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Memorandum

October 25, 2011

TO: **Sausalito Housing Element Task Force**

FROM: **Geoff I. Bradley, Principal, Metropolitan Planning Group**
Karen Warner, Principal, Karen Warner Associates

SUBJECT: **Approach and Methodology for assessing housing units potential for the 1999 – 2014 Housing Element Planning Period**

Background

This memo documents the planning approach and methodology used to accommodate the realistic housing capacity planned for the 1999 – 2014 Housing Element planning period for the City of Sausalito. This analysis, if adopted by the City Council, will be used to meet the City's Regional Housing Needs Allocation (RHNA) requirement as mandated by State law, and will be included in the City's Housing Element that will be submitted for certification by the State.

An integral element of the proposed approach is recognizing Sausalito's unique small-town character and the residents' strong desire to preserve and strengthen their community's history, character and overall sense of place.

The goal of the Housing Element Update is to meet State mandates, achieve California Department of Housing and Community Development (HCD) certification, and reflect the values of the community.

Planning Strategy

The strategy for meeting the required RHNA employs a balanced approach that utilizes the full range of options allowed under State law. Additionally, a "buffer" of 15% to 20% above the required RHNA is proposed to demonstrate a margin of safety over and above the required target amount of housing to be planned for (i.e. the RHNA). HCD recommends that jurisdictions have some extra capacity in their sites inventory to help offset sites that are developed at lower densities. This is particularly important in Sausalito where it is unknown how many existing Accessory Dwelling Units (ADUs) and liveaboards will participate in the City's amnesty programs.

This strategy includes counting housing units approved and built units during the planning period (1999 – 2014), accessory dwelling units, liveaboards in the Sausalito marinas, and a detailed

analysis of the housing potential within the City on parcels under existing zoning. As a last resort, potential rezone sites have also been identified in the event adequate capacity cannot be demonstrated with the other options listed.

This strategy acknowledges the built-out, relatively dense pattern of Sausalito, its unique demographics (very high percentage of single-person households), and significant physical constraints (e.g. slope and proximity to water) to the development of new residential and mixed-use projects. The table on the following page summarizes the unit potential under the full range of strategies proposed, as described in the accompanying narrative.

Built Units

The City has issued permits for 54 housing units thus far in the planning period. The most recent data is from September 2010 and will be updated again as part of this effort. Built units represent 10% of the total 1999-2014 housing units capacity.

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New Accessory Dwelling Units (ADUs)

The Housing Element Task Force (Task Force) has made Accessory Dwelling Units (ADUs) a key part of Sausalito's strategy to meet the housing needs of a diverse range of residents. Although not currently allowed by Sausalito's Zoning Ordinance, ADUs provide the opportunity for smaller, more affordable homes throughout the community.

The Housing Element will allow and encourage the creation of new ADUs as a form of small scale, contextual infill development that will provide an affordable housing type throughout the City. Due to the City's very high percentage (47%) of single person households, this strategy is ideally suited to Sausalito. Creation of new ADUs account for **54** units (or **10%**) of the total 1999-2014 housing units capacity. This equates to the creation of approximately one ADU per month for the remaining two years of the planning period, assuming adoption of an ordinance by mid-2012 encouraging ADUs.

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Existing ADUs (Amnesty Program)

The proposed strategy also includes creation of programs and incentives to encourage owners of existing ADUs to legalize them. Due to the long period of time that legal ADUs have not been permitted in Sausalito, and recent survey data demonstrating a substantial number of existing ADUs in the City, it is reasonable to anticipate at least **38** existing ADUs will be legalized and credited towards meeting the City's housing goals. This represents **7%** of the total 1999-2014 unit capacity.

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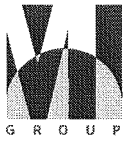

PRELIMINARY SUMMARY OF SAUSALITO UNIT POTENTIAL DURING 1999-2014 PLANNING PERIOD

Income Levels	Very Low	Low	Moderate	Above Moderate	TOTALS	
RHNA TARGETS:	**81**	**47**	**84**	**160**	**372**	
Approved/Built	22	0	1	31	**54**	10%
New Accessory Dwelling Units (Medium)	27	22	3	2	**54**	10%
Existing Accessory Dwelling Units (Heavy)	19	15	2	2	**38**	7%
Existing Liveaboards (Light Approach)	23	23	23	23	**92**	18%
Future Liveaboards (Light Approach)	0	0	0	22	**22**	4%
R-1 Capacity	0	0	0	22	**22**	4%
R-2-2.5 Capacity	1	0	37	0	**38**	7%
R-2-5 Capacity	0	0	0	16	**16**	3%
R-3 Capacity	31	30	0	0	**61**	12%
Commercial Zone Capacity	63	63	0	0	**126**	24%
Rezone Properties Capacity*	0	0	0	0	**0**	0%
TOTALS	**186**	**153**	**66**	**118**	**523**	
Percentage Over Target:	**130%**	**226%**	**-21%**	**-26%**	**41%**	BUFFER
Difference:	105	106	-18	-42	151	

** Please refer to the "Rezoning" section on Page 8.*

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Liveaboards
The Task Force has recommended a strategy to allow for the recognition of liveaboards as a locally significant form of affordable housing in Sausalito. This strategy is important, in addition to providing much needed affordable housing, in that it correlates very strongly to the unique relationship that the community has with the water and the long-standing tradition of marine oriented businesses and activities that have defined Sausalito for over 100 years.

Up to **114** liveaboard units in the Sausalito marinas (92 existing and 22 anticipated future units) may potentially be counted towards meeting the City's housing goals, representing **22%** of the total 1999-2014 unit capacity.

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The consultant team is currently gathering documentation to verify the rent levels within the marinas to confirm the affordability of this form of housing, as well as evaluate the specific steps involved in obtaining San Francisco Bay Conservation and Development Commission (BCDC) permits to allow liveaboards for the five marinas currently without such permits.

Default Density
Housing Element law requires local governments to prepare 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[1]. The inventory of land suitable for residential development shall be used to identify sites that can be developed for housing within the planning period[2]. Sites with zoning designations that allow residential development at a density of at least 20 dwelling units per acre (du/ac) are considered affordable to "lower income" households. For this reason, potential units on infill sites that achieve this density are divided equally with half placed in the "very low income" category and the other half placed in the "low income category". Unit potentials of at least 12 du/ac but less than 20 du/ac may be considered affordable to "moderate income" households. This is known as the "default density" and is a very important component of the overall strategy recommended for the City of Sausalito.

Residential Infill Sites
A review of all parcels within the City with residential zoning in place yields a total of **55** parcels that are considered good candidates for infill residential development. On these parcels, it is estimated that **137** new residential units could be built in the future under existing zoning regulations. To clarify, this analysis assumes no change in existing zoning designations or standards. This is a strategy that simply looks at the community as it is today, applies the existing

[1] California Government Code Section 65583(a)(3)
[2] California Government Code Section 65583.2

development rules, and calculates the resultant number of housing units that could reasonably be provided.

In order to make this a meaningful exercise, a number of filters were developed in order to identify only those properties that truly have realistic development potential:

- Parcels of 40% average slope or more were excluded (except R-1)[3];
- All landlocked parcels were removed[4];
- Underutilized parcels with existing homes built after 1980 were removed[5];
- All parcels less than 3,000 square feet (s.f.) in size were removed[6];
- All parcels on the City's List of Noteworthy Historic Structures were removed[7];
- All parcels that were on the City's list of Constructed and Approved projects were removed.[8]
- A visual check using Google Earth[9] and Google Streetview was performed to ascertain the current build out and visual conditions of buildings. Additional field inspections will be conducted to confirm the feasibility of these sites. For this reason, the number of units associated with this strategy is considered preliminary at this time.

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[3] As several homes in the Single-Family Districts are built on relatively steep slopes, the slope cut-off for Single-Family Districts is higher than the slope cut-off for Two-Family, Multi-Family Districts, and all other districts, where a higher density would be more difficult to achieve with steeper slopes. The slope is calculated by the Marin County Community Development Agency based on the County's Development Code 22.130.030, in Title 22, Article VIII. A 100% slope refers to a 45 degree slope. A 40% slope refers to an approximately 22 degree slope.

[4] A landlocked parcel refers to a parcel with no ready access to a road. An easement would need to be carved out for the parcel, making development more complicated.

[5] Housing stock beyond 30 years old would have a higher chance of redevelopment. As many Sausalito properties have been well-maintained over the years, additional field inspections would help ascertain the visual quality of the buildings and redevelopment potential.

[6] A study titled *The Future of Infill Housing in California*: Opportunities, Potential Feasibility and Demand, was written by the Institute of Urban and Regional Development at the University of California, Berkeley, and published by HCD in September 2005. The study supported the development of an inventory to facilitate and promote infill housing development in California, and discussed physical feasibility issues for infill housing production. Without looking at other physical constraints such as steep slopes and unstable soils, the study states that other factors being equal, typically parcels that are 2,000 – 2,500 square feet or less present increased challenges that could render a lot almost un-buildable. The inventory excluded lots smaller than 2,500 square feet. M-Group has used this guiding principle to exclude all parcels less than 3,000 square feet in Residential zones from the analysis, and all parcels less than 4,000 square feet in Commercial zones. http://www.hcd.ca.gov/hpd/infill_parcel/

[7] The City maintains a list of Noteworthy Structures and Other Buildings that May Have Historical Significance, dated 1999.

[8] The City maintains a list of Constructed and Approved projects. The version used by M-Group dates from 1999 to September 23, 2010.

[9] While most Google Earth images are approximately 1 to 3 years old, high-resolution satellite imagery was updated for the Bay Area, including the entire City of Sausalito, on May 31, 2011. Source: Google Earth and http://www.google.com/earth

Commercial Infill Sites

Sausalito's existing zoning regulations allow for residential uses on upper floors of commercially zoned property. This form of mixed-use infill development is an ideal way for the City to utilize its existing stock of parcels currently served by existing roads and utilities. Residents over ground floor commercial provide passive security for the area, provide a built-in customer base, and create increased activity and vitality within commercial areas. This form of traditional mixed-use enhances the historic development pattern found in the commercial areas of Sausalito where a number of apartments and flats exist above street level retail spaces.

Parcels with residential development potential in the CC, CN-1, CR, CN-2 Zoning Districts were identified based on the following filters (please see footnotes 3 to 9 for more information):

- Parcels of 40% slope were excluded[10];
- All landlocked parcels were removed;
- All parcels less than 4,000 square feet (s.f.) in size were removed;
- All parcels that were deemed infeasible due to size, age and condition of existing buildings;
- All parcels on the City's List of Noteworthy Historic Structures were removed;
- All parcels that were on the City's list of Constructed and Approved projects were removed.

19 parcels were identified as good candidates for mixed-use development under existing zoning. Some sites would support adding new residences above existing buildings, where other sites would involve a complete redevelopment of the site. A third category would be existing second floor office space that could be converted to residences. There are **126** units in this category, which represents **24%** of the total housing units planned.

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None of the Commercial Infill Sites are located within the Marinship Area. Changes in land use within the Marinship are subject to the Fair Traffic Initiative, which would require a city-wide vote. This is not considered a feasible strategy in order to meet the goal of achieving an adopted and certified Housing Element within the current cycle.

[10] This filter is applied using the same assumption for residential parcels, that a steeper slope creates more constraints for development.

Rezoning

The Task Force is also considering an Affordable Housing Overlay zone on a limited number of parcels, but no recommendation has been made on this yet. The original list of nine properties has been reduced to six by the Task Force. The following sites, except as noted, are still available for consideration, if further analysis and feedback from HCD result in the need for additional housing capacity:

- U-1 – Valhalla Site – **Not being considered at this time per the Task Force**;
- U-2 – Spencer Fire Station – Public Facilities zone – 28 potential units under rezone to R-3; 42 units under an Affordable Housing Overlay zone;
- U-3 – 1700 Block of Bridgeway – R-3 zone – 12 units under existing zoning; 18 units under an Affordable Housing Overlay zone;
- V-1 –Sausalito Blvd – Open Space zone – **Not being considered at this time per the Task Force**;
- V-2 – 800 Block of Bridgeway CC zone – Over slope threshold. 7 units under existing zoning; 10 under an Affordable Housing Overlay zone;
- V-3 – Rodeo Avenue – Open Space zone – 17 units under rezone to R-3; 25 units under rezone to an Affordable Housing Overlay zone;
- V-4 – Woodward Avenue –R-2-2.5 zone – 9 units under existing zoning; 17 units under R-3 zone; 25 units in an Affordable Housing Overlay zone;
- V-5 – Butte Street – R-2-5 zone – 17 units under existing zoning; 58 units under R-3 zoning; 87 units under an Affordable Housing Overlay zone; and
- V-6 – Ebbtide Avenue - **Not being considered at this time per the Task Force.**

These sites could provide **45** units under the existing zoning designation of each property, or up to a total of **207** units if developed using Affordable Housing Overlay incentives. Deleted: 147

Conclusion

If the community is able to support the infill development strategy, in combination with the ADU's and liveaboards, the consultant team is confident that rezoning would not be necessary to demonstrate that the City is ready and willing to accommodate its "fair share" of the regional housing need. However, if it is found by HCD that the number or affordability of units within the ADU and Liveaboard strategies is not supportable based on the information provided, or that further field research indicates that the Infill Sites needs to be reduced, then future consideration of the Rezone Strategy may become necessary.

APPENDIX

Data Sources

Parcel data for the City of Sausalito was retrieved from Marin Map, the Geographic Information System (GIS) for Marin County, California. The parcel dataset was published by the County of Marin Community Development Agency beginning in 1994. Attribute data (such as owner's name, average slope, construction year for existing units, parcel size, etc.) is updated on a weekly basis, and the geometry of parcels is updated on a monthly basis, with new available data from the Marin County's Assessor-Recorder's office. The data that M-Group used for its analysis was retrieved from October 3 to 7, 2011.

M-Group combined the parcel data retrieved from the County of Marin Community Development Agency and the data provided by the City of Sausalito, which was used in the *Vacant and Underdeveloped Land Technical Study*, approved by the Housing Element Task Force in April 2011.

Considerations for Development Constraints

In the *Vacant and Underdeveloped Land Technical Study*, City staff had identified vacant parcels from the Marin County Assessor's Office using attribute data, and conducted a visual check using the County's GIS to confirm whether parcels were actually vacant. For more information on the filters applied, please see footnotes 3 to 9.

M-Group built on the City's study by applying additional filters to derive a smaller list of parcels that would be realistically feasible for redevelopment. The filters, or parameters and restrictions applied, include:

Zoning District and Type	Applied Filters
Vacant Single-Family Districts[11] (R-1-20, R-1-8, R-1-6)	- Parcels of all slope degrees were included; - All landlocked parcels were removed; - All parcels less than 3,000 square feet (s.f.) in size were removed; - All parcels on the City's List of Noteworthy Historic Structures were removed; - All parcels that were on the City's list of Constructed and Approved projects were removed; and - A visual check using Google Earth and Google Streetview was performed to ascertain the current build out and visual conditions of buildings.
Vacant and Underutilized Two-Family and Multi-Family Districts (R-2-2.5, R-2-5, R-3)	- Parcels of 40% slope or more were excluded; - All landlocked parcels were removed; - Parcels with buildings built after 1980 were removed; - All parcels less than 3,000 square feet (s.f.) in size were removed; - All parcels on the City's List of Noteworthy Historic Structures were removed; - All parcels that were on the City's list of Constructed and Approved projects were removed; - All parcels that did not yield a minimum of 2 potential additional units were removed; and - A visual check using Google Earth and Google Streetview was performed to ascertain the current build out and visual conditions of buildings.
Underutilized Commercial Districts (CR, CC, CN-1, CN-2)	- Parcels of 40% slope or more were excluded; - All landlocked parcels were removed; - All parcels less than 4,000 square feet (s.f.) in size were removed; - All parcels on the City's List of Noteworthy Historic Structures were removed; - All parcels that were on the City's list of Constructed and

[11] The City had not identified underutilized Single-Family parcels as only one unit is allowed on every lot, regardless of the size of the lot. As long as there is one unit on the parcel, it would be considered built out and not vacant or underutilized.

	Approved projects were removed; and - A visual check using Google Earth and Google Streetview was performed to ascertain the current build out, visual conditions of existing buildings, and development potential of the properties.
Other Zoning Districts	Other zones such as Public Facilities, Open Space, and Industrial were not considered for this analysis, as sites in those districts would require rezoning.

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