DRAFT
HOUSING ELEMENT TASK FORCE MINUTES
January 9, 2012
5:30 p.m.
City Council Conference Room
City Hall at 420 Litho Street

1. **CALL TO ORDER** – *5:37 p.m., all present*

Chair Stan Bair (Planning Commission Rep)
Mike Kelly (City Council Rep)
Susan Cleveland-Knowles (City Resident)
Kim Stoddard (City Resident)
Ray Withy (City Resident)
Vice-Chair Joan Cox (Planning Commission Rep)
Vacant (City Council Rep)
Steve Flahive (City Resident)
Chris Visher (City Resident)

2. **PUBLIC COMMENT ON ITEMS NOT ON AGENDA**
None.

3. **APPROVAL OF MINUTES** – December 19, 2011
Member Kelly moved to approve the December 19, 2011 minutes. Member Cleveland-Knowles seconded the motion. Motion passed 8-0.

4. **REVIEW OF DRAFT HOUSING ELEMENT**

Glossary:
HCD: California Department of Housing and Community Development
RHNA: Regional Housing Needs Allocation
ADU: Accessory Dwelling Unit
ABAG: Association of Bay Area Governments
FAR: Floor Area Ratio
CEQA: California Environmental Quality Act
APN: Assessors Parcel Number
BCDC: Bay Conservation and Development Commission

Consultant Bradley gave an introduction to the draft Housing Element. He clarified that this document is close to the final Housing Element that would be submitted to HCD, pending changes from the Task Force, Planning Commission and City Council. He also stated that M-Group will be adding additional supporting information and tables to the appendices.

Chapter I – Introduction
Task Force comments included:

- **Purpose of Introduction**
  Vice-Chair Cox asked about the purpose of the Introduction chapter Consultant Bradley stated that the Introduction chapter explains the context of this particular Housing Element Update, with its unique circumstances. It is intended for members of public who are engaging with the Housing Element for the first time. As the Housing Element may also be published separately from the General Plan, readers may not have the benefit of reading the General Plan first.

- **Detailed Comments**
  Vice-Chair Cox provided detailed comments on this chapter. City staff requested a copy of her edits after the meeting.

There were no public comments on this chapter.
Chapter II – Housing Plan
Introduction by Consultants:

Item 3
(9 PAGES)

ITEM NO. 3 PAGE 1

Consultant Bradley stated the consultants had removed the live-work program, and would remove annotations on the consultants' recommendations for individual programs when the document is reviewed by the City Council.

Task Force comments:

- **Overall Structure of Chapter**
  Member Withy raised questions on the overall structure and stated that the goal titles on the Page II-1 should match those on Pages II-2 to II-8 to avoid misunderstandings. The current Goal headlines have inconsistencies with actual program details.

  Member Cleveland-Knowles commented similarly that the Implementing Programs don't fall within the Policies and this makes the chapter confusing to read. Consultant Warner responded that most Marin County Housing Elements are written by the same consulting firm with many implementing measures. It would be simpler for the City to record all the programs together with a matrix at the end, and use this format for its annual reports. Every program should have a Policy associated with it, however sometimes programs implement more than one Policy.

  Task Force members indicated their preference to note, after each Policy, the Programs that implement it.

- **Financial Assistance for Housing Affordability**
  Member Flahive asked what types of financial assistance the City would provide. Consultant Warner stated that financial assistance included different forms of affordable housing development assistance, such as funding from an Affordable Housing Fund if adopted by the City, support for homebuyer assistance, support for rental assistance programs, and so on.

- **Policy 3.1 Incentives**
  Vice-Chair Cox requested to change the phrase "proactively seek" to "implement".

- **Policy 3.5 Inclusionary Housing**
  Vice-Chair Cox stated that this Policy should mention at least five units. She did not feel that developments of two or three units should be required to provide affordable housing.

  Member Cleveland-Knowles stated that the detailed Implementing Program language asks for a nexus study to be completed first. She suggested that a nexus study could be performed for developments of five units, and also for developments of less units.

- **Policy 6.5 Jobs/Housing Balance**
  Vice Chair Cox stated that she did not think this policy was useful, as many other programs for affordable housing have been identified.

  Member Kelly stated that the phrase "public service employees" should be removed.

- **Live/work Policy and Program**
  Consultant Bradley clarified that while the program on live/work was removed, Policy 2.4 needs to be taken out as well.

- **Detailed Comments**
  Vice-Chair Cox provided detailed comments on this chapter. City staff requested a copy of her edits after the meeting.

Public comments included:

- **John Flavin**, resident, felt that Sausalito has developed a Housing Element sympathetic to the different characteristics of the community, however he had some issues with certain policies. He could see how a 'devious developer' could twist

some of these policies, and suggested that the "optional" and "recommended" programs be removed, or else be sent to City Council with the annotations to help the Council's review.

He stated that in-lieu fees create issues and establish a de-facto redevelopment agency. He also stated that parking is a problem in the City and that there is no need to give developers relief from parking. He stated that residents of developments near transit still drive.

He felt that these issues would hold up the City Council and that it was reasonable to have an additional meeting.

- **Walt Freedman**, 20 Marin Ave, stated that he was supportive of Mr. Flavin's comments. He felt that the programs were numerous and would affect staff workloads. He also stated that eliminating the annotations on recommendations would give all programs equal weight, and stated that any program annotated "recommended" or "optional" could be dropped.

- **CJ Spady**, 29 Marin Ave, commented on Program 5 - Condo Conversion Regulations. She asked why it was necessary to change the current arrangements, and requested an answer on the reasons for the current provision to be brought down to lower unit levels.

  Consultant Bradley responded that Program 5 expands an existing program to protect existing housing rental stock. He stated that the proposed threshold has already been raised from two units to three to four units, to recognize existing housing arrangements and conditions in the City. He stated that Sausalito needs tools to influence its existing development and housing stock, as the City would not receive development proposals with a large number of rental housing units. He also stated that generally, even market rate rental costs are more achievable than home ownership costs.

  Member Stoddard stated that some residents have moved out from Sausalito due to economic conditions, and this program would make it hard for them to move back.

  Ms. Spady added that there are only two years left in the Housing Element planning cycle, and the City has only received one condo conversion proposal recently. She stated that there were no statistics supporting this program as a requirement to preserve rental stock. She also stated that this issue was important for Sausalito's homeowners.

Chair Bair left the meeting at 6.34 p.m., Vice-Chair Cox chaired the remainder of the meeting.

Task Force Discussion:

- The Task Force and consultants discussed Programs 5, 12, 13, 17, 20, 22, and 33.

- Vice-Chair Cox stated that the programs that create an Affordable Housing Fund raise questions of where the monies would reside, who will maintain and administer the fund, and what regulations will guide the use or award of the funds. The Housing Element does not address these. She stated that she preferred to see just statute language in this program.

- Consultant Warner stated that even though individual programs might not be required, there are certain types of programs that the Housing Element would need to have to fulfill the statutes, in particular Program 12 - Affordable Housing Development Assistance, which needs to remain in some form. The City needs to demonstrate how it will facilitate affordable housing.

Consultant Warner also stated that while there is no redevelopment agency in Sausalito, there is also no current fund for affordable housing. However, fund parameters could be generated later as a local decision.

- Member Stoddard asked if staff had the ability to handle potential burdens from these additional programs.

- Community Development Director Graves thanked the Task Force for their concerns, and stated that from a financial perspective, an affordable housing fund is essential, as the City's General Fund is strained. Staff is in support of the affordable housing fund. The discussion of the administration and use of funds is reasonable, and he stated that many of these programs are in their exploration and evaluation stages. He stated that the administrative costs would present, as City staff has sometimes contracts out to other providers, such as Marin County. He stated that the fees generated through these programs may be able to cover the administrative costs of affordable housing programs.

- Member Kelly asked the consultants if they had encountered other housing elements that had similar issues, and how this could affect the credibility of Sausalito's Housing Element to the State.

  Consultant Warner stated that the majority of jurisdictions have a redevelopment agency, and hence a source of funds for affordable housing. Beverly Hills, for example, needed to show how they would facilitate affordable housing, and used developer agreements from hotel developments. Sausalito has already eliminated its affordable housing overlay. The State reviewer has commented that since Sausalito is built out and it has no redevelopment agency, Sausalito needs to show how it plans to facilitate affordable housing.

- Member Cleveland-Knowles stated that she was in favor of the concepts presented in Program 5 – Condo Conversion Regulations and Program 12 – Affordable Housing Development Assistance, as she felt that the language in these programs simply encouraged the City to evaluate them. She felt that the programs would not benefit Sausalito for units in the current planning cycle, but would rather help with the next Housing Element cycle. She was in favor of retaining Program 5 – Condo Conversion Regulations and Program 17 – Inclusionary Housing Regulations, with the discussed modifications.

  She also stated that the Affordable Housing Fund is just a vehicle for fees, and the City has the ability to decide first on the fees based on economic feasibility and nexus studies. Hence, she was also in favor of Program 13 – Local Affordable Housing Fund.

- Community Development Director Graves confirmed that the City does not currently collect impact fees for the purpose of housing.

Task Force actions taken:

- Vice-Chair Cox made a motion to eliminate Programs 5, 17, 20, 22, and 33. Programs 5 and 17 were listed as "recommended" by the consultants, whereas Programs 20, 22 and 33 were listed as "optional" by the consultants.

- Member Kelly made a second motion to accept Programs 5, 12, 13, 17, but eliminate Programs 20, 22, and 33.

- Vice-Chair Cox amended Member Kelly's motion to edit Program 12 to be more consistent with content of the Housing Element, to pave the way for ADUs and liveaboards. She proposed to:
  - Remove the bullet point "Write-down in the cost of City-owned land for housing", and

- Edit the second bullet point to "Flexible development standards (reduced parking requirements, modified setbacks, etc.) as they pertain to ADU provisions". She did not feel that parking reductions were appropriate elsewhere in Sausalito.

- Member Cleveland-Knowles seconded Member Kelly's amended motion.

- Motioned passed 6-0-1. (Ayes: Flahive, Kelly, Cox, Withy, Stoddard, Cleveland-Knowles. Nays: None. Abstentions: Visher.)

Other edits discussed after actions taken:

- **Annotations on Recommendations**
  Vice-Chair Cox recommended the consultants provide a clean copy of the chapter for the City Council, plus a copy with recommendation annotations for the City Council to understand the feedback from consultants.

- **Clarification on parking-related edits to Program 12**
  Vice-Chair Cox clarified that she preferred to ensure some oversight to parking standards. She understood the edits to Program 12 as offering reduced parking incentives only to the ADU program. She stated that it parking for affordable housing would be looked at on a case-by-case basis.

- **Clarification on Title of Housing Element**
  The consultants clarified that the Housing Element should be called a 2009-2014 Housing Element, as technically the Element is for this planning cycle, although the RHNA is for 1999-2014. Vice-Chair Cox requested a footnote to explain this.

- **Consistency in the document**
  "Program Goal" in the matrix would be changed to "Program Description" for consistency with the rest of the Chapter.

  Community Development Director Graves stated that City staff would review the Chapter again to ensure consistency between the matrix and program descriptions.

Chapter III – Housing Needs Summary

Introduction by Consultants:
Chapter III is tied to Appendix A on Housing Constraints. It looks at the RHNA breakdown and demonstrates how the City has adequate sites to meet its RHNA without having to rezone any sites.

Task Force comments included:

- **Data Accuracy**
  Vice-Chair Cox commented that the statistic regarding Sausalito's working population on Page III-1 should be fact-checked. She also requested fact checks for 2010 Census updates.

- **Emergency Shelter**
  Vice-Chair Cox asked if the Task Force was required to identify locations for emergency shelters. She also asked where the single-room occupancy hotels (SROs) were in town.

  Consultant Warner stated that this was part of Program 23 – Zoning Text Amendments for Special Needs Housing. She stated that the City must identify the zoning district where an emergency shelter will be permitted.

  There was discussion whether the zoning district would be the Marinship Industrial Zoning District, or in the Public Institution (PI) District. The Public Institution District was first raised at the Third Community Workshop in December 2011, however the

consultants felt later that the Industrial District would cause the least possible land use disturbance.

The consultants stated that the emergency shelter may be treated as a commercial hotel use rather than residential use. If a zoning district is identified, the City also needs to identify available sites, ideally close to transportation. However, the likelihood of a non-profit developer proposing an emergency shelter is not high in Sausalito.

Issues discussed included:

- There are potential safety issues in the Marinship (sinking and tsunami issues) that makes it inappropriate for the emergency shelter.
- Some small cities often identify the zone where the emergency shelter is permitted, but does not actually have an emergency shelter For example: the City of Sonoma has an emergency shelter next to its police station, which is next to a large city park.
- City staff stated that due to the location of PI zoning district sites, they anticipate many objections from neighbors and nearby property owners. Staff and consultants felt that the industrial zoning district would be easier to handle this issue.
- The question was raised whether Sausalito could share an emergency shelter with an adjoining community. The consultants stated that the Belvedere considered this, but the city must show its commitment to make such a development happen within a short timeframe. This would be challenging for Sausalito. Consultants also confirmed that from conversations with HCD, no cities have ever used this sharing provision.
- It was suggested that this issue could be decided by the Planning Commission or City Council.

- **Single Room Occupancy Hotels**
  The consultants clarified that language stating the identified zoning district for SROs was required, similar to the requirement on the language for emergency shelters, as part of Senate Bill 2. The identified zoning districts for SROs are the CR, CC, and CN-1 Districts, as laid out in Program 23. A Conditional Use Permit is required to build an SROs.

Task Force actions taken:

- Vice-Chair Cox moved to change the designation of zoning for emergency shelters from the Marinship Industrial District to the Public Institutional District. Member Stoddard seconded the motion. The motion passed 4-2-1. (Ayes: Flahive, Stoddard, Visher, Cox. Nays: Kelly, Cleveland-Knowles. Abstention: Withy.)

Member Flahive and Member Kelly left the meeting at 7.35 pm.

Public Comments included:

- Gerry Fait, resident, stated that she lives on a liveaboard, and has been in conversations with homeless persons. She felt that nobody would like this decision.

- CJ Spady, 29 Marin Ave, stated that she was disappointed that the Task Force was rushing this decision. She stated that this item could be left for a decision at the next meeting.

  Vice-Chair Cox responded that any such proposed development would still have to go through the Planning Commission and CEQA review.

- Jeff Whisennand at 211 Bridgeway asked a question on Chapter II – Housing Plan. He asked how SROs and commercial residential would be managed. He opined that much of Commercial Residential includes more residential than commercial, and thought that bringing in SROs would greatly affect surrounding housing values.

  He also stated that the section on underdeveloped parcels was not strongly worded, and did not have an appeal process, hence there was no way of addressing conflicts with residents near those locations. He understood that low-income housing development was not required, but felt that there would be concerns. He also stated that if there were no other options in the next Housing Element, these sites would be chosen for an Affordable Housing Overlay.

  Vice-Chair Cox clarified that Mr. Whisennand was referring to infill development as part of the site inventory. She clarified that those parcels are largely privately owned by residents, and there was no obligation to develop those parcels. Vice-Chair Cox also clarified what the RHNA was and the goal of the site inventory to meet the RHNA. She clarified that the site inventory was meant to only identify the potential for development, and no actual development is mandated. She also clarified that the future housing cycle would not have as many RHNA units to fulfill as currently being discussed, and if sites identified in the current housing element cycle remain undeveloped, they may be re-used in the site inventory for the future Housing Element cycle.

- Keith Stoneking, at 42 Lincoln Drive, agreed with Vice-Chair Cox that 2010 Census numbers should be used, as the numbers could have an effect on the Housing Element. He stated that for example, residents had moved out of Sausalito over the last decade, and median income levels in Sausalito are twice that of the State of California, and 35% more than the national average.

Chapter IV – Housing Resources
Introduction by Consultants:
This chapter is similar to the consultants' Approach and Methodology memo that had been previously presented to the Task Force. It looks at the breakdown of different components.

Consultant Warner stated that this chapter now included research information from the Bay Conservation and Development Commission (BCDC) on liveaboards. Six marinas have BCDC permits. The number of undercounted existing liveaboards that is used to contribute towards meeting the RHNA uses 2000 Census info to determine the undercount. This is critical as the RHNA (from ABAG) relies on 2000 Census data. The consultants had researched actual liveaboards rents, which included berth rents, liveaboard fees, and pump-out fees. The total housing costs were clearly affordable at the low-income level, with the exception of Galilee Harbor, which included both extremely low and low income rent levels. Future liveaboard capacity (used to meet the RHNA) is analyzed by gap between existing liveaboard numbers and BCDC permitted numbers.

Consultant Warner also stated that the rent data for ADUs was previously determined by Marin County rent data, however the City had 97 responses from its ADU survey where rent levels were provided. This data is more credible than Marin County data and was used in the analysis. The potential number of future ADUs in this planning cycle (from 2012 – 2014) was revised to a slightly lower level, for credibility. Consultant Warner opined that the State may still question this approach as an aggressive one, but the Housing Element also explains precedents from other Marin County jurisdictions.

Task Force comments included:

- Vice-Chair Cox stated that the Ecumenical Association of Housing (EAH) and Galilee Harbor should be mentioned in the chapter.
- Member Withy stated that some language in Chapter II has not been carried over into Chapter IV for ADUs for example.

Appendix A – Housing Needs Assessment
Introduction by Consultants:
There was no substantial change from what was previously approved in April 2010. This Appendix was reformatted. The homeless count was updated with new 2011 data.

Appendix B – Housing Constraints
Introduction by Consultants:
This document was previously approved in June 2010 by the Task Force, and no changes have been made.

Appendix C – Vacant and Underutilized Sites Analysis
Introduction by Consultants:
This Appendix contains supporting information for the sites analysis, and is part of previously submitted memos on the same topic. This topic supports the finding of feasible development under existing zoning.

Appendix D – Evaluation of Housing Element Accomplishments
Introduction by Consultants:
This Appendix contains the evaluation previously prepared by staff.

Appendix E – Community Participation
Introduction by Consultants:
This Appendix includes summaries from the First, Second and Third Community Workshops.

Appendix F – Housing Element Glossary
Introduction by Consultants:
The Glossary includes definitions from California State planning guidelines and Sausalito's Zoning Ordinance.

Task Force Comments included:

- Vice-Chair Cox stated that half of the terms used do not exist in the Housing Element Update, and therefore it is confusing in its comprehensiveness.

Technical Appendix G – Vacant and Underutilized Site Inventory Chart
Introduction by Consultants:
This parcel-by-parcel detail supports the site strategy, and is for the Task Force's information. After the Housing Element is certified by the State, it would be kept on file by the City and not attached to the Housing Element.

The deadline for the Task Force and members of the public to transmit comments to the consultants is 5.00 pm on Wednesday, January 11, 2012. Comments should be sent to Lilly Schinsing, Associate Planner.

5. **STAFF COMMUNICATIONS**
Associate Planner Schinsing stated that Staff Communications included: a letter from Walt Freedman, an email from Councilmember Linda Pfeifer, and an email from Community Development Director Graves.

6. **TASK FORCE MEMBER COMMUNICATIONS**
Associate Planner Schinsing confirmed that staff has not yet identified the joint meeting date.

7. **AGENDA TOPICS FOR NEXT MEETING**
The Task Force had no comments on the agenda topics for the next meeting.

8. **ADJOURN** – Next Meeting – January 16, 2012
Member Cleveland-Knowles moved and Member Visher seconded a motion to adjourn the meeting. The motion passed 5-0 and the meeting was adjourned at 7.46 p.m.

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