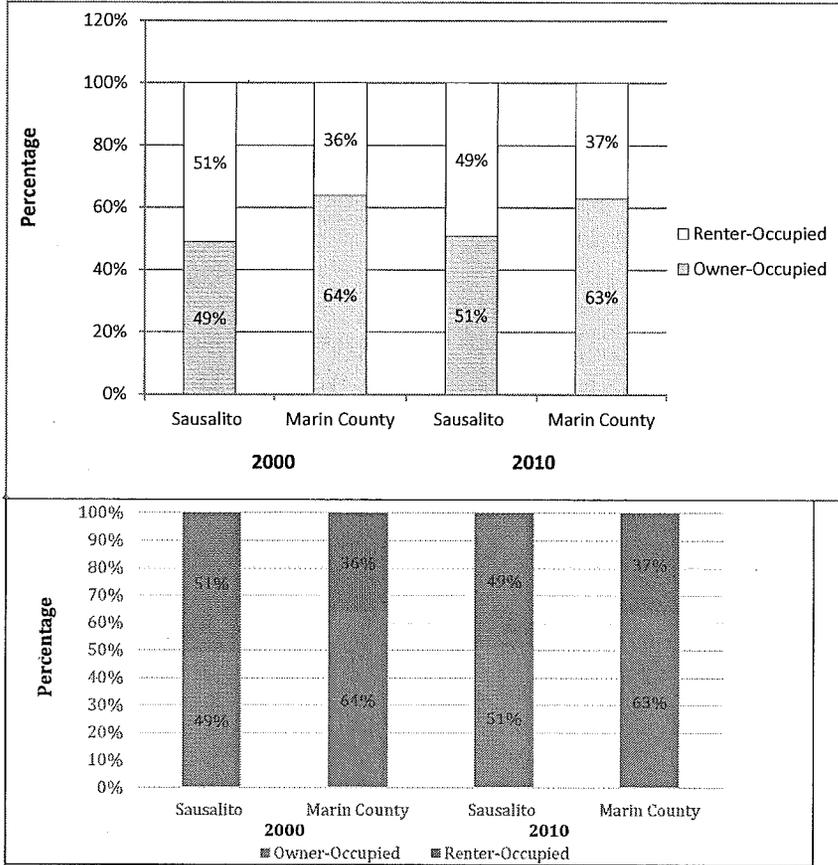
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Source: US Census 2010

b. 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 A.9 for a comparison of owner and renter occupied households in Sausalito and Marin County between 2000 and 2010.

Figure A.9: Households by Tenure



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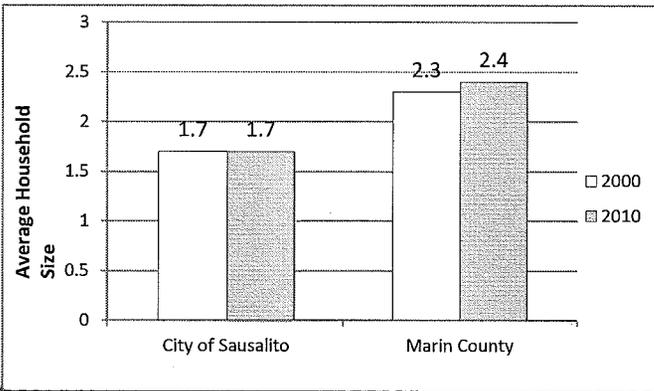
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Source: US Census, 2000 and 2010

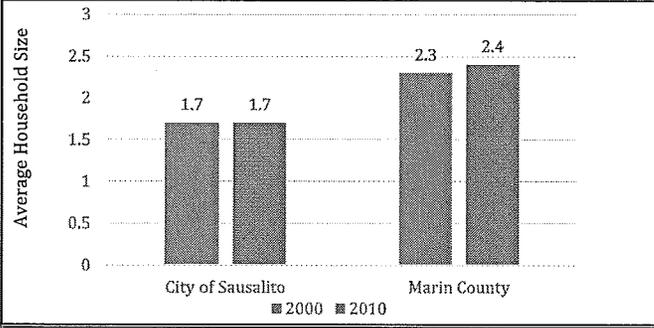
c. Average Household Size

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 2010 the average household size in Marin County had increased slightly to 2.4 while Sausalito’s average household size remained the same (US Census 2010). See Figure A.10 for a comparison of Sausalito’s average household size in 2000 and 2010 compared to Marin County.

Figure A.10: Sausalito Average Household Size Compared to Marin County



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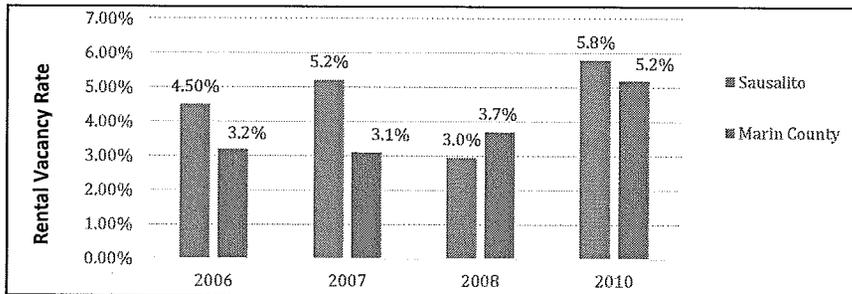
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Source: US Census, 2000 and 2010

d. 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, a decrease from 5.2% in 2007. The 2010 Census provides a more comprehensive depiction of vacancy rates among all rental units in the community (vacancy data from Real Facts is limited to projects with 100+ units). According to the census, Sausalito had a rental vacancy rate of 5.8%. In comparison, the 2010 Census documented rental vacancies Countywide slightly below Sausalito at 5.2%. The 2010 Census documents a homeowner vacancy rate of 2.1% in Sausalito, representing the percentage of vacant homes "for sale".

Figure A.11: Sausalito Vacancy Rates in Rental Units, 2006-2010



Source: RealFacts, US Census 2010

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. While Sausalito's 2010 rental vacancy of 6.4% is considered healthy, the America's Cup in 2013 is projected to have a significant impact on rental housing demand in the community. In situations where the housing market is extremely tight, there can be a greater tendency among landlords to discriminate against 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 county-wide, of which about 250 are discrimination complaints that are fully investigated. Fair Housing of Marin 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.

4. Housing Costs, Household Income and Ability to Pay for Housing

a. 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 30% of median income; (2) Very-Low Income -- 30--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 2014~~09~~ State Income Limits states the median income for Marin County is ~~\$96,890~~\$103,000. The maximum income for each income category based on this median income is as follows:

Table A.910: Income Categories in Marin County (~~2009~~)2014

<i>Extremely Low Income</i>	<i>(<30% of area median income, or AMI)</i>	<i>0-\$33,880</i>
<i>Very Low Income</i>	<i>(30-50% of AMI)</i>	<i>\$33,881-\$48,400</i>
<i>Low Income</i>	<i>(51-80% of AMI)</i>	<i>48,401-\$77,440</i>
<i>Moderate Income</i>	<i>(81-120% of AMI)</i>	<i>\$77,441-116,160</i>
<i>Above Moderate Income</i>	<i>(>120% of AMI)</i>	<i>over \$116,161</i>
<u>Extremely Low Income</u>	<u>(<30% of area median income, or AMI)</u>	<u>0-\$33,950</u>
<u>Very Low-Income</u>	<u>(30-50% of AMI)</u>	<u>\$33,951-\$56,550</u>
<u>Low-Income</u>	<u>(51-80% of AMI)</u>	<u>\$56,551-\$90,500</u>
<u>Moderate-Income</u>	<u>(81-120% of AMI)</u>	<u>\$90,501-\$123,600</u>
<u>Above Moderate-Income</u>	<u>(>120% of AMI)</u>	<u>over \$123,601</u>

Source: HCD 2014

In ~~2008-2011~~ approximately ~~43400~~ Sausalito households (~~119%~~) earned less than \$25,000 per year, ~~185-502~~ households (~~134%~~) earned between \$25,000 and \$~~4934,999~~ per year, ~~38816~~ households (~~107%~~) earned between \$~~5035,000~~ and \$~~7449,999~~ per year, ~~488564~~ households (~~123%~~) earned ~~between less than \$5075,000 to \$7499,999~~ 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 A.10-11 shows a breakdown of the year 2000 households in Sausalito by tenure and income category (using four-person household income data). In ~~2000-2008~~ the median county income was \$~~74,900~~\$96,800. Thus, at the time, 35% of median was \$~~2533,889~~\$36,380, 50% of median was \$~~3748,405~~\$48,400, 80% of median was \$~~77,445~~\$89,920 and 120% of median was \$~~89,880~~\$116,160.

Table A.1011: Household Tenure by Income in Sausalito, 2000-2010

Income Category	Renters		Owners	
	Number	Percent	Number	Percent
Very Low-Income (<50% of AMI)	380	17%	335	16%
Low-Income (51%-80% of AMI)	325	15%	230	11%
Moderate-Income (81%-120% of AMI)	530	23%	210	10%
Above Moderate Income (>121% of AMI)	1,010	45%	1,300	63%
Total Occupied	2,245	100.0%	2,075	100.0%

Source: ABAG 2013

Census Category	Renters		Owners		Total	
	Number	Percent	Number	Percent	Number	Percent
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%	1,174	27%
Total:	2,183	100%	2,097	100%	4,280	100%

Source: US Census 2000

b. Extremely Low Income Housing Needs (<30% 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.

c. Sales Prices, Rents and Ability to Pay for Housing

i. Homeownership Market

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.

Table A.12 compares median home sales prices during calendar year 2013 in Sausalito and other Marin communities by zip code, and contrasts this with sales prices during the prior year. Within Sausalito zip code 94965, a total of 162 single-family homes and condominiums were sold in 2013 for an overall median sales price of \$895,000, reflecting a significant 35% price

increase from the prior year. At \$707, the price per square foot of homes sold in Sausalito is among the highest in the County, surpassed only by the communities of Belvedere/Tiburon and Ross.

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 A.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 \$170,000.

Table A.12: Regional Single-Family Homes and Condominium Sales Jan-Dec 2013

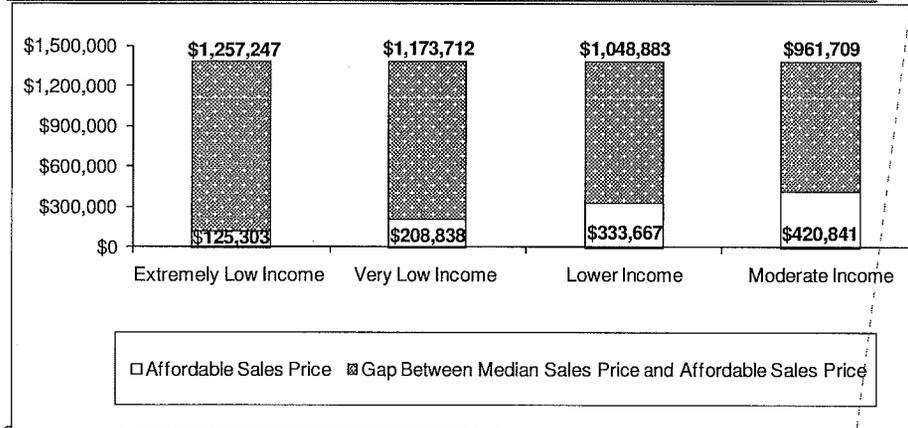
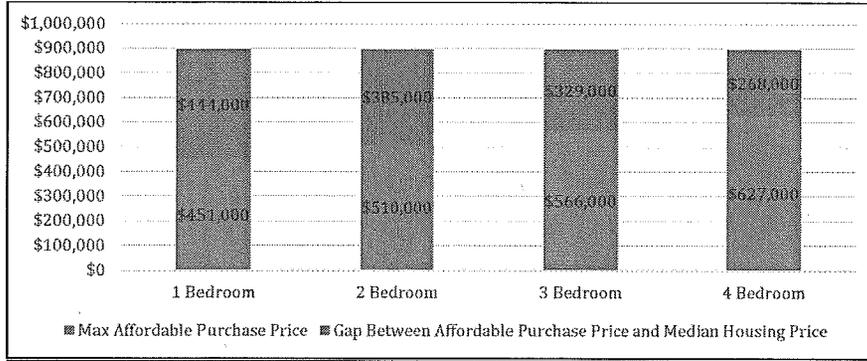
Community	Zip code	# Homes/ Condos Sold	% Change from 2012	Median Sales Price	% Change from 2012	Price/ Sq. Ft.
Sausalito	94965	162	8.7%	\$895,000	34.9%	\$707
Belvedere/Tiburon	94920	223	-6.7%	\$1,800,000	21.8%	\$769
Corte Madera	94925	158	11.3%	\$872,000	3.8%	\$592
Fairfax	94930	118	20.4%	\$645,000	15.2%	\$432
Greenbrae	94904	197	8.2%	\$1,255,000	20.1%	\$627
Inverness	94937	25	-7.4%	\$920,000	89.7%	\$522
Larkspur	94939	92	-29.8%	\$1,255,000	19.5%	\$638
Mill Valley	94941	489	6.1%	\$1,050,000	16.7%	\$616
Novato	94945	229	-9.5%	\$615,000	21.8%	\$315
Novato	94947	351	-10.0%	\$488,250	16.5%	\$343
Novato	94949	250	-12.0%	\$639,500	9.3%	\$328
Ross	94957	35	16.7%	\$2,220,000	3.3%	\$869
San Anselmo	94960	285	11.8%	\$869,500	11.0%	\$535

<u>San Rafael</u>	<u>94901</u>	<u>459</u>	<u>-15.3%</u>	<u>\$745,000</u>	<u>29.6%</u>	<u>\$437</u>
<u>San Rafael</u>	<u>94903</u>	<u>441</u>	<u>-4.3%</u>	<u>\$610,000</u>	<u>16.8%</u>	<u>\$413</u>
<u>Stinson Beach</u>	<u>94970</u>	<u>35</u>	<u>-7.9%</u>	<u>\$1,550,000</u>	<u>29.4%</u>	<u>\$931</u>

Source: Dataquick Annual Sales Price Charts by Zip Code, 2013.

For purposes of evaluating home purchase affordability, Table A.13 presents the maximum affordable purchase price for moderate income households (120% AMI), and compares this with the 2013 median sales price in Sausalito of \$895,000 to demonstrate an affordability gap. As illustrated below in Table A.13, the maximum affordable purchase price ranges from \$451,000 for a two-person household up to \$627,000 for a household with five persons rendering median housing prices in Sausalito well beyond the reach of moderate income households.

Figure Table A.1213: Gap between Affordable Sales Price and Median Sales Price of a Single Family Detached Home in Sausalito, 2008-2013 Marin County Maximum Affordable Housing Cost (Moderate Income)



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<u>Moderate Income</u>	<u>1 Bedroom</u>	<u>2 Bedroom</u>	<u>3 Bedroom</u>	<u>4 Bedroom</u>
<u>Affordable Housing Cost</u>	<u>(2 persons)</u>	<u>(3 persons)</u>	<u>(4 persons)</u>	<u>(5 persons)</u>
Household Income @ 120% Median	\$98,900	\$111,250	\$123,600	\$133,500
Income Towards Housing @ 35% Income	\$34,615	\$38,937	\$43,260	\$46,725
Maximum Monthly Housing Cost	\$2,885	\$3,245	\$3,605	\$3,995
<u>Less Ongoing Monthly Expenses:</u>				
Utilities	-\$150	-\$170	-\$210	-\$250
Taxes (1.1% affordable hsg price)	-\$413	-\$468	-\$518	-\$574
Insurance	-\$85	-\$100	-\$115	-\$130
HOA Fees & Other	-\$180	-\$180	-\$180	-\$180
Monthly income Available for Mortgage	\$2,057	\$2,327	\$2,582	\$2,861

Supportable 30-yr Mrtg @ 4.5% interest	\$406,000	\$459,000	\$510,000	\$565,000
Homebuyer Downpayment (10%)	\$45,000	\$51,000	\$56,000	\$62,000
Maximum Affordable Purchase Price	\$451,000	\$510,000	\$566,000	\$627,000
Sausalito Median Housing Price		\$895,000		

Source: Karen Warner Associates

Utility costs based on 2013 Housing utility allowance schedule for attached units (gas appliances).

ii. **Rental Housing Market** 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.

A rent survey was conducted in March 2014 to evaluate the cost of rental housing within Sausalito. Rental data was collected based on asking rents for units advertised on several rental websites, including Craigslist, Trulia, and Bay4Rent. A total of 33 apartments were identified for rent, with median rents of \$1,850 for a studio, \$2,400 for a one-bedroom, and \$3,075 for a two-bedroom units. Just one three-bedroom unit was advertised, with an asking rent of \$3,075 for a two-bedroom units. Just one three-bedroom unit was advertised, with an asking rent of \$5,700. Nine single-family homes were also advertised for rent in Sausalito, with median rents of \$4,500 for a two bedroom home, and \$6,350 for homes with three to four bedrooms. In addition, several liveaboard boats were listed for rent.

Table A.15 presents the maximum affordable rents for very low, low and moderate-income households by household size, and compares with median apartment rents in Sausalito (as documented in Table A.14). As the table below indicated, Citywide median rents are above the level of affordability for all very low and low income households, with an affordability gap ranging from \$367 to \$1,174 per month for low income households depending on household size. Unlike most other Marin jurisdictions, even households earning moderate incomes are priced out of the rental market in Sausalito, with the exception of studio units which are extremely limited in supply (Table A.15). 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.

Table A.14: Survey of Vacant Rental Units in Sausalito March 2013

Unit Type and Bedrooms	# Units Advertised	Rental Range	Median Rent
Apartments/Condominiums			
Studios	2	\$1,750-\$1,950	\$1,850

<u>1</u>	<u>14</u>	<u>\$1,875-\$3,100</u>	<u>\$2,400</u>
<u>2</u>	<u>16</u>	<u>\$2,285-\$4,500</u>	<u>\$3,075</u>
<u>3</u>	<u>1</u>	<u>\$5,700</u>	<u>\$5,700</u>
Single-Family homes			
<u>2</u>	<u>3</u>	<u>\$3,200-\$10,000</u>	<u>\$4,500</u>
<u>3-4</u>	<u>6</u>	<u>\$4,500-\$20,000</u>	<u>\$6,350</u>

Source: www.craigslist.org, Trulia.com, Bay4Rent.com

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. **Table A.15: 2013 Maximum Affordable Rents in Marin County**

Income Level ¹	Maximum Affordable Rent After Utilities Allowance ²			
	Studio (1 person)	1 Bedroom (2 person)	2 Bedroom (3 person)	3 Bedroom (4 person)
Very Low Income	\$890	\$1,016	\$1,138	\$1,239
Low Income	\$1,483	\$1,695	\$1,901	\$2,087
Moderate Income	\$2,062	\$2,357	\$2,646	\$2,915
Sausalito Median Apartment Rent	\$1,850	\$2,400	\$3,075	\$23

Source: Karen Warner Associates

¹ Income levels based on State HCD published Income Limits for 2013.

² Utility costs based on Marin Housing multi-family utility allowance schedule (gas heating, cooking and water heating; assumes monthly refuse service included in rent): \$100 for studios, \$115 for 1 bedrooms, \$135 for 2 bedrooms, and \$175 for 3 bedrooms.

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.

d. Overpayment

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, are overpaying 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 shown in Table A.14-16 below.

Table A.116: Housing Cost Burden by Tenure in Sausalito

	Occupant Type	Very Low-Income (less than 30-50% AMI)	Low-Income (50%-80% AMI)	Moderate Income (80%-120% AMI)	Above Moderate Income (Above 120% AMI)	Total	% of Total Occupied Units
Overpayment (30%-50% of income for housing)	Renters	55	90	280	15	440	10%
	Owners	15	15	45	220	295	7%
	Subtotal	70	105	325	235	735	17%
Severe Overpayment (50% or more of income for housing)	Renters	310	100	15	0	425	10%
	Owners	195	135	75	90	495	11%
	Subtotal	505	235	90	90	920	21%
Total		575	340	415	325	1655	38%

	Total Renters	Total Owners	Total Households
Extremely Low Income (<30% AMI)	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 (30-50% AMI)	159	105	264
% with any housing problems	100%	76.2%	90.5%
% Cost Burden >30% (Overpayment)	100%	76.2%	90.5%
Low Income (51-80% AMI)	249	210	459
% with any housing problems	88%	64%	77%
% Cost Burden >30% (Overpayment)	82%	64%	74%

Source: ABAG 2013

Source: HUD Comprehensive Housing Affordability Strategy (CHAS) Databook, 2003.

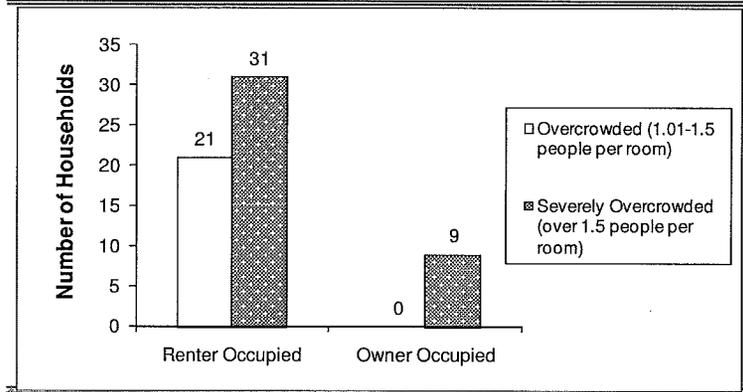
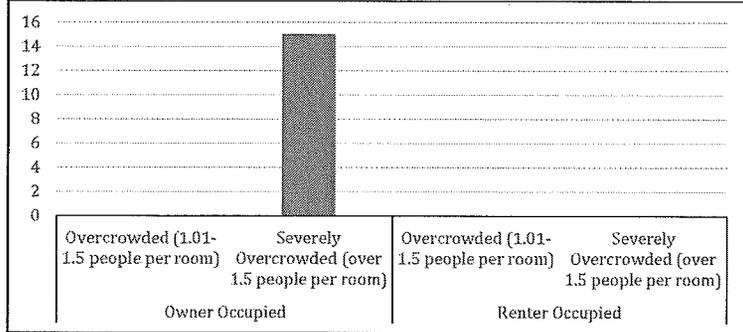
e. Overcrowding

The State 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~~2013, only 1.43 percent (61 households) ¹⁵ of all households were considered overcrowded, and of these, 65 percent were severely overcrowded. All 15 of these households were owner occupied and classified as "severely overcrowded", meaning that there were more than 1.5 people per room with these households.

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 Table A.13-17 for the number of households in Sausalito living in overcrowded units.

Figure-Table A.1217: Number of Households in Sausalito Living in Overcrowded Units



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Tenure	Condition	# of Units
Owner Occupied	Overcrowded (1.01-1.5 people per room)	0
	Severely Overcrowded (over 1.5 people per room)	15
Renter Occupied	Overcrowded (1.01-1.5 people per room)	0
	Severely Overcrowded (over 1.5 people per room)	0

Source: US Census 2000 ABAG 2013

*Based off ACS 2008-2012 which utilizes a sample in its survey. Given Sausalito's relatively small size, there is likely a limited amount of renter overcrowding that was not captured in this survey.

f. Foreclosure

Compared to other areas in the State and Country, Marin fared relatively well during the foreclosure crisis in 2008. Though the Marin Independent Journal reported that the foreclosure

rate in Marin had tripled in 2008, the foreclosure rate was nearly three times smaller than that of the State's. On January 17, 2014, the Journal reported that the foreclosure rate has declined each year since 2010 with a 60% drop in foreclosures experienced in 2013.

When accessed in February of 2014, the website www.RealtyTrac.com identified 10 properties in Sausalito in various states of foreclosure, including "pre-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.

g. 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 has a total of 38 affordable rental housing units, none of which is at risk of conversion to market rate within the next ten years. 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.- Rents are maintained at very low income levels, and both projects accept tenants with Section 8 vouchers.

5. 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 A.12-18 provides the number of households and people in Sausalito within the various special needs groups.

Table A.12-18: Estimate of Special Needs Households in Sausalito, 2000 and 2010

<u>Special Needs Households/Persons</u>	<u>Total in 2000</u>	<u>Total in 2010</u>	<u>Total in 2000</u>	<u>Total in 2010</u>
Persons with disabilities:	1,166	n/a		
16-64 years	(866)	n/a		
65+ years	(300)	n/a		
Elderly Households (65+)	1,111	1,083		
Large Family Households	28	41		
Single-Female Headed Households	148	146		
Farm/fishery workers	10	n/a		
Special Needs Households/Persons				
Persons with disabilities:			1,166	n/a
16-64 years			(866)	
65+ years			(300)	
Elderly Households (65+)			1,111	1,083
Large Family Households			28	41
Single-Female Headed Households			148	146
Farm/fishery workers			10	
Special Needs Households/Persons				
Persons with disabilities:			1,166	n/a
16-64 years			(866)	n/a
65+ years			(300)	n/a
Elderly Households (65+)			1,111	1,083
Large Family Households			28	41
Single-Female Headed Households			148	146
Farm/fishery workers			10	n/a

Source: Census 2000 and 2010

*2000 Census provides most recent data for persons with disabilities and farm/fishery workers.

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.

a. Persons with Disabilities

According to 2000 Census and 2013 ABAG data, there are a total of 1,166 persons in Sausalito with disabilities (e.g., sensory, physical, mental and self-care disabilities), representing 16 percent of the population. Among the city's senior citizens (age 65 and over), 300 people, or one third, have disabilities, (see Table A.1219). 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. Marin Center for Independent Living, for example, indicates that most of their clients live below the level of poverty. 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.

Developmental Disabilities: Due to the dramatic rise in autism spectrum disorders (ASD), in 2010 the California legislature passed SB 812 which requires the housing element to specifically analyze the housing needs of persons with developmental disabilities, and to identify resources available to serve this population. The State Department of Developmental Services (DDS) currently provides community-based services to 6,000 adults diagnosed with ASD; over 4,000 California teenagers diagnosed with ASD will reach adulthood over the next five years, many of whom will want to live independently and need appropriate housing.

The Golden Gate Regional Center (GGRC), which serves the counties of Marin, San Francisco and San Mateo, is among 21 regional centers operated by the State DDS to serve the developmentally disabled population. The goal of these centers is to: 1) prevent/minimize institutionalization of developmentally disabled persons and their dislocation from family and community; and 2) enable this population to lead more independent and productive lives. The living arrangements for persons served by the Golden Gate Regional Center in 2010 were as follows:

- 69% Parent's Home
- 13% Community Care Facility
- 6% Own Home Independent Living
- 4% Own Home Supported Living
- 4% Intermediate Care/Skilled Nursing Facility
- 2% Developmental Center
- 1% Family Home Agency/Foster Care

- 1% Other

The GGRC provides services to approximately 1,200 individuals with developmental disabilities in Marin, San Francisco and San Mateo counties, and estimates that 380 of these individuals are in need of housing assistance. Within zip code 94965, which encompasses Sausalito and extends north to Marin City and west to Muir Beach, the Regional Center currently provides services to eight residents with developmental disabilities, generating an estimated need for three housing units:

Table A.1319: Estimate of Developmentally Disabled Residents Served by GGRC within Sausalito Zip Code

Zip Code	0-14 Years	15-22 Years	23-54 Years	55-65 Years	65+ Years	Total	Est.Housing Need*
94965	7 persons	1 person	0	0	0	8 persons	3 units

Source: Golden Gate Regional Center (GGRC), 2012.

* GGRC utilizes the following need factors to estimate housing need by age group: age 0-14 25% need housing; age 15-22 50% need housing; age 23-54 35% need housing; age 55-65 25% need housing; age 65+ 20% need housing.

Golden Gate has identified a number of community-based housing types appropriate for persons living with a developmental disability: licensed community care facilities and group homes; supervised apartment settings with support services; SB 962 homes (for persons with special health care and intensive support needs); and for persons able to live more independently, rent subsidized homes; inclusionary housing, and Section 8 rental vouchers.

Founded in 1919, the non-profit *Cedars of Marin* is one of California's original programs for persons with developmental disabilities. *Cedars* provides housing for 48 disabled adults on its main campus in Ross, and in addition provides ten community-based group homes (for 6 or fewer residents) in Novato and San Rafael.

Sausalito's Housing Element sets forth several programs which seek to encourage and facilitate housing for persons with disabilities, enable group homes and ensure reasonable accommodation.

b. Seniors

Seniors are a significant special needs group in Sausalito, with 21 percent of the City's population age 65 and above in 2010, nearly double the 11 percent share of seniors statewide. Over one-quarter of Sausalito's households are headed by seniors, with homeowners comprising three-quarters of the community's 1,083 senior households and renters comprising the remaining one-quarter. An estimated 335 seniors live alone (31% of senior households) and approximately 40 percent are low income (<80% AMI).

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 include 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.

The Alzheimer's Association estimated that in 2010, there were 480,000 Californians aged 65 and older living with Alzheimer's. By 2025, there would be an estimated 660,000 Californians aged 65 and older living with Alzheimer's, nearly a 38 percent increase over 15 years. The Alzheimer's Association also released a report in 2009 estimating that among California's baby boomers aged 55 and over, one in eight will develop Alzheimer's disease, and one in six will develop some form of dementia. Such trends point towards an increasing need for dementia facilities, opportunities for seniors to remain with their family, such as in an accessory dwelling unit (ADU, or "granny" or "in-law" second unit), and 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:

- 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.
- 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.
- 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 Paragraph 4g (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.

c. Large Households

Large households, defined as households with five or more persons, typically consist of families with children. The 2010 Census identifies 41 large households in Sausalito - 22 homeowners and 19 renters – representing just one percent of all households. The limited number of large households is not surprising as families with children comprise only ten percent of Sausalito's households. While large households are not a significant special needs group, the City is interested in providing a greater range of housing options to allow families to reside in the community.

d. Single Parent and Female-Headed Households

Single parent and female-headed 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 2010 there were 146 female headed householders in family households with no husband present, which amounted to 3.6 percent of the total number of households in Sausalito. Nearly half of these female-headed families (62 households) included children under the age of 18.

e. Farmworkers (or Fishery Workers)

State law requires that jurisdictions evaluate the need for farmworker housing in the housing element. According to the US Census, the "farmworker" occupational category includes those working in the farming, fishing and forestry industries. In Sausalito, farmworkers are reflective of persons working in the fishing industry, and overlaps with the community's marine industry. There are no agricultural uses in Sausalito and, because lots tend to be small, the demand for landscape maintenance workers is small. The 2000 Census identified ten persons employed in agriculture, forestry, fishing and hunting, which were likely those 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.

f. Marine Workers

Marine workers are an integral part of the community's history and the working waterfront. Marine-related occupations including boat builders and boat repair workers, sailmakers, canvas workers, marine surveyors, harbor masters, ship mates, captains and merchant marines, among others. Many of Sausalito's marine workers reside on liveaboards, and the majority is lower income. The Galilee Harbor co-op was specifically established to provide an affordable liveboard community for Sausalito's artists and maritime workers, and since 2003 has provided 38 rent- and income-restricted berths. Support of similar and other affordable housing options would help workers to live near work opportunities, and showcase the skills of local marine workers.

g. 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.

i. Number of Homeless People

The best source of data for estimating the daily average number of homeless people is the ~~2011-2013~~ Marin Homeless Point in Time Count, which was conducted by the Marin Health and Human Services on January ~~27~~²⁴, ~~2011~~²⁰¹³. 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 before the count. 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 ~~1,220~~933 homeless persons (unsheltered, sheltered, and other homeless populations), representing a 24% decline from the last Countywide assessment in 2011. The total number of adults was 972. The unsheltered homeless count is documented 368 persons and is broken down by jurisdiction in Table A.1420.

Table A.1420: Marin County Unsheltered Homeless, 2011-2013

City / Location on the day of the count: "What city/area did you stay last night?"	Unsheltered Homeless Count	Percentage of Unsheltered Homeless Count
Sausalito	23	6%
Bolinas	27	7%
Belvedere	2	1%
Corte Madera	4	1%
Fairfax	3	1%
Forest Knolls	2	1%
Greenbrae	0	0%
Inverness	2	1%
Kentfield	0	0%
Lagunitas	0	0%
Larkspur	0	0%
Marin City	1	0%
Mill Valley	3	1%
Novato	32	9%
Olema	1	0%
Out of area	7	2%
Pt. Reyes	9	2%
Ross	2	1%
San Anselmo	3	1%
San Geronimo	1	1%
San Rafael	175	48%
Stinson	0	0%
West Marin	0	0%
Woodacre	0	0%
Not stated	71	19%
Total	368	100%

Source: County of Marin Homeless Point in Time Count 2013

City / Location on the day of the count: "What city/area did you stay last night?"	Unsheltered Homeless Count	Percentage of Unsheltered Homeless Count
Bolinas	20	5.2%
Belvedere	0	0.0%
Corte Madera	6	1.0%
Fairfax	15	2.6%
Forest Knolls	2	0.3%
Greenbrae	4	0.7%
Inverness	1	0.3%
Kentfield	3	0.2%
Lagunitas	2	0.7%
Larkspur	3	0.3%

City / Location on the day of the count: "What city/area did you stay last night?"	Unsheltered Homeless Count	Percentage of Unsheltered Homeless Count
Marin City	10	1.7%
Mill Valley	6	1.0%
Novato	83	14.5%
Olema	2	0.3%
Out of area	4	0.7%
Pt. Reyes	14	2.4%
Ross	1	0.2%
San Anselmo	6	1.0%
San Geronimo	3	0.5%
San Rafael	257	44.8%
Sausalito	30	5.2%
Stinson	1	0.2%
Tiburon	2	0.3%
West Marin	1	0.2%
Woodacre	2	0.3%
Not stated	86	15.0%
Total	574	100%

Source: County of Marin Homeless Point in Time Count 2011

As shown above, the count found ~~30~~²³ unsheltered homeless individuals in Sausalito that met the Marin County Health and Human Services definition of "unsheltered" homeless.² 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 sheltered homeless people were residing in one of those two jurisdictions on the night of the count.

In addition to the homeless count, there were ~~4,179~~³⁸⁸ persons who were precariously housed on the same day. A person is considered precariously housed and at risk of homelessness if they are about to lose housing and have no other place to live, or are housed but living temporarily with friends or family because they lack the resources or support networks to retain or obtain permanent housing and/or are housed but have moved frequently due to economic reasons and/or are living in severely overcrowded housing.

ii. 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 ~~2011-2013~~ Marin Homeless Point in Time Count. As part of the ~~2011~~

² The County defines unsheltered as any person that resides in a place not meant for human habitation, such as a car, park, sidewalk, open space or on the street.

2013 count, data was gathered on how many homeless people had particular disabilities or other special needs. See Table A.15-21 below for a county-wide summary of these needs.

Table A.1521: Health Issues of the Homeless Community in Marin County, 2013

<u>"Do you have any of the following health issues?"</u>	<u>Number</u>	<u>Percentage</u>
Alcohol Use	233	32%
Physical Disability	175	24%
Mental Illness	177	24%
Multiple Conditions	122	17%
Drug Use	51	7%
Chronic Health Condition	50	7%
Developmental	36	5%
HIV/AIDS	19	3%

Source: County of Marin Homeless Point in Time Count 2013

<u>"Do you have any of the following health issues?"</u>	<u>Number</u>	<u>Percentage</u>
Physical Disability	220	18%
Not Stated	112	9%
Multiple Disabilities	140	11%
Mental Illness	216	18%
HIV	16	1%
Drug Use	215	18%
Developmental	36	3%
Co-occurring	119	10%
Chronic Health Condition	196	16%
Alcohol Use	228	19%

Source: County of Marin Homeless Point in Time Count 2011

This data demonstrates that homeless people in Marin County are likely to have at least one disability. 56.52% of adults counted reported having at least one type of disabling condition such as a physical or developmental disability, chronic illness or substance abuse problem. 44.17% suffered from two or more illnesses or conditions. The survey found that 229 persons, or 25.43%, 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, 14.26% of adults counted reported experiencing domestic violence, and veterans comprised 8.9% of the adults counted.

iii. 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. The nearest emergency shelters to Sausalito are located in Novato and San Rafael. The Fireside Apartments, located less than a mile away in Mill Valley, offers ten of its fifty units as permanent supportive housing for homeless families.

Table A.22: 2013 Homeless Housing Inventory

	<u>Emergency Shelter</u>	<u>Transitional Housing</u>	<u>Permanent Supportive Housing</u>	<u>Total # of Beds</u>
Family Beds	49	252	185	486
Individual Beds	216	90	316	622
Totals	265	342	501	1,108
Chronic Homeless Beds	varies	varies	209	209
Veteran Beds	1	16	35	52
Seasonal Beds	66	--	--	66
Domestic Violence Beds	20	84	--	104

Source: Marin County Continuum of Care: 10 Year Plan to Prevent & End Homelessness 2013-2023

iv. 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, the estimated ~~30-23~~ unsheltered homeless individuals determined by the ~~2011-2013~~ Marin Homeless Point in Time Count creates an unmet need of ~~30-23~~ emergency shelter beds.

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Inventory of Sites		2009-2014 HE -		2015-2023 HE - Potential		Notes
APN	Address	Income	Total	Income	Total	
064-135-24	BRIDGEWAY AND OLIVE	Very Low/Low	8	Very Low/Low	8	
064-135-28	2015 BRIDGEWAY					
064-141-05	1901 BRIDGEWAY	Very Low/Low	8	Very Low/Low	8	
064-141-06	510 EASTERBY ST					
064-135-26	2005 BRIDGEWAY	Moderate	1	Moderate	1	
064-135-29	2007 BRIDGEWAY	Moderate	1	Moderate	1	
064-141-01	1919 BRIDGEWAY	Moderate	1	Moderate	1	
065-238-25	203 SECOND ST	Moderate	1	Moderate	1	
065-238-41	217 SECOND ST	Moderate	1	Moderate	1	
065-267-37	107 SECOND ST	Moderate	4	Moderate	4	
064-166-04	302 CALEDONIA ST	Moderate	4	Moderate	4	
064-167-27	333 CALEDONIA ST	Very Low/Low	8	Very Low/Low	8	
065-052-03	209 CALEDONIA ST	Moderate	2	Moderate	2	
065-052-23	201 CALEDONIA ST	Moderate	1	Moderate	1	
065-053-05	326 PINE ST	Moderate	2	Moderate	2	
065-055-02	1103 BRIDGEWAY	Very Low/Low	6	Very Low/Low	6	
065-055-03	JOHNSON ST					
065-055-06	42 CALEDONIA ST	Moderate	2	Moderate	2	
065-056-02	41 CALEDONIA ST	Moderate	1	Moderate	1	
064-274-03	WOLFBACK RIDGE ROAD	Above Moderate	1	Above Moderate	1	
064-276-23	3 WOLFBACK RIDGE ROAD	Above Moderate	1	Above Moderate	1	
200-240-10	WOLFBACK TERRACE ROAD	Above Moderate	1	Above Moderate	1	
200-240-23	WOLFBACK TERRACE ROAD	Above Moderate	1	Above Moderate	1	
200-310-01	WOLFBACK RIDGE ROAD	Above Moderate	1	Above Moderate	1	
200-310-03	WOLFBACK RIDGE ROAD	Above Moderate	1	Above Moderate	1	
200-310-04	WOLFBACK RIDGE ROAD	Above Moderate	1	Above Moderate	1	
200-310-05	WOLFBACK RIDGE ROAD	Above Moderate	1	Above Moderate	1	
200-310-06	WOLFBACK RIDGE ROAD	Above Moderate	1	Above Moderate	1	
200-310-08	WOLFBACK RIDGE ROAD	Above Moderate	1	Above Moderate	1	

Attachment 15

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200-310-09	WOLFBACK RIDGE ROAD	Above Moderate	1	Above Moderate	1	
200-310-12	CLOUDVIEW TRAIL	Above Moderate	1	Above Moderate	1	
200-310-16	WOLFBACK RIDGE ROAD	Above Moderate	1	Above Moderate	1	
064-242-10	GEORGE LANE	Above	1	Above	1	
064-204-03	PLATT AVE	Above	1	Above	1	
064-204-35	CAZNEAU AVE	Above	1	Above	1	
064-213-22	CAZNEAU AVE	Above	1	Above	1	
064-243-22	GEORGE LANE	Above	1	Above	1	
065-222-05	105 CRESCENT AVE	Above Moderate	1	Above Moderate	1	
064-321-01	BUTTE STREET	Above Moderate	16	N/A	0	Butte Street Task Force recommending that site should be bought as a land bank and held as open space.
064-062-14	175 TOMALES ST	Moderate	1	Moderate	1	
064-062-15	163 TOMALES ST	Moderate	1	Moderate	1	
064-062-19	TOMALES STREET	Moderate	2	Moderate	2	
064-131-07	OLIVE STREET	Moderate	2	Moderate	2	
064-135-03	510 SPRING ST	Moderate	1	Moderate	1	
064-135-06	522 SPRING ST	Moderate	1	Moderate	1	
064-135-23	511 OLIVE STREET	Moderate	1	Moderate	1	
064-136-03	155 WOODWARD AVE	Moderate	2	Moderate	2	
064-137-03	107 PEARL ST	Moderate	1	Moderate	1	
064-138-02	254 WOODWARD AVE	Moderate	1	Moderate	1	
064-141-10	530 EASTERBY ST	Moderate	1	Moderate	1	
064-141-13	523 SPRING ST	Moderate	3	Moderate	3	
064-141-17	511 SPRING ST	Moderate	2	Moderate	2	
064-141-18	518 EASTERBY ST	Moderate	1	Moderate	1	
064-142-29	EASTERBY ST	Moderate	2	Moderate	2	
064-142-30	515 EASTERBY ST	Moderate	1	Moderate	1	
064-163-06	BONITA STREET	Moderate	2	Moderate	2	
064-163-07	417 BONITA ST	Moderate	2	Moderate	2	
064-181-01	21 GORDON ST	Moderate	4	Moderate	4	
064-181-24	812 SPRING ST	Moderate	1	Moderate	1	
064-182-06	38 GORDON ST	Moderate	2	Moderate	2	
064-192-02	141 WOODWARD AVE	Moderate	1	Moderate	1	
064-201-01	35 MARIE ST	Moderate	1	Moderate	1	

064-342-07	20 BUCHANAN DR	Moderate	1	Moderate	1	
064-342-11	11 TOMALES ST	Moderate	1	Moderate	1	
065-231-17	211 WEST ST	Moderate	2	Moderate	2	
065-236-04	209 FOURTH ST	Moderate	2	Moderate	2	
065-252-64	37-39 CRESCENT AVE	Moderate	2	Moderate	2	
065-253-02	MAIN STREET THROUGH TO CRESCENT AVE	Moderate	2	Moderate	2	
065-261-04	107 FOURTH ST	Moderate	1	Moderate	1	
065-264-12	110 FOURTH ST	Moderate	1	Moderate	1	
065-301-05	115 SOUTH STREET	Moderate	2	Moderate	1	Design Review Permit approved May 15th, reduced to one unit.
064-151-02	1757 BRIDGEWAY	Very Low/Low	11	Very Low/Low	16	Application submitted for "The Bridgeway Apartments." Demolition of three vacant residential buildings, constructing 16 residential condo units in two- and three-story buildings.
064-151-06	1733 BRIDGEWAY	Moderate	1	Moderate	1	
064-151-16	412 NAPA ST	Moderate	5	Moderate	5	
064-167-03	408 LOCUST ST	Moderate	1	Moderate	1	
064-167-21	411 LITHO ST	Moderate	2	Moderate	2	
065-052-26	419 LOCUST ST	Moderate	2	Moderate	2	
065-056-07	416 JOHNSON ST	Moderate	2	Moderate	2	
065-063-07	925 BRIDGEWAY	Moderate	2	Moderate	2	
065-063-08	911 BRIDGEWAY	Moderate	1	Moderate	1	
065-071-22	30 EXCELSIOR LN	Moderate	2	Moderate	2	
065-072-12	10 READE LN	Moderate	1	Moderate	1	
065-235-46	303 SECOND ST	Moderate	1	Moderate	1	
065-238-15	214 THIRD ST	Moderate	2	Moderate	2	
065-241-10	210 RICHARDSON ST	Moderate	2	Moderate	2	
065-241-12	214 RICHARDSON ST	Moderate	1	Moderate	1	
065-267-41	104 THIRD ST	Moderate	2	Moderate	2	
Total for 2009-2014			174	Total	162	

Approved Projects						
APN	Address				Units	Notes
na	34 MARIE STREET				1	New ADU. Approved by Planning Commission (Feb. 2014)
na	27 CENTRAL				1	New ADU. Approved by Planning Commission (Feb. 2014)
Total					2	

Total 2015-2023 Sites 164

Projects Approved in 2013 (don't						
APN	Address				Units	Notes
065-211-07	6 JOSEPHINE STREET				1	Single-Family Home --> Duplex
065-124-18	100 HARRISON AVENUE				2	Single-Family Homes --> 3 Detached Single-Family Homes
065-292-23	60-62 MARION				2	Vacant --> 2 Detached Single-Home Homes
065-211-28	60 ATWOOD				1	New ADU
na	2 ALEXANDER				1	New ADU
na	591 Sausalito				1	Added Unit - Building Permit Final
Total					8	

ANNUAL ELEMENT PROGRESS REPORT

Housing Element Implementation

(CCR Title 25 §6202)

Jurisdiction SAUSALITO

Reporting Period 01/01/2013 - 12/31/2013

Pursuant to GC 65400 local governments must provide by April 1 of each year the annual report for the previous calendar year to the legislative body, the Office of Planning and Research (OPR), and the Department of Housing and Community Development (HCD). By checking the "Final" button and clicking the "Submit" button, you have submitted the housing portion of your annual report to HCD only. Once finalized, the report will no longer be available for editing.

The report must be printed and submitted along with your general plan report directly to OPR at the address listed below:

Governor's Office of Planning and Research
P.O. Box 3044
Sacramento, CA 95812-3044

Attachment 16

ANNUAL ELEMENT PROGRESS REPORT
Housing Element Implementation
 (CCR Title 25 §6202)

Jurisdiction SAUSALITO
 Reporting Period 01/01/2013 - 12/31/2013

Table A
Annual Building Activity Report Summary - New Construction
Very Low-, Low-, and Mixed-Income Multifamily Projects

Housing Development Information								Housing with Financial Assistance and/or Deed Restrictions		Housing without Financial Assistance or Deed Restrictions	
1	2	3	4				5	5a	6	7	8
Project Identifier (may be APN No., project name or address)	Unit Category	Tenure R=Renter O=Owner	Affordability by Household Incomes				Total Units per Project	Est. # Infill Units*	Assistance Programs for Each Development	Deed Restricted Units	Note below the number of units determined to be affordable without financial or deed restrictions and attach an explanation how the jurisdiction determined the units were affordable. Refer to instructions.
			Very Low- Income	Low- Income	Moderate- Income	Above Moderate- Income			See Instructions	See Instructions	
New Accessory Dwelling Units	2 to 4	Renter	1	2	0	0	3	0			The affordability of the projected 12 Accessory Dwelling Units in the adopted/certified Housing Element is based on rent levels from the City's ADU survey where 3 Very Low (28%), 7 Low (57%) and 2 Moderate (15%) were projected.
Amnesty Accessory Dwelling Units	2 to 4	Renter	2	4	1	0	7	0			The affordability of the projected 12 amnesty Accessory Dwelling Units in the adopted/certified Housing Element is based on rent levels from the City's ADU survey where 3 Very Low (28%), 7 Low (57%) and 2 Moderate (15%) were projected.

ANNUAL ELEMENT PROGRESS REPORT
Housing Element Implementation
 (CCR Title 25 §6202)

Jurisdiction SAUSALITO
 Reporting Period 01/01/2013 - 12/31/2013

Table A2
Annual Building Activity Report Summary - Units Rehabilitated, Preserved and Acquired pursuant to GC Section 65583.1(c)(1)

Please note: Units may only be credited to the table below when a jurisdiction has included a program in its housing element to rehabilitate, preserve or acquire units to accommodate a portion of its RHNA which meet the specific criteria as outlined in GC Section 65583.1(c)(1)

Activity Type	Affordability by Household Incomes				(4) The Description should adequately document how each unit complies with subsection (c)(7) of Government Code Section 65583.1
	Extremely Low-Income*	Very Low-Income	Low-Income	TOTAL UNITS	
(1) Rehabilitation Activity	0	0	0	0	
(2) Preservation of Units At-Risk	0	0	0	0	
(3) Acquisition of Units	0	0	0	0	
(5) Total Units by Income	0	0	0	0	

* Note: This field is voluntary

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Table A3
Annual building Activity Report Summary for Above Moderate-Income Units
(not including those units reported on Table A)

	1. Single Family	2. 2 - 4 Units	3. 5+ Units	4. Second Unit	5. Mobile Homes	6. Total	7. Number of infill units*
No. of Units Permitted for Moderate	0	0	0	0	0	0	0
No. of Units Permitted for Above Moderate	1	0	0	0	0	1	0

* Note: This field is voluntary

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Table B
Regional Housing Needs Allocation Progress
Permitted Units Issued by Affordability

Enter Calendar Year starting with the first year of the RHNA allocation period. See Example.												Total Units to Date (all years)	Total Remaining RHNA by Income Level
Income Level		RHNA Allocation by Income Level	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9		
Very Low	Deed Restricted	45	0	0	0	0	0	0	0	0	0	5	40
	Non-Restricted		0	0	0	2	3	0	0	0	0		
Low	Deed Restricted	30	0	0	0	0	0	0	0	0	0	12	18
	Non-Restricted		0	0	0	6	6	0	0	0	0		
Moderate		34	0	0	0	1	1	0	0	0	0	2	32
Above Moderate		56	0	0	0	19	1	0	0	0	-	20	36
Total RHNA by COG. Enter allocation number:		165											
Total Units ▶▶▶			0	0	0	28	11	0	0	0	0	39	
Remaining Need for RHNA Period ▶▶▶▶▶													126

Note: units serving extremely low-income households are included in the very low-income permitted units totals.

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Table C
Program Implementation Status

Program Description (By Housing Element Program Names)	Housing Programs Progress Report - Government Code Section 65583. Describe progress of all programs including local efforts to remove governmental constraints to the maintenance, improvement, and development of housing as identified in the housing element.		
Name of Program	Objective	Timeframe in H.E.	Status of Program Implementation
Accessory Dwelling Unit (ADU) Regulations and Amnesty Program- Program 10a and 10b	Seek to achieve 12 new ADUs and legalize 12 ADUs during the remaining 2012-14 planning period	Adopt regulations and program in 2012	Regulations and amnesty program adopted in November, 2012. Program publicized late 2012 and regulations in effect January 1, 2013. In 2013 3 new ADU permits were approved, 10 amnesty permits have been approved and of those 10, 7 can be credited towards the RHNA as they have been determined to have not been counted by the 2000 US Census
Multi-family development in Multi-family Zoning Districts- Program 20	Develop standards to encourage multi-family development in two and multi-family zoning districts and discourage single family development in these districts	Completed by 2012	The City Council adopted the regulations on March 18, 2014. They will be in effect beginning on April 18, 2014
Historic Preservation Incentives-Program 3	Preserve and maintain historic structures and revitalize older housing and neighborhoods	2013	Public Workshop for a City-Wide Neighborhood Historical Study was held in February 2013. Regulations are on track to update the Historic Preservation regulations contained within the Zoning Ordinance by the end of 2014. A brochure was created to identify funding sources for protection of historic resources. The brochure is available at City Hall and online.
VMU/HMU-Program 8a and 8b	Adopt VMU requirements for CN-1, CR	within 6	The VMU/HMU ordinance amendments have been drafted and introduced at a

	and CC Zoning Districts and HMU incentives on designated parcels within six months of Housing Element Adoption	months of HE adoption	community meeting in March 2014. It is anticipated that the Planning Commission will consider the amendments at hearings in May/June 2014 and the City Council will consider adoption of the amendments in June/July 2014.
Zoning Text Amendments for Special Needs Housing- Program 21	Adopt text amendments to the Zoning Ordinance to make explicit provisions for a variety of special needs housing. Develop objective standards to regulate emergency shelters as provided for under SB 2	Within 1 year of HE adoption	The Zoning Text Amendments for Special Needs Housing have been drafted and introduced at a community meeting in March 2014. It is anticipated that the Planning Commission will consider the amendments at hearings in May/June 2014 and the City Council will consider adoption of the amendments in June/July 2014.
Local Green Building Regulations - Program 29	Adopt local Green Building regulations including appropriate programs and policies.	By the end of 2012	The Green Building Code will be incorporated into the local adoption of the 2013 Uniform Construction code by the end of 2014.
Density Bonus and other Incentives for Affordable Housing	Amend Zoning Ordinance to comply with State Density Bonus Law requirements	By end of 2013	The Density Bonus Amendments have been drafted and introduced at a community meeting in March 2014. It is anticipated that the Planning Commission will consider the amendments at hearings in May/June 2014 and the City Council will consider adoption of the amendments in June/July 2014.
Code Enforcement and Public Information- Program 1	Develop and distribute informational handouts on available rehabilitation and energy retrofit assistance through Marin Housing and P&E. Provide information on volunteer service organizations on City website.	Begin publicizing in 2012.	Staff prepared a brochure which summarizes rehabilitation and energy retrofit programs available through Marin Housing and PG&E. The brochure is available at City Hall and on the City's website.
Residential Rehabilitation Loan and Energy Retrofit Programs -- Program 2	Publicize the Marin Housing Rehab program and PG&E energy retrofit programs on City website and through brochures at City Hall and other community locations. Seek to assist five very low income households.	Begin publicizing in 2012.	Staff prepared a brochure which summarizes rehabilitation and energy retrofit programs available through Marin Housing and PG&E. The brochure is available at City Hall and on the City's website.
Liveaboard Housing - Program 11	Contact marina operators and facilitate any required local permitting in 2012. Report permitted liveaboards to the State Department of Finance (DOF) at the next reporting period in early 2013. Coordinate with Sausalito Yacht Harbor to ensure all BCDC and City permitting required for increasing liveaboard capacity to 10% is completed no later than 2013, and report permitted liveaboards to DOF in early 2014. Establish procedures for monitoring	Report to DOF in 2013/14	The City has reviewed the requirements of these Plans with representatives of the Harbor, and will be required to provide sufficient parking and obtain a Conditional Use Permit to expand to 62 liveaboard berths. In order to count towards Sausalito's 2009-2014 and 2015-2023 RHNA, the necessary City and BCDC permitting for Sausalito Yacht Harbor will need to be completed in calendar year 2014. For purposes of the 2000 census undercount of 38 liveaboards, (6 units in Schoonmaker Marina, and 32 units in Pelican and Sausalito Yacht Harbors), only the liveaboards in Schoonmaker Marina have been confirmed to not require additional City permits and thus can be counted towards the 2009-2014 RHNA. In order to capture the 32 unit census undercount in Pelican and Sausalito Yacht Harbor, necessary City permitting in

	and enforcement of local low and moderate income occupancy requirements. Pursue means to improve mail service and public communication with the liveaboard community.		these marinas will need to be completed in calendar year 2014.
Homebuyer Assistance - Program 15	Contact Marin Housing regarding participation in MCC and BMR programs. Publicize MCCs as they become available.	Publicize MCCs and BMR programs in 2012.	City staff obtained brochures from Marin Housing Regarding MCC and BMR programs. The brochure is available at City Hall and on the City's website.
Section 8 Rental Assistance - Program 16	Provide information and refer tenants to Marin Housing for Section 8 assistance. Provide handout for distribution to rental property owners to encourage them to register units with Marin Housing.	Within 2009-2014 planning period.	Staff prepared a brochure which summarizes Section 8 assistance through Marin Housing. The brochure is available at City Hall and on the City's website.
Fair Housing Program - Program 22	Refer fair housing complaints to Fair Housing of Marin. Publicize the fair housing program.	Within 2009-2014 planning period.	City staff obtained flyers from Fair Housing of Marin regarding fair housing. The brochure is available at City Hall and on the City's website.
Home Sharing and Tenant Matching - Program 24	Collaborate with Marin Housing and Sausalito Village Senior Services to implement and actively promote Home Connection in Marin, within Sausalito.	Beginning in 2012.	City staff obtained flyers from Marin Housing to promote the home sharing service. The flyers are available at City Hall and on the City's website.
Universal Design / Visitability - Program 26	Develop Universal Design and Visitability Principals brochure, and provide to residential development applicants.	Develop brochure by 2013.	Staff prepared a Universal Design brochure. The brochure is available at City Hall and on the City's website.
Ongoing Community Education and Outreach - Program 31	Continue to include residents and community organizations in the implementation of this Housing Element and the development of the next Housing Element through multiple means	Ongoing.	As part of the 2009-2014 Housing Element update, the City developed an extensive e-mail list of community stakeholders and interested parties which it will again utilize for ongoing notification of opportunities for public input into the Housing Element update. In March, 2014 the City sent a postcard to all residents and property owners in Sausalito regarding the Housing Element Update and providing contact information, upcoming workshop/meeting dates and an invitation to join the email notification list for weekly/monthly updates.
Housing Element Monitoring/ Annual Report - Program 32	The Community Development Department will review the Housing Element annually, provide opportunities for public participation, and submit an annual report to the State.	Through the end of the planning cycle in 2014.	The City has been monitoring its progress in implementing the Housing Element, and submitted an Annual Progress Report to State HCD for calendar year 2012.

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General Comments: