



STAFF REPORT

SAUSALITO CITY COUNCIL

MEETING DATE: August 5, 2025

AGENDA TITLE: Adopt a Resolution Calling a Special Election and Submitting to the Qualified Voters of the City of Sausalito an Ordinance Amending the City Zoning Map in City Commercial Districts to Adopt Housing Overlay Zoning Consistent with the Housing Element, to be Voted Upon at the Special Municipal Election to be Held on November 4, 2025

LEAD DEPARTMENT: Community Development

RECOMMENDED ACTION:

Staff recommend the City Council adopt a resolution calling a special Election and Submitting to the Qualified Voters of the City of Sausalito an Ordinance Amending the City Zoning Map in City Commercial Districts to Adopt Housing Overlay Zoning Consistent with the Housing Element to be Voted Upon at the Special Municipal Election to be Held on November 4, 2025.

SUMMARY

On March 27, 2025, the City Council of the City of Sausalito adopted its Amended 2023-2031 Housing Element (available [here](#)), which has been determined to be substantially compliant with all requirements of State Housing Element Law by the Department of Housing and Community Development (“HCD”). State law mandates that the City have a general plan, which contains a housing element that plans for the development of housing to meet the Regional Housing Needs Allocation (“RHNA”) as developed by HCD and assigned by the Association of Bay Area Governments (“ABAG”).

The Amended Housing Element establishes goals, policies, and identifies future actions to address the existing and projected housing needs of Sausalito. As required by State law, the City analyzed the capacity of its existing zoning, determined that existing zoning would not meet the RHNA, and developed an inventory of sites that could be rezoned, the details of which are contained in Program 4 of the City’s Amended Housing Element.

The City is required by State law to complete its entire program of rezoning in Program 4 by January 30, 2026; otherwise it will be out of compliance with Housing Element Law. Potential consequences under State law for non-compliance include the loss of local control over land use permitting, exposure to the builder’s remedy, increased litigation risk from developers, housing groups, and the State, and potential fines as set forth in Government Code 65585.

The City’s rezoning program (Program 4) requires that the City rezone 31 sites. Certain sites specified in the Amended Housing Element’s program of rezoning are subject to prior restrictions

of Ordinance Nos. 1022 and 1128, which are prior initiatives which can only be modified with voter approval. Eighteen sites do not require voter approval to rezone, and would be rezoned by Ordinance No. 06-2025, which was introduced by the City Council on May 27, 2025. Twelve sites are impacted by Ordinance No. 1022, which is a local voter approved initiative which impacts the ability of the City to rezone in the City's commercial districts. One site is impacted by Ordinance No. 1128, and will be addressed by a separate agenda item. The proposed draft resolution calling a special election and ballot measure (**Attachment 1**) has been prepared to address the requirement for the rezoning of sites impacted by Ordinance No. 1022.

The approval of the attached draft resolution would call a special election for November 4, 2025, for the voters to approve the rezoning of opportunity sites in the City's Amended Housing Element impacted by Ordinance 1022.

Passage of both measures pertaining to Ordinance 1022 and 1128 by the voters is necessary in order for the City to complete the program of rezoning set forth in the City's Amended 2023-2031 Housing Element and to maintain the City's ongoing compliance with State Housing Element Law.

BACKGROUND

Amended Housing Rezoning Program:

Implementation of Program 4 requires that the City complete rezoning and/or adopt overlay zones to allow development of residential units on identified opportunity sites at densities identified in the Amended Housing Element. This rezoning must be completed by the January 30, 2026, deadline imposed by State law.

Program 4 of the City's adopted Amended Housing Element involves the City completing rezoning and/or adopting overlay zones to allow densities at identified opportunity sites of 20-29 dwelling units/acre (H-29), 43-49 dwelling units/acre (H-49), 50-70 dwelling units/acre (H-70), or mixed-use zoning of 20-29 dwelling units/acre with minimum of 85% residential required (MU-29), 43-49 dwelling units/acre with minimum of 85% residential required (MU-49), and mixed-use zoning of 50-70 dwelling units/acre with minimum of 85% residential required (MU-70) for a total capacity of 923 units. Further standards for these overlay zoning districts were included in Ordinance No. 06-2025, as follows:

Development Requirement	H-29	MU-29	H-49	H-70	MU-49	MU-70
Affordability	20% very low or low	20% very low or low	20% very low or low	20% very low or low	20% very low or low	20% very low or low
Minimum Density	20 units/acre ¹	20 units/acre ¹	43 units/acre	50 units/acre	43 units/acre	50 units/acre

Development Requirement	H-29	MU-29	H-49	H-70	MU-49	MU-70
Maximum Density	29 units/acre	29 units/acre	49 units/acre	70 units/acre	49 units/acre	70 units/acre
Maximum FAR residential uses	None	None	None	None	None	None
Maximum nonresidential FAR	Non-residential uses not allowed	0.4	Non-residential uses not allowed	Non-residential uses not allowed	0.4	0.4
Front Setback	0	0	0	0	0	0
Street side setback	5	5	5	5	5	5
Interior side setback	5	5	5	5	5	5
Rear setback	15	15	15	15	15	15
Maximum building height	32 feet/3 stories	32 feet/3 stories	35 feet/3 stories	45 feet/4 stories	35 feet/3 stories	45 feet/4 stories
¹ Minimum density for the H-29 and MU-29 is only applied to sites identified to accommodate very low and/or low-income units in Appendix D1 of the Housing Element.						

To ensure that the City does not have to identify and rezone additional sites under the No Net Loss Law if developers propose lower density projects, and to ensure that the Amended Housing Element remains in compliance with state law during the entirety of the planning period, the Amended Housing Element includes a buffer of 199 units above the City's RHNA allocation of 724 units. The outline of the RHNA sites strategy is provided in Table 1 (below). For more details on Program 4, please review the City's adopted Amended Housing Element (available [here](#)).

Table 1. RHNA Requirements and Rezoning:

	Extremely / Very Low	Low	Moderate	Above Moderate	Total
RHNA	200	115	114	295	724
TOTAL CAPACITY FOLLOWING COMPLETION OF REZONING					
Total Capacity	245	157	190	331	923

As required by State law, the City has ensured that the sites identified for rezoning are not concentrated in any particular location and are spread throughout the City.

The following 18 sites do not require voter approval for rezoning, and are proposed for rezoning under Ordinance No. 06-2025:

Site Number	APN	Address	Housing Opportunity Overlay
73	064-322-01	636 Nevada St	H-49
86	052-322-02	330 Ebbitide Ave	H-49
87	052-322-01	Ebbitide Ave	H-49
75	064-341-04	530 Nevada St	H-70
	064-341-10	Tomales St	H-70
53	064-163-06	Bonita St	H-49
55	064-162-27	Napa St	H-49
56	064-151-16	412 Napa St	H-49
207	065-063-07	925 Bridgeway Blvd	H-29
3	065-292-34	Marion Ave	H-49
8	065-253-02	Main St/Crescent Ave	H-49
9	065-231-45	Lower Crescent Ave	H-49
10	065-233-22	18 West Ct	H-49
101	065-281-20	357 Sausalito Blvd	H-49
59	064-142-29	Easterby St	H-49
23	065-072-11	10 Reade Ln	H-29
24	065-071-13	10 Excelsior Ln	H-29
212	065-193-31	Sausalito Blvd	H-49
110	065-121-09	San Carlos Ave	H-70
	065-121-08	San Carlos Ave	H-70
	065-121-07	San Carlos Ave	H-70

One additional site, not impacted by Ordinance No. 1022, but impacted by Ordinance No. 1128, (Site 84 – MLK Park Property) will be rezoned under a different ballot measure.

Ordinance 1022 Summary:

Ordinance 1022, commonly known as the Fair Traffic Initiative, was passed by voters in 1985 and limits changes to City zoning without voter approval, and includes provisions that establish a maximum allowable density and floor area ratio, and prevent any site in the City's commercial and industrial zones from being rezoned to allow for a greater density or floor area ratio, and would prevent their use for housing in the manner set forth in the Amended Housing Element unless modifications are approved by voters.

Proposed Ballot Measure:

As further detailed in the draft resolution and ballot measure, the following 12 opportunity sites are impacted by Ordinance No. 1022 and are proposed to be rezoned to implement the rezoning in Program 4 of the City's Amended 2023-2031 Housing Element and to maintain the City's ongoing compliance with State Housing Element Law. A map of the overlay zoning can also be accessed from the draft resolution (**Attachment A to ballot measure**).

Site Number	APN	Address	Housing Opportunity Overlay	Notes
39	065-037-01	303 Johnson	-M29	
	065-034-07	303 Johnson	-M29	
	065-038-06	501 Humboldt	-M29	
44	065-051-10	1319 Bridgeway Blvd	-M29	
47	064-087-07	300 Locust St	-M29	
72	063-140-21	2656 Bridgeway	- M49	
	063-140-18	2650 Bridgeway	-H70	
79	063-151-01	2631 Bridgeway Blvd	-M49	
81	063-151-05	2829 Bridgeway Blvd	-M49	
211	063-140-20	2660 Bridgeway	-M49	
301	065-032-01	Locust St And Humboldt Ave	-H29	Overlay zoning is only applied to the land-based portion of the site.
	065-031-01	225 Locust	-H29	Overlay zoning includes adjacent paper streets.
303	063-140-15	1 & 3 Harbor Dr	-M49	Overlay zoning is only applied to a 3-acre portion of the site.
306	063-162-04	3000 Bridgeway	-M70	
401	063-130-01	2400 Bridgeway Blvd	-M29	
402	063-152-01	2680 Bridgeway Blvd	-H49	Overlay zoning is only applied to a 1-acre portion of the existing parking/paved area of the site.

Three of the opportunity sites above will only have a portion of the total site rezoned; as detailed below:

- **Site 301:** Overlay zoning is only applied to the land-based portion of the site and includes adjacent paper streets (**Attachment 3**)
- **Site 303:** Overlay zoning is only applied to a 3-acre portion of the site (**Attachment 4**)
- **Site 402:** Overlay zoning is only applied to a 1-acre portion of the site (**Attachment 5**)

Rezoning Implementation Timeline Summary:

Please see below for a summary of key dates and milestones that must be met in order to implement the Amended Housing Element's program of rezoning and to maintain the City's ongoing compliance with State Housing Element Law.

- **August 5, 2025:** City Council Public Hearing to adopt resolutions calling a special election to amend the City's zoning map for consistency with the Amended Housing Element (voter initiatives 1022 and 1128)
- **August 8, 2025:** Last day to place matters on the ballot for November 4, 2025, special election
- **November 4, 2025:** Special election date
- **December 2025:** Election results are certified by the City Council, City Council adopts Ordinance No. 06-2025 completing rezoning of sites not restricted by voter initiatives.
- **January 30, 2026:** State imposed deadline for City of Sausalito to complete its program of rezoning in the Amended Housing Element

The City is on an urgent timeline to place matters on the ballot for a November 4, 2025, special election, and to meet the State-imposed rezoning deadline of January 30, 2026. In order to meet this timeline, the City Council must provide a conclusive decision on these matters at the August 5, 2025, City Council public hearing.

Join the Conversation – We Want to Hear From You!:

Since 2024, Sausalito has been engaged in a transparent public process associated with the adoption and implementation of its Amended Housing Element. The City is continuing to meet the safety, traffic impact, and quality of life needs of our existing residents and businesses while complying with requirements under State Housing Element Law.

As we continue to implement the City's Housing Element to keep the City compliant with State Law, we want to hear from you. Please take a moment to join the conversation and provide your priorities for a strong, safe, and locally controlled Sausalito by filling-out our [Community Feedback Form](#). Additional information in connection with the City's Amended Housing Element can be found on the City's [Housing Element Rezoning Webpage](#) and on the City's [Amended Housing Element Webpage](#).

FISCAL IMPACT

There are costs associated with the scheduling of Special Local Elections with the County of Marin. Staff understand the ultimate cost of the Special Local Election is based on a currently unknown dollar amount applied to the number of registered voters in the jurisdiction; moreover, if the City of Sausalito is the only jurisdiction on the ballot, it will incur the full cost of the election. Staff are currently working to clarify the actual cost of a Special Local Election and will keep the City Council updated on our progress.

STRATEGIC PLAN ALIGNMENT

Implementation of this action complies with and assists in achieving Sausalito's Strategic Plan Goal A4 to *prioritize other General Plan implementation action items*, such as the preparation and adoption of the 6th Cycle Housing Element and its associated program of rezoning.

STAFF RECOMMENDATION

Staff recommend the City Council adopt a resolution calling a special election and submitting to the qualified voters of the City of Sausalito an ordinance amending the City zoning map in City commercial districts to adopt housing overlay zoning consistent with the Housing Element to be voted upon at the special municipal election to be held on November 4, 2025.

ATTACHMENTS

- Attachment 1: Draft Resolution
- Attachment 2: Ordinance No. 1022
- Attachment 3: Site 301 Subarea Map
- Attachment 4: Site 303 Subarea Map
- Attachment 5: Site 402 Subarea Map
- Attachment 6: Sausalito Commercial District Local Control Measure Overlay Zoning Map
- Attachment 7: City of Sausalito Zoning Map (Includes HE Overlays)

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