



STAFF REPORT SAUSALITO CITY COUNCIL

AGENDA TITLE

Housing Element Horizontal Mixed Use (HMU) and Vertical Mixed Use (VMU) Programs

RECOMMENDED ACTIONS

- 1) Receive an update on:
 - a. Consequences of not implementing the HMU and/or VMU programs
 - b. Potential modifications and/or alternatives to the HMU and VMU programs

- 2) Provide direction to staff regarding the following options:
 - a. Proceed to Planning Commission hearings on the HMU and VMU programs as drafted
 - b. Make modifications to the VMU program previously considered by the Housing Element Subcommittee and proceed with Planning Commission hearings
 - c. Make modifications to the HMU program previously considered by the Housing Element Subcommittee and proceed with Planning Commission hearings
 - d. Direct staff to work with the Housing Element Subcommittee on modifications to the HMU program and proceed with Planning Commission hearings on implementation
 - e. Direct staff to work with the Housing Element Subcommittee on alternative programs to substitute the HMU program and proceed with Planning Commission hearings on implementation

SUMMARY

The City is currently in the process of implementing several programs called for in the adopted 2009-2014 Housing Element. City staff and consultants have collaborated with the Housing Element Sub-Committee and has developed the following five draft ordinances:

- Updated Density Bonus Ordinance (Program 19) – under review by the Planning Commission (May 21, 2014)¹
- Reasonable Accommodation Ordinance (Program 25) – under review by the Planning Commission (May 21, 2014)
- Special Needs Housing Text Amendments (Program 21) – under review by the Planning Commission (May 21, 2014)
- HMU Zoning Overlay Ordinance (Program 8b) – see **Attachment 1**
- VMU zoning text changes for the CN-1, C-C and C-R zoning districts (Program 8a) – see **Attachment 2**

The updated Density Bonus, Reasonable Accommodation and Special Needs Housing ordinances are required by state law. The HMU and VMU ordinances are specifically designed to fulfill the requirement of Housing Element Law that the City provide opportunities for a variety of housing types - the HMU and VMU are designed to provide multi-family rental housing. All of

¹ Draft Ordinances for the Density Bonus, Reasonable Accommodations and Special Needs Housing are Exhibits in the May 21, 2014 Planning Commission staff report available online:
<http://www.ci.sausalito.ca.us/index.aspx?page=43>

these programs must be implemented to retain Housing Element certification by the State of California and to maintain eligibility for streamline review of the 2015-2023 Housing Element.

Significant community concerns have been voiced regarding the HMU Program and its application to two parcels on Bridgeway in the Spring Valley neighborhood. The primary concern stated is that allowing residential on the ground floor of these properties coupled with the potential for additional units allowed under the State Density Bonus law would impede views and negatively impact traffic and parking in the neighborhood.

There has been a series of public meetings and on-going communications between city staff and the Housing Element Sub-Committee and interested parties. There are options for the City Council to consider, summarized in the table below and outlined in the Changes Considered in Response to Community Concerns Section.

Program	Potential Modification	Effect of Potential Modification	Steps to Make Modification	Recommendation
Density Bonus Ordinance	Two-tier systems of concessions and incentives	Discourages request of concession/ incentive that would block primary views	Already incorporated into draft Ordinance	As recommended by the Subcommittee, the Density Bonus Ordinance, with the two tiered system, will be reviewed by the Planning Commission on May 21, 2014
VMU Ordinance	Remove the requirement that any upper level uses in the CN-1, CC and C-R zones be residential	Allows accommodation of offices and other small businesses in the upper floors as traditionally found in the commercial areas.	Modify existing VMU Ordinance	Direct staff to make modification and proceed with Planning Commission hearings on the VMU Ordinance
HMU Overlay on 1901 and 2015 Bridgeway sites	Bedroom Requirement Modification. Reduce the requirement for 30% of units as 3-bedroom units to 25% of units as 2-bedroom units	Reduces the overall square footage of any future buildings proposed, with a corresponding lessening of any primary view impact from nearby residences.	Modify existing HMU Ordinance	As recommended by the Subcommittee, direct staff to make modification
	Affordability Requirement Modification. Reduce or eliminate the mandated affordability of 50% very low/low income units in the HMU overlay zone	Puts the burden on the property owner to voluntarily incorporate affordable units in order to request a density bonus and concessions/incentives	Modify existing HMU Ordinance	Staff recommends the Council discuss the concept, and if desired, make modification

Program	Potential Modification	Effect of Potential Modification	Steps to Make Modification	Recommendation
HMU Overlay on CN-2 Sites	Shift the HMU overlay concept to sites in the CN-2 District	Removes HMU overlay from CN-1 sites in Spring Valley	Select CN-2 sites; modify HMU Ordinance to establish a density and development regulations; modify Zoning Ordinance to allow residential in the CN-2 district.	Staff recommends the Council discuss the concept, and if desired, direct Staff to work with the Subcommittee on drafting a modified ordinance
HMU Overlay on Combination of CN-1 and CN-2 Sites	Remove the HMU overlay from one of the CN-1 sites (1901 or 2015 Bridgeway) and select a CN-2 site to replace the removed CN-1 site	Removes HMU overlay from one CN-1 site in Spring Valley, places it on one (or more) sites in CN-2	Select retained CN-1 site, select CN-2 site; modify HMU Ordinance to establish a density and development regulations in the CN-2 zone; modify Zoning Ordinance to allow residential in the CN-2 district.	Staff recommends the Council discuss the concept, and if desired, direct Staff to work with the Subcommittee on drafting a modified ordinance

BACKGROUND

The City Council at the April 22, 2014 meeting received an update on the work of the Subcommittee on the draft five ordinance amendments listed in the Summary section. At the meeting, 21 community members expressed concerns about the HMU and VMU as outlined in the Housing Element and carried forward into the draft ordinances. Among the comments received were concerns about:

- Loss of primary views
- Impacts to available street parking
- Increase in traffic
- Decrease in property values
- Loss of neighborhood businesses
- Change in character of the neighborhood
- Density bonus provisions allowing taller, view blocking developments
- Loss of second floor commercial uses, over time, due to VMU requirements

The City Council directed that the Density Bonus, Reasonable Accommodation and Special Housing Needs ordinances be forwarded to the Planning Commission for review. The Planning Commission is holding a special meeting on May 21, 2014 to begin that review. Staff and consultants were also directed to receive additional input from the public, communicate with the State Department of Housing and Community Development (HCD) about options and to look at all alternatives to the current HMU and VMU programs and bring back more options for consideration.

Subsequently, the Subcommittee held a public meeting on May 13, 2014 where 13 public speakers offered additional testimony and voiced concerns similar to the April 22, 2014 City Council meeting. Melinda Coy, Housing Specialist with HCD was in attendance to answer questions. A video recording of the meeting is available here:
http://sausalito.granicus.com/MediaPlayer.php?view_id=2&clip_id=142

HISTORY OF THE HMU and VMU PROGRAMS

The City was not able to adopt a Housing Element for 1999-2006 period due to rezoning controversy. As a result, the City was required to show compliance with two RHNA cycles with a combined total of 379 units.

M-Group and Karen Warner Associates were hired in the fall of 2011 in midst of a rezone discussion and controversy for 2009-2014 Housing Element. Staff and consultants received direction from both the City Council and later input directly from the community at a December 3, 2011 Community Workshop. The city's desired approach was to:

- Pursue a balanced, low-impact approach to address RHNA
- Focus on infill, rather than rezoning large vacant lots and open space
- Explore mixed-use infill in commercial districts

The Housing Element Task Force developed these strategies and incorporated them into the February 2012 Draft Housing Element. While the draft Element met the numerical RHNA requirements, the requirement to plan for a variety of housing types was deficient as determined by HCD. The first HCD comment letter from April 3, 2012 (**Attachment 3**) identified the following issues:

- "Element relies primarily on liveaboards and second units to address needs of lower income households"
- "City lacks adequate sites for higher-density housing to meet needs of families"

Additionally, HCD received a third party comment letter from Public Advocates which HCD is required to consider in their review. The comment letter identified the concern, "Small sites cannot realistically accommodate affordable housing"

In response, the Housing Element Task Force developed the Mixed Use Overlay (MUO) Concept:

- Allow 100% residential project on selected commercial sites
- Initially applied to four sites
- Based on community and decision-maker input, MUO refined:
- Horizontal Mixed Use (HMU)
- Limited to two sites with eight unit capacity - smallest size able to justify as "realistic for development" with affordable multi-family rental housing
- Separate Vertical Mixed Use (VMU) program created applicable throughout CN-1, CR, CC

The June 2012 Revised Draft Housing Element included the following programs in direct response to HCD review:

- Program 8a – VMU Requirements in Commercial Districts
- Program 8b – HMU Incentives in Commercial Districts

The VMU and HMU programs are designed to provide adequate sites with realistic development potential for multi-family rental housing (as required under "variety of housing types"):

- VMU Purpose: Further encourage the provision of second-story residential in commercial zoning districts, including mixed income units
- HMU Purpose: Allow ground floor residential on designated commercial sites to better accommodate family housing and help retain neighborhood character by reducing the need for increased building heights

Due to the density of the sites in the HMU (5 units or more) these units are presumed to be affordable to low and very low income families. Income limits are set by HCD and published annually based on the Area Median Income (AMI). Affordable rentals are by definition when households spend no more than 30% of their income on rent, including utilities. The following tables are included to provide a general illustration of the housing situation in Marin County based on a different size households seeking affordable rental housing. The complete 2014 state income limits for Marin County up to eight person households are included as **Attachment 6**.

One Person Household – Median Income: \$72,100

Income Category	Max. Income	Max. Monthly Rent
Very Low (50% AMI*)	\$39,600	\$990
Low (80% AMI)	\$63,350	\$1,584
Moderate (120% AMI)	\$86,500	\$2,163

*AMI: Area Median Income (Marin County)

Two Person Household – Median Income: \$82,400

Income Category	Max. Income	Max. Monthly Rent
Very Low (50% AMI)	\$42,250	\$1,056
Low (80% AMI)	\$72,400	\$1,810
Moderate (120% AMI)	\$98,900	\$2,473

Three Person Household – Median Income: \$92,700

Income Category	Max. Income	Max. Monthly Rent
Very Low (50% AMI)	\$50,900	\$1,272
Low (80% AMI)	\$81,450	\$2,036
Moderate (120% AMI)	\$111,250	\$2,781

The HMU and VMU programs were designed to facilitate the creation of rental housing to serve these income categories and provide family housing opportunities.

The HCD Comment Letter of August 16, 2012 (**Attachment 4**) confirmed that the revised commercial infill strategy was viewed as acceptable by HCD:

- Confirmed two HMU sites adequate to address multi-family sites requirement
- Finding of Housing Element compliance based on “Program 8 to adopt flexible development standards for multi-family housing in mixed use districts” as well as several other programs.

The Housing Element was adopted by the City Council on October 22, 2012. Follow up implementation work has included the new and amnesty Accessory Dwelling Unit (ADU) and Standards for Single Family Residences in Two and Multi-family Zoning District Ordinances that were adopted in November 2012 and March 2014 respectively.

The City received the final certification letter from HCD in November 2012 (**Attachment 5**) and it was conditional upon completion of the ADU ordinance and implementation of the liveboard program and also, by reference, the programs referenced in the August 16, 2012 letter.

The Council fully appointed the current Housing Element Subcommittee in January 2014 to begin developing, reviewing and conduct community participation for the required Housing Element related ordinances. This is referred to as Track 1.

Track 2 is the process of developing and engaging the community on the Housing Element for the upcoming planning cycle of 2015 to 2013. This Element is due to be adopted and certified by January 30, 2015 with a grace period or no more than 120 days.

A community meeting held on March 15, 2014 surfaced neighborhood concerns focused on the HMU program as well as the Density Bonus ordinance and the potential interaction between the two. These concerns are listed in the Background section of this report.

CHANGES CONSIDERED IN RESPONSE TO COMMUNITY CONCERNS

DENSITY BONUS ORDINANCE

In response to neighborhood concern in the March/April 2014 timeframe, the Subcommittee directed adjustments to the Density Bonus Ordinance. A two tier system of concessions and incentives was introduced to address the concern that future applicants could request approval of building heights that would block primary views. 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 SMC Section 10.54.050.D.4) proposed by the applicant or City which result in identifiable, financially sufficient, and actual cost reductions.

The Density Bonus Ordinance, with the two tiered system, will be reviewed by the Planning Commission on May 21, 2014.

VMU ORDINANCE

A change to the VMU draft ordinance has also been evaluated by the Subcommittee to remove the requirement that any upper level uses in the CN-1, CC and C-R zones be residential. This

was in response to the concern about degrading the ability of the city to accommodate offices and other small businesses in the upper floors as traditionally found in the commercial areas. This would not affect the effectiveness of the program as housing would still be allowed including several changes to the zoning code to incentive it. Staff is recommending that the City Council direct staff to make this change to the draft VMU Ordinance and proceed with Planning Commission hearings on the VMU Ordinance.

HMU ORDINANCE

There are a number of potential modifications to the HMU Ordinance on which staff is seeking Council direction.

- **Bedroom Requirement Modification.** A modification to the draft HMU ordinance was discussed that would reduce the requirement of any new development to provide 30 percent of the units as three-bedroom units. The revised requirement would require 25 percent of the units to be two-bedroom units. This would reduce the overall square footage of any future buildings proposed, with a corresponding lessening of any primary view impact from nearby residences. The Subcommittee has recommended that this modification be made to the HMU Ordinance.
- **Affordability Requirement Modification.** A modification to the draft HMU ordinance which was not discussed, but could be considered by the City Council is a reduction or elimination of the mandated affordability of the HMU overlay zone. This revised requirement would address the community's concern that mandating affordability of 50% of the units in a HMU project would "automatically" allow a property owner to request a State Density Bonus of 35% and 3 concessions/incentives. Eliminating or reducing the affordability requirement in the HMU ordinance would put the burden on the property owner to voluntarily incorporate affordable units in order to request a density bonus and concessions/incentives. One option for a reduced affordability requirement would be to require just 5% very low and 10% low income units, which would allow a property owner to request the minimum 20% density bonus and 1 incentive/concession. This concept may be discussed by the City Council.
- **Alternate Sites: CN-2 Zone.** Alternate sites have been considered for the HMU program. The most appropriate sites that meet the requirements to be considered viable sites for new housing opportunities are the five parcels in the CN-2 zoning district on Bridgeway adjacent to Martin Luther King, Jr. Park (see **Attachment 7** for the CN-2 map). A new overlay district would need to be created that would allow residential density in this zone, specify a density and any other development regulations needed. The Council should review Staff discussion on the Fair Traffic Initiative component of this concept below and provide direction.
- **Alternative Sites: Combination of CN-1 and CN-2 Zone.** Another option for the Council to consider may be the removal of the HMU overlay from one CN-1 site in Spring Valley, placing it on one (or more) sites in CN-2. This concept would require the selection of the CN-1 site to retain, the selection of a CN-2 site, modification of the HMU Ordinance to establish a density and development regulations in the CN-2 zone and modification of the Zoning Ordinance to allow residential in the CN-2 district. The Council should review Staff discussion on the Fair Traffic Initiative component of this concept below and provide direction.

HMU OVERLAY CONCEPT IN THE CN-2 ZONING DISTRICT

The Neighborhood Commercial (CN-2) District is located in 2600-3000 blocks on the west of Bridgeway, bounded by Ebbtide Avenue, Coloma Street, and the MLK School site. The Floor Area Ratio (FAR) in the CN-2 District is 0.35 and the maximum lot coverage is 0.50. This District is zoned for neighborhood serving retail, and includes restaurants, personal services, offices, and a Shell service station. The relevant General Plan policy for this area is Land Use Element Policy LU-2.14:

Commercial Area North of Coloma Street and West of Bridgeway. Promote the continued use of the commercial strip area north of Coloma Street and west of Bridgeway as a small one-stop shopping center serving local residents and businesses but not as a residential mixed use area.

Residential uses are not currently allowed in the CN-2 District and there was a concern that adding residential uses in the CN-2 District would violate the Fair Traffic Initiative. The Fair Traffic Initiative does not allow a change in development intensity of any commercially zoned property without a vote of the people. However, in further analyzing options, staff has found that if the floor area ratio (FAR) for residential uses is limited to the same amount as currently allowed for commercial uses (0.35) there would be no violation of the Fair Traffic Initiative. In terms of application of the HMU overlay on CN-2 sites, Staff has determined that it would be possible to allow for residential in this zoning district without increasing the maximum allowed Floor Area Ratio (FAR): the FAR is the development regulation that controls the development intensity and would remain unchanged at 35 percent, or 0.35. (i.e.; a 10,000 square foot parcel would allow a maximum of 3,500 square feet of building area).

Fair Traffic Initiative Analysis

The Fair Traffic Initiative (Ordinance No. 1022) is a zoning initiative passed by the voters of Sausalito on June 4, 1985 (**Attachment 8**). The stated purpose of the Fair Traffic Initiative is to:

"...reduce the increase in automobile traffic generated by new development in the City's commercial and industrial zones and to preserve the maritime character of those areas by reducing permissible density in commercial and industrial areas."

In order to accomplish this purpose the Fair Traffic Initiative established maximum floor area ratios in the CC, CN, CR, CM, CS, I, CW and W Zoning Districts. The CM District was subsequently changed to the CN-2 Zoning District and the same maximum floor area ratio (.35) is applicable in the CN-2.

The Fair Traffic Initiative specifically prohibits changes in zoning categories **"... which would allow greater density or Floor Area Ratio."** This language was further clarified in City Council Resolution No. 3407 - Resolution of the City Council of the City of Sausalito Clarifying Certain Provisions of the Initiative Passed by Sausalito Voters on June 4, 1985 (**Attachment 9**):

"Section 10.200.2(c) prohibits the redesignation of any site within the affected zoning districts to any other zoning classification from the list of classifications on the Zoning Map or any other zoning classification later invented, *that would result in a greater Floor Area Ratio than that presently attached to the site.*"

Therefore, an overlay allowing residential uses in the CN-2 with same FAR (0.35) would not violate the Fair Traffic Initiative. In fact, allowing residential uses in the CN-2 would further the objective of the Fair Traffic Initiative. On July 9, 1985 the City Council received a memo

(Attachment 10) from "residents who were present during the conception and drafting of the initiative" who clearly stated that:

"It was always the intent of the initiative to specifically exclude residential districts The reasoning was that *residential areas do not contribute significantly to the traffic problems in the Marinship and Central Waterfront areas.*"

CONSEQUENCES OF NOT ADOPTING THE HMU PROGRAM

If the Housing Element is found to be in non-compliance with State Law due to lack of implementation of the HMU program, HCD would decertify the Housing Element. The series of consequences that would follow are described below and in the attached HMU Program Flow Chart (Attachment 11). A memo on the Importance of Housing Element Certification is provided in Attachment 12.

RHNA penalty carry-over (AB 1233). If the HMU program and/or the VMU program are not implemented, the 2012 Housing Element would be decertified and the RHNA penalty carry-over would be 2 low income and 28 very-low income units. Staff is recommending that the Council retain the VMU program as drafted with the minor modification described above.

If the Housing Element is decertified the City would be required to rezone a minimum 24,000 sq. ft. (0.55 acre) site per every 16 penalty units January 2016. The following requirements also apply:

- By state law, the replacement site must have a 16 unit minimum capacity
- At least 50% of rezoned sites must be all residential (not mixed-use)
- Housing must be allowed "by right" (Design Review allowed)

As identified in the work that occurred in 2010-2011, four sites in Sausalito which would be candidates for the penalty rezoning are:

- 300 Spencer Avenue (Fire Station 2);
- Rodeo Avenue Open Space;
- Woodward Avenue Right-of-Way;
- Butte/Lincoln Parcel

See the map in Attachment 13 for the sites location and sizes.

HOUSING ELEMENT SUBCOMMITTEE RECOMMENDATION

The Subcommittee made the following recommendation upon a unanimous vote at their May 13, 2014 public meeting:

- Recommendation to the City Council to adopt a program or alternative so that the Housing Element continues to be in compliance and not allow the Housing Element to become de-certified.
- Recommended modifications to existing programs or alternative programs:
 - Follow through with HMU as currently drafted or with modifications to address community concerns
 - Consider one or more CN-2 sites for inclusion in the HMU program.
 - Do not consider rezoning additional parcels to take the place of the HMU program.

The Staff recommendation is the same as the Subcommittee recommendation with the addition that the City Council consider removing the requirement that new upper level space be limited to residential uses as required by the current VMU program and draft ordinance.

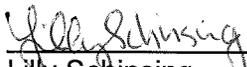
STAFF RECOMMENDATION

- 1) Receive an update on:
 - a. Consequences of not implementing the HMU and/or VMU programs
 - b. Potential modifications and/or alternatives to the HMU and VMU programs
- 2) Provide direction to staff regarding the following options:
 - a. Proceed to Planning Commission hearings on the HMU and VMU programs as drafted
 - b. Make modifications to the VMU program previously considered by the Housing Element Subcommittee and proceed with Planning Commission hearings
 - c. Make modifications to the HMU program previously considered by the Housing Element Subcommittee and proceed with Planning Commission hearings
 - d. Direct staff to work with the Housing Element Subcommittee on modifications to the HMU program and proceed with Planning Commission hearings on implementation
 - e. Direct staff to work with the Housing Element Subcommittee on alternative programs to substitute the HMU program and proceed with Planning Commission hearings on implementation

ATTACHMENTS:

1. Draft HMU Zoning Overlay Ordinance, April 22, 2014
2. Draft VMU Zoning text changes for the CN-1, C-C and C-R Zoning Districts, April 22, 2014
3. April 2012 HCD Letter
4. August 2012 HCD Letter
5. November 2012 HCD Letter
6. State Income Limits for 2014
7. CN-2 Map
8. Fair Traffic Initiative, 1985 (Ordinance No. 1022)
9. Resolution No. 3407, Clarify the Fair Traffic Initiative
10. July 9, 1985 Resident Memo
11. HMU Overlay Program Flow Chart
12. The Importance of Housing Element Certification
13. Potential Rezone Sites Map

PREPARED BY:


Lilly Schinsing
Administrative Analyst

REVIEWED BY:


Jeremy Graves, AICP
Community Development Director

REVIEWED BY:


Mary Wagner
City Attorney

SUBMITTED BY:


Adam W. Politzer
City Manager

Draft HMU regulations (Amend Chapter 10.28)

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

2 **A. Purpose.** To encourage residential uses on the ground floor of buildings that accommodate a
3 mix of housing opportunities and reduce the need for increased building heights that pose potential
4 adverse impact on views from surrounding properties.
5

6 **B. Applicability.** These regulations apply to Horizontal Mixed Use (HMU) Overlay sites situated within
7 the Neighborhood Commercial 1 (CN-1) zoning district. An applicant may elect to comply with the
8 provisions of this Section 10.28.080 in which case the requirements of MSC 10.44.190 shall not apply.
9 In the event an applicant does not elect to comply with the provisions of this Section 10.28.080 then
10 the requirements of SMC 10.44.090 shall apply.
11

12 **C. Zoning Map Indicator.** Each HMU overlay district shall be shown on the zoning map by adding an “—
13 HMU” designator to the base district designation.
14

15 **D. Permit Applications for Residential Units.**

16
17 1. Location. Residential dwelling units within HMU projects may be permitted on all levels of
18 existing and new buildings.
19

20 2. Development Standards. Development standards shall be those of the base zoning district for
21 residential projects per Table 10.24-2 (Site Development Standards – Commercial Zoning Districts).
22 For Residential Density Bonus and Incentives see Section 10.40.130.
23

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

25 a. Thirty percent of residential units within HMU projects shall provide a minimum of three (3)
26 bedrooms in order to accommodate “large households” (i.e., households with five or more
27 persons, typically consisting of families with children). If the number of units is calculated to
28 a fractional number, any fraction of less than 0.5 shall be rounded down to the next whole
29 number; any fraction of 0.5 or greater shall be rounded up to the next whole number.

30 b. A minimum of 25 percent of the units in an HMU project must be provided at an affordable
31 rents or sales price to very low income (50% AMI) households, and an additional 25% must
32 be provided as affordable to low income (80% AMI) households. If the affordable number of
33 units is calculated to a fractional number, any fraction of less than 0.5 shall be rounded
34 down to the next whole number; any fraction of 0.5 or greater shall be rounded up to the
35 next whole number.

36 c. Affordable Units shall be deed-restricted for a period of not less than forty years.

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

39 a. Affordable Units may be permitted to be smaller in aggregate size and have different
40 interior finishes and features within reason from market-rate units. The interior amenities in
41 Affordable Units should generally be the same as those of the market rate units in the
42 project. Appliances need not be the same make, model, or type of such item as long as they
43 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

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*}					10.44.130 (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						

Draft Amendments for VMU Regulations (Amend Section 10.44.190)

- 1 **10.44.190 Residential Use in Commercial Districts**
2 **A. Purpose and Applicability.** Residential uses located in CC, CR and CN zoning districts are subject
3 to the requirements of this section, as provided by Section 10.24.030 (Allowable Land Uses,
4 Commercial Zoning Districts). In addition to the general purposes of this Chapter, the specific
5 purposes of regulating residential uses in commercial zones are as follows:
6
7 1. To further the objectives of the 1985 Traffic Initiative by prohibiting conversion of
8 existing residential uses to commercial uses; and
9 2. To provide valuable opportunities for affordable housing while locating residential land
10 uses adjacent to active commercial areas, to implement the goals and policies of the
11 General Plan and specific programs in the Housing Element.
12 3. To encourage the retention of existing residential uses in the Central Commercial (CC),
13 Mixed Commercial and Residential (CR), and Neighborhood Commercial (CN-1) Zoning
14 Districts, by prohibiting the conversion of existing upper story residential units to
15 commercial uses.
16 4. To encourage a mix of residential and commercial uses in the Central Commercial (CC),
17 Mixed Commercial and Residential (CR) and Neighborhood Commercial (CN-1) Zoning
18 Districts, by retaining commercial use on the first (ground or street) levels and requiring
19 that residential use is the only allowed use on all levels above the ground level in the
20 mixed use commercial districts, as specified in this section.
21
22 **B. Location.**
23 1. Residential uses in the Central Commercial (CC), Mixed Commercial and Residential (CR),
24 and Neighborhood Commercial (CN-1 and CN-2) Zoning Districts are allowed as follows:
25
26 a. Central Commercial (CC) Zoning District. All uses located above the first (street
27 or ground) level of all existing and new structures shall be residential. Existing
28 residential uses located in the CC Zoning District may be converted to
29 commercial uses with the issuance of a Minor Use Permit pursuant to Chapter
30 10.58 (Minor Use Permits).
31 b. Mixed Commercial and Residential (CR) Zoning District. All uses located above
32 the first (street or ground) level of all existing and new structures shall be
33 residential. Existing residential uses located in the CR Zoning District are to be
34 preserved.
35 c. Neighborhood Commercial (CN-1) Zoning District. All uses located above the
36 first (street or ground) level of all existing and new structures shall be residential
37 in the CN-1 Zoning Districts located in the Second and Main Street area and the
38 Bridgeway and Spring Street area.
39 d. Neighborhood Commercial (CN-2) Zoning District: Residential uses are not
40 permitted in the CN-2 Zoning District located along Bridgeway between Coloma

1 Street and Ebbitide Avenue.
2
3

- 4 2. Existing residential uses located on the first (street or ground) level of a structure are
5 permitted to remain in their current location.
6
7 3. Commercial uses are an allowed use on the first (street or ground) level pursuant
8 to Section 10.24.030.
9

10 **C. Permit Applications for Residential Units.**

- 11 1. Development Standards. Development standards shall be those of the base zoning
12 district for residential projects per Table 10.24-2 (Site Development Standards –
13 Commercial Zoning Districts). For Residential Density Bonus and Incentives see Section
14 10.40.130.
15
16 2. Requirements. Each of the following requirements shall be met as a part of any
17 residential project, including new construction and/or conversion of existing building
18 space:
19 a. Developments of 1 (one) to 5 (five) units must provide a minimum of one (1)
20 Affordable Unit. Developments with six (6) or more units shall require at least
21 twenty (20) percent of the units as affordable. When the number of Affordable
22 Units is calculated to a fractional number, any fraction of less than 0.5 shall
23 rounded down to the next whole number; any fraction of 0.5 or greater shall be
24 rounded up to the next whole number. In the event that the Affordable Unit(s)
25 are rental unit(s) the applicant shall enter into an agreement with the City
26 regarding such unit(s). The agreement shall meet the requirements of California
27 Civil Code Section 1954.52(b).
28 b. Affordable Units made available as rentals shall be provided to low income (80%
29 AMI) households at an affordable rent.
30 c. Affordable Units made available as ownership units shall be sold to moderate
31 income (120% AMI) households at an Affordable Ownership Housing Cost.
32 Purchasers of Affordable Units must remain as owner-occupants, and may not
33 rent or lease the unit, unless written approval is first obtained from the
34 Director. The Director may approve the renting or leasing only if all of the
35 following conditions are met: (1) the term is not greater than twelve (12)
36 months and cannot be extended without the Director's written approval; (2) the
37 owner demonstrates to the Director's reasonable satisfaction that the owner
38 will incur substantial hardship if he or she is not permitted to rent or lease the
39 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.

DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT
DIVISION OF HOUSING POLICY DEVELOPMENT

1800 Third Street, Suite 430
P. O. Box 952053
Sacramento, CA 94252-2053
(916) 323-3177 / FAX (916) 327-2643
www.hcd.ca.gov



April 3, 2012

Mr. Jeremy Graves
Community Development Director
Department of Community Development
City of Sausalito
420 Litho Street
Sausalito, CA 94965

RE: Review of the City of Sausalito's Draft Housing Element

Dear Mr. Graves:

Thank you for submitting Sausalito's draft housing element received for review on February 3, 2012, along with revisions received on March 27, 2012. The Department is required to review draft housing elements and report the findings to the locality pursuant to Government Code Section 65585(b). Communications with you, Ms. Lilly Schinsing, Associate Planner, Ms. Karen Warner, Mr. Geoff Bradley, and Ms. Karen Hong, the City's consultants, facilitated the review. In addition, the Department considered comments from League of Women Voters, Public Advocates, and Ms. Gerry Fait, pursuant to Government Code Section 65585(c).

The draft element addresses some statutory requirements; however, revisions will be necessary to comply with State housing element law (Article 10.6 of the Government Code). In particular, the element must include complete analyses of adequate sites and potential governmental constraints. The enclosed Appendix describes these and other revisions needed to comply with State housing element law.

The Department appreciates your efforts and also those of Ms. Schinsing and Ms. Warner during the course of the review. We are committed to assist Sausalito in addressing all statutory requirements of housing element law. If you have any questions or need additional technical assistance, please contact Melinda Coy, of our staff, at (916) 445-5307.

Sincerely,

Glen A. Campora
Assistant Deputy Director

Enclosure

APPENDIX CITY OF SAUSALITO

The following changes would bring Sausalito's housing element into compliance with Article 10.6 of the Government Code. Accompanying each recommended change, we cite the supporting section of the Government Code.

Housing element technical assistance information is available on the Department's website at www.hcd.ca.gov/hpd. Refer to the Division of Housing Policy Development and the section pertaining to State Housing Planning. Among other resources, the Housing Element section contains the Department's latest technical assistance tool *Building Blocks for Effective Housing Elements (Building Blocks)* available at www.hcd.ca.gov/hpd/housing_element2/index.php, the Government Code addressing State housing element law and other resources.

A. Housing Needs, Resources, and Constraints

1. *Include an inventory of land suitable for residential development, including vacant sites and sites having the potential for redevelopment, and an analysis of the relationship of zoning and public facilities and services to these sites (Section 65583(a)(3)). The inventory of land suitable for residential development shall be used to identify sites that can be developed for housing within the planning period (Section 65583.2).*

Sausalito has a regional housing need allocation (RHNA) of 165 housing units, of which 75 are for lower-income households. To address this need, the element relies on small underutilized residential and mixed-use sites, uncounted and new projected liveaboard vessels, converting illegal structures to second-units, and new projected second-units. To demonstrate the adequacy of these sites and strategies to accommodate the City's RHNA, the element must include complete analyses:

Liveaboard Vessels: The element utilizes berths for liveaboard vessels to accommodate a significant portion of the regional housing need for lower-income households. While the Department recognizes liveaboards provide a unique and important housing opportunity for lower-income households in Sausalito, to demonstrate the adequacy of this strategy to accommodate the City's RHNA for lower-income households, the element must include complete analyses as follows:

- Uncounted Existing Berths: The element must demonstrate liveaboard berths counted to meet a portion of the RHNA have never been previously included in the City's housing stock. The element proposes to permit and report to the Department of Finance, 38 units which the City asserts have never been included in the housing stock due to the unique nature of this type of housing. While these occupied berths have previously received permits through the San Francisco Bay Conservation and Development Commission (BCDC), according to conversations with City staff some marinas never attained the requisite permits from the City and therefore did not report several existing berths. The element references Census tract information to demonstrate the number of berths which were counted in the housing stock at the time of the 2000 census and compares the total against the current actual number of berths allowing liveaboards. However, information is needed demonstrating units not counted

in the Census were not subsequently reported to Department of Finance (DOF) to now warrant reporting uncounted existing berths as new units to the housing stock and receiving credit towards meeting RHNA objectives. To address this finding, the element could compare City records of new housing units built against annual unit dated reported to DOF for the years subsequent to the 2000 Census.

- Projected Future Berths: The element must demonstrate that the projected new berths for liveaboards will be available within the planning period. The element states that there is additional capacity for 55 new berths in the Clipper Yacht Harbor, Sausalito Yacht Harbor and Schoonmaker Marina. However, for these berths to be available for new liveboard units, they have to apply for a conditional use permit from the City. In addition, while BCDC has authorized the additional berths at the Sausalito Yacht Harbor, the owners of the marina have to obtain the necessary permits from BCDC. The element could describe and analyze the permitting process for both BCDC and the City and include a program to make these berths available within the planning period.
- Affordability of Liveaboards: The element should support the affordability assumptions for liveboard units. All new liveboard units in Sausalito are assumed to be affordable to lower-income households based on a survey of current liveboard owners and marina owners. While the analysis takes into account housing costs such as berth fees, parking and storage fees, utility costs, and pump-out charges, to accurately reflect the affordability of new liveaboards, the element should also evaluate current sales prices and consider financing availability for lower-income households. The analysis should also account for all other applicable costs such as taxes and insurance. Given new liveboard units may not all be affordable to lower-income households, the City could modify its affordability methodology to assume a portion of new liveaboards to include moderate or above moderate-income households.

Second-Units: The element states that since 1984 second-unit development has been prohibited. However, to address a portion of the RHNA for the current planning period, the City proposes to adopt a second-unit ordinance which will permit the construction of new accessory dwelling units (ADUs) and implement an amnesty program to legalize ADU structures constructed without permits. For the remaining two years of the planning period the element estimates 48 new second-units will be constructed and 26 units will be legalized based on a survey of ADUs within the City. However, the capacity analysis should also account for the timeframe for development and adoption of the ordinance and amnesty program and sufficient time to develop new second-units and implement the amnesty program. The analysis could also consider trend data from nearby jurisdictions and the length of time to bring illegal structures to current building code requirements for residential use.

In addition, estimates should account for units which are available for rent to a separate household versus units used for guests or vacation rentals, additional living/office space or any other use other than for occupancy by a separate household. The element could also describe and analyze the proposed development

standards of the ordinance to demonstrate how the implementation of the ordinance and amnesty program including proposed incentives will encourage and facilitate housing for lower-income households. For example, the City could include a program to make funding available to make necessary improvements to ADUs that do not meet current health and safety code requirements when the owner agrees to restrict the unit to lower-income households.

Realistic Capacity: For mixed-use or commercial sites allowing residential uses, the residential capacity estimate should account for potential development of non-residential uses and could consider any performance standards mandating a specified portion of a mixed-use site as non-residential (e.g., first floor, front space as commercial). The element could also describe any existing or proposed regulatory incentives and standards to facilitate housing development in the mixed-use or commercial zones and on the identified non-vacant sites. See the *Building Blocks'* and sample analysis at http://www.hcd.ca.gov/hpd/housing_element2/SIA_zoning.php#capacity.

Suitability of Underutilized Sites: The element appears to rely on potential reuse or intensification of sites with existing residential development to accommodate a portion of the remaining regional housing need. The element must demonstrate the potential for redevelopment of these sites and evaluate the extent to which existing uses may impede additional residential development. This analysis should consider developments trends, market conditions and regulatory or other incentives to encourage additional residential density.

In addition, most of the higher density sites within the sites inventory (Appendix G) are less than a quarter of an acre. While the element provides some examples of higher density residential development on small lots (Page IV-6 and C-4), it needs revision to demonstrate these sites can realistically accommodate new residential development, particularly new multifamily rental development and housing affordable to lower-income households. Revisions could describe the affordability of recently developed small sites and describe and analyze how the City's development standards facilitate this type of development. The element could also consider the appropriateness of parcel sizes, opportunities for lot consolidation, and describe existing and proposed regulatory or other incentives or standards to encourage and facilitate residential development affordable to lower-income households. While it may be possible to build housing on small parcels, the nature and conditions necessary to construct the units often render the provision of affordable housing infeasible. For example, assisted housing developments utilizing State or federal financial resources typically include 50-80 units.

Map of Sites: The element did not address this requirement and must include a general map of identified sites for reference purposes.

Lack of Higher Density Housing: Government Code Sections 65583(c)(1) and 65583.2(c), including amendments pursuant to Chapter 724, Statutes of 2004 (AB 2348), require jurisdictions to demonstrate the availability of zoning to encourage

and facilitate a variety of housing types. The element relies primarily on liveboard units and second-units to address the need for housing for lower-income households despite the need to promote a variety of housing types and facilitate more compact development with a mix of uses to address climate change, energy conservation, and air quality. The City should consider adding programs to promote a variety of housing types to address housing needs including housing for large families, and identify additional acreage allowing higher density housing. Adding programs to increase capacity in multifamily zones in the current planning period will not only address housing needs in this planning period, but also will help prepare the City for addressing future housing needs.

2. *Analyze potential and actual governmental constraints upon the maintenance, improvement, or development of housing for all income levels, including the types of housing identified in paragraph (1) of subdivision (c), and for persons with disabilities as identified in the analysis pursuant to paragraph (7), including land use controls, building codes and their enforcement, site improvements, fees and other exactions required of developers, and local processing and permit procedures. The analysis shall also demonstrate local efforts to remove governmental constraints that hinder the locality from meeting its share of the regional housing need in accordance with Section 65584 and from meeting the need for housing for persons with disabilities, supportive housing, transitional housing, and emergency shelters identified pursuant to paragraph (7) (Section 65583(a)(5)).*

Land-Use Controls: While the element lists zoning and development standards on Table B.3, it must also include an analysis of the impacts of those standards including the cumulative impact on the cost and supply of housing and ability to achieve maximum densities. For example, the element should specifically analyze the 30-foot height restriction in the R-3 zone for potential impacts on the cost and supply of housing. In addition, the element should describe and analyze the development standards for housing within the mixed-use zone, including any performance standards. Additional information is available in the *Building Blocks*' at http://www.hcd.ca.gov/hpd/housing_element2/CON_permits.php.

Local Processing and Permit Procedures: The element indicates design review is required as part of the approval procedure for residential development (page B-16). The element should include a description and analysis of the design criteria review guidelines and process, including identifying requirements and approval procedures and analyzing the impact of the guidelines and process on housing costs and approval certainty.

B. Housing Programs

1. *Identify adequate sites which will be made available through appropriate zoning and development standards and with public services and facilities needed to facilitate and encourage the development of a variety of types of housing for all income levels, including rental housing, factory-built housing, mobilehomes, and emergency shelters and transitional housing. Where the inventory of sites, pursuant to paragraph (3) of subdivision (a), does not identify adequate sites to accommodate the need for groups of all household income levels pursuant to Section 65584, the program shall provide for sufficient sites with zoning that permits owner-occupied and rental multifamily residential use by right, including density and development standards that could accommodate and facilitate the feasibility of housing for very low- and low-income households (Section 65583(c)(1)).*

As noted in Finding A-1, the element does not include a complete site analysis and therefore, the adequacy of sites and zoning were not established. Based on the results of a complete sites inventory and analysis, the City may need to add or revise programs to address a shortfall of sites or zoning available to encourage a variety of housing types.

For your information, where the inventory does not identify adequate sites pursuant to Government Code Sections 65583(a)(3) and 65583.2, the element must provide a program to identify sites in accordance with subdivision (h) of 65583.2 for 100 percent of the remaining lower-income housing need with sites zoned to permit owner-occupied and rental multifamily uses by-right during the planning period. These sites must also be zoned with minimum density and development standards that permit at least 16 units per site at a density of at least 20 units per acre. Also, at least 50 percent of the remaining need must be planned on sites that exclusively allow residential uses.

Should the City rely on underutilized sites and the potential for mixed-use development to accommodate its RHNA for lower-income households, the element must include specific program actions to promote redevelopment of underutilized sites and lot consolidation including financial assistance, regulatory concessions or incentives to encourage and facilitate additional or more intense residential development on non-vacant and underutilized sites. Examples of incentives include: 1) organizing special marketing events geared towards the development community; 2) posting the sites inventory on the local government's webpage; 3) identifying and targeting specific financial resources; and 4) reducing appropriate development standards.

In addition the following programs should be revised:

Program 10a (Adoption of Zoning Regulations to Encourage New ADUs): As the City is relying on ADU's to accommodate its RHNA for lower-income households, the Program must include a specific timeframe for adopting the ministerial approval process for accessory dwelling units. This timeframe should be early enough to allow the projected ADUs to be developed within the planning period.

Program 10b (ADU Registration and Amnesty Program): The Program requires amnesty program applicants to demonstrate the unit did not have an individual address as of the 2000 census and did not have a building permit. Because this requirement puts the burden on the applicant to demonstrate the illegal unit had never been counted as a unit, it should be analyzed as a potential deterrent to participation and for impact on success of the program. In addition, as stated above, the Program could include additional incentives such as access to funding to address necessary repairs to address building code violations to specifically encourage and facilitate housing for lower-income households.

Program 11 (Liveaboards and Houseboats): The Program states that reporting to DOF of the liveaboard permits will begin in 2013. In order to credit the undocumented berths and include them in the housing stock, all units counted towards meeting the City's RHNA must be reported by a date specific within the planning period. In addition, to credit the new berths at Sausalito Yacht Harbor, the element must commit to completing the BCDC and City permit processes within the planning period.

Program 21 (Zoning Text Amendments for Special Needs Housing): The Program states all zoning text amendments will be completed by the end of 2013. Pursuant to Chapter 633, Statutes of 2007 (SB 2), the Program must reflect amendments to the zoning ordinance will occur to allow emergency shelters within one year of the adoption of the housing element. In addition, the Program should clarify that emergency shelters will be a permitted use without discretionary review in the Public Institutional Zoning District.

2. *The housing element shall contain programs which address, and where appropriate and legally possible, remove governmental constraints to the maintenance, improvement, and development of housing (Section 65583(c)(3)).*

As noted in Finding A2, the element requires a complete analysis of potential governmental constraints. Depending upon the results of that analysis, the City may need to revise or add programs to address and remove or mitigate any identified constraints.

**DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT
DIVISION OF HOUSING POLICY DEVELOPMENT**

1800 Third Street, Suite 430
P. O. Box 952053
Sacramento, CA 94252-2053
(916) 323-3177 / FAX (916) 327-2643
www.hcd.ca.gov

(2 PAGES)



August 16, 2012

Mr. Jeremy Graves
Community Development Director
Department of Community Development
City of Sausalito
420 Litho Street
Sausalito, CA 94965

RE: Review of the City of Sausalito's Revised Draft Housing Element

Dear Mr. Graves:

Thank you for submitting Sausalito's revised draft housing element received for review on June 21, 2012 along with additional revisions received on August 9, 2012. The Department is required to review draft housing elements and report the findings to the locality pursuant to Government Code Section 65585(b). Communications with you, Ms. Lilly Schinsing, Associate Planner, and Ms. Karen Warner, the City's consultant, facilitated the review.

The revised draft element addresses the statutory requirements described in the Department's April 3, 2012 review. As a result, the revised element will comply with State housing element law (Article 10.6 of the Government Code) when it is adopted and submitted to the Department, pursuant to Government Code Section 65585(g). The finding of compliance is based on, among other things, Program 8 to adopt flexible development standards for multifamily housing in mixed use districts, Programs 10a and 10b to adopt zoning regulations allowing accessory dwelling units, and Program 11, to establish additional berths and to record permits for the 38 existing berths never previously included in the City's housing stock due to the unique nature of this type of housing.

The Department's finding of compliance is conditioned on the successful implementation of Programs 10a, 10b, and 11, as the majority of the identified site capacity to accommodate Sausalito's low and very low- income RHNA is dependent of these programs. These programs are crucial in maintaining Sausalito's compliance with the adequate sites requirements of State housing element law and must be completed by the dates indicated in the element (end of 2012 for Programs 10a and 10b, and 1st quarter of 2014 for Program 11. As a result, the City must notify the Department following implementation of each program. Should these programs not be completed in the timeframes stated, the element will no longer comply with housing element law and must be further amended.

Mr. Jeremy Graves
Page 2

The City should utilize the annual General Plan progress report required by Government Code Section 65400 to monitor and report on its progress in implementing the element, including identified programs. These reports are required to be annually completed and submitted to the Department by April 1. Failure to submit forthcoming annual reports by the due date, with the necessary evaluation and information, will trigger a compliance review with housing element law.

The Department appreciates the hard work and dedication of you, Ms. Schinsing and Ms. Warner in preparation of the housing element and looks forward to receiving Sausalito's adopted housing element. If you have any questions, please contact Melinda Coy of our staff, at (916) 445-5307.

Sincerely,

A handwritten signature in cursive script that reads "Glen A. Campora".

Glen A. Campora
Acting Deputy Director

**DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT
DIVISION OF HOUSING POLICY DEVELOPMENT**

1800 Third Street, Suite 430
P. O. Box 952053
Sacramento, CA 94252-2053
(916) 323-3177 / FAX (916) 327-2643
www.hcd.ca.gov



November 7, 2012

Mr. Adam Politzer
City Manager
City of Sausalito
420 Litho Street
Sausalito, CA 94965

Dear Mr. Politzer:

RE: Review of the City of Sausalito's Adopted Housing Element

Thank you for submitting the City of Sausalito's housing element adopted October 9, 2012 and received for review on October 16, 2012. The adopted housing element was submitted for the 4th planning cycle and covers the 2009-2014 planning period. The Department is required to review adopted housing elements and report the findings to the locality pursuant to Government Code Section 65585(h).

The Department is pleased to find the adopted housing element in full compliance with State housing element law (Article 10.6 of the Government Code). The Department's review found the adopted element to be substantially the same as the revised draft element reviewed by the Department on August 16, 2012 and determined to comply with statutory requirements.

The Department acknowledges the City's efforts to complete the implementation of Programs 10a and 10b to adopt zoning regulations allowing accessory dwelling units. However, the Department's finding of compliance is conditioned on the successful implementation of these programs and Program 11, to establish additional berths and to record permits for existing berths, as the majority of the identified site capacity to accommodate Sausalito's low and very low- income RHNA is dependent of these programs. These programs are crucial in maintaining Sausalito's compliance with the adequate sites requirements of State housing element law and must be completed by the dates indicated in the element (end of 2012 for Programs 10a and 10b, and 1st quarter of 2014 for Program 11). As a result, the City must notify the Department following implementation of each program. Should these programs not be completed in the timeframes stated, the element will no longer comply with housing element law and must be further amended.

The City is commended for adopting flexible development standards and incentives for multifamily housing in mixed use districts (Program 8) and in multifamily zones (Program 20). These programs will facilitate more compact development with a mix of uses to provide a variety of housing types, address climate change, energy conservation and air quality objectives, and maximize existing land resources.

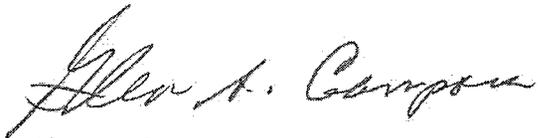
Mr. Adam Politzer
Page 2

Such strategies also promote the feasibility of developing housing for lower-income families and workers while strengthening the local economy.

The Department is pleased to report the City now meets specific requirements for several State funding programs designed to reward local governments for compliance with State housing element law. For example, the Housing Related Parks (HRP) Program, Local Housing Trust Fund (LHTFP) and the Building Equity and Growth in Neighborhoods (BEGIN) programs include housing element compliance either as a threshold or competitive factor in rating and ranking applications. Details about these and other programs are available on the Department's website at http://www.hcd.ca.gov/hpd/hrc/plan/he/loan_grant_hcompl011708.pdf.

The Department appreciates the hard work and dedication of Mr. Jeremy Graves, Director of Community Development, Ms. Lilly Schinsing, Associate Planner, and Ms. Karen Warner, the city's Consultant in preparation and revision of the housing element to be a valuable tool to address the community's housing and community development needs. The Department wishes Sausalito success in implementing its housing element and looks forward to following its progress through the General Plan annual progress reports pursuant to Government Code Section 65400. If the Department can provide assistance in implementing the housing element, please contact Melinda Coy, of our staff, at (916) 445-5307.

Sincerely,



Glen A. Campora
Assistant Deputy Director

DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT

Division of Housing Policy Development

2020 W El Camino Avenue, Suite 500
Sacramento, CA 95833
(916) 263-2911 / FAX (916) 263-7453
www.hcd.ca.gov



(12 PAGES)

MEMORANDUM

DATE: February 28, 2014

TO: Interested Parties

Lisa Bates

FROM: Lisa Bates, Deputy Director
Division of Housing Policy Development

SUBJECT: State Income Limits for 2014

Attached are briefing materials and State Income Limits for 2014 reflecting median income and household income levels for extremely low-, very low-, low-, and moderate-income households for California's 58 counties. 2014 income Limits are now in effect and replace last year's limits and can be downloaded on the Department of Housing and Community Development's (Department) website <<http://www.hcd.ca.gov/hpd/hrc/rep/state/incNote.html>>.

State Income Limits apply to designated programs and are to be used to determine applicant eligibility (based on level of household income) and to calculate affordable housing cost for applicable housing assistance programs. Note that use of State Income Limits is subject to a particular program's definition of income, family, family size, effective dates, and other factors. Also, definitions applicable to income categories, criteria, and geographic areas sometimes differ depending on funding source and program resulting in some programs using other income limits.

California's 2014 income limits were updated based on: (1) federal income limit changes published December 18, 2013 by the U.S. Department of Housing and Urban Development (HUD) for its Section 8 Housing Choice Voucher Program income limits and (2) adjustments the Department made based on particular State statutory provisions and the Department's Hold Harmless (HH) Policy implemented in 2013.

The Department's HH policy holds State Income Limits harmless from any decreases in household income category and median income levels that HUD began applying to its Section 8 Income Limits beginning 2010 after eliminating its longstanding Hold Harmless Policy. HUD determined its HH Policy was no longer necessary due to federal law changes in 2008 (Public Law 110-98) prohibiting any rent decreases in federal or private activity bond funded projects.

Please contact Department staff at (916) 263-2911 to answer questions concerning State Income Limits.

Attachments: 2014 State Income Limits and Briefing Materials

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**2014 State Income Limits Briefing Materials
California Code of Regulations, Title 25, § 6932**

Overview

California Department of Housing and Community Development (HCD), pursuant to Health & Safety Code (H&SC) Section 50093(c), filed with the Office of Administrative Law 2014 State Income Limits. HCD updated its income limits based on Department of Housing and Urban Development (HUD) updates to its Section 8 Housing Choice Voucher Program that HUD released on December 18, 2013.

HUD annually updates Section 8 income limits to reflect changes in household income category levels and median income levels applicable to extremely-low, very-low, and low-income households. California law specifies that its State Income Limits must be updated based on HUD updates to its Section 8 income limit levels. The Department also revises its State Income Limit levels to reflect the following: (1) adjustments, per State law, to some HUD county median income figures, (2) adjustments to some household income category and area median income levels to reflect HCD's February 2013 Hold Harmless (HH) Policy. This policy was implemented to replace HUD's HH Policy, discontinued in 2009, in maintaining income category and area median income levels at their highest achieved levels and (3) calculation of California's moderate-income household levels based on changes to county area median income levels.

Following are brief summaries of different methodologies used by HUD and HCD in updating income limits for different household income categories.

HUD Methodology

Beginning with the FY 2013 Income Limits, HUD uses 40th percentile rents instead of Fair Market Rents (FMRs) that include 50th percentile areas, to calculate high housing cost areas. The purpose of this change is to prevent fluctuations in "Low-Income Housing Tax Credit Difficult Development Area" determinations that result solely from high housing cost income limit fluctuations as areas go in and out of the 50th percentile FMR program.

Extremely Low-Income

This income category comprises households with a maximum income of 30 percent (30%) of HUD's median family income (MFI). HUD calculates extremely-low income limits based on very-low income limits. Extremely low-income limits reflect 60 percent of very-low income limits. However, HUD sets a floor based on minimum Supplemental Security Income (SSI).

Very Low-Income

The maximum very-low income limit typically reflects 50 percent (50%) of MFI. HUD's MFI figure generally equals two times HUD's 4-person very low-income limit, except when HUD applies adjustments. HUD may adjust income limits for an area or county to account for conditions that warrant special considerations, referred to as exceptions. HUD may apply exceptions to areas with unusually high or low family income, uneven housing-cost-to-income relationships or historical exceptions. The following reflect HUD's explanations of adjustment increases and decreases contained in HUD's FY 2014 Income Limits Briefing Material:

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Adjustment Increases:

HUD applies an increase, if the four-person very low-income limit would otherwise be less than the amount at which 35 percent (35%) of it equals 85 percent (85%) of the annualized two-bedroom Section 8 FMR (or 40th percentile rent in 50th percentile FMR areas). The purpose is to increase the income limit for areas where rental housing costs are unusually high in relation to the median income. Another reason for an increase is when the income limit is less than the relevant State non-metropolitan MFI. The four-person income limit is also increased, if it is less than 95 percent of last year's very low income limit.

HUD applies an increase to the four person income limit if it is less than the relevant State non-metropolitan median family income level. In addition, HUD restricts adjustments so income limits do not vary more than five percent (5%) of the previous year's very low-income figure. Very low-income limits are used as the base to calculate extremely-low and low-income limits.

Adjustment Decreases:

HUD applies a decrease to the greater of 80 percent of the U.S. median family level (MFI), or the amount at which 30 percent of a four-person family's income equals 100 percent of the two-bedroom FMR (or 40th percentile rent in 50th percentile FMR areas). The purpose is to decrease the income limit for areas of high median family income. The four-person income limit is reduced to the greater of 105 percent of last year's limit or twice the change in the national MFI estimate if that amount would be larger than five percent (5%).

HUD restricts adjustment increases and decreases to not vary more than five percent (5%) of the previous year's very low-income figure. Adjusted very low-income limits are used as the base to calculate extremely-low and low-income limits.

Low-Income

In general, maximum income for low-income households reflects 80 percent (80%) of the MFI level. Most low-income limits represent the higher level of: (1) 80 percent of MFI or (2) 80 percent of State non-metropolitan median family income. However, due to adjustments that HUD sometimes makes, strictly calculating low-income limits as 80 percent of MFI could produce unintended anomalies inconsistent with statutory intent. HUD's briefing materials specify that, with some exceptions, the low-income limit reflects 160 percent of the very low-income limit. HUD may apply exceptions to areas with unusually high or low housing-costs-to-income relationships. An example of the result from HUD applying an exception to an area could be an increase to the low-income limit without an increase to the very low-income limit. In sum, an "80%" limit cannot be assumed to equal 80 percent of the AMI or 4-person median income limit nor 160 percent of the very low-income limit due to adjustments HUD may make.

Median Family Income

Calculations of HUD's Section 8 Income Limits begin with the production of Median Family Income (MFI) estimates. The FY 2014 MFI estimates use 5-year American Community Survey (ACS) data (2007-2011), augmented by the 2011, 1-year ACS

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estimate of MFI information and then updated with Consumer Price Index (CPI) data through the end of 2012. Upon HUD determining Median Family Income, very low-income limits are then established and utilized to calculate extremely low- and low-income limits.

Income Limit Calculations for Household Sizes Other Than 4-Persons

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, income limits for household sizes other than 4-persons are calculated using the 4-person income limit as the base. HUD's adjustments use the following percentages, with results rounded to the nearest \$50 increment:

Number of persons in Household: 1 2 3 4 5 6 7 8

Adjustments: 70% 80% 90% Base 108% 116% 124% 132%

Income Limit Calculations for Household Sizes Greater Than 8-Persons

For households of more than eight persons, refer to the formula at the end of the table for 2013 Income Limits. Due to the adjustments HUD can make to income limits in a given county, table data should be the only method used to determine program eligibility. Arithmetic calculations are applicable only when a household has more than eight members.

Reference: FY 2014 HUD Income Limits Transmittal Notice PDR-2014-02 issued December 18, 2013 and HUD Income Limits Briefing Material dated December 1, 2013 <http://www.huduser.org/portal/datasets/il/il14/index.html>

HCD Methodology

State law (Health & Safety Code sections) prescribes the methodology the Department uses to update its Official State Income Limits. The Department utilizes HUD's Section 8 Housing Choice Voucher Program Income Limits. HCD's methodology Involves: (1) increasing some counties' area median levels established by HUD, (2) increasing some 4-person very-low income limits established by HUD, (3) applying adjustments, pursuant to HCD's new State Income Limit Hold Harmless (HH) Policy implemented in 2013, to restore and maintain household income category and county area median income levels at the highest level achieved prior to any HUD decreases from discontinuing its HH Policy after 2009, and (4) determining income limit levels applicable to California's moderate-income households defined by State law as household income not exceeding 120 percent of county AMI.

Area Median Income

HCD adjusts some county area median income (AMI) levels set by HUD in comparing and applying the higher of: (1) HUD's median family income figure applicable to counties with a metropolitan statistical area or (2) HUD's statewide median family income figure for non-metropolitan counties (\$57,900 reflecting highest 2012 level pursuant to the Department's new HH Policy).

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4-person Median Income Calculation

For a few counties, the Department increased HUD's 4-person very-low figure to equal the respective higher county AMI figure pursuant to HCD's HH Policy. Usually, HUD's 4-person median income figure reflects the county's AMI figure. However, because HUD sometimes makes adjustments, based on unusually high median family income, to decrease the 4-person very-low income limit, the Department makes adjustments so its calculation of the 4-person very-low income limit for each county is not less than HUD's median family income figure and, pursuant to HCD's HH Policy, not less than the highest level achieved in a prior year.

Moderate-Income Levels

The Department is responsible for establishing California moderate-income limit levels. After calculating the 4-person area median income (AMI) level as previously described, the Department sets the maximum moderate income limit to equal 120 percent of county AMI.

Applicability of California's Official State Income Limits

Applicability of these State Income Limits is subject to particular programs as program definitions of such factors as income, family, and household size, etc., vary. Some programs, such as Multifamily Tax Subsidy Projects (MTSPs), use different income limits.

For MTSPs, separate income limits apply per provisions of the Housing and Economic Recovery Act (HERA) of 2008 (Public Law 110-289). Income limits for MTSPs are used to determine qualification levels as well as set maximum rental rates for projects funded with tax credits authorized under Section 42 of the Internal Revenue Code (Code). Also, MTSP income limits apply to projects financed with tax exempt housing bonds issued to provide qualified residential rental development under Section 142 of the Code. These income limits are available at this weblink <http://www.huduser.org/datasets/mtsp.html>.

County	Income Category	Number of Persons in Household							
		1	2	3	4	5	6	7	8
Alameda County 4-Person Area Median Income: \$93,500	Extremely Low	19,650	22,450	25,250	28,050	30,300	32,550	34,800	37,050
	Very Low Income	32,750	37,400	42,100	46,750	50,500	54,250	58,000	61,750
	Low Income	47,350	54,100	60,850	67,600	73,050	78,450	83,850	89,250
	Median Income	65,450	74,800	84,150	93,500	101,000	108,450	115,950	123,400
	Moderate Income	78,550	89,750	101,000	112,200	121,200	130,150	139,150	148,100
Alpine County 4-Person Area Median Income: \$85,000	Extremely Low	17,150	19,600	22,050	24,500	26,500	28,450	30,400	32,350
	Very Low Income	28,600	32,650	36,750	40,800	44,100	47,350	50,600	53,900
	Low Income	44,750	51,150	57,550	63,900	69,050	74,150	79,250	84,350
	Median Income	59,500	68,000	76,500	85,000	91,800	98,600	105,400	112,200
	Moderate Income	71,400	81,600	91,800	102,000	110,150	118,300	126,500	134,650
Amador County 4-Person Area Median Income: \$72,300	Extremely Low	15,200	17,400	19,550	21,700	23,450	25,200	26,950	28,650
	Very Low Income	25,350	28,950	32,550	36,150	39,050	41,950	44,850	47,750
	Low Income	40,500	46,300	52,100	57,850	62,500	67,150	71,750	76,400
	Median Income	50,600	57,850	65,050	72,300	78,100	83,850	89,650	95,450
	Moderate Income	60,700	69,400	78,100	86,750	93,700	100,650	107,550	114,500
Butte County 4-Person Area Median Income: \$58,700	Extremely Low	12,350	14,100	15,850	17,600	19,050	20,450	21,850	23,250
	Very Low Income	20,550	23,500	26,450	29,350	31,700	34,050	36,400	38,750
	Low Income	32,900	37,600	42,300	46,950	50,750	54,500	58,250	62,000
	Median Income	41,100	46,950	52,850	58,700	63,400	68,100	72,800	77,500
	Moderate Income	49,300	56,350	63,400	70,450	76,100	81,700	87,350	93,000
Calaveras County 4-Person Area Median Income: \$70,000	Extremely Low	14,700	16,800	18,900	21,000	22,700	24,400	26,050	27,750
	Very Low Income	24,500	28,000	31,500	35,000	37,800	40,600	43,400	46,200
	Low Income	39,200	44,800	50,400	56,000	60,500	65,000	69,450	73,950
	Median Income	49,000	56,000	63,000	70,000	75,600	81,200	86,800	92,400
	Moderate Income	58,800	67,200	75,600	84,000	90,700	97,450	104,150	110,900
Colusa County 4-Person Area Median Income: \$57,900	Extremely Low	12,150	13,900	15,650	17,350	18,750	20,150	21,550	22,950
	Very Low Income	20,300	23,200	26,100	28,950	31,300	33,600	35,900	38,250
	Low Income	32,450	37,050	41,700	46,300	50,050	53,750	57,450	61,150
	Median Income	40,550	46,300	52,100	57,900	62,550	67,150	71,800	76,450
	Moderate Income	48,650	55,600	62,550	69,500	75,050	80,600	86,200	91,750
Contra Costa County 4-Person Area Median Income: \$93,500	Extremely Low	19,650	22,450	25,250	28,050	30,300	32,550	34,800	37,050
	Very Low Income	32,750	37,400	42,100	46,750	50,500	54,250	58,000	61,750
	Low Income	47,350	54,100	60,850	67,600	73,050	78,450	83,850	89,250
	Median Income	65,450	74,800	84,150	93,500	101,000	108,450	115,950	123,400
	Moderate Income	78,550	89,750	101,000	112,200	121,200	130,150	139,150	148,100
Del Norte County 4-Person Area Median Income: \$57,900	Extremely Low	12,150	13,900	15,650	17,350	18,750	20,150	21,550	22,950
	Very Low Income	20,300	23,200	26,100	28,950	31,300	33,600	35,900	38,250
	Low Income	32,450	37,050	41,700	46,300	50,050	53,750	57,450	61,150
	Median Income	40,550	46,300	52,100	57,900	62,550	67,150	71,800	76,450
	Moderate Income	48,650	55,600	62,550	69,500	75,050	80,600	86,200	91,750
El Dorado County 4-Person Area Median Income: \$76,100	Extremely Low	16,000	18,300	20,600	22,850	24,700	26,550	28,350	30,200
	Very Low Income	26,650	30,450	34,250	38,050	41,100	44,150	47,200	50,250
	Low Income	42,650	48,750	54,850	60,900	65,800	70,650	75,550	80,400
	Median Income	53,250	60,900	68,500	76,100	82,200	88,300	94,350	100,450
	Moderate Income	63,900	73,050	82,150	91,300	98,600	105,900	113,200	120,500
Fresno County 4-Person Area Median Income: \$57,900	Extremely Low	12,150	13,900	15,650	17,350	18,750	20,150	21,550	22,950
	Very Low Income	20,300	23,200	26,100	28,950	31,300	33,600	35,900	38,250
	Low Income	32,450	37,050	41,700	46,300	50,050	53,750	57,450	61,150
	Median Income	40,550	46,300	52,100	57,900	62,550	67,150	71,800	76,450
	Moderate Income	48,650	55,600	62,550	69,500	75,050	80,600	86,200	91,750

County	Income Category	Number of Persons in Household							
		1	2	3	4	5	6	7	8
Glenn County	Extremely Low	12,150	13,900	15,650	17,350	18,750	20,150	21,550	22,950
	4-Person Very Low Income	20,300	23,200	26,100	28,950	31,300	33,600	35,900	38,250
	Area Median Income:	32,450	37,050	41,700	46,300	50,050	53,750	57,450	61,150
	\$57,900 Median Income	40,550	46,300	52,100	57,900	62,550	67,150	71,800	76,450
	Moderate Income	48,650	55,600	62,550	69,500	75,050	80,600	86,200	91,750
Humboldt County	Extremely Low	12,150	13,900	15,650	17,350	18,750	20,150	21,550	22,950
	4-Person Very Low Income	20,300	23,200	26,100	28,950	31,300	33,600	35,900	38,250
	Area Median Income:	32,450	37,050	41,700	46,300	50,050	53,750	57,450	61,150
	\$57,900 Median Income	40,550	46,300	52,100	57,900	62,550	67,150	71,800	76,450
	Moderate Income	48,650	55,600	62,550	69,500	75,050	80,600	86,200	91,750
Imperial County	Extremely Low	12,150	13,900	15,650	17,350	18,750	20,150	21,550	22,950
	4-Person Very Low Income	20,300	23,200	26,100	28,950	31,300	33,600	35,900	38,250
	Area Median Income:	32,450	37,050	41,700	46,300	50,050	53,750	57,450	61,150
	\$57,900 Median Income	40,550	46,300	52,100	57,900	62,550	67,150	71,800	76,450
	Moderate Income	48,650	55,600	62,550	69,500	75,050	80,600	86,200	91,750
Inyo County	Extremely Low	14,500	16,600	18,650	20,700	22,400	24,050	25,700	27,350
	4-Person Very Low Income	24,150	27,600	31,050	34,500	37,300	40,050	42,800	45,550
	Area Median Income:	38,650	44,200	49,700	55,200	59,650	64,050	68,450	72,900
	\$70,900 Median Income	49,650	56,700	63,800	70,900	76,550	82,250	87,900	93,600
	Moderate Income	59,550	68,100	76,600	85,100	91,900	98,700	105,500	112,350
Kern County	Extremely Low	12,150	13,900	15,650	17,350	18,750	20,150	21,550	22,950
	4-Person Very Low Income	20,300	23,200	26,100	28,950	31,300	33,600	35,900	38,250
	Area Median Income:	32,450	37,050	41,700	46,300	50,050	53,750	57,450	61,150
	\$57,900 Median Income	40,550	46,300	52,100	57,900	62,550	67,150	71,800	76,450
	Moderate Income	48,650	55,600	62,550	69,500	75,050	80,600	86,200	91,750
Kings County	Extremely Low	12,150	13,900	15,650	17,350	18,750	20,150	21,550	22,950
	4-Person Very Low Income	20,300	23,200	26,100	28,950	31,300	33,600	35,900	38,250
	Area Median Income:	32,450	37,050	41,700	46,300	50,050	53,750	57,450	61,150
	\$57,900 Median Income	40,550	46,300	52,100	57,900	62,550	67,150	71,800	76,450
	Moderate Income	48,650	55,600	62,550	69,500	75,050	80,600	86,200	91,750
Lake County	Extremely Low	12,150	13,900	15,650	17,350	18,750	20,150	21,550	22,950
	4-Person Very Low Income	20,300	23,200	26,100	28,950	31,300	33,600	35,900	38,250
	Area Median Income:	32,450	37,050	41,700	46,300	50,050	53,750	57,450	61,150
	\$57,900 Median Income	40,550	46,300	52,100	57,900	62,550	67,150	71,800	76,450
	Moderate Income	48,650	55,600	62,550	69,500	75,050	80,600	86,200	91,750
Lassen County	Extremely Low	14,250	16,300	18,350	20,350	22,000	23,650	25,250	26,900
	4-Person Very Low Income	23,800	27,200	30,600	33,950	36,700	39,400	42,100	44,850
	Area Median Income:	38,050	43,450	48,900	54,300	58,650	63,000	67,350	71,700
	\$68,000 Median Income	47,600	54,400	61,200	68,000	73,450	78,900	84,300	89,750
	Moderate Income	57,100	65,300	73,450	81,600	88,150	94,650	101,200	107,700
Los Angeles County	Extremely Low	17,950	20,500	23,050	25,600	27,650	29,700	31,750	33,800
	4-Person Very Low Income	29,900	34,200	38,450	42,700	46,150	49,550	52,950	56,400
	Area Median Income:	47,850	54,650	61,500	68,300	73,800	79,250	84,700	90,200
	\$64,800 Median Income	45,350	51,850	58,300	64,800	70,000	75,150	80,350	85,550
	Moderate Income	54,450	62,200	70,000	77,750	83,950	90,200	96,400	102,650

* Lower income exceeding median income is an anomaly just for this county due to HUD historical high cost adjustments to median. Household lower income figures are derived based on very-low income figures not adjusted by HUD to account for any exceptions.

County	Income Category	Number of Persons in Household							
		1	2	3	4	5	6	7	8
Madera County 4-Person Area Median Income: \$57,900	Extremely Low	12,150	13,900	15,650	17,350	18,750	20,150	21,550	22,950
	Very Low Income	20,300	23,200	26,100	28,950	31,300	33,600	35,900	38,250
	Low Income	32,450	37,050	41,700	46,300	50,050	53,750	57,450	61,150
	Median Income	40,550	46,300	52,100	57,900	62,550	67,150	71,800	76,450
	Moderate Income	48,650	55,600	62,550	69,500	75,050	80,600	86,200	91,750
Marin County 4-Person Area Median Income: \$103,000	Extremely Low	23,750	27,150	30,550	33,950	36,650	39,400	42,100	44,800
	Very Low Income	39,600	45,250	50,900	56,550	61,050	65,600	70,100	74,650
	Low Income	63,350	72,400	81,450	90,500	97,700	104,950	112,200	119,450
	Median Income	72,100	82,400	92,700	103,000	111,250	119,500	127,700	135,950
	Moderate Income	86,500	98,900	111,250	123,600	133,500	143,400	153,250	163,150
Mariposa County 4-Person Area Median Income: \$61,300	Extremely Low	12,900	14,750	16,600	18,400	19,900	21,350	22,850	24,300
	Very Low Income	21,500	24,550	27,600	30,650	33,150	35,600	38,050	40,500
	Low Income	34,350	39,250	44,150	49,050	53,000	56,900	60,850	64,750
	Median Income	42,900	49,050	55,150	61,300	66,200	71,100	76,000	80,900
	Moderate Income	51,500	58,850	66,200	73,550	79,450	85,300	91,200	97,100
Mendocino County 4-Person Area Median Income: \$57,900	Extremely Low	12,150	13,900	15,650	17,350	18,750	20,150	21,550	22,950
	Very Low Income	20,300	23,200	26,100	28,950	31,300	33,600	35,900	38,250
	Low Income	32,450	37,050	41,700	46,300	50,050	53,750	57,450	61,150
	Median Income	40,550	46,300	52,100	57,900	62,550	67,150	71,800	76,450
	Moderate Income	48,650	55,600	62,550	69,500	75,050	80,600	86,200	91,750
Merced County 4-Person Area Median Income: \$57,900	Extremely Low	12,150	13,900	15,650	17,350	18,750	20,150	21,550	22,950
	Very Low Income	20,300	23,200	26,100	28,950	31,300	33,600	35,900	38,250
	Low Income	32,450	37,050	41,700	46,300	50,050	53,750	57,450	61,150
	Median Income	40,550	46,300	52,100	57,900	62,550	67,150	71,800	76,450
	Moderate Income	48,650	55,600	62,550	69,500	75,050	80,600	86,200	91,750
Modoc County 4-Person Area Median Income: \$57,900	Extremely Low	12,150	13,900	15,650	17,350	18,750	20,150	21,550	22,950
	Very Low Income	20,300	23,200	26,100	28,950	31,300	33,600	35,900	38,250
	Low Income	32,450	37,050	41,700	46,300	50,050	53,750	57,450	61,150
	Median Income	40,550	46,300	52,100	57,900	62,550	67,150	71,800	76,450
	Moderate Income	48,650	55,600	62,550	69,500	75,050	80,600	86,200	91,750
Mono County 4-Person Area Median Income: \$81,200	Extremely Low	17,050	19,500	21,950	24,350	26,300	28,250	30,200	32,150
	Very Low Income	28,450	32,500	36,550	40,600	43,850	47,100	50,350	53,600
	Low Income	44,750	51,150	57,550	63,900	69,050	74,150	79,250	84,350
	Median Income	56,850	64,950	73,100	81,200	87,700	94,200	100,700	107,200
	Moderate Income	68,200	77,950	87,700	97,450	105,250	113,050	120,850	128,650
Monterey County 4-Person Area Median Income: \$68,700	Extremely Low	15,100	17,250	19,400	21,550	23,300	25,000	26,750	28,450
	Very Low Income	25,200	28,800	32,400	35,950	38,850	41,750	44,600	47,500
	Low Income	40,250	46,000	51,750	57,500	62,100	66,700	71,300	75,900
	Median Income	48,100	54,950	61,850	68,700	74,200	79,700	85,200	90,700
	Moderate Income	57,700	65,950	74,200	82,450	89,050	95,650	102,250	108,850
Napa County 4-Person Area Median Income: \$86,100	Extremely Low	18,100	20,700	23,300	25,850	27,950	30,000	32,100	34,150
	Very Low Income	30,150	34,450	38,750	43,050	46,500	49,950	53,400	56,850
	Low Income	46,150	52,750	59,350	65,900	71,200	76,450	81,750	87,000
	Median Income	60,250	68,900	77,500	86,100	93,000	99,900	106,750	113,650
	Moderate Income	72,300	82,650	92,950	103,300	111,550	119,850	128,100	136,350
Nevada County 4-Person Area Median Income: \$73,500	Extremely Low	15,300	17,450	19,650	21,800	23,550	25,300	27,050	28,800
	Very Low Income	25,450	29,050	32,700	36,300	39,250	42,150	45,050	47,950
	Low Income	40,700	46,500	52,300	58,100	62,750	67,400	72,050	76,700
	Median Income	51,450	58,800	66,150	73,500	79,400	85,250	91,150	97,000
	Moderate Income	61,750	70,550	79,400	88,200	95,250	102,300	109,350	116,400

		Number of Persons in Household							
County	Income Category	1	2	3	4	5	6	7	8
Orange County	Extremely Low	20,250	23,150	26,050	28,900	31,250	33,550	35,850	38,150
	4-Person Very Low Income	33,750	38,550	43,350	48,150	52,050	55,900	59,750	63,600
	Area Median Income:	53,950	61,650	69,350	77,050	83,250	89,400	95,550	101,750
	\$87,200	61,050	69,750	78,500	87,200	94,200	101,150	108,150	115,100
	Moderate Income	73,250	83,700	94,200	104,650	113,000	121,400	129,750	138,150
Placer County	Extremely Low	16,000	18,300	20,600	22,850	24,700	26,550	28,350	30,200
	4-Person Very Low Income	26,650	30,450	34,250	38,050	41,100	44,150	47,200	50,250
	Area Median Income:	42,650	48,750	54,850	60,900	65,800	70,650	75,550	80,400
	\$76,100	53,250	60,900	68,500	76,100	82,200	88,300	94,350	100,450
	Moderate Income	63,900	73,050	82,150	91,300	98,600	105,900	113,200	120,500
Plumas County	Extremely Low	13,050	14,900	16,750	18,600	20,100	21,600	23,100	24,600
	4-Person Very Low Income	21,700	24,800	27,900	31,000	33,500	36,000	38,450	40,950
	Area Median Income:	34,750	39,700	44,650	49,600	53,600	57,550	61,550	65,500
	\$62,000	43,400	49,600	55,800	62,000	66,950	71,900	76,900	81,850
	Moderate Income	52,100	59,500	66,950	74,400	80,350	86,300	92,250	98,200
Riverside County	Extremely Low	14,100	16,100	18,100	20,100	21,750	23,350	24,950	26,550
	4-Person Very Low Income	23,450	26,800	30,150	33,500	36,200	38,900	41,550	44,250
	Area Median Income:	37,550	42,900	48,250	53,600	57,900	62,200	66,500	70,800
	\$65,000	45,500	52,000	58,500	65,000	70,200	75,400	80,600	85,800
	Moderate Income	54,600	62,400	70,200	78,000	84,250	90,500	96,700	102,950
Sacramento County	Extremely Low	16,000	18,300	20,600	22,850	24,700	26,550	28,350	30,200
	4-Person Very Low Income	26,650	30,450	34,250	38,050	41,100	44,150	47,200	50,250
	Area Median Income:	42,650	48,750	54,850	60,900	65,800	70,650	75,550	80,400
	\$76,100	53,250	60,900	68,500	76,100	82,200	88,300	94,350	100,450
	Moderate Income	63,900	73,050	82,150	91,300	98,600	105,900	113,200	120,500
San Benito County	Extremely Low	17,050	19,500	21,950	24,350	26,300	28,250	30,200	32,150
	4-Person Very Low Income	28,400	32,450	36,500	40,550	43,800	47,050	50,300	53,550
	Area Median Income:	45,100	51,550	58,000	64,400	69,600	74,750	79,900	85,050
	\$81,100	56,750	64,900	73,000	81,100	87,600	94,100	100,550	107,050
	Moderate Income	68,100	77,850	87,550	97,300	105,100	112,850	120,650	128,450
San Bernardino County	Extremely Low	14,100	16,100	18,100	20,100	21,750	23,350	24,950	26,550
	4-Person Very Low Income	23,450	26,800	30,150	33,500	36,200	38,900	41,550	44,250
	Area Median Income:	37,550	42,900	48,250	53,600	57,900	62,200	66,500	70,800
	\$65,000	45,500	52,000	58,500	65,000	70,200	75,400	80,600	85,800
	Moderate Income	54,600	62,400	70,200	78,000	84,250	90,500	96,700	102,950
San Diego County	Extremely Low	17,350	19,850	22,300	24,800	26,800	28,750	30,750	32,750
	4-Person Very Low Income	28,900	33,050	37,150	41,300	44,600	47,900	51,200	54,500
	Area Median Income:	46,250	52,900	59,500	66,100	71,400	76,700	81,950	87,250
	\$75,900	53,150	60,700	68,300	75,900	81,950	88,050	94,100	100,200
	Moderate Income	63,750	72,900	82,000	91,100	98,400	105,700	112,950	120,250
San Francisco County	Extremely Low	23,750	27,150	30,550	33,950	36,650	39,400	42,100	44,800
	4-Person Very Low Income	39,600	45,250	50,900	56,550	61,050	65,600	70,100	74,650
	Area Median Income:	63,350	72,400	81,450	90,500	97,700	104,950	112,200	119,450
	\$103,000	72,100	82,400	92,700	103,000	111,250	119,500	127,700	135,950
	Moderate Income	86,500	98,900	111,250	123,600	133,500	143,400	153,250	163,150
San Joaquin County	Extremely Low	13,950	15,950	17,950	19,900	21,500	23,100	24,700	26,300
	4-Person Very Low Income	23,250	26,550	29,850	33,150	35,850	38,500	41,150	43,800
	Area Median Income:	37,150	42,450	47,750	53,050	57,300	61,550	65,800	70,050
	\$66,300	46,400	53,050	59,650	66,300	71,600	76,900	82,200	87,500
	Moderate Income	55,700	63,650	71,600	79,550	85,900	92,300	98,650	105,000

County	Income Category	Number of Persons in Household							
		1	2	3	4	5	6	7	8
San Luis Obispo County 4-Person Area Median Income: \$77,000	Extremely Low	15,850	18,100	20,350	22,600	24,450	26,250	28,050	29,850
	Very Low Income	26,400	30,200	33,950	37,700	40,750	43,750	46,750	49,800
	Low Income	42,250	48,250	54,300	60,300	65,150	69,950	74,800	79,600
	Median Income	53,900	61,600	69,300	77,000	83,150	89,300	95,500	101,650
	Moderate Income	64,700	73,900	83,150	92,400	99,800	107,200	114,600	121,950
San Mateo County 4-Person Area Median Income: \$103,000	Extremely Low	23,750	27,150	30,550	33,950	36,650	39,400	42,100	44,800
	Very Low Income	39,600	45,250	50,900	56,550	61,050	65,600	70,100	74,650
	Low Income	63,350	72,400	81,450	90,500	97,700	104,950	112,200	119,450
	Median Income	72,100	82,400	92,700	103,000	111,250	119,500	127,700	135,950
	Moderate Income	86,500	98,900	111,250	123,600	133,500	143,400	153,250	163,150
Santa Barbara County 4-Person Area Median Income: \$73,300	Extremely Low	16,750	19,150	21,550	23,900	25,850	27,750	29,650	31,550
	Very Low Income	27,900	31,850	35,850	39,800	43,000	46,200	49,400	52,550
	Low Income	44,600	51,000	57,350	63,700	68,800	73,900	79,000	84,100
	Median Income	51,300	58,650	65,950	73,300	79,150	85,050	90,900	96,750
	Moderate Income	61,550	70,350	79,150	87,950	95,000	102,000	109,050	116,100
Santa Clara County 4-Person Area Median Income: \$105,500	Extremely Low	22,300	25,500	28,650	31,850	34,400	36,950	39,500	42,050
	Very Low Income	37,150	42,450	47,750	53,050	57,300	61,550	65,800	70,050
	Low Income	59,400	67,900	76,400	84,900	91,650	98,450	105,250	112,050
	Median Income	73,850	84,400	94,950	105,500	113,950	122,400	130,800	139,250
	Moderate Income	88,600	101,300	113,950	126,600	136,750	146,850	157,000	167,100
Santa Cruz County 4-Person Area Median Income: \$87,000	Extremely Low	21,200	24,200	27,250	30,250	32,700	35,100	37,550	39,950
	Very Low Income	35,300	40,350	45,400	50,400	54,450	58,500	62,500	66,550
	Low Income	56,500	64,550	72,600	80,650	87,150	93,600	100,050	106,500
	Median Income	60,900	69,600	78,300	87,000	93,950	100,900	107,900	114,850
	Moderate Income	73,100	83,500	93,950	104,400	112,750	121,100	129,450	137,800
Shasta County 4-Person Area Median Income: \$59,000	Extremely Low	12,400	14,200	15,950	17,700	19,150	20,550	21,950	23,400
	Very Low Income	20,650	23,600	26,550	29,500	31,900	34,250	36,600	38,950
	Low Income	33,050	37,800	42,500	47,200	51,000	54,800	58,550	62,350
	Median Income	41,300	47,200	53,100	59,000	63,700	68,450	73,150	77,900
	Moderate Income	49,550	56,650	63,700	70,800	76,450	82,150	87,800	93,450
Sierra County 4-Person Area Median Income: \$71,800	Extremely Low	14,800	16,900	19,000	21,100	22,800	24,500	26,200	27,900
	Very Low Income	24,650	28,150	31,650	35,150	38,000	40,800	43,600	46,400
	Low Income	39,400	45,000	50,650	56,250	60,750	65,250	69,750	74,250
	Median Income	50,250	57,450	64,600	71,800	77,550	83,300	89,050	94,800
	Moderate Income	60,300	68,900	77,550	86,150	93,050	99,950	106,850	113,700
Siskiyou County 4-Person Area Median Income: \$57,900	Extremely Low	12,150	13,900	15,650	17,350	18,750	20,150	21,550	22,950
	Very Low Income	20,300	23,200	26,100	28,950	31,300	33,600	35,900	38,250
	Low Income	32,450	37,050	41,700	46,300	50,050	53,750	57,450	61,150
	Median Income	40,550	46,300	52,100	57,900	62,550	67,150	71,800	76,450
	Moderate Income	48,650	55,600	62,550	69,500	75,050	80,600	86,200	91,750
Solano County 4-Person Area Median Income: \$82,600	Extremely Low	17,400	19,850	22,350	24,800	26,800	28,800	30,800	32,750
	Very Low Income	28,950	33,050	37,200	41,300	44,650	47,950	51,250	54,550
	Low Income	45,500	52,000	58,500	65,000	70,200	75,400	80,600	85,800
	Median Income	57,800	66,100	74,350	82,600	89,200	95,800	102,400	109,050
	Moderate Income	69,350	79,300	89,200	99,100	107,050	114,950	122,900	130,800
Sonoma County 4-Person Area Median Income: \$82,600	Extremely Low	17,400	19,850	22,350	24,800	26,800	28,800	30,800	32,750
	Very Low Income	28,950	33,050	37,200	41,300	44,650	47,950	51,250	54,550
	Low Income	45,500	52,000	58,500	65,000	70,200	75,400	80,600	85,800
	Median Income	57,800	66,100	74,350	82,600	89,200	95,800	102,400	109,050
	Moderate Income	69,350	79,300	89,200	99,100	107,050	114,950	122,900	130,800

See instructions on last page to use these income limits to determine applicant eligibility and calculate affordable housing costs. **Item 6A, Attach 6**

05-20-2014

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County	Income Category	Number of Persons in Household							
		1	2	3	4	5	6	7	8
Stanislaus County 4-Person Area Median Income: \$62,000	Extremely Low	13,050	14,900	16,750	18,600	20,100	21,600	23,100	24,600
	Very Low Income	21,700	24,800	27,900	31,000	33,500	36,000	38,450	40,950
	Low Income	34,750	39,700	44,650	49,600	53,600	57,550	61,550	65,500
	Median Income	43,400	49,600	55,800	62,000	66,950	71,900	76,900	81,850
	Moderate Income	52,100	59,500	66,950	74,400	80,350	86,300	92,250	98,200
Sutter County 4-Person Area Median Income: \$59,400	Extremely Low	12,500	14,250	16,050	17,800	19,250	20,650	22,100	23,500
	Very Low Income	20,800	23,800	26,750	29,700	32,100	34,500	36,850	39,250
	Low Income	33,250	38,000	42,750	47,500	51,300	55,100	58,900	62,700
	Median Income	41,600	47,500	53,450	59,400	64,150	68,900	73,650	78,400
	Moderate Income	49,900	57,050	64,150	71,300	77,000	82,700	88,400	94,100
Tehama County 4-Person Area Median Income: \$57,900	Extremely Low	12,150	13,900	15,650	17,350	18,750	20,150	21,550	22,950
	Very Low Income	20,300	23,200	26,100	28,950	31,300	33,600	35,900	38,250
	Low Income	32,450	37,050	41,700	46,300	50,050	53,750	57,450	61,150
	Median Income	40,550	46,300	52,100	57,900	62,550	67,150	71,800	76,450
	Moderate Income	48,650	55,600	62,550	69,500	75,050	80,600	86,200	91,750
Trinity County 4-Person Area Median Income: \$57,900	Extremely Low	12,150	13,900	15,650	17,350	18,750	20,150	21,550	22,950
	Very Low Income	20,300	23,200	26,100	28,950	31,300	33,600	35,900	38,250
	Low Income	32,450	37,050	41,700	46,300	50,050	53,750	57,450	61,150
	Median Income	40,550	46,300	52,100	57,900	62,550	67,150	71,800	76,450
	Moderate Income	48,650	55,600	62,550	69,500	75,050	80,600	86,200	91,750
Tulare County 4-Person Area Median Income: \$57,900	Extremely Low	12,150	13,900	15,650	17,350	18,750	20,150	21,550	22,950
	Very Low Income	20,300	23,200	26,100	28,950	31,300	33,600	35,900	38,250
	Low Income	32,450	37,050	41,700	46,300	50,050	53,750	57,450	61,150
	Median Income	40,550	46,300	52,100	57,900	62,550	67,150	71,800	76,450
	Moderate Income	48,650	55,600	62,550	69,500	75,050	80,600	86,200	91,750
Tuolumne County 4-Person Area Median Income: \$66,700	Extremely Low	13,950	15,950	17,950	19,900	21,500	23,100	24,700	26,300
	Very Low Income	23,250	26,600	29,900	33,200	35,900	38,550	41,200	43,850
	Low Income	37,200	42,500	47,800	53,100	57,350	61,600	65,850	70,100
	Median Income	46,700	53,350	60,050	66,700	72,050	77,350	82,700	88,050
	Moderate Income	56,050	64,050	72,050	80,050	86,450	92,850	99,250	105,650
Ventura County 4-Person Area Median Income: \$89,300	Extremely Low	18,800	21,450	24,150	26,800	28,950	31,100	33,250	35,400
	Very Low Income	31,300	35,750	40,200	44,650	48,250	51,800	55,400	58,950
	Low Income	49,850	57,000	64,100	71,200	76,900	82,600	88,300	94,000
	Median Income	62,500	71,450	80,350	89,300	96,450	103,600	110,750	117,900
	Moderate Income	75,000	85,700	96,450	107,150	115,700	124,300	132,850	141,450
Yolo County 4-Person Area Median Income: \$76,900	Extremely Low	16,150	18,450	20,750	23,050	24,900	26,750	28,600	30,450
	Very Low Income	26,950	30,800	34,650	38,450	41,550	44,650	47,700	50,800
	Low Income	43,050	49,200	55,350	61,500	66,450	71,350	76,300	81,200
	Median Income	53,850	61,500	69,200	76,900	83,050	89,200	95,350	101,500
	Moderate Income	64,600	73,850	83,050	92,300	99,700	107,050	114,450	121,850

County	Income Category	Number of Persons in Household							
		1	2	3	4	5	6	7	8
Yuba County 4-Person Area Median Income: \$59,400	Extremely Low	12,500	14,250	16,050	17,800	19,250	20,650	22,100	23,500
	Very Low Income	20,800	23,800	26,750	29,700	32,100	34,500	36,850	39,250
	Low Income	33,250	38,000	42,750	47,500	51,300	55,100	58,900	62,700
	Median Income	41,600	47,500	53,450	59,400	64,150	68,900	73,650	78,400
	Moderate Income	49,900	57,050	64,150	71,300	77,000	82,700	88,400	94,100

Instructions:

Eligibility Determination:

Use household size income category figures in this chart. Determine eligibility based on actual number of persons in household and total of gross income for all persons.

Determination of Income Limit for Households Larger than Eight Persons:

Per person (PP) adjustment above 8: (1) multiply the 4-person income limit by eight percent (8%), (2) multiply result by number of persons in excess of eight, (3) add the amount to the 8-person income limit, and (4) round to the nearest \$50.

Yuba County					
E X A M P L E	4 persons	8% PP Adj	+ 8 persons	=9 persons	
Extremely Low	17,800	1424	23,500	24,900	8 person + 8% Adj x 2 =10 persons
Very Low Income	29,700	2376	39,200	41,600	23,500 2848 26,350
Lower Income	47,500	3800	62,700	66,500	39,200 4752 43,950
Moderate Income	71,300	5704	94,100	99,800	62,700 7600 70,300
					94,100 11408 105,500

Calculation of Housing Cost and Rent:

Refer to Health & Safety Code Sections 50052.5 and 50053. Use benchmark household size and multiply against applicable percentages defined in H&SC using Area Median Income identified in this chart.

Determination of Household Size:

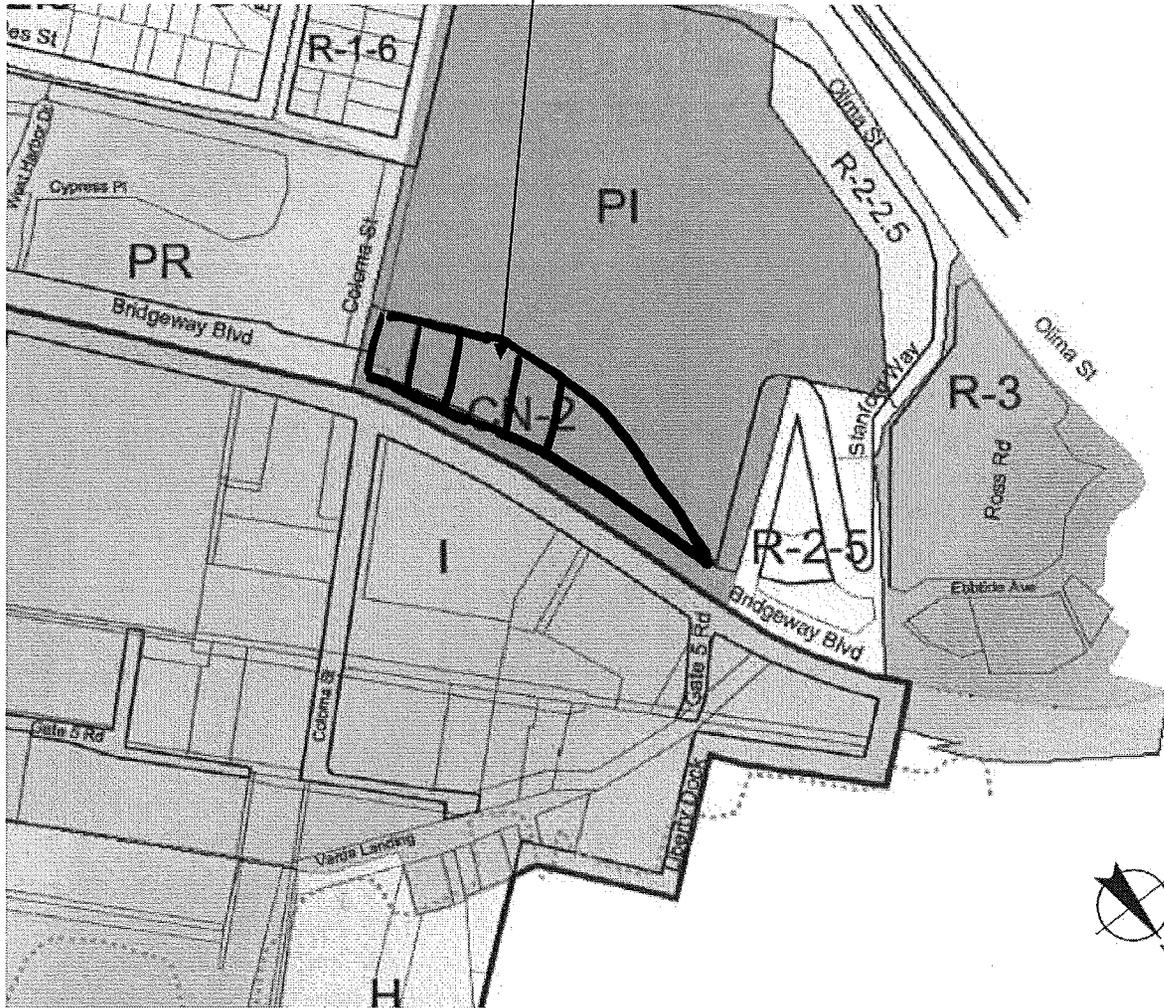
For projects with no federal assistance, household size is set at number of bedrooms in unit plus one.
For projects with federal assistance, household size may be set by multiplying 1.5 against the number of bedrooms in unit.

HUD release: 12/18/2013

Authority cited: Health and Safety Code (H&SC) Section 50093.
Reference: H&SC Sections 50079.5, 50093, 50105, and 50106.

ATTACHMENT 7 (1 PAGE)

Location of CN-2 Zoning District



ORDINANCE NO. 1022

SECTION 1

Be it ordained by the people of the City of Sausalito that Title 10, Zoning, of the Sausalito Municipal Code is hereby amended as follows: The following sections are added --

10.200.1 FINDINGS AND PURPOSE

The people of the City of Sausalito hereby find that it is in the best interests of the present and future residents of the City to reduce the increase in automobile traffic generated by new development in the City's commercial and industrial zones and to preserve the maritime character of those areas by reducing permissible density in commercial and industrial areas.

This reduction is necessary to protect property rights and to ensure orderly development in commercial and industrial zones in the City in a manner that will not generate excessive traffic, air or noise pollution, nor diminish the public health and welfare.

10.200.2 APPLICATION OF STANDARDS

It is the intention of the people of Sausalito that the following policies govern the implementation of density standards and Maximum Floor Area ratios:

(a) Existing uses which are made non-conforming by this amendment shall be considered Continued Existing Uses under the provisions of Section 10.110 of this Code.

(b) If on December 1, 1984, a parcel exceeds the Maximum Floor Area Ratio permitted by this amendment, that parcel may not be split into additional parcels in order to provide additional buildable area.

(c) The zoning map of Sausalito effective as amended July 15, 1980 shall govern the zoning categories. No site may be redesignated to any other zoning classification which would allow greater density or Floor Area Ratio.

(d) Where a parcel is already developed, no conversion or change in use may be permitted when that conversion or change in use will result in increased commercial usage or density.

(e) In the CR zone, residential uses existing as of December 1, 1984 may not be converted into any other uses.

(f) The limits set out in Maximum Floor Area Ratio Table No. 2 may not be exceeded by Variance, Conditional Use, Planned Unit Development or any other device.

The following Table is amended:

Table No. 2

BASIC AREA, OPEN SPACE AND BULK REGULATIONS COMMERCIAL AND INDUSTRIAL DISTRICTS

DISTRICT	(Sec. 10.201)	(Sec. 10.202)		(Sec. 10.202)	(Sec. 10.203)	(Sec. 10.203)
	REQUIRED PARCEL AREA PER DWELLING UNIT - SQ. FT.	REQUIRED YARDS WHEN ADJACENT TO ANY "R" OR "H" DISTRICT**		HEIGHT LIMIT	BUILDING COVERAGE LIMIT %	MAXIMUM FLOOR AREA RATIO
		Rear, Least Depth	Side, Least Width			
CC	1,500	15'	10'	32 ft.	100	1.30
CN	1,500	15'	10'	32 ft.	70	.50
CR	1,500	15'	10'	32 ft.	70	1.00
CM	NA	20'	*	32 ft.	50	.35
CS	NA	20'	*	32 ft.	50	.20
I	NA	30'	*	32 ft.	50	.40 ***
CW	NA	20'	*	32 ft.	30	.30 ***
W	NA	15'	*	32 ft.	30	.30 ***

NA - Not Applicable

* 1/2 height of building but not less than 5'.

** Required only along parcel lines abutting on such districts.

*** The maximum number of berths for Boat Harbors in the W and CW Zoning Districts is 20 BERTHS/ACRE

**** Commercial use limited to .15 maximum floor area ratio in I Zoning District

Amended by: Ord. 923, 1/3/78, Ord. 942, 7/18/78, Ord. 990, 2/2/82

SECTION 2

If any part of this initiative is held invalid by a court of law, or the application thereof to any person or circumstance is held invalid, such invalidity shall not affect the other parts of the initiative or applications of this initiative which can be given effect without the invalid part or application, and to this end the sections of this initiative are separable.

PASSED AND ADOPTED as a result of a majority vote of the electors of the City of Sausalito at a Special Municipal Election held in the City of Sausalito on June 4, 1985.

Janet F. Tracy
City Clerk of the City of Sausalito

RESOLUTION NO. 3407

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SAUSALITO
CLARIFYING CERTAIN PROVISIONS OF THE INITIATIVE
PASSED BY SAUSALITO VOTERS ON JUNE 4, 1985

WHEREAS, the voters of the City of Sausalito passed a zoning initiative on June 4, 1985; and

WHEREAS, certain clarifications are deemed necessary by the City Council to properly administer the amendments to the Zoning Ordinance specified by the Initiative; and

WHEREAS, this Resolution is intended to serve temporarily as a policy guideline while a Zoning Ordinance amendment is being prepared by City Staff and reviewed by the Planning Commission and the City Council;

NOW, THEREFORE, BE IT HEREBY RESOLVED, ORDERED AND DECLARED as follows:

1. Section 10.200.1 refers to Commercial and Industrial zones. The Initiative affects the C-N (Commercial-Neighborhood), C-M (Commercial-Industrial), C-S (Shopping Center), I (Industrial), C-W (Commercial-Waterfront), and W (Waterfront) Zoning Districts, but does not affect the C-C (Central-Commercial) Zoning District or any residential Zoning Districts. The C-R (Commercial-Residential) Zoning District is affected only as provided in Section 10.200.2(e).
2. Section 10.202.2(b) limits the division of land parcels which on or after December 1, 1984 equaled or exceeded the maximum Floor Area Ratio.
3. Section 10.200.2(c) refers to zoning categories. The term "categories" may be used interchangeably with the term "classifications".
4. Section 10.200.2(c) prohibits the redesignation of any site within the affected zoning districts to any other zoning classification from the list of classifications on the Zoning Map or any other zoning classifications later invented, that would result in a greater Floor Area Ratio than that presently attached to the site. No parcel reverts to the zoning classification that it bore on July 15, 1980.
5. Section 10.202.2(c) and (d) refers to "Density". The term "density" shall refer to the amount of allowable Floor Area Ratio as determined by the maximum Floor Area Ratio column in Table 2.
6. Section 10.200.2(d) refers to "increased commercial usage or density". This term refers to the prohibition of increasing the allowable percentage of commercial use and Floor Area Ratio above those indicated in the maximum Floor Area Ratios listed in Table 2.
7. Section 10.200.2(d) limits conversion or changes in use. This Section does not prohibit the addition or deletion to the list of permitted uses in each zoning classification, provided that such a modification would not produce an increase in the amount of allowable Floor Area Ratio that would have been permitted had the list not been modified.
8. Section 10.200.2(e) limits the conversion of residential uses in the C-R (Commercial-Residential) Zoning District which existed on or after December 1, 1984.

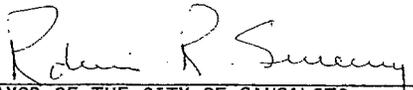
9. Section 10.200.2(f) limits the uses of Variances, Conditional Use Permits and Planned Unit Developments. These zoning permits may not be used to increase the Floor Area Ratio beyond the figures listed as the maximum Floor Area Ratio in Table 2 of the Initiative. Variances may be considered to modify required yards, height limit, required parcel size and building coverage, provided that the variance does not result in an increase in the amount of development permitted by the Floor Area Ratios in Table 2.

PASSED AND ADOPTED at a meeting of the City Council of the City of Sausalito held on the 16th day of July, 1985, by the following vote:

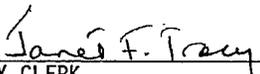
AYES: Councilmen: Huntting, Peltz, Taber, Mayor Sweeny

NOES: Councilmen: Rogers

ABSENT: Councilmen: None


MAYOR OF THE CITY OF SAUSALITO

ATTEST:


CITY CLERK

6-11

ATTACHMENT 10
(4 PAGES)

RECEIVED JUL 09 1985

To: Sausalito City Council July 7, 1985
From: Wally Mays, Carol Peltz, Mignone Conner, Wayne Bonnett,
Charles Merrill
Re: Sausalito Fair Traffic Limits Initiative

As Sausalito residents who were present during the conception and drafting of the initiative, we would like to express our opinions concerning it. Specifically we refer to the memo from Leland Jordan, City Attorney, to Mike Fuson, City Manager, dated June 14, 1985.

First, while we agree that if ambiguities are present in the language of the adopted initiative it is appropriate that the City Council adopt interpretive guidelines, either by resolution or ordinance, we do not feel it is necessary to adopt an interim resolution on the basis that there "may be applications now pending before the City." Either there are, or there are not applications pending, and that should be determined first.

Much of the area affected by the initiative is subject to a building moratorium, and that moratorium should be immediately extended by action of the City Council, to all areas affected by the initiative (except for the CR zone; Caledonia Street), if the Council feels that ambiguities in the initiative language exist and require supporting ordinances.

If a pending or new application is affected by the initiative, it should be determined if any of the surmised ambiguities suggested by Mr. Jordan do in fact affect the application of the initiative to that pending application. Each pending application, if there are any, should be dealt with on a case by case basis (that alone may resolve some of the surmised ambiguities), until formal clarifying regulations can be promulgated. (Paragraph numbers correspond to those in the aforementioned memo.)

1. It was always the intent of the initiative to specifically exclude residential districts and the central commercial district from the ordinance. The areas affected by the initiative are very clearly defined in Section 10.200.1 of the ordinance and in Table 2 of the ordinance. The intent to exclude residential districts was so stated in supportive arguments and ballot arguments. The reasoning was that residential areas do not contribute significantly to the traffic problems in the Marinship and Central Waterfront areas. The central commercial zone is essentially fully developed and therefore the requirements of the initiative would be ineffectual there in reducing future traffic. In our opinion the initiative is not ambiguous on this point and needs no interpretive language.

6A

2. (a) The term "categories" is used interchangeably with "classification" in the language of the initiative. Mr. Jordan prefers the term "classification" to "categories" when referring to zoning. Zoning categories, while not defined by the initiative in the interest of brevity, is defined by the context. The very next sentence states: "No site may be rendered to any other zoning classification [our underline], which would allow greater density or Floor Area Ratio." The Webster Encyclopedic Dictionary in current use defines "category" as "any class [our underline] or order in which certain things are embraced." In our opinion the initiative is not ambiguous on this point and needs no interpretive language.

(b) The intent of section (10.200.2 (c), is to prohibit the redesignation of any site within the affected zones to any other zoning classification from that glossary, or any other zoning classification later invented, that would result in a greater Floor Area Ratio than that presently attached to the site. All properties within the commercial and industrial districts do not revert to the zoning classifications which they bore on July 15, 1980. The purpose of using a specific zoning map for reference in the initiative was to establish a glossary of zoning districts with established definitions. The sentence states that the zoning map of Sausalito dated July 15, 1980 "shall govern the zoning categories," [our underline].

Mr. Jordan suggests a different interpretation, "considering the foregoing language in the context of the full initiative." However, Mr. Jordan has clearly stated that initiatives should be interpreted in the light not only of the initiative language itself, but also the Notice of Intent to Circulate Petition and the arguments in favor of the initiative. In reading the full context of the initiative and supporting documents, an intent to revert zoning to 1980 classifications is never mentioned. There is no statement or suggestion that such a revision would result in reduced future traffic generation. Even in the impartial analysis by Mr. Jordan for the ballot submitted to voters, he does not state or infer that zoning would revert to 1980 classifications.

It was the clear understanding of those drafting the initiative and those voting for it, that the map dated 1980 referred to zoning classification titles only. It should be so interpreted by the City Council.

3. The use of traffic generation tables exclusively to define "increased density" and "increased commercial usage" would run counter to the expressed intent of the initiative. The definition of these terms is clear in the context of the full initiative and supporting documents. They are used in Section 10.200.2 (d): "Where a parcel is already developed, no conversion or change in use may be permitted when that conversion or change in use will result in increased commercial usage or density." The terms refer specifically to already developed sites. Therefore a new zoning classification, taken from the glossary of zones of the map dated July 15, 1980, or invented for the

specific site, may not be applied to the site if that new zoning classification results in a greater permissible lot coverage or Floor Area Ratio. Throughout the ordinance and supporting documents, "density" is always mentioned in terms of Floor Area Ratio.

"Density standards" as mentioned in the first sentence of Section 10.200.2 of the initiative refers to all those items contained in Table 2, collectively. In Section 10.200.2 (c) the phrase "greater density" also refers to those standards set in Table 2. Therefore a new table of standards based on traffic generation would be superfluous. It is a simple matter to determine if a request to redesignate a site within the affected zones would result in increased density or increased commercial usage. If a parcel is presently zoned CN, for example, it could not be redesignated CC, but could be redesignated CM (referring to Table 2).

4. This prohibition on parcel splitting is contained in Title 10. If "on or after" is more clear than "on", it should be so interpreted.

5. Section 10.200.2 Application of Standards, states the policies that govern implementation of maximum floor area ratios. Paragraph (c) states the governing policy for undeveloped parcels: "No site [my underline] may be redesignated to any other zoning classification..." Paragraph (d) states the governing policy for already developed parcels. Both paragraphs prohibit a change of zoning classification for parcels when that change would result in a higher maximum floor area ratio for the subject parcel. In the case of an already developed parcel, it is the intent of the initiative to prohibit a redesignation of a parcel to another zoning classification, not to prevent a change of principally permitted or conditionally permitted uses within the existing zoning classification. Thus in the example cited by Mr. Jordan, a presently developed parcel within the I district used for warehouse purposes may be converted to use as a business supply store if that use is currently a permitted use within the I district. If there are uses that are inappropriate in certain zoning classifications (and we feel there are), it is up to the City Council to remove or restrict them since that issue could not be addressed by the initiative.

6. It was the intent of those who drafted the initiative and those who supported it, to protect existing or future residential uses on Caledonia Street from being converted to commercial uses. The provision should be interpreted as applying to any residential use existing in the CR district on or after December 1, 1984. 6A

7. The intention of Section 10.200.2 (f), in our opinion, is to prohibit exceptions to the maximum Floor Area Ratios in affected zoning districts as set forth in Table 2. However, it was also the intent, as expressed in supporting documents, that

none of the development standards of Table 2 be exceeded by variance, conditional use or P.U.D. that would result in increased traffic generation. i.e. increased floor area. Therefore a variance to exceed the 32' height limit might be possible if it was to accommodate legally required vents, for example. But the addition of an additional floor by variance, exceeding the height limit would be prohibited. The intent of the initiative is to reduce future traffic generation by reducing the floor area of commercial and industrial use in the affected zoning districts. All interpretations and applications of the initiative should be made with that in mind.

Finally, since four members of the City Council were adamantly opposed to the initiative, and many developers were also opposed to it, it is safe to assume that the initiative will come under attack, both warranted and unwarranted. As with any new legislation, particularly that which is unique in some areas, the initiative will be subject to differing interpretations. We feel it is incumbent on the City Council to establish interpretive measures that best carry out the initiatives intent: to restrict future development in affected areas, thus reducing future traffic generation. Since the initiative could not address the issue of specific high-traffic generating uses (i.e. large scale office use), it is the obligation of the City Council to address that issue. Although those who voted in the special election may have disagreed on the best approach, they did agree that traffic in Sausalito is an immediate and pressing problem. With proper application (and interpretation), we believe the initiative can be a significant contribution to the solution.

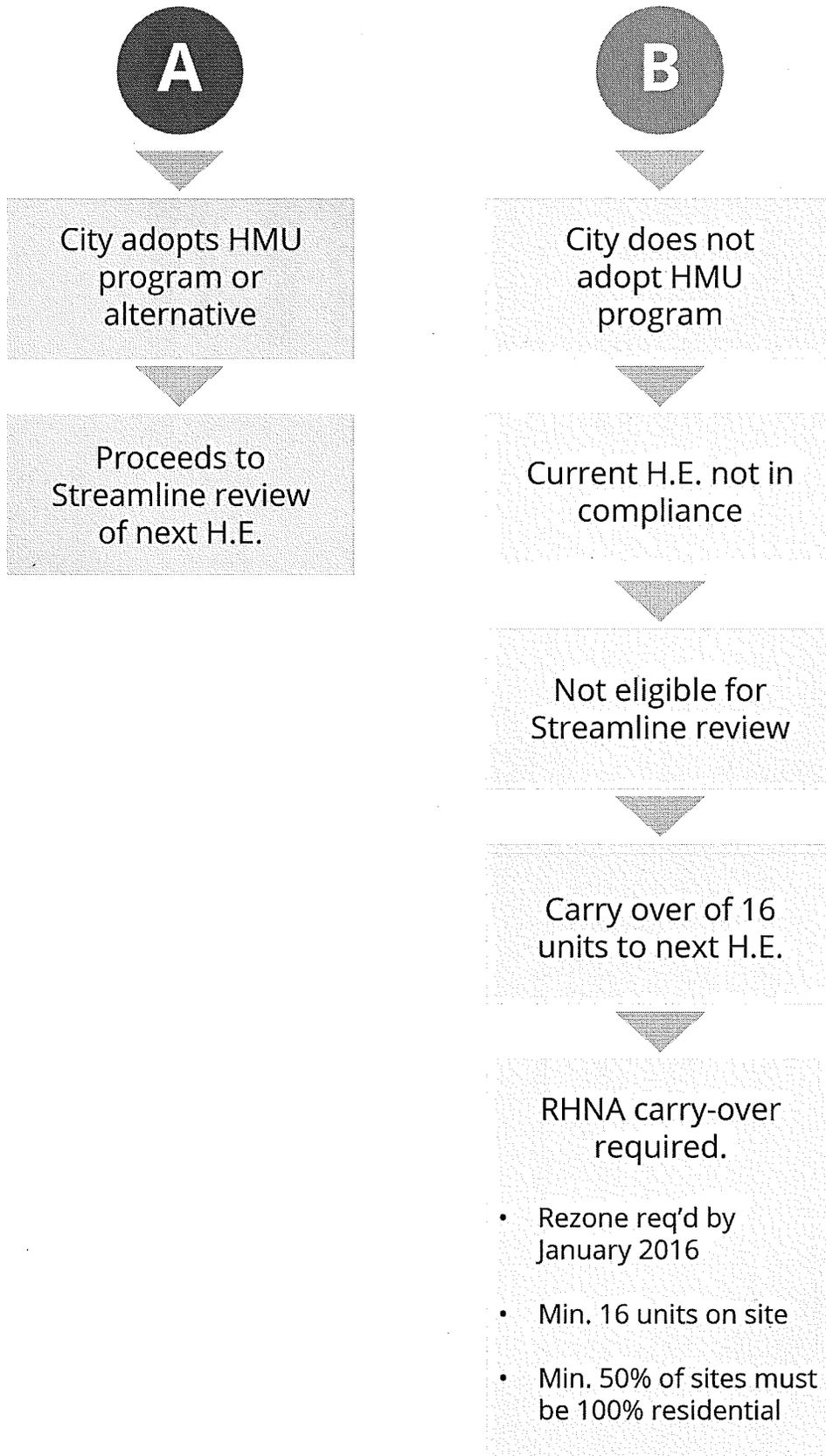

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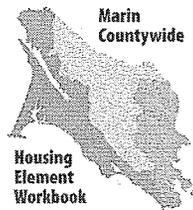



6A

HMU Program Flow Chart

ATTACHMENT II
(1 PAGE)





The Importance of Housing Element Certification

March 24th, 2009

What Happens If a Jurisdiction Does Not Adopt a Housing Element or the Element Does Not Comply with State Law?

If the California Department of Housing and Community Development determines that a Housing Element fails to substantially comply with the State's Housing Element Law, there are potentially serious consequences that extend beyond the realm of residential land use planning. When a jurisdiction's Housing Element is found to be out of compliance, its General Plan is at risk of being deemed inadequate, and therefore invalid. Because there must be findings of general plan consistency in most planning and development decisions, a local government may run the risk of approving projects based on a noncompliant General Plan (see item #2 below). If a jurisdiction is sued over an inadequate General Plan the court may impose requirements for land use decisions until the jurisdiction brings its General Plan—including its Housing Element—into compliance with State law.

A Housing Element is considered out of compliance with State law if one of the following applies:

1. It has not been revised and updated by the statutory deadline, *or*
2. Its contents do not substantially comply with the statutory requirements. If a Housing Element is certified, there is a presumption that it is adequate, and a plaintiff must present an argument showing that it is in fact inadequate.

Over the years, California has steadily increased the penalties for not having a legally compliant Housing Element, and this trend is expected to continue.

Repercussions include:

1. **Limited access to State Funding.** Both the California Infrastructure and Economic Development Bank (CIEDB) and the Bay Area's Metropolitan Transportation Commission (MTC) award funds based on competitions that take into consideration the approval status of a community's Housing Element. See the list below for specific programs.
2. **Lawsuits.** Developers and advocates have the right to sue jurisdictions if their Housing Element is not compliant with State Law. Recent Bay Area cities that were successfully sued include Corte Madera, Pittsburg, Pleasanton, Alameda, Benecia, Fremont, Rohnert Park, Berkeley, Napa County, and Santa Rosa. According to a memo from the Santa Barbara County Council, there has never been a city that has successfully argued that they do not

Marin Countywide Housing Element Workbook

The Importance of Housing Element Certification

need to comply with Housing Element law (July 2007, Housing Element Law: Mandates and Risks of Defiance). There are several potential consequences of being sued, including:

- a. **Mandatory compliance** – The court must order the community to bring the Element into compliance within 120 days.
- b. **Suspension of local control on building matters** – The court may suspend the locality's authority to issue building permits or grant zoning changes, variances or subdivision map approvals.
- c. **Court approval of housing developments** – The court may step in and approve housing projects, including large projects that may not be wanted by the local community.
- d. **Fees** – If a jurisdiction faces a court action stemming from its lack of compliance and either loses or settles the case, it often must pay substantial attorney fees to the plaintiff's attorneys in addition to the fees paid to its own attorneys. These fees can easily exceed \$100,000.

Case Studies

The following case studies show the potential consequences of not having an adequate Housing Element. Few jurisdictions take the position that they do not need to comply with Housing Element law, as this strategy has never worked in court.

The irony is that after spending large amounts of time and money defending their position, most jurisdictions that lose in court (or make an agreement to avoid going before a judge) end up with a plan that they can live with. A legally adequate Housing Element does not compromise their identity or character; in contrast it often makes their community more inclusive and stronger. In a number of cases, like Corte Madera and Napa, the housing plans ended up winning national awards and being a point of pride.

The following case studies are taken from a report prepared by the Santa Barbara County Council (July 2007, Housing Element Law: Mandates and Risks of Defiance) or from conversations with the California Affordable Housing Law Projects, unless otherwise specified.

Town of Corte Madera – The Town did not have a State certified Housing Element and was sued by advocates. The suit was settled once Corte Madera agreed to impose a fee on all commercial development to provide money for an affordable housing trust fund. It also created three new zoning districts that either required affordable housing or offered incentives for affordable units. One of these districts allows mixed use and triples the allowable residential density and the commercial Floor Area Ratio for developments where half the units are affordable. Additionally, the Town agreed to simplify procedures and waive many fees for affordable housing developers. The Housing Element was updated and certified by HCD under close scrutiny by the plaintiff. In the end, the Town had to pay approximately \$100,000 for the plaintiff's attorney fees as well as the costs for their own attorneys.

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The Importance of Housing Element Certification

County of Madera – The County of Madera argued that Housing Element law was illegal and the County did not need to comply. The County attorney described this approach as providing a “slam dunk” to the plaintiffs. The Court ordered the County to pay \$150,000 for the plaintiff’s attorney fees.

County of Sonoma – In 1998, an affordable housing advocacy group sued Sonoma County because its Housing Element did not adequately address the needs of low income residents. The County agreed to pass an inclusionary housing ordinance, build a homeless center, and add a jobs/housing linkage fee on commercial development. The Court ordered a moratorium on all new development until a certified Housing Element was adopted, and ordered the County to pay over \$300,000 in legal fees.

City of Santa Rosa – Santa Rosa had a track record of producing almost no affordable housing, and was sued by advocates. In the end, Santa Rosa agreed to allow higher density affordable housing developments without a conditional use permit, to identify a site for a homeless shelter and provide financial assistance, to establish an affordable housing trust fund, to provide more farm worker housing, and to impose an affordable housing fee on commercial and industrial development. The City had to pay \$28,000 for the plaintiff’s legal fees.

County of Santa Cruz – The County proposed meeting all of its need for low income housing through second units. A consortium of groups sued in the mid-1990s and again in 2004, and after many legal battles the County lost. The County was ordered to rezone 30 acres of land and devote \$15 million to support development of low income housing. (Source: MetroActive SantaCruz, Dec 20-27, 2006, <http://www.metroactive.com/metro-santa-cruz/12.20.06/nuz-0651.html>)

City of Benecia – Benecia inaccurately identified sites as being available for development. They were sued and lost. In the end, after several appeals, the City spent more than \$500,000 in attorney fees and eventually was forced to comply. Two major pieces of the agreement included an inclusionary zoning ordinance and setting aside land for affordable housing.

County of Napa – The County of Napa submitted a draft Housing Element to HCD in 2001, but did not make changes to the document to make it compliant with State law, which led to lawsuits. The Court ordered a moratorium on new developments and that the County pay the plaintiff’s legal fees. Eventually, the County agreed to rezone some sites, better supply affordable low income housing and farm worker housing, and develop a way for neighboring cities to accept some of its fair share number. Following a review of land capacity by the cities of Napa and American Canyon, an agreement was developed between the County and the cities, transferring some of the housing need numbers. (Note: Under State law counties are allowed to transfer a portion of their RHNA.) As part of the agreement, the County paid for improvements in the cities of Napa and American Canyon costing millions of dollars and agreed to other concessions. The fees awarded to the plaintiff’s attorney’s totaled over \$238,000. (Source: Hillary Gitelman, Napa County Planning Department)

Marin Countywide Housing Element Workbook

The Importance of Housing Element Certification

City of Folsom – In 2001, the City of Folsom was sued by housing advocacy groups. They agreed to rezone 120 acres for multifamily housing, adopt an inclusionary zoning ordinance, create an affordable housing trust fund, donate land for affordable housing, change the zoning to allow for emergency shelters by right, and direct more money from their redevelopment authority to housing. Attorney fees totaled over \$58,000.

Access to Funding with a Certified Housing Element

Housing Elements have been mandatory portions of local general plans in California since 1969. This reflects the statutory recognition that the availability of housing is a matter of statewide importance, and cooperation between government and the private sector is critical to attainment of the State's housing goals. To incentivize and reward local governments that have adopted compliant and effective Housing Elements, several housing, community development and infrastructure funding programs include Housing Element compliance as a rating and ranking or threshold requirement.

Housing Element compliance is generally included as a set of rating and ranking criteria in programs where the primary applicants are local governments. As eligible applicants vary by program (e.g., only non-entitlement jurisdictions eligible for State CDBG or HOME programs), not all jurisdictions are affected by these programmatic requirements. The effect or significance of the Housing Element factor within the context of other competitive factors varies by program. Some of the programs that consider Housing Element certification in their criteria are:

- Building Equity and Growth in Neighborhoods (BEGIN) Program
- Community Development Block Grants (CDBG)
- HOME Investment Partnerships Program (HOME)
- Housing Enabled by Local Partnerships (HELP) Program, California Housing Finance Agency
- Infill Incentive Grant (IIG) Program
- Infrastructure State Revolving Fund (ISRF) Program, California Infrastructure and Economic Development Bank (I-Bank)
- Single Family Home Program
- Workforce Housing Reward (WFH) Program (no current funding available)

Resources

The best source of additional information is a memo written by Santa Barbara's legal council in 2007, Housing Element Law: Mandates and Risks of Defiance, located on the Marin Housing Workbook website in the documents/resources and facts sheets/reports folder.

Another source of information that offers insight in the advocacy community's interpretation of the law is California Housing Law Element Manual, California Public Interest Law Project, April, 2008.

An authoritative book on the subject is California Housing Element Law: The Issue of Local Noncompliance, by Paul Lewis (2003, Public Policy Institute of California).

Jurisdictions are also encouraged to review the relevant California State Law, available on HCD's website, and talk to their staff attorneys.

March 24th, 2009

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05-20-2014
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Marin Countywide Housing Element Workbook

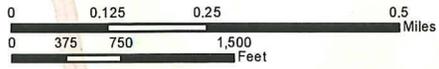
The Importance of Housing Element Certification

Produced by Marin County Community Development Agency, representatives of Marin cities
and Baird + Driskell Community Planning

March 24th, 2009

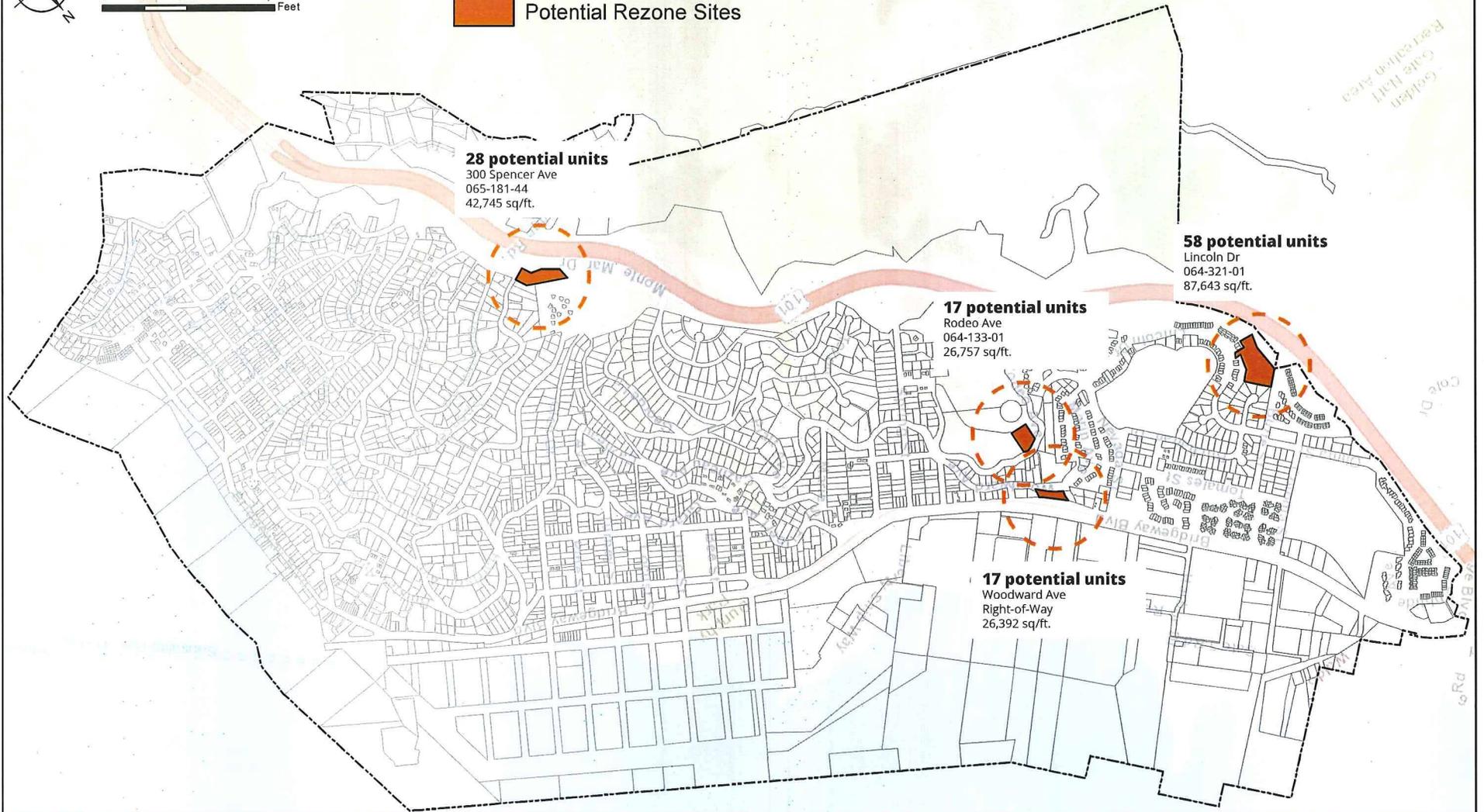
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05-20-2014
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Map of Potential Rezone Sites



Legend

 Potential Rezone Sites



ATTACHMENT 13
(1 PAGE)

City of Sausalito's Response to Chris Skelton's Questions, received May 19, 2014

1. Why were the CN-1 parcels along Second (between Richardson and Main) not included in the HMU overlay district? How were these CN-1 parcel's differentiated from the ones currently proposed for the overlay?

The State Housing and Community Development (HCD) reviewed Sausalito's draft Housing Element two times in 2012 prior to granting certification on the Element. HCD's initial comment letter on the Draft 2009-2014 Housing Element (April 2012- comment letter #1) specifically indicated the City lacked sites for higher density housing. Per statutory requirements to provide housing for a "variety of housing types", including large families, the City needed to augment its lower income sites strategy of Accessory Dwelling Units and Liveboards with sites for multi-family housing. The Element needed to demonstrate those sites identified for multi-family had realistic development potential, and were of sufficient size to accommodate multi-family rental development and housing affordable to lower income households. Public Advocates (representing Non-Profit Housing Assoc of Northern California) prepared written comments (March 2012) on the draft Housing Element, reinforcing HCD's finding of the need to designate additional multi-family sites.

In order to address this need, the City needed to look at a new strategy. Throughout the process the community desired a low impact strategy and was not supportive of rezoning properties (changing the zoning from Open Space to residential, for example). Based on this input, M-Group (the Housing Element consultant) initially drafted a Mixed Use Overlay (MUO). The MUO (which is now the Horizontal Mixed Use, or HMU, overlay) did not change the zoning on any of the sites, but allowed ground floor residential use as a permissible use in exchange for affordability requirements and 3+ bedroom requirements. The MUO would be applicable to commercial sites of sufficient size to accommodate a minimum of 8 units, the absolute smallest size justifiable to HCD for with multi-family rental housing affordable to lower income households.

There were only five commercial sites in Sausalito that met this criteria: 2015 and 1901 Bridgeway, 217 and 107 Second Street, and 333 Caledonia Street. The MUO originally consisted of four sites: 2015 and 1901 Bridgeway, 217 and 107 Second Street. The City Council reviewed the MUO overlay at a meeting on May 22, 2012 (original staff report without attachments attached, see entire report and the video from the meeting here: http://sausalito.granicus.com/MediaPlayer.php?view_id=2&clip_id=66). At the conclusion of the May 22, 2012 meeting, the Council directed staff and consultants to remove the option to allow ground-floor residential uses on the two Second Street sites, and explore all other alternatives to address the revisions required for the Housing Element. On June 12, 2012 staff and the consultant presented an alternative to the Council to provide multi-family housing to make up for the loss of the two Second street site (see report and the video from the meeting here: http://sausalito.granicus.com/MediaPlayer.php?view_id=2&clip_id=67). The alternative to the loss of the Second street sites was the separate Vertical Mixed-Use (VMU) regulations, which were mandatory, not voluntary, throughout the entire CN-1, CR and CC zones.

2. Why were the CN-1 (Bridgeway between Olive/Spring) parcels the only properties called out for the HMU overlay?

See answer in #1 above.

3. With a variety of housing types already satisfied through conventional zoning, liveaboards, ADUs and special needs zoning proposed, is the only aspect of the Housing Element that is required by the HMU overlay district affordability? HMU does not change the density, and Melinda referred to the need for developers to have better access to grants/loans, which was constrained by the "mixed use" on site.

See answer in #1 above.

4. Can Sausalito justify calling the overlay district a "mixed use" when mixed use is the sole constraint on affordability – commercial would have to be removed for any hope of affordable residential development.

The HMU (Horizontal Mixed Use) Overlay provides the potential for a horizontal mix of uses—commercial on the ground level of sites in the CN-1 district without the overlay and residential on the ground level of sites in the CN-1 district with the overlay.

5. If a multi-family residential project were proposed in the HMU overlay, would commercial development standards apply since the base zoning is CN, or residential standards? It is understood that incentives/concessions could be requested, but it is important to understand the baseline for those incentives.

The baseline development standards are the same for commercial and residential in CN-1. See Zoning Ordinance (Sausalito Municipal Code Title 10) Table 10.24-2.

6. What is the maximum height allowed under state law (and local law) for a redevelopment project on a HMU site? Geoff Butler suggested it could be 100 ft if it were a narrow lot and the developer could justify the need.

SMC Table 10.24-2 establishes a maximum building height of 32 feet (see SMC Section 10.40.060 for height measurement). The State Density Bonus law does not address a maximum building height.

7. The two tier system for incentives and concessions are based on "encouraging" utilization of the first tier before resorting to the second tier. Could a third tier be introduced to include height – essentially elevating height as a last resort after all other options have been exhausted?

The tier system in the draft density bonus ordinance is based on increasing levels of public review, with the first tier being a Planning Commission review/decision level and the second being a City Council review/decision level. A third tier is a possibility, but the review level would need to be established.

8. By including FAR in the tier one incentive/concession, is Sausalito creating a target for increasing the size of units, which seems in conflict with affordability (assuming a connection between size and affordability)?

The requirement to deed restrict at least 50% of the units to low and very low income level households on a HMU overlay site mandates that the units be affordable to low and very low income level households. The community expressed the most concern with increases in height and view impairments, which is why those two concerns were elevated to a tier two level in the draft density bonus ordinance.

9. What are the implications in terms of the Housing Element and RHNA of a developer pursuing a commercial project instead of the residential project on a HMU parcel?

There would be no implication on the RHNA. The Housing Element would not be affected as to certification as adequate sites had been identified.

10. Is VMU an overlay, rezone, or zoning text amendment?

The VMU regulations are a text amendment of SMC Section 10.44.190.

11. What does the proposed VMU accomplish that cannot already be accomplished under present zoning code?

The VMU regulations, as currently drafted, require that affordable units be created as a part of new residential construction in mixed use commercial districts.

12. Is there a forced conversion from commercial to residential in the VMU? What is the threshold test for identifying when forced conversion shall occur?

No, there is not a forced conversion from commercial to residential by the VMU program or draft ordinance.

13. How will existing non-conforming uses be regulated within VMU areas?

Existing upper level commercial office uses would be regulated by the applicable commercial zoning district.

Methodology Sites Analysis:

13. Why limit the sites analysis to site that are 3,000 square feet or more? There are two examples of properties with smaller lot size being developed in the recent past (e.g. 85 Crescent; 317 Johnson). Isn't this lost potential to demonstrate an ability to provide a variety of housing or further satisfy (buffer) Sausalito's RHNA?

The minimum parcel size for zoning districts in Sausalito which allow the smallest parcel size is 5,000 s.f. (R-3) and (R-2-2.5) not including the Ark zone (1,500 s.f.) However, the zoning code allows a minimum of two units on parcels that allow multiple units on parcels of at least 3,000 s.f. This was the reason the sites analysis utilized the 3,000 s.f. parcel size criteria. Sites on the inventory are required to be feasible for development.

14. If all parcels that were on the City's list of constructed and approved project were removed, isn't this a lost opportunity to identify under-developed sites from 2007-2014? An example of this would be a single-family residence that was built in an RM district.

Parcels with recently completed building improvements are not considered good candidates for inclusion on a sites inventory because they are not vacant and are not usually underutilized. In Sausalito, the consultants found that if they were underutilized, the placement of the new structure typically impeded further development. We cannot respond to your example as the City does not have a "RM" zoning district.

15. How many parcels were removed because of parking constraints? What was the most common constraint (e.g. size of space, hillside slope, access)? Could the City develop a modified parking standard to capture these lost opportunities that may satisfy variety of housing or affordability requirements?

Very few parcels were removed due to parking constraints. This was a small sub-set of parcels that had very unusual street frontage and/or access issues. The most common constraint has not been identified. A modified parking standard would not be effective for those sites eliminated as they had no on-site parking, no feasible method to provide on-site parking.

16. Would modifying the parameters to assess realistic development opportunities result in capturing additional units towards satisfying Sausalito's RHNA allocation? These would likely be small-scale projects, so would it contribute towards HCD's demand for a variety of housing types?

The parameters used to assess realistic development opportunities were geared toward the small scale nature of development in Sausalito, including small parcels, narrow streets, steep hillsides, allowable density and limited setbacks allowed by the zoning code.

17. What are the limits that Housing Element law places on satisfying a jurisdiction RHNA share? It was previously suggested by Public Advocates that recognizing illegal second units and realizing the full occupancy of live-aboard units cannot count towards satisfying the RHNA share. What section of the Government Code supports Public Advocates statement in their March 16, 2012 letter?

While satisfying Sausalito's lower income RHNA needs entirely through ADUs and liveboards would fail to meet statutory requirements for providing sites for a variety of housing types (Section 65583(c)(1)), HCD has concurred that both ADUs and liveboards do contribute towards the City's lower income sites requirements. By way of reference, the County of Santa Cruz lost a legal challenge on its Housing Element for proposing to meet all of its lower income RHNA through second units (refer to 2009 Marin Countywide Housing Element Workbook handout *The Importance of Housing Element Certification*).

18. It has been suggested that ADUs and liveaboards have been utilized to their fullest potential for the current Housing Element. This HE was certified in 2012. There has been great success with both ADUs and liveaboards over the past two years since certification. Can the HE be amended to reflect this success for the satisfaction of HCD?

As part of the updated 2015-2023 Housing Element, the City is required to review its accomplishments under the adopted Housing Element. Discussions with HCD indicate that since 2014 falls within the RHNA cycle for both Housing Element periods, the City has the option of crediting units permitted during 2014 (including ADUs) towards either Housing Element period. Sausalito's adopted Housing Element includes 24 ADUs in the sites inventory, whereas 20 ADUs have been permitted to date with several additional in process; additional ADUs permitted in 2014 in excess of 24 will be credited towards the future Housing Element

The adopted Housing Element identified 38 existing liveaboards and 55 future liveaboards for a total of 93 liveaboards. However only 6 existing and 24 future liveaboards can currently be counted toward the current planning period RHNA. No liveaboards will be carried over into the future Housing Element.

19. Where in the government code does it says you need to provide large-family affordable housing units?

Government Code Section 65583 and 65583.2 require the Housing Element to provide for a variety of housing types including multifamily rental housing. The element must identify sites with zoning and development standards that will allow and encourage multifamily rental housing opportunities, and address any policies that might impede multifamily rental opportunities and assure sufficient and realistic opportunities for development in the planning period. In addition, Government Code Section 65583(a)(7) requires an analysis of any special housing needs, including those of large families and identify potential program or policy options and resources to address the need. The 2010 Census documents ten percent of Sausalito's households are families with children, and 41 families have five or more members (defined as a large households).

20. Where in the government code or HCD policy and guidelines does it say that there must be a variety of housing choices and that the variety of housing must be affordable? Variety of housing appears in section 65583.2, but the link to affordability is absent. Does each variety of housing have a corresponding affordability requirement?

As Melinda Coy from HCD explained at the May 13, 2014 Subcommittee meeting, there is no link in the Government Code regarding providing sites for a variety of housing types (Section 65583(c)(1)) and providing zoning appropriate to accommodate the development of housing affordable to lower income households (Section 65583.2(c)(3)(A)&(B)).

A modification to the draft HMU ordinance that could be considered by the City Council is a reduction or elimination of the mandated affordability of the HMU overlay zone. This revised requirement would address the community's concern that mandating affordability of 50% of the units in a HMU project would "automatically" allow a property owner to request a State Density

Bonus of 35% and 3 concessions/incentives. Eliminating or reducing the affordability requirement in the HMU ordinance would put the burden on the property owner to voluntarily incorporate affordable units in order to request a density bonus and concessions/incentives. One option for a reduced affordability requirement would be to require just 5% very low and 10% low income units, which would allow a property owner to request the minimum 20% density bonus and 1 incentive/concession.

21. What is HCD's guidance on the meaning of variety of types of housing in the context of Sausalito? If Sausalito has an average of 1.5 people per unit, shouldn't the variety of housing be predominantly smaller units?

The housing element must demonstrate the availability of sites, with appropriate zoning, that will encourage and facilitate a variety of housing types to address housing needs including housing for families. Liveaboards and ADUs address housing needs for small one and two person households, but do not address the need for family housing. The City understands HCD to accept that Sausalito has a very small average household size, but that does not eliminate the need to plan for larger households. Larger households could include accommodating growing families that are already here, or who desire to move here from somewhere else.

22. Is the HE's goal to reflect community standards and expectations or to standardize every community in a region/state? Again, shouldn't Sausalito's HE reflect an emphasis on smaller units?

The City believes that the Housing Element is a reflection of the community and as such, places a strong focus on smaller units.

23. Does HCD recognize a linkage between housing size and affordability? If so, what is their policy or guideline on it?

The City's understanding is that the size of housing units is one parameter of affordability. Everything else being equal, smaller units are usually more affordable. For example, ADUs are generally accepted as affordable because of their small size; but the precise level of affordability must be documented through rent surveys.

24. Can Sausalito adopt an ordinance that requires new ADUs to be deed restricted, thus satisfying the affordability aspect of the HE?

Yes, cities may adopt local ordinances that require new ADU's to be affordable and deed restricted. However, depending on the depth of affordability required, this can also be viewed as governmental constraint on a form of housing that can be shown to be affordable without deed restrictions in place.

25. Can Sausalito increase the percentage of liveaboards in marina from 10% to 20% to reflect the reality of the circumstances? Would doing so satisfy the affordability aspect of the HE?

No, the 10% limit is set by the State Bay Conservation and Development Commission.

Other:

26. Does the updated 2015-2022 housing element replace the previous (2007 – 2014) Housing Element? If there is an aspect of a prior housing element that is subsequently deemed inconsistent with the jurisdiction's housing needs/goals, does it need to be amended in the prior HE, or can it be addressed in the future HE? Is it sufficient to call out the unfavorable policy in an updated housing element and address any repercussions caused by its removal regarding RHNA?

Yes, the 2015-2023 Housing Element would replace the existing 2009-2014 Housing Element. Changes in city policy that would trigger a revision to the existing Housing Element or a new policy in the new Housing Element would depend on the policy change and its impact; and the timing of such change.

27. What law, rule, or regulation allows for a jurisdiction to require rental housing instead of owner-occupied housing? It is suggested that if Sausalito cannot provide for multi-family rental housing, then its HE is deficient for failing to provide a "variety" of types of housing.

Government Code Section 65583 and 65583.2 require the Housing Element to provide for a variety of housing types including multifamily rental housing. The element must identify sites with zoning and development standards that will allow and encourage multifamily rental housing opportunities, and address any policies that might impede multifamily rental opportunities and assure sufficient and realistic opportunities for development in the planning period.

28. It was suggested that within HCD law requirements, there are some areas of latitude to accommodate local needs and characteristics. It was also presented that a minimum density of 8 units per parcel was needed to satisfy affordability, despite state-wide 16 units. If HCD can go down to 8, why can they not get down to 6? What model suggests that 6 units is impossible to accomplish affordability?

This question was addressed by Melinda Coy at the Housing Element Sub-Committee meeting you attended on May 13th. Ms. Coy indicated that an 8 unit site is actually very small to meet the requirement that a jurisdiction provide opportunities for multi-family housing but that due to the unique characteristics of Sausalito HCD concurred that an 8 unit site was sufficient. It appears that you are confusing this discussion with the requirement to provide sites with a minimum capacity of 16 units per parcel to address a RHNA carry-over, as referenced in Government Code Section 65584.09 related to re-zoning.

29. Rotary Place was the only comp that was cited for support of affordability models, would comps/support from other jurisdictions be rejected by HCD? Have consultants looked to other Bay Area jurisdictions for more favorable examples.

City staff isn't able to comment on how HCD would look at "affordability models" from other jurisdictions. The Consultants are not aware of smaller affordability examples than what exists in Sausalito.

30. If access to affordability is the main constraint for the HMU parcels, could Sausalito set up an Affordable Housing Trust, like many other jurisdictions, where it would subsidize potential projects to make it more feasible with a commercial component on site?

Program 13 in the 2012 Housing Element requires that upon adoption of a program that generates in-lieu housing fees, a dedicated Affordable Housing Fund for deposit of in-lieu fee revenues would be established. Therefore, this program is already established in the Housing Element.

31. Was the HE compliance contingent on Program 8? If so, what did Program 8 accomplish to make it compliance contingent (affordability, variety, etc.)

The 2012 adopted Housing Element was found in compliance with Housing Element law based on, among other programs, Program 8 (see August 2012 letter from HCD). Program 8 accomplished both demonstrating a variety of housing types and compliance with very low-income RHNA numbers.

32. What is accomplished by suggesting that the HMU sites modify the 30% at three bedrooms to a specific percentage at 2 bedrooms? Is it suggesting that smaller units are more affordable?

This would reduce the overall square footage of any future buildings proposed, with a corresponding lessening of any primary view impact from nearby residences.

33. If commercial must be removed to address the primary constraint to affordability on the HMU overlay sites, has Sausalito evaluated the effects that would have on the surrounding community? In particular, the additional vehicle miles traveled because loss of a convenience store? How is the suggested benefit of 11 additional units per site balanced against the adverse impacts?

The Housing Element does not seek the loss of a convenience store. The existing convenience store would be allowed to exist at its current location under the current and draft zoning changes called for by the Housing Element. The convenience store could be incorporated into a new vertical mixed-use development. The convenience store could be incorporated into a new horizontal mixed-use development with adjacent ground-floor residential uses on the parcel.

Potential environmental impacts would be considered upon the review of any development proposal on the site regardless of the implementation of any specific Housing Element program or policy.

34. Are Sausalito decision makers informed that they can still adopt a HE that is not certified by HCD? Legally, what findings would the City Attorney suggest to be made for an uncertified HE that was subsequently adopted by the City Council?

Self-certification is not recommended as the legal protections of having a HCD certified Housing Element do not apply.

35. Can Sausalito adopt a more realistic ADU amnesty program to incentivize more residents to reveal/legally recognize their units? If low income developers are incentivized by fee waivers and other development standards, could similar incentives be offered for the amnesty program?

The amnesty ADU program which was adopted by the City Council in November of 2012 after 11 public subcommittee meetings on the draft ordinance from March to August 2012, two public hearings by the Planning Commission on September 5 and September 19, 2012 and four public hearings by the City Council on October 9, October 23, November 13 and November 27, 2012. As adopted, if a property was eligible for an amnesty ADU permit, the existing development standards were recorded, but not used as criteria to approve/deny an amnesty permit (therefore, incentivizing the program through further relaxing development standards is not possible). Furthermore, the fee established for the amnesty ADU permit was \$400, which was a large discount on the fully burdened rate of \$1,600 for processing such application. The City Council could consider requests to further reduce the ADU amnesty permit fee at such a time when the ADU amnesty period is re-initiated.

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CITY OF SAUSALITO



Ragghianti|Freitas LLP

Attorneys at Law

1101 Fifth Avenue, Suite 100
San Rafael, CA 94901-3246
telephone 415.453.9433
facsimile 415.453.8269
www.rflawllp.com

Chris A. Skelton
cskelton@rflawllp.com

May 16, 2014

Jeremy Graves
Community Development Director
420 Litho Street
Sausalito, CA 94965

RE: 2007 – 2014 Housing Element Implementation Questions

Mr. Graves:

I have included below my list of questions, with some additions and modifications, that I previously submitted on May 13 to Planner Lilly Schinsing. Questions were solicited in advance of the Housing Element sub-committee meeting on May 13, which was joined my HCD Housing Policy Specialist Melinda Coy. Unfortunately, there was limited opportunity during the public comment period to ask these questions. After attempts to independently have these questions answered offline, I was requested to formally present any questions and correspondence through the City. To that end, please provide written responses as soon as possible. Thank you in advance for your help regarding this important issue.

1. Why were the CN-1 parcels along Second (between Richardson and Main) not included in the HMU overlay district? How were these CN-1 parcel's differentiated from the ones currently proposed for the overlay?
2. Why were the CN-1 (Bridgeway between Olive/Spring) parcels the only properties called out for the HMU overlay?
3. With a variety of housing types already satisfied through conventional zoning, liveaboards, ADUs and special needs zoning proposed, is the only aspect of the Housing Element that is required by the HMU overlay district affordability? HMU does not change the density, and Melinda referred to



Ragghianti|Freitas LLP

Attorneys at Law

1101 Fifth Avenue, Suite 100
San Rafael, CA 94901-3246
telephone 415.453.9433
facsimile 415.453.8269
www.rflawllp.com

Chris A. Skelton
cskelton@rflawllp.com

the need for developers to have better access to grants/loans, which was constrained by the “mixed use” on site.

4. Can Sausalito justify calling the overlay district a “mixed use” when mixed use is the sole constraint on affordability – commercial would have to be removed for any hope of affordable residential development.

5. If a multi-family residential project were proposed in the HMU overlay, would commercial development standards apply since the base zoning is CN, or residential standards? It is understood that incentives/concessions could be requested, but it is important to understand the baseline for those incentives.

6. What is the maximum height allowed under state law (and local law) for a redevelopment project on a HMU site? Geoff Butler suggested it could be 100 ft if it were a narrow lot and the developer could justify the need.

7. The two tier system for incentives and concessions are based on “encouraging” utilization of the first tier before resorting to the second tier. Could a third tier be introduced to include height – essentially elevating height as a last resort after all other options have been exhausted?

8. By including FAR in the tier one incentive/concession, is Sausalito creating a target for increasing the size of units, which seems in conflict with affordability (assuming a connection between size and affordability)?

9. What are the implications in terms of the Housing Element and RHNA of a developer pursuing a commercial project instead of the residential project on a HMU parcel?

10. Is VMU an overlay, rezone, or zoning text amendment?

11. What does the proposed VMU accomplish that cannot already be accomplished under present zoning code?

12. Is there a forced conversion from commercial to residential in the VMU? What is the threshold test for identifying when forced conversion shall occur?

13. How will existing non-conforming uses be regulated within VMU areas?



Ragghianti|Freitas LLP

Attorneys at Law

1101 Fifth Avenue, Suite 100
San Rafael, CA 94901-3246
telephone 415.453.9433
facsimile 415.453.8269
www.rflawllp.com

Chris A. Skelton
cskelton@rflawllp.com

Methodology Sites Analysis:

1. Why limit the sites analysis to site that are 3,000 square feet or more? There are two examples of properties with smaller lot size being developed in the recent past (e.g. 85 Crescent; 317 Johnson). Isn't this lost potential to demonstrate an ability to provide a variety of housing or further satisfy (buffer) Sausalito's RHNA?
2. If all parcels that were on the City's list of constructed and approved project were removed, isn't this a lost opportunity to identify under-developed sites from 2007-2014? An example of this would be a single-family residence that was built in an RM district.
3. How many parcels were removed because of parking constraints? What was the most common constraint (e.g. size of space, hillside slope, access)? Could the City develop a modified parking standard to capture these lost opportunities that may satisfy variety of housing or affordability requirements?
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5. What are the limits that Housing Element law places on satisfying a jurisdiction RHNA share? It was previously suggested by Public Advocates that recognizing illegal second units and realizing the full occupancy of live-aboard units cannot count towards satisfying the RHNA share. What section of the Government Code supports Public Advocates statement in their March 16, 2012 letter?
6. It has been suggested that ADUs and liveaboards have been utilized to their fullest potential for the current Housing Element. This HE was certified in 2012. There has been great success with both ADUs and liveaboards over the past two years since certification. Can the HE be amended to reflect this success for the satisfaction of HCD?
7. Where in the government code does it says you need to provide large-family *affordable* housing units?



Ragghianti|Freitas LLP

Attorneys at Law

1101 Fifth Avenue, Suite 100
San Rafael, CA 94901-3246
telephone 415.453.9433
facsimile 415.453.8269
www.rflawllp.com

Chris A. Skelton
cskelton@rflawllp.com

8. Where in the government code or HCD policy and guidelines does it say that there must be a variety of housing choices *and* that the variety of housing must be affordable? Variety of housing appears in section 65583.2, but the link to affordability is absent. Does each variety of housing have a corresponding affordability requirement?
9. What is HCD's guidance on the meaning of variety of types of housing in the context of Sausalito? If Sausalito has an average of 1.5 people per unit, shouldn't the variety of housing be predominantly smaller units?
10. Is the HE's goal to reflect community standards and expectations or to standardize every community in a region/state? Again, shouldn't Sausalito's HE reflect an emphasis on smaller units?
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12. Can Sausalito adopt an ordinance that requires new ADUs to be deed restricted, thus satisfying the affordability aspect of the HE?
13. Can Sausalito increase the percentage of liveboards in marina from 10% to 20% to reflect the reality of the circumstances? Would doing so satisfy the affordability aspect of the HE?

Other:

1. Does the updated 2015-2022 housing element replace the previous (2007 – 2014) Housing Element? If there is an aspect of a prior housing element that is subsequently deemed inconsistent with the jurisdiction's housing needs/goals, does it need to be amended in the prior HE, or can it be addressed in the future HE? Is it sufficient to call out the unfavorable policy in an updated housing element and address any repercussions caused by its removal regarding RHNA?
2. What law, rule, or regulation allows for a jurisdiction to require rental housing instead of owner-occupied housing? It is suggested that if Sausalito cannot provide for multi-family rental housing, then its HE is deficient for failing to provide a "variety" of types of housing.
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Ragghianti|Freitas LLP

Attorneys at Law

1101 Fifth Avenue, Suite 100
San Rafael, CA 94901-3246
telephone 415.453.9433
facsimile 415.453.8269
www.rflawllp.com

Chris A. Skelton
cskelton@rflawllp.com

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5. If access to affordability is the main constraint for the HMU parcels, could Sausalito set up and Affordable Housing Trust, like many other jurisdictions, where it would subsidize potential projects to make it more feasible with a commercial component on site?

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Ragghianti|Freitas LLP

Attorneys at Law

1101 Fifth Avenue, Suite 100
San Rafael, CA 94901-2903
telephone 415.453.9433
facsimile 415.453.8269
www.rflawllp.com

Chris A. Skelton
cskelton@rflawllp.com

May 20, 2014

Via E-Mail Only
(jgraves@ci.sausalito.ca.us)

Sausalito City Council
c/o Jeremy Graves
Community Development Director
420 Litho Street
Sausalito, CA 94965

Re: Horizontal Mixed Use Overlay

City Council Members:

Our office was retained by a coalition of concerned citizens to analyze the proposed Housing Element (“HE”) implementation measures, with special consideration of the Horizontal Mixed Use (“HMU”) and Vertical Mixed Use (“VMU”) features of the program. For the reasons set forth below, we would request that the City Council: (1) direct the City consultants to review and amend the HE to remove the HMU overlay; (2) resubmit the amended HE to Housing and Community Development (“HCD”); and (3) adopt a defensible HE that is suitable for the City. The City of Sausalito (“City”) is at a critical juncture regarding setting expectations for future land use and development, and it is of the utmost importance that we do not rush to cross the finish line, but rather get it right for the entire community.

This letter details concerns over the HMU program, provides points for City Council consideration regarding possible changes to the program, and outlines additional and alternative consequences of implementation of the program. No one in the community is served by playing a shell game and relocating the proposed programs to different areas of town, so that is not what we propose. It is our hope that the Council will address community concerns on a holistic level to create long-term solutions for the entire City instead of satisfying individual neighborhood interests on a short-term basis.



Concerns over HMU Program

A chief concern is the perception that the HMU overlay is not actually planning for housing, but rather planning for economic success of developers at the expense of local neighborhoods. This is evidenced by the fact that the two HMU sites are already capable of accommodating 8 units per their density designation – thereby already making them ripe for satisfying the variety of housing types required under Government Code section 65583.2. There already exists incentives and concessions for producing affordable units under Government Code section 65915, as well as the Sausalito density bonus law. Finally, there is nothing currently proposed for the HMU zoning ordinance that mandates, or even encourages, that the larger family units would be affordable compared to other units constructed on the parcel. As Melinda Coy explained at the May 13, 2014 Subcommittee meeting, “there is no link in the Government Code regarding providing sites for a variety of housing types and providing zoning appropriate to accommodate the development of housing affordable to lower income households. (See Lilly Schinsing response to Chris Skelton’s questions, #20, May 20, 2014).

The other significant concern that has gone unaddressed is the loss of neighborhood serving commercial facilities on the HMU parcels. The staff report states the HMU purposes: “allow ground floor residential...to better accommodate family housing and help retain neighborhood character by reducing the need for increased building heights.” (Staff Report 5-20-14 p. 5). This statement over-simplifies how neighborhood character is defined. While building height is certainly a component, many other elements are also interconnected in establishing neighborhood character: use, lot coverage, FAR, setbacks, architectural design, among others. By establishing an overlay district that allows development that discontinues commercial use in a commercial neighborhood zone, it plans for future development that will irreversibly alter the neighborhood character. Furthermore, under density bonus law, a developer could request up to three other incentives/concessions that would further alter the neighborhood character – reduce minimum setbacks, increase maximum lot coverage, and increase maximum FAR. Under present conditions, it is well documented that the surrounding neighborhood depends on the commercial facilities, and discontinuation of that use would adversely alter the neighborhood character.



Solution: Replace HMU with VMU

The HMU overlay should be eliminated, and a VMU overlay could still be applied to the two designated HMU sites in order to achieve HCD certification. This would accomplish the affordability aspect, as well as allow for a wait-and-see approach to address the proposed variety of housing types. Melinda Coy indicated that “an 8 unit site is actually very small to meet the requirement that a jurisdiction provide opportunities for multi-family housing but that due to the unique characteristics of Sausalito, HCD concurred that an 8 unit site was sufficient.” (See Lilly Schinsing response to Chris Skelton’s questions, #28, May 20, 2014).

Despite multiple explanation attempts by a variety of people, the problem created by removing the HMU overlay cannot be identified. It has been suggested that removal of HMU would result in inadequate affordable housing stock. An alternative problem offered is, without HMU, the City cannot demonstrate its ability to accommodate a “variety of housing types,” including large family rental units. Without knowing the precise problem caused by elimination of HMU overlay, it is overly burdensome to respond with appropriate solutions.

A variety of housing is readily satisfied through liveaboard vessels – including multi-family houseboats, second units (“ADU”), multi-family zoned parcels, and residential development in commercially zoned districts. The HMU sites should not be necessary to satisfy variety of housing. Furthermore, a proposed amendment to the HMU ordinance for City Council consideration includes adjusting the requirement of 30% of units as 3 bedroom units to 25% or units as 2 bedroom units. If this is accepted by HCD, it begs the question why 2 bedroom restrictions may satisfy HCD’s demand for variety of housing (large family rental units) and a wait and see approach would not.

Affordability can be accomplished in many ways. The draft amendment for VMU regulations (10.44.190) identifies as a purpose of the VMU - “provid[ing] *valuable opportunities for affordable housing...*” The VMU sites identified in the underutilized site inventory chart of the HE recognizes an average 2 additional units on the VMU sites. If this is the scale for championing “valuable opportunities for affordable housing,” then why can’t the same hold true for the HMU sites, but with a VMU overlay instead?



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More importantly, the basis for holding a mixed use site (commercial ground floor with residential above) as a significant constraint to affordability is short-sighted. Housing Element law maintains that local jurisdictions need only plan for housing, not actually execute it. A fair argument can be made that mixed use development may not be a constraint in the near future, but rather an advantage. Ground floor retail goes in and out of favor amongst lenders. Who is to say that if interest rates rise, lenders may want the stability of the retail rent? Consideration of financing ability is an *execution* issue, not a *planning* issue.

Other Items of Consideration

The community remains concerned about the potential height a development could reach on the two HMU parcels. Through the currently structured density bonus ordinance, height would be a second tier concession. In order to mitigate reasonable fears of the community, could height be relegated to a third tier – essentially an option of last resort upon a showing to both Planning Commission and City Council that a project is not viable without a height variance?

A modification is proposed by staff/consultants to the VMU ordinance that would continue to allow commercial use in above-ground level space of buildings in commercial districts. This proposal is a deviation from Program 8a that was detailed in the certified and adopted HE in 2012. With this modification, would the current HE have to be amended and resubmitted to HCD for recertification? If so, then there is no added burden to addressing other community perceived deficiencies in the HE and proposing amendments to HCD for their consideration in certifying the HE.

The VMU ordinance contemplates an affordability aspect under 10.44.190(C)(2)(a). The number of affordable units is calculated to a fractional number, anything under .5 rounds down. Using this calculation, the city should refine the proposed amendment to make 8 units the threshold for triggering 20% affordability, since that is the tipping point where the fractional number exceeds 1.5.

We are not in favor of adding any parcels in the CN-2 zone to an HMU overlay. However, we are curious to learn from City consultants what benefit application of the VMU overlay may have when applied to CN-2 zone. If application of VMU to this zoning district could contribute to a reasonable community solution, then



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it should also be contemplated in conjunction with other programs like the liveboards and ADUs.

Alternative

Great emphasis has been placed on spreading the fearful message regarding consequences if HE programs are not implemented. While the impacts can be real and significant, they should not be used as a means to approve and pass land use policies that are adverse to the community and detrimental to the City. Implementation of the HMU overlay would pave the way for removing commercial uses in the CN zone, and flies in the face of SB 375 (sustainable communities).

Residents of Sausalito are sophisticated and engaged. There is a surge of awareness over the perception of state mandated control of local communities in the form of Housing Elements and the certification process. If the City Council is unresponsive to our concerns, there is a real possibility that this community will mimic Fairfax and offer the ordinance to the people for a vote pursuant to Election Code sections 9237 and 9241. This process will inevitably prolong any implementation of the program. Instead of wasting the next six months deciding who is right, we prefer to take the time now to get it right.

Conclusion

We are seeking a city-wide solution to the HE implementation problems and not trying to protect any one neighborhood at the expense of another. Application of the HMU overlay will be detrimental to not only our own neighborhood, but the entire Sausalito community. It should be avoided at all cost and we urge the City Council to challenge the City consultants to find solutions. Additionally, we propose a tiered approach to resolving any perceived deficiencies from HCD, including: application of VMU to the current HMU sites; re-review of ADU and liveboard figures in satisfying requirements in light of success over past two years; potential application of VMU to CN-2 district; and revisiting affordability accommodations under VMU ordinance.

Thank you for your consideration to this very important city-wide issue.

Very Truly Yours,



Ragghianti|Freitas LLP

Sausalito City Council
May 20, 2014
6 of 5

A handwritten signature in blue ink, appearing to read 'Chris Skelton'. The signature is fluid and cursive.

Chris A. Skelton

cc: Lilly Schinsing
Mary Wagner
Debbie Pagliaro

Subject: FW: HMU

Begin forwarded message:

From: Ann Jones <ann@annjonesinteriors.com>
Date: May 20, 2014 2:39:54 AM PDT
To: Adam Politzer <apolitzer@ci.sausalito.ca.us>
Cc: Jane Dirkes <janedirkes@yahoo.com>, Steve Hoffman <steve.hoffman@chrysalis.net>, sonja hanson <sonyahanson@hotmail.com>
Subject: HMU

Dear Mr. Politzer

I am unable to attend the meetings regarding this as I am out of the country. However, as a resident of Sausalito, and Olive Street, I would like to register my support of removing HMu from the housing element.

I am in the process of legalizing a rental unit on my property to add to the amount of housing available. My tenants use the commercial part of this - 7-11 and laundry - and need to park on Olive Street. I am also extremely concerned with possible change it could bring to an extremely unusual and charming town.

I would also like to ask these questions:

Has anyone considered that Olive Street is virtually a Lane as it is extremely narrow? With cars parked on each side only One car can pass. Any construction would cause extreme hardship to residents who already risk their lives pulling out on to Bridgeway. And to tear down a perfectly good existing apartment building that provides parking for its residents to build another flies in the face of any consideration for ecology or energy. It could only be for profiteering and would make absolutely no sense.

Please add my voice to the many who want to preserve our charming city.

Ann Jones
516 Olive Street

Ann@annjonesinteriors.com

From: Lilly Schinsing
Sent: Tuesday, May 20, 2014 2:59 PM
To: 'tina@thenilesco.com'
Cc: 'kenniles50@yahoo.com'; Adam Politzer; Jeremy Graves; Mary Wagner
Subject: FW: 1905-1907 Bridgeway, Optional Residential Useage
Attachments: 2014_05_19_Bridgeway Letter.pdf; MUO notice- 1901 Bridgeway.pdf; 1901BridMuonPstd120504.jpg; 1901 Bridgeway-MOU flyer.pdf; HMU Density Bonus Fact Sheet-For Electronic Publication.pdf

Dear Ms. Luther,

Could you please kindly pass this email on to Mr. Needleman and Mr. Niles addressing their questions in the letter we received via email yesterday?

Thank you.

Dear Mr. Needleman and Mr. Niles,

We are in receipt of your letter dated May 19, 2014. Prior to answering your specific questions in your letter, we'd like to provide some background information as context to the Horizontal Mixed Use (HMU) and Vertical Mixed Use (VMU) Programs.

Sausalito adopted an updated Housing Element^[1] in October 2012 which covers the years 2009-2014. This Housing Element was certified by the State of California, Department of Housing and Community Development (HCD) in November of 2012 as being in compliance with Housing Element Law. The City of Sausalito is in the process of updating the Housing Element for the years 2015-2023. The City's deadline to adopt a revised Housing Element is January 31, 2015. HCD will only certify the 2015-2023 Housing Element if the City implement— or puts in place— certain programs which were committed to in the most recently adopted 2009-2014 Housing Element. Specifically:

- **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., California cities are required to regulate transitional and supportive housing as a residential use and allow "single room occupancy" facilities as a commercial use)
- **Density Bonuses** (i.e., all California cities are required to grant density bonuses for new projects of five or more units ranging from 5% to 35% depending on the affordability provided when requested by a project sponsor. The City is amending its Density Bonus ordinance to reflect changes in State law.)
- **Emergency Shelter** (i.e., all California cities are required by the State to identify a Zoning District where emergency homeless shelters are a use that is permitted by right)
- The **Vertical Mixed Use (VMU)** program (i.e., the City committed in the adopted Housing Element 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)
- The **Horizontal Mixed Use (HMU)** program (i.e., the City committed in the adopted Housing Element to creating an overlay zone where properties in the CN-1 Zoning District could utilize the ground floor level of buildings for residential use in exchange for providing a percentage of affordable units and three-bedroom units).

These programs must be put in place prior to adopting an updated Housing Element for the years 2015-2023. If the City does not update the Housing Element by the specified timeframe the City will not be in compliance with Housing Element law.

There has been concern in the Spring Street Valley neighborhood regarding the HMU program. This program was committed to in the Housing Element adopted in October 2012 in order to address HCD's requirement that the City show that the City has adequate sites for large households. The HMU program allows the sites at 1901 Bridgeway (the 7-

Eleven commercial building 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 only allow commercial use on the ground floor and residential use on the upper floor(s).

The only zoning change described in the HMU program is to allow the ground floor to be used for residential use, if desired by the property owner. In exchange for allowing the ground floor to be used for residential use, the property owner would be required to make 50% of the units affordable and 30% of the units three-bedroom units to accommodate large households. The concern identified by the Spring Street Valley neighborhood is regarding the potential impacts to the neighborhood if a property owner were to combine the HMU program and the Density Bonus Law (a California State Law). The City has prepared the enclosed Fact Sheet for your review to provide additional information and encourage further dialogue on these important issues.

If a property owner does not choose to take advantage of the HMU program, the Vertical Mixed Use (VMU) regulations would apply. The VMU regulations would require 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).

Here are answers to the questions you included in your May 19, 2014 letter, recognizing that you are an owner of the property at 1901 Bridgeway:

1. Will we ever be required by the City, State or Federal Government to provide a residence on our commercial property?

Currently, the Zoning Ordinance allows only commercial uses on the ground level of the property at 1901 Bridgeway, with an option for either residential or commercial on the upper levels.

The change contemplated in the HMU Overlay program is to allow the ground floor to be used for residential use, if desired by the property owner. In exchange for allowing the ground floor to be used for residential use, the property owner would be required to make 50% of the units affordable and 30% of the units three-bedroom units to accommodate large households. Therefore, the HMU Overlay program is a voluntary program; the property owner may choose to take advantage of the program or not. If the property owner of an HMU Overlay site does not choose to take advantage of the HMU program, the Vertical Mixed Use (VMU) regulations would be applicable.

The VMU program requires that 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. The VMU program applies to the property at 1901 Bridgeway, as 1901 Bridgeway is in the CN-1 Zoning District. It should be noted that presently, Staff is recommending that the VMU program be relaxed to remove the requirement that any upper level uses in the CN-1, CC and C-R zones be residential. The City Council will discuss this issue on Tuesday, May 20th beginning at 7pm (see information below).

2. Can the City be required to change our zoning to residential to provide for residential use?

Sausalito adopted an updated Housing Element in October 2012 which covers the years 2009-2014. This Housing Element was certified by the State of California, Department of Housing and Community Development (HCD) in November of 2012 as being in compliance with Housing Element Law. The adopted Housing Element contains Programs 8a (VMU) and 8b (HMU), which the City committed to implementing prior to the end of 2014. Neither the VMU nor HMU programs change the zoning to residential—residential uses are currently allowed in the CN-1 Zoning District (on levels above the ground floor). The VMU program retains the ground floor commercial and requires that 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 overlay (contemplated for the 1901 Bridgeway and the 2015 Bridgeway sites) provides an option for ground floor residential, under certain conditions, if the property owner chooses.

3. If we are ever required to remodel our building to change from retail to apartments, who provides the financing? Who determines the rent? Is the funding in the form of a loan or grant?

Neither the HMU nor VMU programs require that a property owner redevelop their property. If a property owner chooses to redevelop their property, they would secure their own financing. If deed-restricted affordable unit(s) are required, they would be limited to 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 Government 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

4. Will the City provide us with a guarantee of retaining the current zoning if the residential option is attached to our property?

Please see the answer in #1.

The City Council will hold a meeting **tonight** -- Tuesday, May 20 -- beginning at 7pm in the Council Chambers at City Hall (420 Litho Street) to discuss the HMU/VMU program. The agenda and staff report for the meeting is available as item 6a here: <http://www.ci.sausalito.ca.us/index.aspx?page=43> (see May 20th meeting under "upcoming events"). Provided as attachments to the staff reports are the draft VMU and HMU ordinances.

Lastly, I wanted to address the concern you have expressed regarding only receiving information regarding these programs 30 days ago.

- In November of 2011 a postcard was sent via mail announcing a public workshop on the Housing Element update. The address list included your PO Box address in Sonoma. You indicated to me on the phone last month that this is your mailing address.
- In May of 2012 flyers were sent via mail to all property owners/occupants within 300 feet of each of the four contemplated Mixed Opportunity Unit (MOU) sites (the MOU is now the HMU Overlay)—each flyer was tailored to each specific site. Additionally, flyers were posted at each site. The address list included your PO Box address in Sonoma. I've attached the flyer for the 1901 Bridgeway site, the mailing list used and a photograph of the flyer posted at the 1901 Bridgeway site.
- In February of 2014 a postcard was sent via mail to all property owners/occupants in Sausalito regarding Housing Element Implementation and Update the sites for the HMU overlay-- 1901 Bridgeway and 2015 Bridgeway-- were specifically called out on the postcard. The address list included your PO Box address in Sonoma.
- In March 1, 2014 a flyer was sent via mail to all property owners of CC, CR and CN-1 properties regarding the VMU and HMU programs. The address list included your PO Box address in Sonoma.

Please let me know if you have any questions,

Sincerely,

Lilly Schinsing

Administrative Analyst

Administration Department

City of Sausalito | 420 Litho St. Sausalito CA 94965

phone: 415.289.4134

email: LSchinsing@ci.sausalito.ca.us

From: Tina Luther [mailto:tina@thenilesco.com]
Sent: Monday, May 19, 2014 11:45 AM
To: Adam Politzer
Subject: 1905-1907 Bridgeway, Optional Residential Useage

Mr. Politzer,

Attached please find a letter from Mr. Ken Niles, one of the owners of the commercial property located at 1905-1907 Bridgeway in Sausalit.

Thank you.

Tina Luther
Property Manager
Niles Company
P.O. Box 298
Sonoma, CA 95476
707-938-5616
707-938-1886 fax

^[1] *The Housing Element is one of the seven mandated elements of a jurisdiction's General Plan. Housing Element Law, enacted in 1969, mandates that local governments adequately plan to meet the existing and projected housing needs of all economic segments of the community.*

RECEIVED

MAY 19 2014

CITY OF SAUSALITO

**Jerry Needleman
Ken Niles
667 Sausalito Blvd.
Sausalito, CA 94965**

May 19, 2014

Adam Politzer, City Manager
City of Sausalito Planning Commission
420 Litho Street
Sausalito, CA 94965

Re: 1901-1907 Bridgeway, Sausalito, CA
Optional use for residence

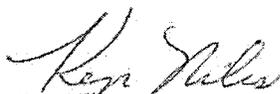
Dear Mr. Politzer & Planning Commission Members,

As owners of our commercial property for 48 years we would like further clarification of how the proposed option to provide a residence will affect our commercial zoning. Would you please try to address the following questions:

1. Will we ever be required by the City, State or Federal Government to provide a residence on our commercial property?
2. Can the City be required to change our zoning to residential to provide for residential use?
3. If we are ever required to remodel our building to change from retail to apartments, who provides the financing? Who determines the rent? Is the funding in the form of a loan or grant?
4. Will the City provide us with a guarantee of retaining the current zoning if the residential option is attached to our property?

Thank you for your attention to this matter and answering the questions. We only received information about the proposal about 30 days ago so it is "new" to us. Thank you.

Sincerely,


Ken Niles

cc: Joan Cox, Planning Commission
Bill Werner, Planning Commission
Susan Cleveland-Knowles, Planning Commission
Stafford Keegin, Planning Commission
Vicki Nichols, Planning Commission

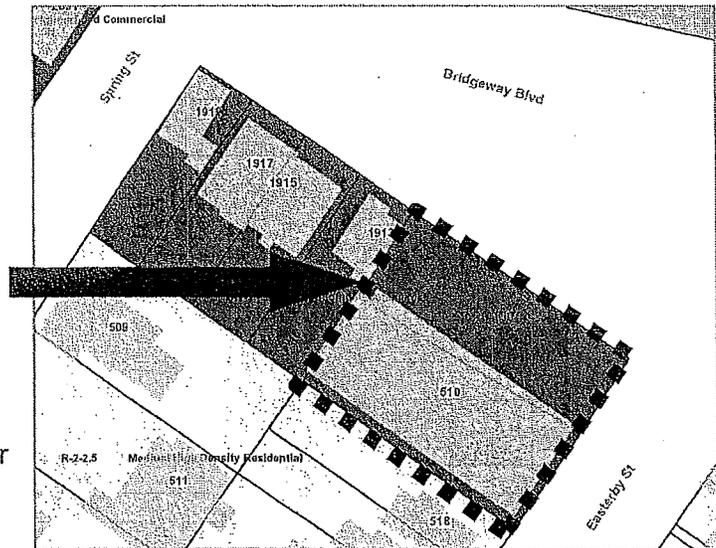
NOTICE OF MEETINGS REGARDING INCENTIVES TO PROVIDE MULTI-FAMILY HOUSING

The City of Sausalito is in the process of preparing an update to the Housing Element. The Housing Element is one of seven required General Plan Chapters which is mandated by the State of California to be updated regularly. In order to encourage the development of multi-family housing, in particular on mixed-use sites, the City is considering "Mixed Use Opportunity" incentives. This is a proposal to allow property owners in certain mixed use commercial districts (i.e., areas where a mix of residential and commercial uses are currently allowed) to:

- Utilize the ground floor level of buildings for residential use (currently residential uses are only allowed upper levels); and
- Provide reduced parking.

In exchange for using these incentives the property owner would be required to ensure that a certain percentage of the units are affordable to very low and low income households. **It's important to note that the incentives would be voluntary, not mandated, the maximum number of units allowed on the site would not change under this proposal and that any potential development project would be required to go through the City's standard Design Review process.** The Housing Element Task Force will be discussing these incentives on **Monday, May 7 at 5:30pm.**

One of the sites which is under consideration to be able to utilize these incentives is located at **1901 Bridgeway and 510 Easterby**, (APN 064-141-05, 064-141-06) which is located at the corner of Easterby and Bridgeway and is 12,000 square feet. This site is located near your residence or property.



*05-02-12 - LIST PREPARED - AV
MAILED - LS*

*05-03-12 - CITY HALL
WEBSITE - AV*

05-04-12 - POSTED - AV

To weigh in on these incentives come to the meetings listed below.

IMPORTANT UPCOMING HOUSING ELEMENT MEETING DATES

- ❖ Monday, May 7, 5:30pm: Task Force Meeting
 - ❖ Wednesday, May 16, 6:30pm: Planning Commission Special Meeting
 - ❖ Tuesday, May 22, 7pm: City Council Special Meeting
- All meetings are held in the Council Chambers, 420 Litho Street

FOR MORE INFORMATION ON THE HOUSING ELEMENT UPDATE

Visit <http://ci.sausalito.ca.us/Index.aspx?page=703>, or contact Lilly Schinsing, 289-4134.

TO BE ADDED TO THE EMAIL DISTRIBUTION LIST

Send an email to Lilly Schinsing, Associate Planner (LSchinsing@ci.sausalito.ca.us) requesting to be added to the Housing email list. You'll receive notifications and materials regarding the update effort.

1901 BRIDGEWAY 501 EASTERBY - 300' - 05.02.12

Name	OCO	Address	City	St	Zip
SHUBIN LESLIE E TR		2000 CLINTON AVE	ALAMEDA	CA	94501
CHEUNG KWOK Y		A2 19FL VENTRIS PLACE	CHINA		
JANUARY PETER REVOC LIV TRUST		10 CORTE MADERA AVE	CORTE MADERA	CA	94925
RYNDERS JENNIFER L /TR/		13 ACACIA AVE	KENTFIELD	CA	94904
BUECHEL D ROBERT JR &		6 HOLLY DR	LITTLE SILVER	NJ	7739
HEINZE R GERALD		231 E STRAWBERRY DR	MILL VALLEY	CA	94941
BURKELL DENNIS M TR		50 QUARRY RD	MILL VALLEY	CA	94941
UNITED STATES OF AMERICA		2479 E BAYSHORE RD	PALO ALTO	CA	94303
BENNETT EVAN R &		2040 W MAIN ST #210-2475	RAPID CITY	SD	57702
SCOCO 2001/03		PIER 47	SAN FRANCISCO	CA	94133
REYNOLDS JOAN H /TR/		1321 THIRD ST	SAN RAFAEL	CA	94901
BROWNE CECILIA		64 MARINERS CIR	SAN RAFAEL	CA	94903
PACIFIC GAS & ELECTRIC CO			SAN RAFAEL	CA	94901
NEEDLEMAN GERALD N TR ETAL		PO BOX 298	SONOMA	CA	95476
SAUSALITO WATERFRONT LLC		30 VIOLA ST	SOUTH SAN FRANCISCO	CA	94080
MARTERIE ANTHONY J &	Or Current Occupant	10 LIBERTY SHIP WAY	SAUSALITO	CA	94965
ROGERS FLORA R TR ETAL	Or Current Occupant	112 PEARL ST	SAUSALITO	CA	94965
Current Resident		15 LIBERTY SHIP WAY	SAUSALITO	CA	94965
FREEMAN RONALD V	Or Current Occupant	18 A MARIE ST	SAUSALITO	CA	94965
LUHRS BARBARA J	Or Current Occupant	18 B MARIE ST	SAUSALITO	CA	94965
Current Resident		18 MARIE ST	SAUSALITO	CA	94965
WHITSON KENT A /TR/ &	Or Current Occupant	18 PEARL ST	SAUSALITO	CA	94965
Current Resident		1901 BRIDGEWAY BLVD	SAUSALITO	CA	94965
SAUSALITO CHAMBER OF COMMERCE	Or Current Occupant	1913 BRIDGEWAY BLVD	SAUSALITO	CA	94965
Current Resident		1915 BRIDGEWAY BLVD	SAUSALITO	CA	94965
Current Resident		1917 BRIDGEWAY BLVD	SAUSALITO	CA	94965
Current Resident		1919 BRIDGEWAY BLVD	SAUSALITO	CA	94965
FN PIERE JAMES	Or Current Occupant	20 B MARIE ST	SAUSALITO	CA	94965
Current Resident		20 LIBERTY SHIP WAY	SAUSALITO	CA	94965
KUMAR ASHOK &	Or Current Occupant	20 MARIE ST A	SAUSALITO	CA	94965
Current Resident		20 PEARL ST	SAUSALITO	CA	94965
Current Resident		2000 BRIDGEWAY BLVD	SAUSALITO	CA	94965
Current Resident		2001 BRIDGEWAY BLVD	SAUSALITO	CA	94965
Current Resident		2003 BRIDGEWAY BLVD	SAUSALITO	CA	94965
Current Resident		2005 BRIDGEWAY BLVD	SAUSALITO	CA	94965
Current Resident		2007 BRIDGEWAY BLVD	SAUSALITO	CA	94965
Current Resident		2009 BRIDGEWAY BLVD	SAUSALITO	CA	94965
B H I G	Or Current Occupant	2015 BRIDGEWAY BLVD	SAUSALITO	CA	94965
Current Resident		2100 BRIDGEWAY BLVD	SAUSALITO	CA	94965
Current Resident		22 MARIE ST	SAUSALITO	CA	94965
TURNER JANET M &	Or Current Occupant	34 MARIE ST	SAUSALITO	CA	94965
WEINSHEIMER KURT R &	Or Current Occupant	36 MARIE ST	SAUSALITO	CA	94965
RHYE MICHAEL P /TR/ &	Or Current Occupant	44 FILBERT AVE	SAUSALITO	CA	94965
LYNCH MONA	Or Current Occupant	46 EDWARDS AVE	SAUSALITO	CA	94965
Current Resident		501 EASTERBY ST	SAUSALITO	CA	94965
HJORTH JOHANNES	Or Current Occupant	503 EASTERBY ST	SAUSALITO	CA	94965-1710
Current Resident		506 SPRING ST	SAUSALITO	CA	94965
Current Resident		507 EASTERBY ST	SAUSALITO	CA	94965
Current Resident		508 SPRING ST	SAUSALITO	CA	94965
Current Resident		509 EASTERBY ST	SAUSALITO	CA	94965
MAGGIORA JOHN L	Or Current Occupant	509 SPRING ST	SAUSALITO	CA	94965
Current Resident		510 EASTERBY ST	SAUSALITO	CA	94965

Item 6A - LATE MAIL

05-20-2014 5/2/2012 1/2

Page 7 of 8

1901 BRIDGEWAY 501 EASTERBY - 300' - 05.02.12

Name	OCO	Address	City	St	Zip
Current Resident		510 SPRING ST	SAUSALITO	CA	94965
Current Resident		511 OLIVE ST	SAUSALITO	CA	94965
Current Resident		511 SPRING ST	SAUSALITO	CA	94965
KERN SUSAN E /TR/	Or Current Occupant	513 EASTERBY ST	SAUSALITO	CA	94965
Current Resident		513 EASTERBY ST A	SAUSALITO	CA	94965
Current Resident		515 EASTERBY ST	SAUSALITO	CA	94965
Current Resident		516 SPRING ST	SAUSALITO	CA	94965
HOFFMAN STEVEN T &	Or Current Occupant	518 EASTERBY ST	SAUSALITO	CA	94965
HOOD MICHAEL D &	Or Current Occupant	518 SPRING ST	SAUSALITO	CA	94965
MAGGIORA ELMO V TR &	Or Current Occupant	519 OLIVE ST	SAUSALITO	CA	94965
Current Resident		519 SPRING ST	SAUSALITO	CA	94965
BURGIO MARCO A &	Or Current Occupant	520 EASTERBY ST	SAUSALITO	CA	94965
MELLOR JANE A	Or Current Occupant	520 SPRING ST	SAUSALITO	CA	94965
Current Resident		521 EASTERBY ST	SAUSALITO	CA	94965
HARRIMAN THOMAS R /TR/	Or Current Occupant	522 EASTERBY ST	SAUSALITO	CA	94965
HANSON SONJA J /TR/ &	Or Current Occupant	522 SPRING ST	SAUSALITO	CA	94965
Current Resident		523 SPRING ST	SAUSALITO	CA	94965
Current Resident		524 SPRING ST	SAUSALITO	CA	94965
Current Resident		525 EASTERBY ST	SAUSALITO	CA	94965
Current Resident		525 SPRING ST	SAUSALITO	CA	94965
TIEMENS & BUSBY TRUST ETAL	Or Current Occupant	526 EASTERBY ST	SAUSALITO	CA	94965
Current Resident		526 SPRING ST	SAUSALITO	CA	94965
Current Resident		527 EASTERBY ST	SAUSALITO	CA	94965
Current Resident		529 EASTERBY ST	SAUSALITO	CA	94965
Current Resident		529 SPRING ST	SAUSALITO	CA	94965
HEFNER JUANELL	Or Current Occupant	530 EASTERBY ST	SAUSALITO	CA	94965
Current Resident		531 EASTERBY ST	SAUSALITO	CA	94965
GINNETTI REVOC TRUST	Or Current Occupant	532 EASTERBY ST	SAUSALITO	CA	94965
1984 FONTES LIVING TRUST	Or Current Occupant	533 EASTERBY ST	SAUSALITO	CA	94965
Current Resident		533 SPRING ST	SAUSALITO	CA	94965
Current Resident		535 EASTERBY ST	SAUSALITO	CA	94965
Current Resident		535 SPRING ST	SAUSALITO	CA	94965
Current Resident		537 EASTERBY ST	SAUSALITO	CA	94965
Current Resident		538 EASTERBY ST	SAUSALITO	CA	94965
ARTS FELIX &	Or Current Occupant	540 B EASTERBY ST	SAUSALITO	CA	94965
Current Resident		540 EASTERBY ST	SAUSALITO	CA	94965
MORELLO AUGUSTINE /TR/ ETAL	Or Current Occupant	PO BOX 815	SAUSALITO	CA	94965

532 Easterby St.
Sausalito, CA 94965
(415) 332-3775
Sausalito415@yahoo.com

May 12, 2014

Lilly Schinsing
Sausalito City Hall
420 Litho St.
Sausalito, CA 94965

**RE: May 21, 2014 Planning Commission– Low
Income Housing Proposal for 1901 Bridgeway**

Dear Ms. Schinsing

As I will not be able to attend the Planning Commission Public Hearing on May 21, 2014 due to a business trip, I wish to express my sentiments pertaining to the cited housing proposal.

A lifelong resident of Sausalito, I have lived at 532 Easterby Street for 31 years. My parents and grandparents themselves have resided at this property since the 1930's. Consequently, my family and I were dismayed to learn of the proposal to construct low income, high density housing at the 1901 Bridgeway location.

Not only will such proposed construction block the bay view from our living room, but it will drastically decrease our property value, as well as increase already congested vehicle traffic due to the presence of the 7/11 at that location.

To approve such housing would not only create economic and personal stress on the other residents on Easterby and Filbert Streets, but it would damage the character of our neighborhood.

As a result, I politely request that you add my e-mail address to the list of residents being notified by your office of forthcoming meetings pertaining to the proposed construction.

In conclusion, I would like my letter to be included along with the protest petition already signed by 150 residents¹ in the "Staff Report" for the May 21, 2014 Planning Commission Public Hearing.

Thank you for your consideration.

Sincerely,

Michael Thomas

¹ <http://www.change.org/petitions/sausalito-city-council-sausalito-california-remove-1901-bridgeway-7-11-lot-and-2015-bridgeway-from-the-city-of-sausalito-s-2015-2023-housing-element-update>