



LET'S HOUSE
SAN RAFAEL

AGENDA

**2023-2031 SAN RAFAEL HOUSING ELEMENT UPDATE
WORKING GROUP
THURSDAY, April 21, 2022, 4:00 PM**

VIRTUAL MEETING

Watch on Webinar: <https://tinyurl.com/heu-2022-04-21>

Telephone: (669) 900 6833

Meeting ID: 860 1302 0636#

One Tap Mobile: US: + 16699006833,,86013020636#

CORONAVIRUS (COVID-19) ADVISORY NOTICE

In response to Assembly Bill 361, the City of San Rafael is offering teleconference without complying with the procedural requirements of Government Code section 54953(b)(3). This meeting will be held virtually using Zoom. The public may participate as follows:

* Submit public comments in writing. Correspondence received by 5:00 p.m. on March 16 will be provided to the Working Group. Correspondence received after this deadline but by 3:00 p.m. on March 17 will be conveyed as a supplement. Send correspondence to barry.miller@cityofsanrafael.org and city.clerk@cityofsanrafael.org.

* Join the Zoom webinar and use the 'raise hand' feature to provide verbal public comment, or dial-in to Zoom's telephone number using the meeting ID and provide verbal public comment. At the March 17 meeting, public comment will be taken at the beginning of the meeting and also at end of the meeting.

Any member of the public who needs accommodations should contact the City Clerk (email city.clerk@cityofsanrafael.org or phone at 415-485-3066). The City will make its best efforts to provide reasonable accommodations to provide as much accessibility as possible while also maintaining public safety in accordance with City procedures.

1. WELCOME

2. RECORDING OF MEMBERS PRESENT AND ABSENT

3. ACCEPTANCE OF PRIOR MEETING SUMMARIES

A. Summary of March 17, 2022 Meeting

4. PUBLIC COMMENT OPPORTUNITY # 1

5. DISCUSSION ITEMS

- A. **Housing Constraints.** State law requires that the Housing Element include an assessment of governmental and non-governmental constraints to housing development. Governmental constraints include zoning regulations, permitting procedures, fees, building code requirements, and similar factors regulated by the City. Non-governmental constraints include infrastructure, financing, land and construction costs, and other factors not directly regulated by the City. State law requires cities to develop Housing Element programs to remove or mitigate constraints when they are identified.

Staff will provide an overview of the Housing Element constraints analysis. Working Group members will be asked to provide their perspectives on constraints in San Rafael, and offer ideas and possible solutions. *Recommended time allowance: 75 minutes*

An opportunity for public comment on this item will be provided

- B. Upcoming Meetings and Discussions.** The Working Group has one more meeting scheduled, which will be on May 19. We are planning for two additional (yet-to-be-scheduled) Working Group meetings, both in June. The focus of the additional meetings will be affirmatively furthering fair housing and equity issues, as well as discussions of draft policies and programs. We would like to discuss how to structure these meetings so that we can maximize the Working Group's contribution and develop meaningful housing programs.
Recommended time allowance: 20 minutes

6. MEMBER AND STAFF ANNOUNCEMENTS

A. Staff Announcements and Upcoming Dates

B. Member Announcements

7. PUBLIC COMMENT OPPORTUNITY #2

8. ADJOURNMENT

I, Danielle Jones, hereby certify that on Monday, April 18, 2022, I posted a notice of the April 21 Housing Element Working Group meeting on the City of San Rafael Agenda Board.



ATTACHMENT 1

San Rafael 2023-2031 Housing Element Working Group
Meeting #3
March 17, 2022
MEETING SUMMARY

Attendance

Members Present: *Omar Carrera, Don Dickenson, Linda Jackson, Lorenzo Jones, Cesar Lagleva, Amy Likover, Diana Lopez, Rina Lopez, Jon Previtali, Daniel Rhine, Joanne Webster*

Members Absent: *Andrew Hening (excused), Tom Monahan*

Staff Present: *Alexis Captanian, Alicia Giudice, Barry Miller*

(1/2) WELCOME/ RECORDING OF MEMBERS PRESENT AND ABSENT

The meeting was called to order at 4.00 PM. Roll call was taken.

(3) ACCEPTANCE OF PRIOR MEETING SUMMARIES

The following edits were made to the meeting of February 17, 2022:

- Page 3, typo on third bullet (residents)
- Page 4, item 6. It was requested that staff provide further information where the minutes indicated the “survey was under review”
- Page 3, final bullet. Reference should be corrected to read “In 2026, the first baby boomer turns 80.” Also, reference to silver tsunami is deleted.

Staff notes: The minutes of the 2/17/22 meeting have been edited as described above and may be reviewed [here](#).

The Summary was accepted as edited.

(4) INITIAL OPPORTUNITY FOR PUBLIC COMMENT

There were no initial comments.

(5) DISCUSSION ITEMS

A. Housing Needs Follow-up Discussion

Director Ali Giudice thanked Working Group members for their insightful discussion about housing needs and issues at the February meeting. She noted that the Working Group would be revisiting the comments regarding race, equity, and fair housing that had been raised at the prior meeting, and that a discussion specifically focused on fair housing was being scheduled for later in the Spring. Several Committee members described recent discussions with residents who were struggling to stay in the city due to high costs, including some who stayed and some who moved away. Members also stated that is

was important that City acknowledge past discriminatory practices and work more intentionally to address segregation and fair housing. The City should take a proactive approach to fair housing, rather than a reactive approach.

Barry Miller asked if there was public comment on the item. There was one speaker. Linda Haumann, a member of the Marin Organizing Committee (MOC), indicated that her group was working on affordable housing and strongly supported development at Northgate and on the former Nazareth House site. She indicated that MOC was a potential ally and partner to get projects built—issues related to aging, young couples finding housing, and diversity must be addressed. We need housing for our teachers and service workers to maintain our quality of life.

B. Site Inventory Presentation

Barry Miller provided a PowerPoint presentation on the San Rafael housing site inventory. A copy of the presentation can be reviewed [here](#).

Following the presentation, the following comments were made by Working Group members (*staff responses to questions are in italics*):

- Question about how environmental factors were considered in site evaluation, particularly factors that could be hazardous to future residents such as air pollution on sites near highways. Keep air quality issues in mind, and also need for sites for carbon sequestration. *Staff noted that environmental factors were a consideration—however, the assessor data only indicates the average slopes on properties and not the presence of other hazards. We can note air quality issues in the inventory.*
- Question about how ADUs are counted—are there potential incentives for ADU development other than those required by State law? Is there a chart showing what rents would be considered “affordable” for an ADU? *Staff noted that affordable rents were based on income and household size, and were discussed in the Needs Assessment.*
- Are owners consulted when their properties are counted as opportunity sites? *Staff indicated that this was not required by State law, but staff would be notifying property owners after the list was completed. Notifying owners helps the City make the case to HCD that these are viable sites—although some owners may ask that their sites be removed from the list.*
- How do we know that ADUs are being used for housing and not as AirBNBs? *Staff noted that the City has adopted a short-term rental ordinance. There are provisions that do allow ADUs to be used this way, but these may be re-evaluated if needed. Staff also noted that the City cannot require owners to rent out their ADUs, and we cannot over-rely on them to meet our housing needs. They are only a part of the solution.*
- Since ADUs add residents who need City services, are they subject to the same fees that apply to new multi-family construction? *Staff noted that the State has limited the City’s ability to charge certain fees, but many impact fees still apply.*
- How do we decide how many new units are rentals versus for sale? It is important to have affordable ownership opportunities as well.

- I agree that we should avoid residential uses in air pollution hot spots. This can contribute to asthma. But there may also be commercial areas that would benefit from looser restrictions that facilitate housing development.
- Please post the list of sites on the website once it is finalized, and possibly offer property owners the chance to add their sites if eligible.
- Please share PPT slides in advance of the meeting when feasible.
- We should be asking what the factors are that caused so many of the sites in the last element to not be developed. Also, what was special about the sites that were developed that got them through the funnel? What enabled them to be built, and not others?
- I'm impressed to see how many sites we have with the potential for housing, particularly commercially zoned sites. We need to focus on sites that can be realistically developed by 2031, which can be a challenge. Many of these sites won't be developed in the next 8 years. This is particularly true for lower income units, since required funding is limited and the pre-development process can be challenging.
- Does the Assembly Bill that gave Marin County an exception to required densities on housing sites apply in San Rafael? Another Working Group member indicated that this requirement didn't apply in San Rafael, and that we used a 30 unit per acre minimum for lower income sites.
- How do we count Northgate? The previous inventory only assumed 200 units here—but it's a recycled site, so do we have to allow housing by right here? *Staff replied that the current proposal was the develop Northgate in phases, and we were only looking at what was likely by 2031. However, this would be more than 200 units, so perhaps a portion would be by right. This is a legal question and we will investigate.*
- An 18-acre site in the prior inventory (near Dominican) was just acquired by a wildlife conservation group, so it is now off the table. There may be opportunities on the Dominican campus, however.
- Marin Square is less viable now than it was in 2014 when the last inventory was done.
- Even with all of these sites, we are unlikely to meet the RHNA for very low and low income due to the way tax credits are allocated. There are state financing policies that dictate which sites are viable, namely the TCAC (Tax Credit Allocation Committee) opportunity map. Funding became more competitive in 2018. The map has areas designated based on resource levels. As of right now, applications are not getting through unless the site is in the highest resource areas. Another metric to determine eligibility for funding is called DDA (difficult to develop areas, which are often wealthy). There's also QCT (qualified census tract), which are areas of higher poverty designated by HUD. If your site is not in one of these areas, it is much harder to finance a project. Also, if your site can't support at least 40 units, it's hard to find a tax credit investor. At 40 units, a project will barely pencil out. These things are beyond the City's control, but they mean that many of these sites will still be vacant or underused in 8 years.
- The State keeps loading up on requirements to make the sites inventory more accurate. Yet housing sometimes gets built on sites we never even thought of rather than the designated Housing Element sites. Moreover, our definition of "low income" is skewed because we are in an affluent area. Our

analysis should address the fact that our greatest needs are very low and extremely low income. Given these factors, we should plan for as large a buffer as possible in our opportunity sites.

- Can we see the sites distributed by Council district? Can we ask developers and property owners about obstacles to redevelopment of these sites?
- Air quality is not a major constraint here—our air quality is generally good, and there are mitigation measures in construction that can reduce this issue. Also electric vehicle switch over may reduce some of the air quality hot spots.
- Contact Marin Interfaith Council to reach all religious institutions in Marin to see if they are open to housing on their properties. Lutheran Church, Victory Village in Fairfax are examples of this.
- Look at the north side of Miracle Mile as a future opportunity site. We thought about this area last time, but didn't list sites here. Also, note that some of the sites listed in 2014 that got developed were less than 20 units. The parcels may be small but are important to help meet the need. Take a second look at low-rise apartments on Nova Albion, Downtown sites like Westamerica Bank, and sites like Nazareth House.
- Check laws about counting assisted living. We should be able to count some of these units.
- SB9 may have limited impacts on our housing potential but we should ask developers their thoughts on how to get units out of it.
- Allow higher densities in the neighborhood commercial zoning district.
- Remove the ground floor retail requirement in the CO district. It's not needed except on 4th Street, especially with the changes in traditional retailing.
- Take note that 25% of single-family homes in Vancouver have an ADU. Put a lot of attention towards ADUs/JADUs because they meet a need for young people and support homeowners' ability to afford to stay in their homes. I think if we did our own survey, we would find that they are far more affordable than Bay Area-wide study shows.
- The Chamber regularly hears about the difficulty in developing affordable housing. There are projects in the pipeline that are entitled but they can't get financing.
- Focusing on office complexes is a good idea. Projects can be designed so people don't feel like they're living next to a freeway.
- Think about whether Marin Square should stay on the sites list. The owners considered housing but were told traffic was a problem so they didn't pursue it. What about Canalways?
- How can we distribute our housing needs more equitably, so we don't have some districts that are all single family and others all multi-family?
- Look at the Project Homekey model that's been used recently by Marin County. Ask owners if they are interested in selling, etc. Could Toscalito Tires be an opportunity site? Also, look at Westamerica Bank, Scandinavian Design, etc,

- Canal Alliance advocates for placemaking and climate resilience. We understand that the City wants to avoid housing in light industrial areas, but we should put Canalways back on the table for discussion. It has the potential to help us respond to many challenges including parks, housing, sea level rise. *Staff noted that the General Plan includes programs to study Canalways and consider housing opportunities in the future—but the site would not be viable now because it is zoned for conservation and requires biological studies and environmental review before rezoning.*
- Consider a limited number of sites in the light industrial area around the Canal to see what may be possible in this community.
- Look at the used car lot on 4th St between F and G.
- Consider political realities. How can we leverage the knowledge and expertise of this group to work on a variety of different levels?
- Agree with others regarding conversion of offices and banks for housing

Working Group members returned to the earlier comments about why affordable housing might not be viable on the sites we were identifying. How do we aggregate sites to make them viable for 40 unit projects? We seem to do better with smaller projects, which encounter less neighborhood opposition.

From the perspective of an affordable housing developer, smaller sites are great, but they rely on different funding sources. Affordable developers can't compete for public funding for smaller sites: Developers do scattered site affordable developments, but from an operational standpoint, it's more cost efficient to work at a larger scale, especially when providing supportive services.

(6) MEMBER AND STAFF ANNOUNCEMENTS

Staff indicated that there were additional working group meetings that needed to be scheduled. Staff also noted that the Annual Progress Report was being presented to the City Council on March 21. The Council will also receive an update on the Housing Element at its meeting on April 4.

(7) PUBLIC COMMENT OPPORTUNITY #2

There were three public comments:

- I am a San Rafael resident and recently learned about the Housing Element. I support affordable housing, but most residents are unaware this process is going on. How can more people get involved? I would like to develop an ADU. The City should consider using vacant retail space on 4th Street for housing. ,
- I am a young resident of Downtown San Rafael and support the efforts to bring more housing here. The need is extreme, and it is a struggle to find an affordable place to live. Be ambitious because the need is really high.
- President of Terra Linda Homeowners Association—which is changing its name to Terra Linda Neighborhood Association, because we represent all residents and not just homeowners. Speaking personally, and not on behalf of the organization, I encourage you to speak to our community and take a look at housing opportunity sites in our area. They include Northgate Walk, Nazareth House,

Northgate Mall, and the recently approved Los Gamos apartments. We want to ensure that current and future residents have a high quality of life.

(8) ADJOURNMENT

The meeting was adjourned at 5:58 PM.

APPENDIX B-2. HOUSING CONSTRAINTS

A. GOVERNMENTAL CONSTRAINTS AND OPPORTUNITIES

1. Land Use Controls and Development Standards

The City of San Rafael regulates the use of land within the city limits through the General Plan, the Zoning Ordinance, the Subdivision Ordinance and the Building Code. The General Plan provides overall density and development policies for specific areas of the community. The Zoning Ordinance implements the General Plan and provides greater specificity on density, height, and yard regulations, etc. The City’s Zoning Ordinance was revised in 1996 to include new Downtown zoning districts. Zoning has been used as a site-specific tool to derive the density and intensity of proposed land uses. Below is a summary of multifamily and mixed use zoning standards.

San Rafael’s zoning allows densities higher than all other communities in Marin County. These requirements should be viewed in light of the fact that San Rafael is the hub of the County, centrally located from West Marin to the East Bay, and from north counties to San Francisco. San Rafael’s multiple-family (“HDR1”) District allows 1 unit per 1,000 square feet of land area, compared to 1,500 square feet in most Marin cities’ multifamily zoning districts. This translates to 43 units per net acre as compared to 29 units per acre as allowed in most Marin cities. In Downtown, densities of 62 units per acre are allowed in order to encourage more residential development in the city center.

San Rafael has allowed even greater density on selected sites. San Rafael Commons, for example, was built at 90 units per acre, with the higher density allowed because it was an affordable senior project. In addition, the City granted a reduction in the parking requirements, recognizing the lower parking demand of senior housing. The City has also recently approved four density bonus projects (33 San Pablo, 1203/1211 Lincoln, 1867 Lincoln, 524 Mission, 21 G Street), allowing for increased densities in exchange for the provision of affordable units. San Rafael’s highest density single-family (“R5”) District allows lots as small as 5,000 square feet in size, which is the smallest single-family lot zoning allowed in Marin County. San Rafael also has a P-D (Planned Development) zoning district that allows for maximum development flexibility, providing that the project is consistent with General Plan policies.

Table B2.1: City of San Rafael Zoning Standards for Multifamily and Mixed Use Residential Districts

Zone	Classification	Permitted Use	Minimum Lot Area (sq. ft.)	Width (ft.)	Unit/ Sq. ft.	Units per acre**	Front (ft.)	Setbacks		Building Height (ft.)	Building Coverage
								Side (ft.)	Rear (ft.)		
DR	Duplex Residential	Duplex	5,000	50	2,500	17	15	3	10	30	40%
MR5	Multifamily Residential (Medium Density)	Multifamily	6,000	60	5,000	8	15	10	5	36	40%
MR3	Multifamily Residential (Medium Density)	Multifamily	6,000	60	3,000	14	15	10	5	36	50%
MR2.5	Multifamily Residential (Medium Density)	Multifamily	6,000	60	2,500	17	15	10	5	36	50%
MR2	Multifamily Residential (Medium Density)	Multifamily	6,000	60	2,000	21	15	10	5	36	50%

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Zone	Classification	Permitted Use	Minimum Lot Area (sq. ft.)	Width (ft.)	Unit/ Sq. ft.	Units per acre**	Front (ft.)	Setbacks		Building Height (ft.)	Building Coverage
								Side (ft.)	Rear (ft.)		
HR1.8	Multifamily Residential (High Density)	Multifamily	6,000	60	1,800	24	15	3	5	36	60%
HR1.5	Multifamily Residential (High Density)	Multifamily	6,000	60	1,500	29	15	3	5	36	60%
HR1	Multifamily Residential (High Density)	Multifamily	6,000	60	1,000	43	15	3	5	36	60%
GC	General Commercial	Mixed Use	6,000	60	1,000	43	NR	NR	NR	36	NR
NC	Neighborhood Commercial	Mixed Use	6,000	60	1,800	24	NR	NR	NR	30-36	NR
C/O	Commercial/Office	Mixed Use	2,000/bldg	NR	1,000	43	NR	NR	NR	36	NR
R/O	Residential/Office	Mixed Use	6,000	60	1,000	43	NR	NR	NR	36	NR
4SRC	Fourth Street Retail Core	Mixed Use	2,000/bldg	25	600	72	NR	NR	NR	36-54	NR
HO	Hetherton Office	Mixed Use	6,000	60	600	72	NR	NR	NR	46-66	NR
CSMU	Cross Street Mixed Use	Multifamily	2,000/bldg	25	600	72	NR	NR	NR	36-54	NR
2/3 MUE	Second/Third Mixed Use East	Multifamily	6,000	60	600	72	5	NR	NR	54	NR
2/3 MUW	Second/Third Mixed Use West	Multifamily	6,000	60	1,000	43	5	NR	NR	36-42	NR
WEV	West End Village	Mixed Use	5,000	25	1,000	43	NR	NR	NR	30-36	NR
5/M R/O	Fifth/Mission Residential/Office	Multifamily	6,000	60	1,000	43	NR-15	NR	NR	42	NR
O	Office	Multifamily	7,500	60	1,000	43	20	6	20	36	40%

*Exceptions may be granted for height above 36' subject to provisions in Chapter 14.24, Exceptions.

**Zoning densities (net dwelling units per acre is roughly 30% higher than GP densities (gross du/acre)

NR = No Restriction

Source: City of San Rafael Municipal Code, 2014

Land use controls can be viewed as a constraint in that they determine the amount of land to be developed for housing and establish a limit on the number of units that can be built on a given site. However, the adoption of the *General Plan 2020* and subsequent Zoning Ordinance amendments created additional sites for multifamily housing by allowing housing in more commercial areas at densities that make affordable housing feasible.

San Rafael's mixed use commercial and residential zoning requirements are additive (not prorated), so that a developer has flexibility in determining how much commercial and residential development to include in a project. Site development capacities are based on the aggregate of the maximum residential density PLUS the maximum floor area ratio (FAR) for the site, thereby increasing development potential on mixed use sites. However, as shown in the table above, in some commercial zoning districts, residential is required to be part of a mixed use development. While this could potentially be a constraint should a developer wish to build a residential-only project, the City does allow residential-only projects with an Administrative Use Permit. The Housing Element includes a program to review zoning requirements for retail in a mixed use building or site, and to amend the zoning ordinance as necessary to allow for residential-only buildings in appropriate mixed use zoning districts.

Parking standards can pose additional constraints to development. However, San Rafael has developed standards intended to provide reasonable off-street parking for various types of housing and ensure adequate on-site parking for new residents, while reflecting local parking usage. A generalized comparison of parking standards in Marin County is shown in Table B2.2 below.

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For residential development projects, an additional reduction in the parking requirement may be applied, as well as the possibility of using tandem or uncovered parking to meet the on-site parking requirement. For details on the specific parking incentives for residential development projects see the City of San Rafael Zoning Ordinance, section 14.16.030 (H-3) – Affordable Housing Requirement, found online at:

<http://library.municode.com/index.aspx?clientId=16610&stateId=5&stateName=California>.

Additionally, the City established a parking district Downtown to encourage residential uses in the district. For instance, no parking is required for up to three units in the parking assessment district, provided the units are an infill addition to an existing nonresidential structure, and that the units are two-bedroom or less and no larger than 900 square feet in size.

Table B2.2: Parking Standards in San Rafael

Residential Use	Citywide	Downtown Parking Assessment District	Other Areas of Downtown	Most Common Standard in County
Accessory Dwelling Unit (Studio/One Bedroom)	1.0	1.0	1.0	1.0
Duplex	1.5	1.0	1.0	2.0
Mixed Use	By Use	By Use	By Use	n/a
Multifamily: Studio (Depends on size of unit)	1.0-1.5	1.0	1.0	1.0-2.0
Multifamily: One-Bedroom	1.5	1.0	1.0	1.0-2.0
Multifamily: Two-bedroom (Depends on size of unit)	1.0-1.5	1.0-1.5	1.5	2.0
Multifamily: Three-Bedroom	2.0	2.0	2.0	2.0
Guest Parking	0.2	0.0	0.0	0.20-0.25
Senior Housing	0.75	0.75	0.75	1.0
Single Family Dwellings	2.0	2.0	2.0	2.0

Source: City of San Rafael Zoning Ordinance, 2014

Based on the assessment, the City's standards, such as San Rafael's parking standards and San Rafael's parking density bonus, compare favorably to other jurisdictions, and do not pose a constraint to development. The results of a 1996 analysis of Downtown parking standards led to reduced parking requirements in the Downtown area, reflecting the lower demand for parking compared to more suburban areas. San Rafael's standards are also tailored to the size of the unit.

The Downtown San Rafael Station Area Plan, accepted by City Council in June 2012, establishes a long-term vision for land use and circulation improvements in the area surrounding the planned Downtown SMART station. In preparation for the Station's opening in 2016, a parking study is currently underway to evaluate various options to address small parcels and on-site parking constraints to development (refer to Housing Element Program H-15a).

2. Second Units

A second dwelling unit is a small unit in addition to the main house on a single-family lot. Second units have the following benefits:

- (1) They provide flexibility for the owner of the main home (they can be used as an apartment for elderly parents or a source of income);
- (2) When rented they help make home-ownership affordable for the owner of the home;
- (3) They can provide flexibility for seniors or other homeowners who rent their primary dwelling because they still want to live in the same neighborhood;
- (4) They provide lower cost housing because the units are small and there are no extra land costs (City surveys show that a quarter of all units collect \$0 rents);
- (5) They fit in to existing neighborhoods since they are small and often part of the main house.

Second units are widely recognized as a valuable potential source of affordable housing for low-income households, especially single-person households such as seniors and single adults (*Marin Housing Workbook*, 2009). A 2008 survey conducted by the County found that 61 percent of second units located in the unincorporated county were affordable to lower income households (making 80 percent or below the County's median income; Marin County Draft Housing Element, 2009). A similar study conducted by the City in 2008 found an average rent of \$707 for second-units in San Rafael, with a monthly rent range from \$0-\$1,550, a price range that accommodates very-low and low income households based on 2009 household income limits (*Second Dwelling Units progress Report*, 2009). While the City has not conducted a comprehensive second unit survey since 2009, as indicated in Table B2.3 second units being developed in San Rafael continue to be very small in size, thus keeping rents relatively low.

In 2003, the City amended its zoning ordinance second unit provisions in response to a new requirement by State law which required ministerial review of all second unit applications, as opposed to discretionary review, so long as the unit met specified development and design standards. Some of the changes included in the zoning amendments include eliminating the Use Permit fee (allowing second dwelling units *by right* in all residential zoning districts) and the public hearing process, reducing the parking requirement, allowing the construction of detached units, and allowing second units to be built in zoning districts other than single-family districts. These zoning amendments effectively reduced many of the barriers, financial and otherwise, which may have formerly discouraged homeowners from building second units, and the City anticipated an increase in annual production of 34 second units.

Between 1989 and 2003, the City approved 74 second units, including eight studio units; 61 one-bedroom units; and five two-bedroom units; and averaging approximately five second units per year. Immediately after the zoning amendments of 2003, the annual number of second dwelling units built rose significantly for the next two years (see Table B2.3 below). Since that time, an average of four to five second units have been developed each year in San Rafael, confirming the City's second unit zoning ordinance revisions have been successful in supporting the continued production of this important form of affordable housing.

Table B2.3: Second Units Production: 2000 to 2013

	Total Number of Second Units Approved	No. of Attached Units	No. of Detached Units	Unit Size Range (sq. ft.)	Average Unit Size (sq. ft.)
2000	3	3	0	500-960	670
2001	0	0	0	N/A	N/A
2002	2	1	1	581-650	615
2003	4	1	3	340-600	475
2004	10	7	3	444-1000	650
2005	8	4	4	401-800	600
2006	4	2	2	375-781	550
2007	5	3	2	350-747	515
2008	6	4	2	354-942	600
2009	5	4	1	475-850	650
2010	7	5	2	500-800	650
2011	5	3	2	500-690	580
2012	5	5	0	480-1000	600
2013	1	1	0	650	650
Total	65	43	22	350-1000	

Source: San Rafael Community Development Department CRW Land Trak and address files, April 2009

San Rafael’s second unit regulations allow second unit parcels with a minimum lot size of 5,000 square feet and require owner occupancy of the principal or second unit. The floor area of the second unit must be at least 500 feet but can be up to 40 percent of the gross square footage of the principal dwelling. The maximum size (assuming the 40% limit) is 800 square feet, unless a Use Permit is granted, which can allow a maximum size of 1,000 square feet. If added to a principal single-family unit, the height limit is 30 feet. If located in a detached accessory building, the height limit is 15 feet unless a Use Permit is granted. Studios and 1-bedroom units require one parking space; 2-bedroom units require two spaces. Parking may be uncovered, and, under certain circumstances, may be tandem. The second unit must have a separate entrance from the principal unit and cannot be located on the same side as the front entrance of the principal unit. Second units must comply with design guidelines. In particular, a second unit must maintain design consistency with the existing structure so that the architectural detailing, window style, roof slope, building materials, and exterior colors are similar.

The type of permit and level of review required for a second unit depends upon the size, height, and location of the second unit. If the second unit is located on the ground floor of the principal unit, meets the standards discussed above, and conforms to setbacks, only a building permit, with plans checked by the Planning and Building Divisions, is required. An Environmental and Design Review Permit is required for a second unit that (1) exceeds 500 square feet and is located above the ground floor of the principal unit, or (2) is located above the ground floor of a detached accessory building. A Use Permit is required for a second unit that is in an accessory building that does not meet the side or rear setbacks required for the primary structure, is above 15 feet in height, or is greater than 800 square feet in size.

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In 2008, there were 10,872 single-family homes in San Rafael; approximately 8,700 are on lots that meet the minimum lot size requirement of 5,000 sq. ft. Current and future market conditions are also expected to have an impact on second unit construction. The high demand for affordable apartments, coupled with poor economic conditions that compel many homeowners to look for additional sources of income, may spur an increase in second unit development. Although the depressed economy had a negative impact on current construction, changing demographics, as described earlier in this Element, are creating an increase in long-term demand for “granny” units for aging parents (in 2010, over 1,700 seniors lived alone in their homes).

In the fall of 2008, the City of San Rafael conducted a survey of 121 property owners of approved second units. The results of the 1990, 2001, and 2008 surveys are shown in Table B2.4 below. The 2008 survey revealed that an overwhelming majority of second units are one-bedroom or studio units with one resident. An analysis of the rent levels demonstrates that second units are affordable to very low and low income households, and support the assumption made that a significant proportion of new, second unit production will be affordable to very low and low income households.

Table B2.4: Survey of Second Units (Results from 1990, 2001, and 2008 Surveys)

	1990 Survey	%	2001 Survey	%	2008 Survey	%
Number of Approved Second Units	32	-	74	-	121	-
Number of Survey Responses	20	63%	30	41%	41	34%
Number of Units Occupied	17	85%	23	77%	30	73%
Number of Renter-Occupied Units	NA	-	22	96%	26	87%
Number of Owner-Occupied Units	NA	-	1	4%	4	13%
Number of Studio Units	2	12%	3	11%	8	21% ¹
Number of One-Bedroom Units	13	76%	23	82%	27	71% ¹
Number of Two-Bedroom Units	2	12%	2	7%	3	8% ¹
Number of Units with One Resident	NA	-	18	78%	24	80%
Number of Units with Two Residents	NA	-	5	22%	6	20%
Range of Unit Sizes	NA	-	NA	-	300-1,300 sq. ft.	-
Average Size of Units	NA	-	NA	-	676 sq. ft.	-
Affordable to Very Low and Low Income Households	NA	82%	NA	46%	NA	100% ²
Affordable to Extremely Low	NA	-	NA	-	12	39% ²
Affordable to Very Low	NA	-	NA	-	5	16% ²
Affordable to Low	NA	-	NA	-	14	45% ²
Affordable to Moderate Income	NA	18%	NA	13%	0	0% ²
Affordable to Above Moderate Income	NA	0%	NA	41%	0	0% ²
Range of Rents	\$0 - 875	-	\$0 - 1,895	-	\$0 - 1,550	-
Average Rent	\$504	-	\$905	-	\$707	-
Range of Estimated Incomes	\$16,000 - 30,000	-	\$16,000 - 62,901+	-	NA	-

Source: City of San Rafael Community Development Department, 2009

¹ Based on 38 units (occupied and unoccupied)

² Based on 31 units reporting rental amounts

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San Rafael has continuously promoted second units as a housing option. Efforts have included providing a comprehensive handout explaining the second-unit process, posting information about second units on the City's website, promoting the second unit program through the *San Rafael Focus* City newsletter, offering staff consultation for adding or legalizing a second unit, holding workshops to educate homeowners about the process to add a second unit, and pursuing an amnesty program for legalization of illegal second units. In addition, San Rafael staff worked with local utility agencies to reduce fees for water and sewer service for second units, and in 2012 the City adopted a Citywide Traffic mitigation fee amendment to waive the traffic mitigation fee for second units.

Housing Element Program H-16 includes continuing to promote and publicize second units through departmental handouts and the City's website. In addition, a new program has been added to the Element (H-11b) to evaluate appropriate zoning regulations to support in the creation of "Junior Second Units." Such units would be created through the repurposing of existing space within a single-family dwelling to create a semi-private living situation for a renter or caregiver in conjunction with the owner-occupied unit. Junior second units would be required to have exterior access, and meet the U.S. Census definition of a housing unit to qualify for credit towards the City's Regional Housing Needs Allocation (RHNA).

3. Provision for a Variety of Housing Types

Housing element law specifies that jurisdictions must identify adequate sites to be made available through appropriate zoning and development standards to encourage the development of various types of housing for all economic segments of the population. This includes single-family homes, multi-family housing, mobile homes, emergency shelters and transitional housing, among others. The tables below summarize the variety of housing types permitted within residential, commercial, public/quasi-public, and certain industrial districts.

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Table B2.5 : Permitted Housing Types by Zoning District
Tables excerpted from Page 350 of Epilogue, with minor updates

Type of Land Use	R	DR	MR	HR	PD
Single-family residential	P	P	P	P	C
Duplex residential		P	P	P	C
Multifamily residential			P	P	C
Residential care facilities, handicapped					
Small (0-6 residents)	P	P	P	P	C
Large (7 or more residents)	P	P	P	P	C
Residential care facilities, other					
Small (0-6 residents)	P	P	P	P	C
Large (7 or more residents)				C	C
Second dwelling units (800 sf or less)	P	P	P	P	P
Second dwelling units (800+ sf)	C	C	C	C	C
Boardinghouse, SRO			C	C	C
Emergency Shelters for the homeless					
Permanent				C	
Temporary or rotating	C	C	C	C	C

Type of Land Use	GC	NC	O	C/O	R/O	FBWC*
Single-family residential					C	
Duplex residential					C	
Multifamily residential	A	C	P	A	P	A
Live/work quarters	A	A	A	A	A	A
Residential care facilities, handicapped						
Small (0-6 residents)	P	P	P	P	P	P
Large (7 or more residents)	P	P	P	P	P	P
Residential care facilities, other						
Small (0--6 residents)	P	P	P	P	P	P
Large (7 or more residents)	C	C	C	C	C	C
Boardinghouse, SRO	A	C	A	A	A	A
Emergency Shelters for the homeless						
Permanent	P/C			C	C	
Temporary or rotating	C	C	C	C	C	C

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Type of Land Use	4SRC	HO	CSMU	2/3 MUE	2/3 MUW	WEV	5/M R/O
Duplex residential					P		P
Multifamily residential	A	A	A	A	A	A	P
Live/work quarters	A	A	A	A	A	A	A
Residential care facilities, handicapped							
Small (0--6 residents)	P	P	P	P	P	P	P
Large (7 or more residents)	P	P	P	P	P	P	P
Residential care facilities, other							
Small (0--6 residents)	P	P	P	P	P	P	P
Large (7 or more residents)	C	C	C	C	C	C	C
Boardinghouse, SRO	A	A	A	A	A	A	A
Emergency Shelters for the homeless							
Temporary or rotating	C	C	C	C	C	C	C
Types of Land Use	I	LI/O	CCI/O	LMU	M	PQP	
Live/work Quarters				A	A	A	
Caretaker's residence	CZ	CZ	CZ	CZ	CZ		
Emergency Shelters for the homeless							
Permanent	C	P/C	C	C	C		
Temporary or rotating	C	C	C	C	C		
Single-family residential						C	
Duplex residential						C	
Multifamily residential					A	C	
Residential care facilities, handicapped							
Small (0--6 residents)					P	P	
Large (7 or more residents)					P	P	
Residential care facilities, other							
Small (0--6 residents)					P	P	
Large (7 or more residents)					C	C	
Boardinghouse, SRO					C	A	

Note: Consistent with SB 2, transitional and supportive housing are treated as a residential use and only subject to those restrictions that apply to other residential uses of the same type in the same zone.

P = Permitted by Right A = Administrative Use Permit C = Conditional Use Permit Blank = Not Allowed

Zoning District Key

R: Single-family
 DR: Duplex Residential
 MR: Multifamily Medium Density
 HR: Multifamily High Density
 PD: Planned Development District
 GC: General Commercial
 NC: Neighborhood Commercial
 O: Office
 C/O: Commercial/Office
 R/O: Residential Office
 FBWC: Francisco Boulevard West Commercial
 4SRC: Fourth Street Retail Core

HO: Hetherton Office
 CSMU: Cross Street Mixed Use
 2/3 MUE: Second/Third Mixed Use East
 2/3 MUW: Second/Third Mixed Use West
 WEV: West End Village
 5/M R/O: Fifth/Mission Residential/Office
 I: Industrial
 LI/O: Light Industrial Office
 CCI/O: Core Canal Industrial/Office
 LMU: Lindaro Mixed Use
 M: Marine
 P/QP: Public/Quasi-Public

4. Housing for Persons with Disabilities

Chapter 671, Statutes of 2001 (Senate Bill 520) requires localities to analyze potential and actual constraints upon the development, maintenance, and improvement of housing for persons with disabilities and to demonstrate local efforts to remove governmental constraints which hinder the locality from meeting the housing needs for persons with disabilities. The City has mechanisms, either through the variance or exceptions process, to modify standards to accommodate persons living with special needs. The City will continue to conduct a periodic evaluation of its zoning ordinance and other policies to identify and eliminate potential barriers to the construction of housing for people with disabilities (see Program H-9b).

San Rafael has adopted reasonable accommodation procedures for persons with disabilities with respect to zoning, permit-processing and building laws, and makes this information available to the public/ The City does not restrict the siting of group homes nor require a minimum distance between group homes. As indicated in Table B2,5, residential care facilities for persons with handicaps, regardless of size, are permitted by right in all residential and commercial zones (with the exception of the Planned Development Zone where they are conditionally permitted), and the City does not have any occupancy standards in the zoning code that apply specifically to unrelated adults. Other (non-handicapped) residential care facilities with six or fewer than six persons are similarly permitted in all residential and commercial zones (except the PD zone), with facilities over six persons allowed in multi-family and PD residential districts and commercial districts with a Use Permit. The Use Permit approval process for a group home is the same as for any other residential development; it requires public notice and approval by the zoning administrator or a public hearing and approval by the Planning Commission. For a detailed description of this permitting process, see the discussion on Governmental Constraints and Opportunities.

People living with disabilities who are on fixed incomes may require a wide range of housing options depending on the type and severity of their disability, as well as their personal preference and life-style. Some of the types of considerations and accommodations that are important in serving this need group include: on-site services, mixed income diversity, proximity to services and transit, group living opportunities and housing designed ‘barrier-free’ with accessibility modifications. Examples of affordable projects with disabled housing in San Rafael include the 11-unit low income Ecology House (opened in 1994), which is a national model for people with environmental sensitivities.

The City’s zoning code has been determined to be in compliance with the Americans with Disabilities Act. San Rafael allows displacement of required on-site parking if it is to accommodate ADA accessibility facilities (ramps, etc.) and offers reduced parking standards for any development, including housing for the disabled, wherever reduced need can be demonstrated. The Building Department administers Title 24 provisions consistently for all disabilities-related construction and responds to complaints regarding any violations.

5. Transitional and Supportive Housing

SB 2, effective January 2008, amended Housing Element law regarding planning and approval for transitional and supportive housing. Specifically, SB 2 requires transitional and supportive housing to be treated as a residential use and only subject to those restrictions that apply to other residential uses of the same type in the same zone. For example, if the transitional housing is a

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multi-family use proposed in a multifamily zone, then zoning should treat the transitional housing the same as other multifamily uses in the proposed zone

Transitional housing is temporary housing (generally six months to two years) for a homeless individual or family transitioning to permanent housing. Residents are also provided with one-on-one case management, education and training, employment assistance, mental and physical services, and support groups. Transitional housing can take several forms, including group housing or multi-family units. The Housing Needs Assessment Appendix (Table B1.20) identifies 240 units of transitional housing in San Rafael, including housing facilities operated by Center for Domestic Peace, Homeward Bound of Marin and Center Point. Consistent with SB 2, the City has added the following definition to Section 14.03.030 of the Municipal Code and treats transitional housing as a residential use of property subject only to those restrictions that apply to other residential uses of the same type in the same zone:

"Transitional housing" and "transitional housing development" mean rental housing developments as defined under State Health and Safety Code Section 50675.2; i.e. buildings configured as rental housing developments, but operated under program requirements that call for the termination of assistance and recirculation of the assisted units to another eligible program recipient at some predetermined future point in time, which shall be no less than six months.

Supportive housing is permanent, affordable housing, with no limit on the length of stay, occupied by the target population (persons with disabilities, AIDS, substance abuse, or chronic health conditions) and linked to services to allow residents to live independently. The Housing Element Needs Assessment (Table B1.20) identifies 119 supportive housing units in San Rafael, including three facilities operated by Homeward Bound of Marin, and a small facility operated by St. Vincent DePaul Society and another small facility operated by the Marin Housing Authority. Similar to transitional housing, supportive housing can take several forms, and thus the City has added the following definition to the Municipal Code and treats supportive housing as a residential use of property subject only to those restrictions that apply to other residential uses of the same type in the same zone:

"Supportive housing" means housing as defined under State Health and Safety Code (HSC) Section 50675.14(b); i.e. with no limit on length of stay, that is occupied by the target population as defined in HSC subdivision(d) of Section 53260 (i.e. adults with low-income having one or more disabilities including mental illness, HIV or AIDS, substance abuse or other chronic health conditions, or individuals eligible for services provided for under the Lanterman Development Disabilities Services Act Division 4.5, commencing with Section 4500 of the Welfare and Institutions Code and may include, among other populations, families with children, elderly persons, young adults aging out of the foster care system, individuals exiting institutional settings, veterans, or homeless people) and that is linked to on- or off-site services that assist the supportive housing residents in retaining the housing, improving his or her health status, and maximizing his or her ability to live and, when possible, work in the community.

6. Emergency Shelters

Emergency shelters are defined in California's Health and Safety Code Section 50801(e) as housing with minimal supportive services for homeless persons that is limited to occupancy of six months or less by a homeless person. No individual or household may be denied emergency shelter because of an inability to pay.

SB 2 also requires the Housing Element address new planning and approval requirements for emergency shelters. Jurisdictions with an unmet need for emergency shelters for the homeless are required to identify a zone(s) where emergency shelters will be allowed as a permitted use without a conditional use or other discretionary permit. The identified zone must have sufficient capacity to accommodate the shelter need, and at a minimum provide capacity for at least one year-round shelter. Permit processing, development, and management standards for emergency shelters must be objective and facilitate the development of, or conversion to, emergency shelters.

As indicated in the tables at the beginning of this section, emergency shelters, both permanent and temporary (seasonal shelters, up to six months) are permitted with a use permit in many of San Rafael's zoning districts. The City is home to two permanent emergency shelters - Family Center and Mill Street Center - providing a capacity for 82 shelter beds. Even with these shelters, however, the *2013 Marin Point in Time Homeless Count* identifies as unmet need for 175 emergency shelter beds in San Rafael.⁸

Consistent with SB 2, and as identified in the City's 2009-2014 Housing Element, in June 2014 the City adopted amendments to the Municipal Code to allow emergency shelters as of right in the GC and LI/O zoning districts in a 70-acre area south of Bellam and east of Highway 580 (as delineated on Map 14.16.115 in the Municipal Code)⁹. This area is characterized by the County of Marin Wellness Center, single-story light industrial, and office buildings. The area is served by Golden Gate transit routes 40 and 42. Existing land use includes single-story light industrial and/or office buildings. There are a number of currently-vacant buildings. Similar to a hotel or single-room occupancy use, density requirements will not apply. San Rafael's current homeless shelter facilities, provide shelter for 55 people at the Mill Street Center, and nine families (approximately 27 people) at the Family Center.

Section 14.16.115 "Emergency shelters - permanent" has been added to the San Rafael Municipal Code and establishes the following objective standards to regulate emergency shelters as permitted under SB 2:

⁸ The *2013 Marin Point in Time Homeless Count* occurred on a day when up to 40 homeless men and 20 homeless women participating in the countywide Rotating Emergency Shelter Team (REST) winter shelter program were receiving meals in San Rafael, and were thus attributed to the city's count of unsheltered homeless.

⁹ The City's Ordinance permits shelters by right within the designated area up to the total need for shelter beds identified in the Housing Element, with any additional facilities subject to a conditional use permit.

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- On-site management and on-site security shall be provided during hours when the emergency shelter is in operation.
- Adequate exterior lighting shall be provided for security purposes (i.e., one foot-candle at all doors and entryways and one-half foot-candle at walkways and parking lots). The lighting shall be stationary, directed away from adjacent properties and public rights-of-way, and of intensity compatible with the surrounding area.
- The development may provide one or more of the following specific common facilities for the exclusive use of the residents and staff:
 - Central cooking and dining room(s)
 - Recreation room
 - Counseling center
 - Child care facilities
 - Other support services
- Parking and outdoor facilities shall be designed to provide security for residents, visitors, employees and the surrounding area, and consistent with the requirements of Section 14.18.040 (Parking Requirements).
- A refuse storage area shall be provided that is completely enclosed with masonry walls not less than five feet high with a solid-gated opening and that is large enough to accommodate a standard-sized trash bin adequate for use on the parcel, or other enclosures as approved by the review authority. The refuse enclosure shall be accessible to refuse collection vehicles.
- The agency or organization operating the shelter shall comply with the following requirements:
 - Shelter shall be available to residents for no more than six months. No individual or household may be denied emergency shelter because of an inability to pay.
 - Staff and services shall be provided to assist residents to obtain permanent shelter and income.
 - The provider shall have a written management plan including, as applicable, provisions for staff training, neighborhood outreach, security, screening of residents to ensure compatibility with services provided at the facility, and for training, counseling, and treatment programs for residents.
- No emergency shelter shall be located within three hundred feet (300') of another emergency shelter; unless permitted through review and approval of a conditional use permit where it is determined that the additional shelter location is appropriate and necessary to serve the intended population and would not result in an over-concentration in the community.
- The facility shall be in, and shall maintain at all times, good standing with town and/or state licenses, if required by these agencies for the owner(s), operator(s), and/or staff of the proposed facility.
- The maximum number of beds or clients permitted to be served (eating, showering and/or spending the night) nightly shall comply with the occupancy limit established by the building code.

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Similar to any commercial use within the GC and LI/O zoning districts, an emergency shelter is required to maintain a current business license. The City does however waive the license fee for non-profit business owners.

The City's ordinance links the number of beds or clients served by an emergency shelter to occupancy limits established in the California Building Code which require 100 square feet (10 foot x 10 foot area) per client. Thus a 5,000 square foot shelter would be permitted to have 50 beds or 50 clients.

During the State's Department of Housing and Community Development (HCD) review of San Rafael's draft Housing Element, HCD staff raised concerns that certain emergency shelter standards adopted by the City may exceed what jurisdictions are permitted to regulate under the statutory parameters of SB 2. While San Rafael developed its shelter standards in consultation with local shelter providers, the City will amend Section 14.16.115 of the Municipal Code to more clearly limit its shelter standards to those permitted under State statutes. Specifically, the City will amend Zoning Code Section 14.16.115 to: a) clarify requirements for staff and services to be provided to assist residents in obtaining permanent shelter and income are permissive, rather than mandatory; and b) clarify that while a written Management Plan is required, it is not subject to discretionary approval.

7. Building Code

San Rafael uses the 2013 California Building Code (based on the International Building Code, 2012), which sets minimum standards for residential development and all other structures. The standards may add material and labor costs but are felt to be necessary minimums for the safety of those occupying the structures. Modification of the code, in order to reduce the cost of housing, would not be appropriate if it affects safety or adversely impacts neighboring properties.

The City's zoning code has been determined to be in compliance with the Americans with Disabilities Act. San Rafael allows displacement of required on-site parking if it is to accommodate ADA accessibility facilities (ramps, etc.) and offers reduced parking standards for any development, including housing for the disabled, wherever reduced need can be demonstrated. The Building Department administers Title 24 provisions consistently for all disability-related construction and responds to complaints regarding any violations.

The City has made several amendments to the Code applicable to residences, requiring fire sprinklers in all buildings and Class A fire-retardant roofs for fire protection. Due to the prolonged dry season and the city's topography, these are warranted upgrades. The City's sewer, storm drain, and other engineering standards conform to Marin County standards, and the City requires only minimum road widths and improvements in new developments. On-site drainage and frontage improvements are required for residential development where they do not exist. Costs vary depending on the size of the lots.

The City enforces energy conservation standards enacted by the State. The standards may increase construction costs but over time will result in energy savings. San Rafael also has a very active Code Enforcement program intended to respond to code violations and the early stages of deterioration. The program requires remedial actions or abatement to maintain the safety of housing units.

8. Local Processing and Permit Procedures

Like all local jurisdictions, the City of San Rafael has procedures and regulations for project review and approval. The following is an analysis of the permit approval process for residential development in San Rafael. All properties with residential land use designations have corresponding zoning; accordingly the rezoning process is not assessed in this analysis. Similarly, almost all of the remaining residentially zoned properties are infill lots, and subdivision is not an issue.

The exhibit below outlines the types of permits required for housing development in San Rafael. Typically, a single discretionary permit is required to develop single-family and multifamily housing in San Rafael: the Design Review Permit. In addition, for housing units in a commercial district, an Administrative Use Permit is required; the permit specifies performance standards to ensure compatibility of use given the surrounding non-residential land uses and to mitigate potential conflicts or nuisances. Not listed below are permits required in unusual circumstances, such as a substandard lot size, when a Variance application may be required. In addition, San Rafael has an exception process that grants minor adjustments to certain zoning standards, such as height.

Table B2.6: Planning Permits for Housing Development

Type of Permit	Level of Review	Type of Development	Review
Design Review, Administrative	Staff	Flag lot homes	Design Review Board (if needed), addresses access and visibility issues
Design Review, Minor	Zoning Administrator	Hillside homes	Design Review Board (if needed), addresses environmental and design compatibility issues
Design Review, Major	Planning Commission	Ridgeline homes, 3+ units, some 2 nd units	Design Review Board, addresses environmental and design compatibility issues
Use Permit, Administrative	Staff	Mixed Use residential, most districts	Zoning standards address design and compatibility issues for development in commercial and industrial areas
Use Permit	Planning Commission	Some 2 nd units	Zoning standards address design and compatibility issues for large or two-story 2 nd units
Planned District Zoning	City Council	Development on lots five acres or larger in size	Planning Commission, to encourage cluster development to avoid sensitive areas and to encourage innovative design by allowing flexibility in property development standards.

Source: San Rafael Community Development Department, 2014.

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During project review, San Rafael follows procedures set forth in the California Environmental Quality Act (CEQA) and Guidelines. Thus, processing time for single-family or multifamily projects is dependent on whether a project is categorically exempt (no environmental review necessary), or if a Negative Declaration (Neg Dec) or an Environmental Impact Report (EIR) is required. Hillside sites are more expensive to develop due to known geotechnical and access problems. Environmental protection requirements, including protection of endangered species, tree removal, habitat loss, etc. may add significant time to the development process and additional cost where it is necessary to evaluate the effects of the project and mitigate adverse impacts. Fees charged by the City for CEQA processing cover the City's processing costs.

CEQA Section 15332 ("Infill Development Projects") allows San Rafael to categorically exempt infill development consistent with the San Rafael General Plan and Zoning requirements from CEQA review. Other agencies, such as the MMWD, the Bay Area Air Quality Management District and the Regional Water Quality Control Board, also influence the processing time of environmental documents.

In response to concerns that the permit process was a constraint, a number of changes have been made:

1. In 1989, the City approved a "Neighborhood Meeting Procedure" intended to formalize early meetings with neighborhood groups. (See description below.)
2. In San Rafael, planning permits (i.e., design review, administrative use permit and variance) are processed concurrently at the discretion of the applicant.
3. An interdepartmental permit review committee, the Development Coordinating Committee, meets biweekly to discuss upcoming applications, identify potential issues and provide feedback on mitigation options.
4. Application handouts and checklists to help applicants understand departmental procedures and requirements.
5. San Rafael instituted expanded, more comprehensive (notice to renters and owners), and more timely (15 day notice) notice about development proposals, to facilitate early dialogue between neighbors and developers, as well as to ensure full awareness about proposed changes.
6. Second unit approval process was streamlined, consistent with State law, to provide for ministerial rather than discretionary review.
7. Reduced the level of planning permit review required for the addition of units to the single-family, duplex, and multi-family residences.
8. Eliminated the Design Review Permit requirement for one story duplexes and the conversion of existing single-family structures to duplexes.

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a. Neighborhood Meeting

In 1989, the City approved a “Neighborhood Meeting Procedure” to formalize early meetings with neighborhood groups and reduce delays caused by concerns raised during the public hearings, which occur late in the review process. The neighborhood meeting is held as part of the project review and is not an additional separate or early step in the review process. The neighborhood meeting is scheduled before the first public hearing during staff’s initial review of the project application. The drawings for the neighborhood meeting are the same required for the design review permit.

By encouraging developers of larger projects to meet with neighbors early in the review process, both developers and neighbors can learn about local concerns and suggestions for improvements. The meetings are open to the public, and interested parties such as housing advocates typically attend. The project planner attends to provide information as needed about the review and approval process.

In addition to the neighborhood meeting comments, applicants will receive early feedback through the concurrent ‘conceptual review’ provided by the Design Review Board (see below). This procedure has proven successful in streamlining the permitting timeframe by enabling early identification of issues and better communication between the developer and neighbors, and in identifying key project issues and appropriate project modifications that reduce the time in processing an application through the public hearing process. San Rafael’s housing specialist reports that since the drawings have to be prepared for design review, there is no added cost, and that developers appreciate knowing about the issues at the beginning of project review.

In the past several years, the following projects benefitted from the early neighborhood meeting:

Table B2.7: Neighborhood Meetings in Projects

Project	Submitted	Approved	Neighborhood Issues
33 San Pablo Ave	93 units	82 units	Parking, access, density, bulk, and mass, traffic. Although the Design Review Board recommended a less bulky design with a subsequent reduction in units, the project density remained above the allowable density, qualifying as a density bonus project and reduced parking requirements.
Loch Lomond Marina	84 units	81 units	Traffic, parking, neighborhood commercial viability, views, public access, marina green design, wetland protection. Neighbors advocated for 36 single-family homes; approved project had a mix of housing types. Project size reduced by three units because of wetland protection policies.
1203-1211 Lincoln Ave	32 units	36 units	Parking, access, design, traffic, loss of views, privacy, loss of affordable housing, setbacks. Planning Commission asked for more density; project was a density bonus project with reduced parking requirements. After design changes to address concerns, near unanimous support by neighbors.
524 Mission Ave	20 units (upzoning requested)	15 units (without rezoning)	Street tree preservation. Early dialogue with the neighbors resulted in near unanimous support for the project, which was at the high end of the allowable density.

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Typically during a neighborhood meeting, some neighbors will speak in support of a project, using the meeting to speak about the importance of affordable housing, and how new development is needed in San Rafael to provide housing opportunities.

The neighborhood meeting together with the conceptual design review does not add time or effort to a developer. They provide an opportunity for an applicant to hear early feedback from the Design Review Board (for conceptual review) or the public (for neighborhood meeting). Since these meetings are completed early in the review process, an applicant will receive timely comments before having developed detailed plans and materials. Incorporating changes to address early comments is not as costly as when the feedback occurs at the public hearing. By the time of the public hearings, the applicant and neighbors are familiar with the issues and planning details.

b. Design Review Permit

Design review permits implement General Plan policies by guiding the location, functions and appearance of development to respect and protect the natural environment and assure that development is harmoniously integrated with the existing qualities of the city – to ensure a "fit" with the community. Design Review requirements provide an opportunity for design issues to be raised early in the discretionary review process, thus helping to assure community acceptance of a project proposal, which can reduce delay due to project appeals and other forms of community objections. It is important that a new project will blend with the community, and become a natural and integral part of the existing neighborhood fabric, both visually and structurally. In a city where every project will have an impact on a neighbor, discretion is needed to ensure that projects are adjusted where possible to minimize adverse effects. In San Rafael, design guidelines have proven to be helpful in designing new housing.

There are three types of design review permits:

- Administrative Design Review permit approved by the Community Development Director or designated staff. The Community Development Director may refer an application to the Design Review Board for recommendations if needed.
- Minor Design Review permit, approved by the Zoning Administrator. Minor improvements, such as a single-family house, are reviewed at this level, and may involve review by the Design Review Board for recommendations.
- Major Design Review permit, approved by the Planning Commission. Major physical improvements, such as subdivisions and multifamily development, are first reviewed by the Design Review Board (which is an advisory body) and then by the Planning Commission. The Planning Commission grants Design Review Permits after a public hearing. The Planning Commission's action may be appealed to the City Council. The City Council considers appeals from Planning Commission actions at public hearings.

The Design Review process elements and timeline is typically two to eight months, depending on the size of the project and the type of permit, as outlined below.

Table B2.8: Design Review Process Elements and Timeline

Task	Time
<p>Conceptual Review Project applicants for a major design review hold a neighborhood meeting and meet for conceptual review with the Design Review Board.</p>	30 days
<p>Application Filed Project sponsor submits completed application plans forms, supporting documents and fees. Plans consist of architectural drawings at the schematic level, landscape drawings, and grading plans. A geotechnical analysis and/or traffic report may be required as supporting documents.</p>	1 day
<p>Completeness Review Staff reviews application and circulates plans to City departments to determine whether additional information is required, and for recommended conditions of approval.</p>	30 days
<p>Completeness Notice Notice sent to sponsor advising that project is complete or is incomplete and additional information is required.</p>	1 day
<p>Follow-Up Submittal If the application has been determined to be incomplete, the sponsor will submit follow-up information as requested. The time to complete this task is determined by the project sponsor. If the application was found to be complete, this task is skipped.</p>	Varies
<p>Environmental Review The application is reviewed to determine whether the project is exempt from CEQA or if an Initial Study is required. Most projects are found to be exempt. If a Negative Declaration is prepared, environmental review can take the full 6 months allowed by law.</p>	1 day to 6 months
<p>Staff Report A detailed evaluation is conducted and a staff report is prepared.</p>	30 days
<p>Public Hearing A public notice is sent 15 days (if exempt) before the hearing to property owners within 300 feet of the project site. The Planning Commission conducts a hearing and takes action to approve or deny the project.</p>	15 days

Source: City of San Rafael Community Development Department

Costs – In order to give meaningful input to a developer, the Design Review Permit requires project plan review. The City’s design review submittal requirements do not differ significantly from other communities’ requirement for design review plans. Design review and the resulting quality of development that is an improvement to the community is viewed as an investment of cost worthwhile and not seen as a constraint on development.

Timing – In addition to the process improvements described above, the Community Development Department has taken the following steps to improve the design review process:

1. In 2004, various design guideline documents developed over the past 25 years were consolidated into a single set of design guidelines. San Rafael does not require prescriptive design standards, allowing instead for creative design approaches and solutions, such as a triplex BMR built in a high-end single-family subdivision. San Rafael’s design guidelines cover site design, architecture, and landscape design. The majority of San Rafael’s design standards relates to the design and placement of architectural and site features and does not add to the

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cost of building and development. Other design standards, such as the requirement to underground utility connections, provide screening of refuse areas, design units that are accessible to the disabled, and use high-quality building materials may add to development and material costs. These guidelines are invaluable in streamlining the site and building design process, and in helping designers understand the design intent of the community.

2. Optional “Initial consultation” between an applicant and planning staff for an informal staff review so that an applicant may be informed of design review board issues prior to preparing working drawings. (Modest fee of \$1,000).
3. “Conceptual review” before the design review board on the conceptual design approach. (Modest fee of \$1,500). Conceptual review is required for major project, and focuses on the conceptual design approach, giving both the design review board and the applicant the opportunity to work together to achieve a quality design. During the review (one session), the board identifies and discusses relevant issues and indicates the appropriateness of the design approach. Generally, any project subject to a neighborhood meeting is also subject to conceptual review. The neighborhood meeting is a chance for the developer to present a proposed project to the neighbors and answer questions and receive feedback, and the conceptual review is an opportunity for the applicant to hear preliminary design feedback from the Design Review Board.

c. Administrative Use Permit

An administrative use permit, with specific performance standards, is required for residential uses in commercial districts to “ensure that residential uses in commercial districts are not adversely impacted by adjacent uses.” The cost is modest as the review is restricted to nine specific criteria related to noise, refuse location, boarding houses, live/work, etc. The review is processed concurrently with the design review permit.

The permit has not been a hindrance to mixed use development, as demonstrated by the track record: three projects in Downtown with 146 units were built 2000-2010. However, with increased expertise in understanding potential issues that can be addressed through the design review permit, a new general plan program is proposed to consider deleting the requirement for an administrative use permit for residential uses in mixed use development in Downtown zoning districts.

d. Planning Permit for Certain Second Units

The City modified its Second Dwelling Unit Development Standards and Procedures, consistent with State law (AB 1866), to eliminate the requirement for Use Permit applications for second units. Processing time is now typically less than a week for a second dwelling unit permit. In limited circumstances, for second units between 800 and 1,000 square feet, or located in a detached accessory building within required side or rear setbacks, or above 15 feet in height, a use permit or a design review permit from the Planning Commission is required to determine compatibility with adjacent residential structures. (For more information about second units, see discussion above.)

e. *Planned Development Zoning*

A general plan program requires ‘Planned Development’ zoning for lots larger than five acres. This zoning provides site design flexibility in that there are no zoning setbacks, etc.; the development must only be consistent with general plan policies. This long-standing program has proven instrumental in successful master planning of large sites in San Rafael; PD zoning is processed concurrently with other development review permits.

9. *Project Selection Process*

To properly manage traffic capacity in a way that best serves the city’s health, safety, and welfare, and consistent with state law requirements, General Plan policy C-5, Traffic Levels of Service Standards, includes specific standards for traffic levels of service. To effectively manage these levels of service while also promoting smart growth within the city, San Rafael developed several mechanisms by which traffic capacity is regulated and infrastructure limitations are mitigated.

In 1988, the City initiated the Priority Project Procedure (PPP), which allocated traffic capacity to proposed development projects based on traffic impact, community need, and available infrastructure for projects affecting in certain traffic-impacted areas, including the interchanges at I-580/Highway 101/Bellam Ave., Lucas Valley Road/Smith Ranch Road/Highway 101, and Freitas Parkway/Highway 101. Under *General Plan 2000*, affordable housing projects with a minimum of 15 percent affordable units are among the types of projects that were given priority in the identified traffic-impacted areas. In addition, a limited number of bonus trip allocations were reserved for projects providing a significant amount of affordable housing. From 1988-2000, under the PPP program, over 600 housing units went through the development process and were built in the affected areas (North and East San Rafael) resulting in the creation of over 92 affordable units.

In adopting the General Plan 2020 (2004), the PPP was re-named as the Project Selection Process (PSP). The PSP was allied citywide and continued to be implemented by the City as a tool for prioritizing new development projects. However, by 2011, the purpose and importance of the PSP diminished and the process was eliminated because: a) the community is now largely built-out and there are very few remaining land development opportunities; and b) the limited traffic capacity has been used up or needed transportation improvements have been implemented.

In summary, the Housing Element includes the following programs to address issues related to processing and permit procedures:

- Program H-14c. Continue to Implement Zoning Provisions to Encourage Mixed Use
- Program H-17c. Waiver or Reduction of Fees
- Program H-17d. Efficient Project Review

10. *Affordable Housing (Inclusionary Housing) Requirement*

The City of San Rafael, in 1980, adopted a voluntary inclusionary requirement. The 1985 Housing Element included a mandatory inclusionary requirement, and in 1988, the City adopted a comprehensive requirement that market rate units contribute to the development of affordable housing (“inclusionary housing”). This program resulted in the development of 619 deed-restricted affordable units (City of San Rafael Community Development Department, 2009). The

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inclusionary program has been one of the City's most successful programs in creating permanent affordable housing.

Some members of the development community have stated that the affordable units have to be "subsidized" by the market rate units, which results in higher prices for the market rate units, and thus act as a constraint on the development of housing. However, no data has been presented showing this to be the case in San Rafael. Further, the City's housing studies indicate that the main determinant on the cost of housing in San Rafael, as well as elsewhere in Marin, continues to be the price that the market is willing to pay. In addition, affordable units have some economic benefit to the property owner/developer, despite their restricted return:

- 1) The current moderate income BMR-restricted sales price (\$274,500, 2 bedroom unit) exceeds the per-unit cost of development in San Rafael.
- 2) Through application of State Density Bonus requirements, the affordable housing requirements for larger projects will actually create more market rate units than would otherwise be allowed under San Rafael's development and zoning schemes, thus further reducing any purported "subsidy."

In San Rafael, a project with 20 or more units must have at least 20 percent affordable units. For example, a 20-unit project would have to have four affordable units, thereby automatically qualifying for the State density bonus, which would allow an additional 5 market rate units. Under the City's inclusionary program, additional density bonuses are also available to any developer that agrees to dedicate affordable units above the minimum requirements of the Ordinance.

San Rafael is not unique in requiring developers of market rate housing to participate in addressing the affordable housing dilemma. The County of Marin and the Cities of Novato, Corte Madera, San Anselmo, Mill Valley, Fairfax, Larkspur, and Tiburon have all adopted inclusionary housing programs. A 2006 survey of inclusionary housing by California Coalition for Rural Housing and Non-Profit Housing Association of Northern California found that 170 jurisdictions in the State (comprising about one-third of all jurisdictions) had inclusionary zoning requirements (CCRH, 2007). The record of these jurisdictions, as well as San Rafael itself, indicates that inclusionary zoning requirements do not act as a constraint on the development of market rate housing and serves an important public purpose of promoting the development of affordable housing.

San Rafael's inclusionary ordinance does not apply to the following:

- Projects that are the subject of development agreements in effect with the city and approved prior to the effective date of the City Council ordinance;
- Projects where a building permit application has been accepted as complete by the city prior to the effective date of the city council ordinance; however, any extension or modification of such approval or permit after such date shall not be exempt;
- Any building that is damaged or destroyed by fire or other natural catastrophe if the rebuilt square footage of the residential portion of the building does not increase upon reconstruction;
- Any residential development project of four (4) or fewer units in a single structure;

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- Any residential development project of four (4) or fewer units where the square footage of the floor area of each unit, exclusive of garage, is less than one thousand eight hundred (1,800) square feet; and
- Second units approved by the City of San Rafael pursuant to Section 14.16.285 of the San Rafael Municipal Code.

In addition, the inclusionary ordinance provides the following flexibility:

- In-Lieu Fee Option
- Project Design
 - ...Units may be clustered within the residential project when the City determines that such clustering furthers affordable housing opportunities. The affordable housing units shall be of a similar mix and type to that of the residential development project as a whole, including, but not limited to:*
 - a. The same or substantially similar mix of unit size (e.g., number of bedrooms, square footage); [NOTE: developer not required to provide affordable units identical to market-rate units]*
 - b. Compatibility with the design, materials, amenities, and appearance of the other developed units. [NOTE: developer not required to provide affordable units identical to market-rate units]*
- Alternative Equivalent Action Option
 - G. Alternative Equivalent Action. ... an alternative equivalent action may include, but is not limited to, dedication of vacant land, the construction of affordable housing units on another site, or other actions ...*

The Housing Element includes a program to conduct a Housing Nexus Study and engage with the local development community and affordable housing advocates to evaluate the Inclusionary Housing Ordinance and in-lieu fee requirements for effectiveness in providing affordable housing under current market conditions. Based on this analysis, the City will amend the Ordinance, as appropriate, to enhance the Program's effectiveness and consistent with recent court decisions.

11. Fees and Exactions

Like all cities, San Rafael collects development fees to recover the costs of providing services and processing applications. When fees are adopted by the City Council, a fee study is provided to demonstrate that they do not exceed the reasonable cost of providing the service. Most of San Rafael's planning permit fees are 'cost recovery,' with the initial fee, which covers 80 percent of the estimated project review cost, required as a deposit. Once the deposit is used, staff time is charged on an hourly basis. Smaller projects, are charged a modest fixed fee (i.e., \$300 for a second dwelling unit). The types of fees charged by jurisdictions in Marin are shown in Table B2.9 (San Rafael fees are shown in bold):

Table B2.9: Types of Fees Charged

Jurisdiction Controlled Fees	
<i>Planning and Building Fees</i>	<i>Impact Fees</i>
Design Review	Affordable Housing
Use Permit	Development Impact
Administrative Use Permit (for mixed use)	Roads (Traffic Mitigation and Street Maintenance)
Building Permit	Storm Water
Plan Check	Parkland Dedication (for subdivisions)
Plan Storage	Fire
Title 24 Energy Fee	Police
Seismic Tax	Library
Engineering Plan Check	Other Civic Facilities
Engineering Site Inspection	
Planning Plan Check	
Plumbing	
Electrical	
Mechanical (including fire sprinklers/alarms)	
Crime Prevention	
General Plan Surcharge	
Database Management	
Residential Development Tax	
Construction Permits	
Sewer Permit, Connection and Inspection	
Non-Jurisdiction Controlled Fees	
School Impact Fees	
Water Fees (including connection, impact, permit and inspection)	
Sewer Fees (including connection, impact , permit and inspection)	
California Environmental Quality Act review	

Source: Marin County Housing Workbook, 2009.

One of San Rafael’s highest fees is the traffic mitigation fee. This fee is essential in order to fund planned circulation improvements necessary to improve safety and relieve congestion during the time period covered by *General Plan 2020*. *General Plan 2020* projects planned development citywide through 2020, quantifies necessary transportation improvements, and identifies funding sources, including the Traffic Mitigation Fee, to pay for those improvements. Traffic mitigation fees are paid to fund area-wide traffic improvements that enable development to occur within a safe and acceptable traffic level of service standard. Without this funding, the City would be unable to fund the infrastructure improvements necessary to support proposed development, including housing projects, with the result being a significant and unacceptable decrease in the traffic levels of service identified in the Circulation Element of the General Plan.

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Traffic mitigation fees are assessed on development projects that increase morning and afternoon peak hour traffic, with each project paying a pro-rata share of designated area wide improvements based on the number of afternoon peak hour trips expected to be generated by the project. The traffic mitigation fee differs based on the need and cost for traffic improvements and is adjusted annually.

San Rafael's traffic mitigation fee falls well within the range of fee costs charged by jurisdictions across the Bay Area. In a 2009 survey, staff found the following Traffic Mitigation fees (fee per peak hour trip generated by development) charged by several comparable jurisdictions:

1. County of Marin: \$5,315 per pm peak hour trip in the Northgate Activity Center; \$4,113 per pm peak hour trip in the West Sir Francis Drake Blvd. area
2. Fairfield: \$2,998
3. Mill Valley: \$5,000
4. Novato: \$7,709
5. Palo Alto: \$2,861
6. Petaluma: \$15,877
7. Pleasanton: \$4,218
8. San Rafael: \$8,492 for a single-family home (Previously \$4,246 for a second dwelling unit - traffic mitigation fee eliminated for second units in 2013.)

Unlike some other cities in the Bay Area, San Rafael does not charge impact fees for community or fire services.

Table B2.10: Survey of Impact Fees for Selected Cities

City	Comm. Facilities	Drainage	Fire	Housing	Parks	Traffic	School (1)	Sewer (1)	Water (1)	Total
Fairfield	\$3,439	n/a	n/a	n/a	\$7,410	\$2,998	\$6,640	\$5,943	\$5,424	\$31,854
Palo Alto	\$2,585	n/a	n/a	n/a	\$9,971	\$2,861	\$5,940	n/a	n/a	\$21,357
Petaluma	\$1,421	\$1,500	\$786	\$9,022	\$5,245	\$15,877	n/a	\$8,114	\$11,672	\$53,667
Pleasanton	\$4,238	\$1,566	n/a	\$10,053	\$9,707	\$4,218	\$17,240	\$13,893	\$23,070	\$83,985
Santa Rosa	\$5,561	n/a	n/a	\$12,158	\$7,252	n/a	\$11,000*	\$9,814	\$5,651	\$51,436
Mill Valley	n/a	\$340	n/a	n/a	n/a	\$5,000	\$7,128	\$2,800	\$14,141	\$29,409
Novato	\$5,633	\$2,398	\$935	n/a	\$5,394	\$7,709	\$3,360	\$5,173	\$23,275	\$53,877
San Rafael	n/a	n/a	n/a	n/a	\$1,509	\$4,246	\$4,100	\$1,595	\$10,241	\$20,583

(Based on 2,000 square foot single family home)

(1) Impact fees charged by other agencies, and not the City of San Rafael.

Source: Community Development Department (2009). Total fees are approximate and may vary.

Fees for second units were substantially reduced through lobbying efforts. First, the City reduced the fee for a second dwelling units to \$300. As part of implementation program H-18i, Marin Municipal Water District (MMWD) Fees in the prior Housing Element, City staff worked with Marin County planning staff to work with MMWD on a policy change to reduce its fees for second units. Other fee reductions for second units were a lower traffic mitigation fee and reduced sanitary district fees for the southern half of the city.

The City waives traffic impact fees for affordable housing units. In addition to the fee waiver for traffic impact fees, in 2001 the City adopted Resolution 11025 which provides for fee waivers for Planning and Building permit fees for affordable housing projects. The fee waiver

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was recently used to waive use permit fees for a rotating homeless shelter operated by a consortium of local churches during the winters of 2010 and 2011.

The 2009 Marin housing Workbook includes a survey of fees and exactions charged for new housing in Marin and shows that the City's permit fees are fairly comparable to the average of those of other cities in the county. While this fee survey has not been updated since 2009, within San Rafael, none of the Planning & Building Fees or Impact Fees have been increased since the completion of this survey.

As depicted in Table B2.11 below, for a single family home, the average sum of Planning and Building Fees in Marin is \$11,125, ranging from a low of \$7,743 to \$14,480. By contrast, the average sum of Impact Fees is \$10,524, but the range is much wider from \$3,750 up to \$28,463. For a ten-unit condominium project, the average sum of Planning and Building fees is \$56,467, with a range of \$23,498 to \$83,399. The average Impact Fee is \$93,757, with a very broad range of \$30,000 to \$207,300. It is evident that impact fees are the greater source of variation in development costs between jurisdictions.

Table B2.11: Average Development Fees in San Rafael and Marin County

	San Rafael Average	Marin Average*	Marin Range*
Single Family Home			
Planning & Building Fees	\$12,561	\$11,125	\$7,743 - \$14,480
Impact Fees	\$13,392	\$10,524	\$3,750 - \$28,463
Total Fees	\$25,953	\$21,649	
10-Unit Condo			
Planning & Building Fees	\$52,380	\$56,467	\$23,498 - \$83,399
Impact Fees	\$124,820	\$93,757	\$30,000 - \$207,300
Total Fees for 10-Unit Condo	\$203,153	\$150,224	
Fees per Unit	\$20,315	\$15,224	

Source: *Marin County Housing Workbook*, 2009.

*Countywide average and range do not include Sausalito or the County of Marin.

Table B2.12 below details San Rafael's fees for a single-family house and a ten-unit multifamily condominium project, compared with the average fees charges by all jurisdictions in Marin.

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Table B2.12: San Rafael and Average Marin County Fees for a Single-Family Home and a Multifamily Unit

Type of Fee	Single-Family House (1)		Multifamily Unit (2)	
	San Rafael	Marin County Average	San Rafael	Marin County Average (3)
Jurisdiction-Controlled Building and Planning Fees				
Design Review (4)	\$2,641	\$2,449	\$6,392	\$3,866
Building Permit	\$3,234	\$3,584	\$15,059	\$21,160
Plan Check	\$2,425	\$2,481	\$11,294	\$14,042
Plan Storage	\$33	\$63	\$153	\$187
Title 24 Energy Fee	n/a	\$480	n/a	\$3,170
Seismic Tax	\$50	\$50	\$400	\$400
Engineering Plan Check	n/a	\$575	n/a	\$1,675
Engineering Site Inspection	n/a	\$221	n/a	\$1,809
Planning Plan Check	\$90	\$174	\$180	\$533
Plumbing	\$264	\$227	\$1,957	\$1,276
Electrical	\$209	\$270	\$920	\$1,308
Mechanical (incl. fire sprinklers / alarms)	\$1,907	\$372	\$9,682	\$2,028
Crime Prevention	n/a	\$72	n/a	\$720
General Plan Surcharge	\$453	\$559	\$2,108	\$3,755
Database Management Surcharge	n/a	\$540	n/a	\$3,755
Residential Development Tax	\$382	\$602	\$2,250	\$4,775
Construction Permits	n/a		n/a	\$3,750
Sewer Connection Fee (not impact fee) (5) (6)	n/a	\$1,652	n/a	\$16,515
Other	\$873	\$388	\$1,985	\$1,836
TOTAL FEES	\$12,561	\$11,125	\$52,380	\$56,467
TOTAL FEES PER UNIT	\$12,561	\$11,125	\$5,238	\$5,647
Jurisdiction-Controlled Impact Fees				
Affordable Housing In-Lieu Fee	n/a		n/a	\$470,000
Roads	\$4,900	\$5,489	\$39,900	\$41,972
Storm Water	n/a	\$3,768	n/a	\$25,550
Parks	n/a	\$9,463	n/a	\$49,533
Fire	n/a	\$979	n/a	\$7,640
Police	n/a		n/a	

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	Single-Family House (1)		Multifamily Unit (2)	
Type of Fee	San Rafael	Marin County Average	San Rafael	Marin County Average (3)
Jurisdiction-Controlled Impact Fees (continued)				
Library	n/a		n/a	
Other Civic Facilities	n/a	\$6,381	n/a	\$65,710
Solid Waste	n/a		n/a	
Other (Traffic Mitigation Fee)	\$8,492	\$4,331	\$84,920	\$40,277
Sewer (5)	n/a	\$3,722	n/a	\$37,220
TOTAL IMPACT FEES	\$13,392	\$10,524	\$124,820	\$93,757
TOTAL IMPACT FEES PER UNIT	\$13,392	\$10,524	\$12,482	\$9,375

- 1) Single-Family Home: Assumes a 3-bedroom, 2,400 sq. ft., on 10,000 sq. ft. lot with a 400 sq. ft. garage at density of 4 units per acre and construction cost of \$500,000, estimated sale price \$800,000.
 - 2) Multifamily Unit: Assumes a ten unit condominium development, 2-bedroom, 1,200 sq. ft., on 0.5 acres with a construction cost of \$400,000 per unit, to be sold at an average of \$500,000 per unit.
 - 3) Average calculations do not include Sausalito or County of Marin data. Note that most cities and towns in the County do not process longer projects
 - 4) Includes fees related to State-required California Environmental Quality Act (CEQA) review fees. Typical CEQA fees are:
 - Initial Study & Mitigated/Negative Declaration- City Fee: \$9,713 deposit
 - Environmental Impact Report (EIR)- City Fee: Actual cost of consultant + 25% surcharge for staff review and contract administration
 - Marin County Clerk Recordation Fee: \$50
 - CA Department of Fish and Game Fees
 - Mitigated/Negative Declaration: \$2,010.25
 - EIR: \$2,792.25
 - Certified Regulatory Program: \$949.50
- Source: Marin County Housing Workbook, 2009.

12. Article 34 Referenda

California Law (Article 34) requires jurisdictions to place public housing projects on the ballot for local approval before construction. In 1977, San Rafael voters passed (by a 73 percent majority) a referendum allowing construction of 120 publicly-financed housing units for senior citizens. The election results indicated a general community willingness to approve Article 34 referenda in San Rafael. Eighty-three of these non-market rate units were built in the San Rafael Commons project. An additional 12 units of the Article 34 Allocation were utilized for the Buckelew Project at 1103 Lincoln. Twenty-five units remain under the referendum authorization.

By requiring referendum approval of all low rent housing projects “developed, constructed, or acquired in any manner” by any state or public body, Article 34 of the State’s Constitution poses an obstacle to the delivery of housing suited to the needs of lower income households. In general, Article 34 applicability depends on three criteria. First, a state or public body must be involved in the project. Private sponsors developing low rent housing projects with federal or private money, for instance, are not subject to Article 34. Second, the State or public agency must develop, construct or acquire the project. Public agencies which lease low rent housing are not covered by Article 34. The third requirement is that the project be a low income rental development. The development of mixed income rental housing that is not 50 percent or more low income has been held by California courts not to require a referendum.

State legislation exempts from the referendum requirement the following types of projects: (1) privately owned housing which is less than 50 percent low income rental; (2) privately owned housing which is not financed or subsidized by a State or local public agency; (3) cooperative housing or any other type of owner-occupied housing; and (4) newly constructed, privately owned one-to-four family dwellings not located on adjoining sites.

To summarize, in order to promote the development of affordable housing within San Rafael, the City has adopted numerous incentives. These include:

- Fee waivers (see Housing Program H-9g), including specifically traffic impact, planning, and building fees for affordable housing projects. After considering a request from the City, the Marin Municipal Water District expanded its 50 percent fee reduction policy for affordable housing units to all 11 cities in the County; formerly, the fee reduction only applied to County projects. The fee reduction policy also applies to second units.
- Density bonuses above and beyond those mandated by state law, pursuant to the City’s inclusionary housing ordinance.
- Height bonuses (see policies established in the City’s *General Plan 2020* Land Use Element).
- Reduced parking standards (see Housing Program H-15a).

B. NON-GOVERNMENTAL CONSTRAINTS AND OPPORTUNITIES

State law requires an analysis of potential and actual governmental and non-governmental constraints to the maintenance, improvement, and development of housing for all income levels. The Housing Element must identify ways, if any, to reduce or overcome these constraints in order to meet the city's housing needs.

1. Land and Construction Costs

The price of housing in Marin County has continued to rise at a faster rate than household income. Contributing factors include the rising cost of land, construction costs (materials and labor), financing, fees and associated development requirements, sales commissions, and profits. Another factor is the increasing perception of housing as a commodity for speculation. According to the Marin Economic Commission, 84 percent of land in Marin is protected as open space, agricultural land, watersheds, or parkland, leaving only 16 percent of land available for development. As of 1999, 11 percent of the remaining developable land was developed, leaving approximately five percent available for future development (Marin Economic Commission, 1999). The scarcity of developable land in the County is a significant driving factor in the increase in land costs.

The typical cost to build an average-quality, two-story, wood frame, single-family, detached home is about \$125/square foot, and more for expensive custom-built homes. Land costs for single-family homes account for approximately 40 percent of the total cost, with hard construction costs (including labor and materials) and soft costs (including design and insurance) accounting for 40 percent and 20 percent, respectively. Generally, land zoned for single-family homes is less expensive than land zoned for multifamily homes. (Marin Housing Workbook, 2009)

The total cost for recently built multifamily developments in Marin County averages between \$300 and \$500 per square foot. Land costs account for 15 to 20 percent of total cost. Land costs for multifamily development depend upon allowable densities; construction constraints; and potential fees for rezoning, general plan amendments, environmental impact review, and mitigation efforts. Total costs per multifamily unit can range from \$400,000 to \$500,000. (Marin Housing Workbook, 2009)

Vacant land within the city of San Rafael is extremely limited. Since the demand for housing in the city is very high, the value of potential residential land is increasing and has become a substantial factor in the cost of providing housing. An informal survey of vacant residential land sales in San Rafael from January 2012 to May 2014 identified a wide range of prices, from \$98,000 for a small, 5,900 square foot infill parcel, up to \$2.9 million for a 1/2 acre hillside lot. The overall price for the fifteen residential land sales during this period was \$125 per square foot.

2. Financing Costs

Financing for above moderate or market rate housing is not restrained for those who can qualify. It is difficult, however, for first-time home buyers without capital or equity to qualify for financing without incomes above \$100,000. For example, the income required for a \$450,000 mortgage at

4.5% is about \$100,000, which requires a monthly payment of about \$2,800 (inclusive of expenses).

Financing new construction has also become more difficult, as lenders have reduced their loan to value ratios, thus requiring builders to shoulder a larger portion of project costs. Complicated projects, such as mixed use developments, are often the most difficult to finance. Non-profit developers may have even greater difficulty securing funding from the private sector, and the increasing competition for federal funding can create additional roadblocks to the construction of affordable housing units. Additionally, smaller projects often cost more to develop, which may necessitate higher retail prices above the affordability level of low-income renters or buyers. The reduction of tax credits for low-income housing has also had a chilling effect on the construction of affordable housing. Despite these barriers, smaller projects have been successfully built in Marin County by several local community based organizations. (Marin Housing Workbook, 2009)

3. Community Concerns

Potential opposition to affordable housing exists in many communities throughout Marin and the Bay Area. It is important, in this regard, to identify sites for special needs and affordable housing that fit with community character and have minimum impacts. Design plays a critical role in creating new developments that blend into the existing neighborhood, especially in higher density developments that might otherwise seem out of place. Good design can help ensure that high density developments are not bulky or out-of-scale. Through sensitive design, a building's perceived bulk can be significantly reduced to create a development that blends with the existing character of the neighborhood. Design strategies that the City has used to minimize the perception of bulk and create a blending with the community do not necessarily increase costs. These include the following:

- (1) Minimize building heights;
- (2) Break-up the building "mass" in its architecture and detailing;
- (3) Vary the roofline;
- (4) Create a three-dimensional facade (rather than a massive, flat facade);
- (5) Step back the building height, with the lowest part of the building towards the street and adjacent properties, locating the highest part of the building towards the center of the property;
- (6) Site the building appropriately in relation to surrounding buildings;
- (7) Use architectural design, landscaping, materials, and colors that fit with the area;
- (8) Use landscaping to blend the buildings with the natural setting; and
- (9) Provide for open space and pathways throughout the development.

The Marin Consortium for Workforce Housing was established to build public understanding and support for workforce housing. The Consortium focuses public concern on potential environmental impacts, quality of design, and the quality of long-term management of the project. The Housing Element includes Program H-3b - Information and Outreach on Housing Issues - to help address this potential constraint. In addition, the City's environmental and design review procedures assist in achieving project acceptability and allow for neighborhood participation.

4. Working with Non-Profit Housing Developers

Community Development and Redevelopment Agency staff works closely with housing advocates and developers to create financially viable projects. Financial support is available in a variety of forms, from loans and grants to tax credits and outright purchase.

The key to the success of non-profit developers lies in three areas: first, in their ability to draw upon a diversity of funding sources and mechanisms to make their developments work financially; second, in their commitment to working cooperatively and constructively with the local community, including local officials as well as neighborhood residents; and third, in their long-term commitment to ensuring excellence in design, construction, and management of their developments, creating assets that are valued by the community.

All affordable housing developments in San Rafael have been the result of collaborative efforts between the government, affordable housing developers and the philanthropic community. In most cases, the City and/or Redevelopment Agency works collaboratively with non-profit developers to provide technical assistance, funding through Redevelopment housing funds, City in-lieu fees, CDBG funds and the issuance of tax exempt bonds. The State and Federal governments provide funding through the HOME program and tax-exempt bond allocations. The philanthropic community provides additional funding and the non-profit housing groups construct and manage the housing.

5. Financing Incentives for Workforce and Special Housing Needs

There are a wide variety of resources provided through federal, state, and local programs to support affordable housing development and related programs and services. The single largest (and often least recognized) federal program is mortgage interest tax deduction, saving 70 percent of all homeowners (or 36 million taxpayers) \$67 billion in FY 2008 (National Low Income Housing Coalition, 2009). State agencies also play an important role in providing housing assistance by allocating federal housing funds and/or making loans available to affordable housing developments. The three principal agencies involved are the State Treasurer's Office, the California Housing Finance Agency (CHFA), and the California Department of Housing and Community Development (HCD). In 2008 in California, \$90 million of federal funding and \$97 million from the State was applied towards tax credits issued for the construction of over 5,000 low-income housing units. An additional \$75 million in tax-exempt bonds were issued by the federal government to help finance the construction of over 10,000 low-income units across the state. (CA State Treasurer's Office, 2009)

California localities receive federal subsidies for affordable housing through a number of programs. Like State programs, federal programs often change in terms of program details, application procedures, and amount of subsidy dollars available. In 2007, the Marin Housing Authority received over \$27 million from the U.S. Department of Housing and Urban Development to fund the Section 8- Housing Choice Voucher Program, which serves over 2,000 households throughout Marin (MHA Annual Financial Report, 2008). Approximately \$9 million of the County funding was distributed to almost 500 households in San Rafael who were recipients of Section 8 vouchers in 2008 (MHA, 2008; Marin Housing Workbook, 2009). Federal funding for MHA-administered programs, however, continues to be unpredictable; in 2008, federal funding for public housing nationwide was below full funding at 88.96 percent (MHA, 2008). Public housing

APPENDIX B: 2015-2023 HOUSING ELEMENT BACKGROUND REPORT

complexes that depend on federal funding include the Golden Hinde, a public housing complex for seniors managed by MHA and located in Terra Linda.

City government resources, especially through the Redevelopment Agency, have also played an important role in supporting housing development. Highlights of Redevelopment Agency achievements are described in the previous section. The Redevelopment Implementation Plan for the period of 2010/11-2014/15 anticipates receiving approximately \$925,000 annually. The Agency anticipates the following ongoing annual expenses; \$300,240 annual bond debt service payment for previous housing activities, \$90,000 for administration of the ownership Below Market Rate Housing program, \$100,000 for code enforcement related activities serving low income renters, and \$500,000 for personnel services, including oversight of the affordable ownership program and management of the affordable rental units resulting from the City's Inclusionary requirements. The Agency anticipates spending \$2,300,000 between 2010 and 2015 on projects and programs to increase and improve the supply of low and moderate income housing in San Rafael.

When developments are able to demonstrate a financial commitment and contribution from local sources—especially if coupled with regulatory support through policies such as fast-track processing, fee waivers, and/or density bonuses—they are better able to *leverage* funding from other 'outside' sources.

Additionally, all funding sources require separate reporting and data collection. When multiple funding sources are used (usually necessary), additional burdens are placed on developers to track the information required and report on a timely basis with limited staffing.

6. Fair Housing

The City of San Rafael provides financial support to a variety of fair housing organizations, including Fair Housing of Marin (through CDBG funds distributed by the RDA) and the Marin Housing Authority (which receives \$30,000 annually from the RDA for its Rebate for Marin Renters program). Fair Housing flyers are distributed throughout City buildings, including City Hall, City Hall at the Mall and the City libraries. Information on housing opportunities in the city of San Rafael and the county of Marin is available through the Housing Assistline, which is staffed by Marin Housing workers and trained volunteers. However, due to recent budget cuts, Marin Housing has temporarily discontinued the Housing Assistline. When operational, the Assistline provides information and referrals on affordable housing, including Section 8, Public Housing, housing for persons with special needs, Below Market Rate rental and ownership programs, the Low Cost Rehabilitation Program, housing discrimination and landlord tenant law.

The Redevelopment Agency has previously provided \$10,000 annually to Mediation Services, an organization providing bilingual assistance in the area of landlord tenant law. In 2001 and 2002, the City sent bilingual letters to all tenants in buildings over four units informing them of Mediation Services and encouraging them to use this service if necessary. The City does not anticipate sending further letters due to the cost being too substantial to justify the small number of calls received as a result of the letter. The County of Marin removed funding for Mediation Services stating that legal assistance could be provided by the Marin County Superior Court's Legal Self Help Services Division (formerly Legal Self Help of Marin), which provides free assistance to self-represented litigants on all legal matters, including landlord tenant and Fair Housing law.