TOWN OF FAIRFAX
STAFF REPORT
October 29, 2015

TO: Mayor and Town Council

FROM: Garrett Toy, Town Manager G_T

SUBJECT: A Town forum on the policy considerations and process for changing Town Code to allow second story residential units in the downtown area without a use permit, i.e., rezone Highway Commercial (CH) to Central Commercial (CC).

RECOMMENDATION

Conduct a Town Forum on the policy considerations and process for changing Town Code to allow second story residential units in the downtown area without a use permit, i.e., rezone Highway Commercial (CH) to Central Commercial (CC). Consider referring the matter to the Planning Commission for discussion/consideration based on Council parameters developed at the Forum.

DISCUSSION

In 2014, as a follow up to the Council's two forums on the General Plan and Housing Element, the Council indicated it would conduct a third Town Forum to discuss the conversion of Highway Commercial (CH) zoned properties to Central Commercial (CC). The primary goal of converting (i.e., rezoning) CH zoned properties to CC would be to allow second story residential units in the downtown area (CC zone) without a use permit requirement. However, design review approval and other Town policies would still apply to such projects.

The rezoning of the CH properties to CC is a key component of the Town's strategy to plan for its Regional Housing Needs Allocation (RHNA). During the Council's adoption of the updated Housing Element in May 2015, staff reiterated that a Town Forum would be conducted to allow the Council to delve into the policy issues raised at previous forums and Council meetings regarding parking, traffic, affordability, unit size/type, uses allowed in the CC zone, and number of units per building.

At this Forum, staff will provide a brief overview of the genesis of this policy in the Housing Element as well as the process to date. The purpose of the Forum is stimulate discussion regarding the key policy issues associated with rezoning the properties. To facilitate the discussion, attached are a summary of the environmental review including the traffic analysis, current standards for residential units in the CC zone, and policy topics for the Council's discussion.

One option for the Council to consider is to request the Planning Commission (PC) to further study the issues within the parameters established by the Council at this Forum. The PC would conduct its own community input process with the objective of making recommendations to the Council in Spring 2016.

FISCAL IMPACT: Not applicable

ATTACHMENTS
Policy Issues

POLICY: REZONE HIGHWAY COMMERCIAL (CH) to CENTRAL COMMERCIAL (CC)

Environmental Review for CH to CC

Modeled 53 residential units and 15,500 sf of additional commercial.

Conclusion: Approved Mitigated Negative Declaration

(Note: Any additional units or commercial square footage (sf) may require additional environmental review)

Traffic Analysis Report

The report analyzed the following CH to CC sites:

Site #3: Westside Commercial (Fairfax market site) - 17 new residential units and an additional 6,000 sf of commercial

Site #5: Fair Anselm Shopping Center- 22 residential units and additional 4,000 sf of commercial

Site #6: Eastside Commercial 14 new residential units and additional 5,500 sf of commercial

Total: studied 53 residential units and 15,500 sf of commercial

Conclusion: Traffic modeling indicates not any significantly worse with residential units and commercial space. Any development exceeding the thresholds may require additional analysis.

Current Standards for Residential Units in CC zone

Second floor residential units allowed

28.5 ft height limitation and maximum of two floors

Use Permit required for ground floor residential and live/work space

No minimum or maximum number of units (i.e., density) for CC zone

No unit size minimum or maximums

No affordability restrictions

Proposal are subject to Design Review process and additional environmental review, if required

PARKING STANDARD IN CC ZONE

Current Standards:

> 1 space for studios, 2 spaces per bedroom, guest parking depends on combination of uses

Objective: Affordable housing? Market rate housing?

Considerations:

> Keep the current standard- apply for variance
>
> No requirement for residential and/or commercial
>
> Reduced requirement for residential depending on unit type (Note: AB 744)
>
> Parking in-lieu fee/parking assessment district (Note: Town Center Plan to include managed parking plan)

AFFORDABILITY

Current Standard:

No restrictions, but affordable by design (i.e., small efficiency units)

Objective: Affordable housing? Market rate?

Considerations:

What should be the affordability level?

Marin County 2015 HUD Median (100%) income for a 1 person household

Rule of Thumb is affordable rent does not exceed 30% of gross income including utilities

No restriction or target affordability level

Median Income- $72,100/yr

Rent – approx. $1,803/mo. (incl. utilities)

Low income (80% of median)- $ 65,700

Rent – approx. $1,643/mo. (incl. utilities)

Very low income (50%) - $41,050

Rent – approx. $1,026/mo.

Extremely low income (30%) - $24,650

Rent – approx. $616/mo.

Impose Restrictions

Inclusionary Zoning targeted toward specific income level

Rent control

By design/size (see Unit Size/Type)

UNIT SIZE/TYPE

<u>Current Standards</u>:

No Standard

<u>Objective</u>: Affordable units? Workforce housing? Family or single/couple?

<u>Considerations</u>:

Type of units and size

Small efficiency units (less than 500 sf)

Range 300 sf to 700 sf

Based on average unit size of all units (e.g., 500 sf)

Studio

Apartments

Live/Work space

NUMBER OF UNITS

<u>Current Standards</u>:

No minimum or maximum number per building in the CC zone

<u>Objective</u>: Affordable units? Family or single/couple?

<u>Considerations</u>:

No established limit other than site, CEQA, and building constraints per Town Code (e.g., height limitation)

Create maximum or minimum limit

Size restrictions will create max. and min. depending on the building square footage