

RESOLUTION NO. 13863

**RESOLUTION OF THE SAN RAFAEL
CITY COUNCIL ADOPTING AN AMENDMENT TO THE SAN RAFAEL GENERAL
PLAN 2020 UPDATING THE HOUSING ELEMENT (HOUSING ELEMENT 2015-2023)
GPA14-001**

The City Council of the City of San Rafael finds and determines that:

WHEREAS, on November 14, 2004, the City of San Rafael adopted Resolution Nos. 11664 and 11665 certifying the San Rafael General Plan 2020 Final Environmental Impact Report (General Plan 2020 FEIR) and adopting the San Rafael General Plan 2020 (General Plan 2020); and

WHEREAS, The General Plan 2020 is composed of numerous elements, sections and supportive background data, including a Housing Element, which is required by State law. California State Government Code Section 65588 requires that local jurisdictions periodically review and update its Housing Element; and

WHEREAS, since the 2004 adoption of the General Plan 2020, the City has adopted numerous amendments to the Plan consistent with the provisions of State Government Code Section 65358. The State law recognizes that the General Plan is intended to be amended periodically in that over time, there are changes in: a) conditions and circumstances; b) regulations and laws; and c) community goals and policies. Accordingly, General Plan Amendment GPA14-001 was initiated by the City to update the Housing Element following current statutory requirements.

WHEREAS, this update represents the third cycle for and second amendment to the General Plan 2020 Housing Element. The first amendment to the General Plan Housing Element in 2011 covered a four-five-year planning period between 2009 and 2014. This second amendment, as required by the California Department of Housing and Community Development (HCD) and State Housing Element law, must cover the next eight-year period, from 2015 to 2023; and

WHEREAS, this update was initiated with the preparation of the San Rafael Housing Needs Assessment (Needs Assessment), which was completed in April 2014. The Needs Assessment confirmed the City's Regional Housing Needs Allocation (RHNA) for the next cycle (2015-2023) and housing needs to address, among others, an increasing senior citizen population, an imbalance in jobs and housing, and homelessness. The Needs Assessment was presented to and reviewed by the Planning Commission on April 29, 2014; and

WHEREAS, on August 1, 2014, the Draft Housing Element Update and supportive Background Report (Appendix B) were published. On August 12, 2014, the Planning Commission conducted a public hearing accepting public comments on the draft document. Following public comment and deliberation, the Planning Commission directed staff to complete additional edits and submit the Draft Housing Element to HCD for review; and

WHEREAS, consistent with State Government Code Section 65585, the Draft Housing Element was submitted to HCD for review and comment. HCD staff reviewed the draft document, have met with City staff to discuss the content and recommendations, and provided

written comments on the element. As a result, revisions were made to the proposed amendments, which are reflected in latest Final Draft Housing Element and Background Report; and

WHEREAS, on November 3, 2014, HCD confirmed that the draft document, as revised complies with the State requirements; and

WHEREAS, additional edits were made to the draft document to address comments from the Planning Commission and HCD, which have been finalized and completed as the Final Draft Housing Element and Background Report, published on November 21, 2014, dated December 9, 2014. The key changes presented in the update are summarized as follows:

1. The dissolution of the San Rafael Redevelopment Agency in 2012 has resulted in changes that reference funding and management by this agency. The responsibilities previously held by the Redevelopment Agency have been shifted to the Economic Development Division of the City Manager's Office, Community Development Department and other City departments and agencies, as appropriate.
2. The time frames for implementing certain programs have been updated and revised.
3. Consolidation of duplicative programs and a relocation of programs to achieve efficiency in the presentation of material, and enhance readability and ensure consistency with the goals of the Element.
4. Revised Program H-7b sets the objective to conserve very low income rental units at risk of conversion. New Program H-7c sets objectives to monitor affordable units owned by non-profits as required by funding sources and by private entities as necessary pursuant to City inclusionary requirements.
5. New Program H-9c proposed coordination and outreach with organizations assisting persons with disabilities in finding housing.
6. A new Program H-11b is proposed to evaluate appropriate zoning regulations to support with the creation of a "Junior Second Units" provision, which will allow for the repurposing of existing space within a single-family dwelling unit to create a semi-private living space for a renter or care giver in conjunction with the owner-occupied unit.
7. New Program H-12d consolidates Existing Program H-16d (Emergency Shelters) and Existing Program H-16e (Transitional and Supportive Housing) and is refined to reflect zoning code amendment adopted with SB2 to allow shelters by right and to explicitly provide for transitional and supportive housing as a residential use.
8. Revised Program H-14c (Continue to Implement Zoning to Encourage Mixed Use), New Program H-17c (Waiver or Reduction of Fees), and New Program H-17d (Efficient Project Review) are amended and added, to address issues related to processing and permit procedures.
9. New Program H-15a consolidates existing Programs H-18g, H-21d, H-22a (High Density Infill Housing Near Transit), H-22b (Station Area Plans), and H-23a by proposing to complete the Station Area parking study and Transit Center relocation analysis in 2015 to address housing for the Downtown SMART station area plan.

10. New Program H-15b Civic Center Station Area Plan proposes to guide development around the station area through consideration for station access and transportation connection of various modes.
11. New Program H-16a consolidates existing programs H-25a to H-25f and establishes objectives for second units.
12. New Policy H-17 (Regulatory Processes and Incentives for Affordable Housing) is proposed with consolidation of existing programs including H-21a (State Density Bonus Law), H-21c (Height Bonuses), H-25a to H-25f, and H-5b and H-18c.
13. Refined Program H-18a proposes the development of an Inclusionary Housing Nexus Study and evaluation of in-lieu fees.
14. New Program H-19a references the Sustainability Element to guide energy conservation and sustainability in housing development.
15. Some programs are proposed to be deleted because they have been: a) implemented; b) rendered obsolete due to the dissolution of Redevelopment; or c) done as a matter of course and would be unnecessary to call out.
16. The Housing Element Background Report Appendix B has been revised to incorporate updated data on population demographics, housing profiles, and incomes; household characteristics; Housing Stock Characteristics; and Special Needs Populations. This report is organized to match the State of California Department of Housing and Community Development (HCD) format. Further, the list of housing sites in this report has been updated to reflect the current sites available for development.

In addition to the above, the Housing Element Update includes a number of general and grammatical edits to text. The Housing Element Update does not result in any of the following:

1. Changes to the adopted residential land use designations or their respective density parameters;
2. Changes to the adopted land use designations for, or the rezoning of individual properties/sites; or
3. Increase in the housing projections from those projections published in the currently adopted Housing Element.

The above amendment, General Plan Amendment GPA14-001, is being brought forward for review and consideration; and

WHEREAS, consistent with City Council Resolution No. 8379 and State Government Code Section 65356, General Plan Amendment GPA14-001 has been processed consistent with adopted referral and scheduling procedures. As required, the project was referred to local agencies and utility/service districts for review and comment; and

WHEREAS, on March 26, 2014, in accord with California Government Code Section 65352.3(a), specifically the directive of Senate Bill 18 (SB18), the Department of Community Development staff sent an offer for tribal consultation to the representatives of the Federated Indians of the Graton Rancheria (Federated Indians). Tribal consultation is required for all projects that propose an amendment to the local General Plan. The purpose of the tribal consultation is to consult with the local tribe representatives on potential impacts to Native American places, features and objects described in Section 5097.9 and 5097.993 of the California Public Resources Code. The prescribed 90-day period was observed for the Federated Indians to respond to the offer, but the City received no response; and

WHEREAS, following the initiation of the General Plan Amendment GPA14-001 application, the City commenced with environmental review of the project. Consistent with the California Environmental Quality Act (CEQA) Guidelines and the City of San Rafael Environmental Assessment Procedures Manual, the appropriate steps were followed to complete environmental review of the project, which included: a) review of the certified General Plan 2020 FEIR to determine if it adequately assesses the environmental impacts of the project; and b) the preparation of an Initial Study to determine if the project would result in new significant impacts, and increase in the severity of the impacts, or new or expanded mitigation measures from those analyzed and determined in the General Plan 2020 EIR. As a result of this review, an Addendum to the General Plan 2020 FEIR (Addendum No. 3) was prepared. The City Council has adopted Addendum No. 3 by separate resolution; and

WHEREAS, on December 9, 2014, the Planning Commission held a duly noticed public hearing on proposed General Plan Amendment GPA14-001, accepting all public testimony and the written report of the Department of Community Development. As part of the Planning Commission's deliberation, several edits were recommended to reinforce the need for senior housing (additional language to Housing Element Policy H-13, Senior Housing) and to respond to recent changes in the State Housing Element law (AB1537, Levine). On a 6-0-1 vote (Commissioner Schafer absent), the Planning Commission adopted Resolution 1409 recommending to the City Council adoption of General Plan Amendment GPA14-001, including minor edits to the Housing Element text and Background Report along with additional suggested text to Housing Element Policy H-13 (Senior Housing). In response to AB1537, the Planning Commission recommended no changes to the document or to current City zoning district residential densities; and

WHEREAS, on January 5, 2015, the City Council held a duly noticed public hearing on proposed General Plan Amendment GPA14-001, accepting all public testimony and the written report of the Department of Community Development; and

WHEREAS, the custodian of documents which constitute the record of proceedings upon which this decision is based, is the Community Development Department.

NOW, THEREFORE, BE IT RESOLVED that the City Council adopts General Plan Amendment G14-001 amending the General Plan 2020 Housing Element (Housing Element Update 2015-2023) dated January 5, 2015, and on file with the Department of Community Development. This action is based on and supported by the following findings:

1. The public interest would be served by the adoption of proposed General Plan Amendment GPA14-001 in that, regarding the amendments to the Housing Element, this action would comply with State law by ensuring that local housing data is updated regularly and by promoting a tracking system that measures progress

towards meeting housing targets. Secondly, this action would implement Housing Element Program H-1a (Annual Housing Element Review) by providing opportunities for public input and discussion in conjunction with the State requirements. Thirdly, this action would: 1) introduce new policies and programs to address housing needs such as H-9c (Housing Opportunities for Persons Living with Disabilities) that promote coordination to help persons with disabilities find housing and H-11b (Junior Second Units) that support the evaluation of an affordable housing option; 2) streamline the organization of programs through consolidation such as H-16a (Second Units) and H-12d (Emergency Shelters, Transitional and Supportive Housing) ; and 3) guide housing development around SMART station areas (H-15a and H-15b). In conclusion, adoption of the updated Housing Element would be in the best interest of the public as it would provide updated information and data on housing, population and demographics, which is critical in determining San Rafael's mid- and long-term housing needs and goals.

2. Adoption of General Plan Amendment GPA14-001 would not be growth inducing nor would it be precedent setting in that the amendments to the Housing Element would not: 1) result in changes to the adopted residential land use designations or their respective density parameters; 2) result in changes to the adopted land use designations for individual properties/sites; or 3) result in changes in the housing projections from those projections published in the currently adopted Housing Element. Further, the amendments to the Housing Element do not expand the City's planning area and would therefore not induce new growth from that projected under the current General Plan 2020.
3. Adoption of General Plan Amendment GPA14-001 would be consistent and would not conflict with the related elements, goals, policies or programs of the San Rafael General Plan 2020 in that, as drafted, the amended Housing Element would be consistent with: a) Housing Element Program H-1a (Annual Housing Element Review) as it presents an updated assessment of housing conditions, data and issues, and provides opportunities for public input and discussion.
4. In reviewing and rendering a recommendation on the amendments and update to the Housing Element, the City Council has considered recent changes in the State of California Housing Element law, specifically, changes to State Government Code Section 65583.2 (AB1537, Levine). The recent change in the law re-designates the Bay Area Metropolitan Statistical Area (MSA) category for Marin County from "metropolitan" to "suburban." The suburban MSA category for Marin County changes the required "default density" for zoning for high density housing from a minimum of 30 dwelling units per acre to a minimum of 20 dwelling units per acre. However, the change in the minimum default density does not apply to residential zoning densities (in effect on June 30, 2014) that are within ½-mile of the two San Rafael SMART stations (Downtown and Civic Center). Further, this law is effective for eight years and will "sunset" in 2023. In considering the law, the City Council recognizes that, while the law provides the City the opportunity to "dial-back" the densities in the currently-adopted zoning districts that permit residential densities in excess of the minimum-required 20 dwelling units per acre, no changes should be made to these districts for the following reasons:
 - a. The currently-adopted City zoning districts comply with this law as those districts that allow higher densities, establish a minimum density of 20 dwelling

units per acre. Further, the Final Draft Housing Element Update is consistent with this law;

- b. Affordable housing is very difficult to finance and build at lower densities. As the cost to purchase land in Marin County is extremely high, and the securing of tax credit dollars to projects that yield a higher unit count, the opportunities for building affordable housing become significantly reduced;
- c. As noted above, this law will sunset in 2013, which coincides with the next Regional Housing Needs Allocation (RHNA) cycle and it is conceivable that the City's RHNA could increase in the next cycle;
- d. As the zoning districts that allow residential densities in excess of 20 dwelling units per acre are distributed citywide on fully developed properties, many developed properties could become non-compliant with their property zoning. The City contains many sites and areas of San Rafael that are residentially-developed at densities that exceed 20 dwelling units per acre, which include, among others, Downtown, the Lincoln Avenue corridor, the Canal neighborhood and portions of Terra Linda. A reduction of zoning densities in these areas would constitute a "down-zoning," which requires significant outreach to all effected property owners; and
- e. There is a need to maintain an adequate cushion or buffer of potential housing sites above the minimum RHNA. A dial-back of zoning district densities could significantly reduce this cushion/buffer.

The foregoing resolution was adopted at a regular San Rafael City Council meeting held on the 5th day of January 2015.

AYES: COUNCILMEMBERS: Bushey, Colin, Gamblin, McCullough and Mayor Phillips

NOES: COUNCILMEMBERS:

ABSENT: COUNCILMEMBERS:



ESTHER C. BEIRNE, City Clerk