



AGENDA

SAN RAFAEL CITY COUNCIL - MONDAY, MAY 15, 2023

REGULAR MEETING AT 7:00 P.M.

In-Person:

San Rafael City Council Chambers
1400 Fifth Avenue, San Rafael, CA 94901

Participate Virtually:

Watch on Zoom Webinar: <https://tinyurl.com/cc-2023-05-15>

Watch on YouTube: www.youtube.com/cityofsanrafael

Listen by phone: (669) 444-9171

ID: 860-6190-5675#

One Tap Mobile: +16694449171,,86061905675# US

This meeting will be held in-person. The public may attend in-person or participate virtually using Zoom. This meeting is being streamed to YouTube at www.youtube.com/cityofsanrafael.

How to participate in the meeting virtually:

- Submit public comment in writing before 4:00 p.m. the day of the meeting to city.clerk@cityofsanrafael.org.
- Join the Zoom webinar and use the 'raise hand' feature to provide verbal public comment.
- Dial-in to Zoom's telephone number using the meeting ID and press *9 to raise your hand, and *6 to unmute yourself, then provide verbal public comment.

If you experience technical difficulties during the meeting, please contact city.clerk@cityofsanrafael.org.

OPEN SESSION

1. None.

CLOSED SESSION

2. None.

OPEN TIME FOR PUBLIC EXPRESSION

The public is welcome to address the City Council at this time on matters not on the agenda that are within its jurisdiction. Please be advised that pursuant to Government Code Section 54954.2, the City Council is not permitted to discuss or take action on any matter not on the agenda unless it determines that an emergency exists, or that there is a need to take immediate action which arose following posting of the agenda. Comments may be no longer than two minutes and should be respectful to the community.

CITY MANAGER AND COUNCILMEMBER REPORTS:

(including AB 1234 Reports on Meetings and Conferences Attended at City Expense)

3. City Manager and Councilmember Reports:

CONSENT CALENDAR:

The opportunity for public comment on consent calendar items will occur prior to the City Council's vote on the Consent Calendar. The City Council may approve the entire consent calendar with one action. In the alternative, items on the Consent Calendar may be removed by any City Council or staff member, for separate discussion and vote.

4. Consent Calendar Items:

a. **Approval of Minutes**

Approve Minutes of the Special City Council Meetings of May 8 and May 9, 2023 (CC)
Recommended Action - Approve minutes as submitted

b. **Reusable Foodware Ordinance**

Adoption of Ordinance 2027: An Ordinance of the City Council of the City of San Rafael Amending the San Rafael Municipal Code to Repeal and Replace Chapter 10.92 - Prohibition on Use of Polystyrene Foam Disposable Food Packaging with New Chapter 10.92 - Regulation of Foodware for Retail Food Vendors (CC)
Recommended Action - Final adoption of Ordinance 2027

c. **Proclamations**

- i. Proclamation Supporting National Gun Violence Awareness Day (CM)
- ii. Proclamation Supporting Jewish American Heritage Month (HR)
Recommended Action - Receive and File

PUBLIC HEARINGS

5. Public Hearings:

a. **San Rafael 2023-2031 Housing Element and Related General Plan and Zoning Amendments (CD):**

i. Resolution Adopting the San Rafael 2023-2031 Housing Element and Amending the Safety and Resilience Element of General Plan 2040
Recommended Action - Adopt Resolution

ii. Introduction of an Ordinance Amending the Zoning Map of the San Rafael Municipal Code to Change the Zoning for Two Non-Addressed Parcels Located Immediately North and East of 86 Culloden Park Road from Planned District 1729 (PD 1729) to Low-Density Residential 20,000 Square Foot Lot Minimum (R20) (APN 011-051-31 and APN 011-115-30) (ZC23-001 and ZC23-002)
Recommended Action - Waive further reading of the Ordinance and refer to it by title only, and introduce the Ordinance

iii. Introduction of an Ordinance Amending the Zoning Map of the San Rafael Municipal Code to Change the Zoning for 380 Merrydale Road (APN 173-041-22) from Planned District 1436 (PD 1436) to Office, And the Zoning Classification of 401 Merrydale Road (APN 179-041-05) from Light Industrial-Office to Office (ZC23-003 and ZC23-004)
Recommended Action - Waive further reading of the Ordinance and refer to it by title only, and introduce the Ordinance

OTHER AGENDA ITEMS

6. Other Agenda Items:

- a. **Draft FY 23-25 Goals and Objectives and Performance Metrics**
Informational Report on the City Council Draft FY 23-25 Goals and Objectives and Performance Metrics (CM)
Recommended Action – Accept report

- b. **Economic Development Strategic Plan**
Resolution Adopting the Economic Development Strategic Plan (ED)
Recommended Action – Adopt Resolution

SAN RAFAEL SUCCESSOR AGENCY:

- 1. Consent Calendar: - None.

ADJOURNMENT:

Any records relating to an agenda item, received by a majority or more of the Council less than 72 hours before the meeting, shall be available for inspection online and at City Hall, 1400 Fifth Avenue, and placed with other agenda-related materials on the table in front of the Council Chamber prior to the meeting. Sign Language interpreters may be requested by calling (415) 485-3066 (voice), emailing city.clerk@cityofsanrafael.org or using the California Telecommunications Relay Service by dialing “711”, at least 72 hours in advance of the meeting. Copies of documents are available in accessible formats upon request. To request Spanish language interpretation, please submit an online form at <https://www.cityofsanrafael.org/request-for-interpretation/>.

Minutes subject to approval at the May 15, 2023 meeting

MINUTES



**SAN RAFAEL CITY COUNCIL SPECIAL MEETING
MONDAY, MAY 8, 2023 AT 6:30 P.M.**

In-Person:

San Rafael City Hall
Council Chambers
1400 Fifth Avenue, San Rafael, CA 94901

Participate Virtually:

Watch on Zoom Webinar: <https://tinyurl.com/ccsm-2023-05-08>

Watch on YouTube: www.youtube.com/cityofsanrafael

Listen by phone: (669) 444-9171

ID: 844-6433-7136#

One Tap Mobile: +16694449171,,84464337136# US

Present: Councilmember Bushey
Councilmember Hill
Councilmember Kertz
Vice Mayor Llorens Gulati
Mayor Kate

Absent: None

Also Present: City Manager Jim Schutz
Outside Counsel Nira Doherty
City Clerk Lindsay Lara

Mayor Kate called the meeting to order at 6:30 p.m. and invited City Clerk Lindsay Lara to call the roll. All members of the City Council were present.

City Clerk Lindsay Lara informed the community that the in-person meeting would be recorded and streamed live to YouTube and through Zoom, and members of the public would provide public comment either on the telephone or through Zoom. She explained the process for community participation on the telephone, through Zoom and in-person.

1. [Environmental and Design Review Permit for New Mixed-Use Building at 1515 4th Street Resolution Denying an Appeal \(AP23-002\) and Affirming the Planning Commission's April 11, 2023 Action Approving an Environmental and Design Review Permit \(ED-22-016\) for a New Mixed-Use Building with 162 Residential Units and 8,900 Square Feet of Ground Floor Commercial Space Located at 1515 4th Street and Determining the Project Exempt from the California Environmental Quality Act Pursuant to CEQA Guidelines Section 15332 \(CD\)](#)
Recommended Action - Adopt Resolution

Senior Planner Jeff Ballantine and Deputy Public Works Director/Traffic Engineer Rafat Raie presented the staff report.

Appellant Vikram Seshadri gave a presentation.

Applicant Collin Monahan gave a presentation.

Staff responded to questions from the City Council.

Mayor Kate opened the public hearing.

Speakers: Name withheld, Joanne Webster, San Rafael Chamber of Commerce, Glenn Dizon, Neal Zimmermann, George Huff, Bruce Carlson, David Hayden, Will Beckman, Haden Ongaro, Jay Cross, Jennifer Deeto, Dave Mariottini, Stuart Watson, Cathryn, Judith Bloomberg, David, Nicholas Tuosto, Jeff Rich, Joe McCallum, San Rafael Chamber of Commerce, Name withheld, Carol Page, Vickie Seavers, Noah Reischmann, Susan Bradford, Bill Dittman, Donni O’Ryan, Joe Uzarski, Bella, Susan Adler, Mari Tamburo, Name withheld, Cinky Tomaskow, Susan Wilkinson, Name withheld, Jonathan

Meeting called to recess at 9:01 p.m.

Meeting called back in session at 9:10 p.m.

Speakers: Martha, Andrea, Jennifer Silva, Marin Environmental Housing Collaborative, Vicki Masseria, San Rafael Chamber of Commerce, Bill Carney, Sustainable San Rafael, Melinda, Bill Smith, Bob Pendoley, Marin Environmental Housing Collaborative, Nancy Koster, Name withheld, Carol Parks, San Rafael Chamber of Commerce

There being no further comment from the audience, Mayor Kate closed the public hearing.

Staff responded to questions from the public and City Council.

Councilmember Bushey moved and Councilmember Kertz seconded to adopt the resolution.

Ayes: Councilmembers: Bushey, Hill, Kertz, Llorens Gulati and Mayor Kate
Noes: Councilmembers: None
Absent: Councilmembers: None

Resolution 15214 - Resolution Denying an Appeal (AP23-002) and Affirming the Planning Commission’s April 11, 2023 Action Approving an Environmental and Design Review Permit (ED-22-016) for a New Mixed-Use Building with 162 Residential Units and 8,900 Square Feet of Ground Floor Commercial Space Located at 1515 4th Street and Determining the Project Exempt from the California Environmental Quality Act Pursuant to CEQA Guidelines Section 15332

ADJOURNMENT:

Mayor Kate adjourned the meeting at 10:31 p.m.

LINDSAY LARA, City Clerk

APPROVED THIS ____ DAY OF _____, 2023

KATE COLIN, Mayor

Minutes subject to approval at the May 15, 2023 meeting

MINUTES



**SAN RAFAEL CITY COUNCIL SPECIAL MEETING
TUESDAY, MAY 9, 2023 AT 5:30 P.M.**

In-Person:

San Rafael City Hall
Third Floor Conference Room
1400 Fifth Avenue, San Rafael, CA 94901

Participate Virtually:

Watch on Zoom Webinar: <https://tinyurl.com/ccsm-2023-05-09>

Listen by phone: (669) 900-9128

ID: 886-7158-9837#

One Tap Mobile: +16699009128,,88671589837# US

Present: Councilmember Hill
Vice Mayor Llorens Gulati
Mayor Kate

Absent: Councilmember Bushey
Councilmember Kertz

Also Present: City Clerk Lindsay Lara

Mayor Kate called the meeting to order at 5:35 p.m. and requested City Clerk Lindsay Lara call the roll. All members of the City Council were present, except for Councilmembers Bushey and Kertz.

Mayor Kate invited public comment.

Speaker: Name withheld

1. Board of Library Trustees Interviews

Interview Applicants and Make Appointments to Fill Three Four-Year Terms to the End of April 2027 on the Board of Library Trustees Due to the Expiration of Terms of Lawrence Andow, Cheryl Lentini and Adriana Duque-Hughes (CC)

Recommended Action – Appoint three applicants

The City Council interviewed the following applicants: Mary Kyle, Lawrence ‘Larry’ Andow, Michael Polk and Sunny Lee. Jared White withdrew his application.

After discussion, there was consensus to appoint Larry Andow, Mary Kyle and Sunny Lee to fill three unexpired, four-year terms to the end of April 2027 on the Board of Library Trustees.

ADJOURNMENT:

Mayor Kate adjourned the meeting at 6:32 p.m.

LINDSAY LARA, City Clerk

APPROVED THIS ____ DAY OF _____, 2023

KATE COLIN, Mayor

CITY COUNCIL OF THE CITY OF SAN RAFAEL

ORDINANCE NO. 2027

**AN ORDINANCE OF THE CITY OF SAN RAFAEL AMENDING
THE SAN RAFAEL MUNICIPAL CODE TO REPEAL AND
REPLACE CHAPTER 10.92 - PROHIBITION ON USE OF
POLYSTYRENE FOAM DISPOSABLE FOOD
PACKAGING WITH NEW CHAPTER 10.92 - REGULATION
OF FOODWARE FOR RETAIL FOOD VENDORS**

SECTION 1. FINDINGS

WHEREAS, the City of San Rafael has a desire and responsibility to protect the health, welfare, and safety of its residents and economy. The proliferation of non-reusable (or disposable) foodware, packaging, and plastics has contributed to street litter, ocean pollution, marine, and other wildlife harm.

WHEREAS, using reusable dishware significantly reduces the generation of unnecessary waste, and in most applications saves money, reduces disposal costs, and improves customer experience.

WHEREAS, reducing the generation of non-reusable foodware including plastic utensils, plastic cups, plastic clamshells, and plastic straws maximizes the operating life of landfills, reduces litter, and helps to lessen the economic and environmental costs of managing waste. This will also help protect San Rafael's environment from contamination and degradation making it cleaner, healthier, and safer for all residents, businesses, and visitors.

WHEREAS, non-reusable foodware threatens public health because many types contain fluorinated chemical additives are known or suspected carcinogens or endocrine disruptors. These additives are known to leach from foodware into food and beverages and into compost, soil, and water.

WHEREAS, numerous jurisdictions in the San Francisco Bay Area and the State of California have adopted legislation reducing the use of non-reusable food packaging, with local and national businesses successfully replacing single-use food packaging with affordable durable and reusable foodware or, when needed, compliant compostable fiber foodware products.

WHEREAS, on May 10, 2022, the County of Marin adopted a local Reusable Foodware Ordinance which includes language offering enforcement services via the Environmental Health Services Food Program for cities/towns adopting the same ordinance for the food vendors in their jurisdictions.

WHEREAS, the City of San Rafael wishes to utilize the enforcement services offered by the County of Marin through the County's Environmental Health Services Food Program.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF SAN RAFAEL DOES ORDAIN AS FOLLOWS:

SECTION 2. AMENDMENT OF SAN RAFAEL MUNICIPAL CODE, CHAPTER 10.92

Chapter 10.92 – Prohibition on Use of Polystyrene Foam Disposable Food Packaging of the San Rafael Municipal Code is hereby repealed in its entirety, and replaced with a new Chapter 10.92 entitled “Regulation of Foodware for Retail Food Vendors” to read in its entirety as follows:

Chapter 10.92 – Regulation of Foodware for Retail Food Vendors

10.92.010 - Purpose.

The purpose of this chapter is to prevent actual or potential public health hazards and nuisance within the city of San Rafael, Marin County, state of California, by regulating reusable foodware for dine-in operations and compliant compostable foodware for take-out services. This chapter is intended to reduce the impacts of single-use plastic takeout containers which cause forms of pollution, including contaminating recycling and composting waste streams, clogging storm drains, and discharging into the Bay becoming a threat to wildlife.

10.92.020 - Definitions.

- (a) *“BPI Certified”* means those Compostable fiber Foodware products that have been certified by the Biodegradable Products Institute (BPI) to safely and readily biodegrade in an industrial composting facility in the typical processing time. As of January 1, 2020, BPI ensures all certified products are Fluorinated Chemical free.
- (b) *“Compliant Non-Reusable Foodware”* means that an item or product intended for disposal after one use and is: (1) accepted by the County of Marin through its composting collection program as Compostable as identified by the Deputy Director of Environmental Health Services or their designee; (2) certified by either BPI Certified or other third party product certification recognized by the County of Marin through its Deputy Director of Environmental Health Services or their designee to ensure the item is free of harmful chemicals including but not limited to Fluorinated Chemicals, that may have been used in foodware manufacture, and (3) made entirely of Natural Fiber, as defined that term is below, and including but not limited to paper, wood, or sugarcane fibers.
- (c) *“Compliant Foodware Accessory”* means that an item or material is (1) accepted in Marin County composting collection program as Compostable; and is (2) made entirely of Natural Fiber.
- (d) *“Compost Facility”* means compost facilities used by the city’s current waste haulers for composting organic material.
- (e) *“Compostable”* means an item or material (1) will break down, or otherwise become part of usable compost in a safe and timely manner and (2) is Natural Fiber-based or made from other materials approved by the Deputy Director of Environmental Health Services or designee.

Agenda Item 4.b

- (f) *“Compostable Plastics or Biodegradable Plastics”* means the disposable products developed from polylactic acid (PLA), which require a specific set of conditions to compost and/or biodegrade that do not exist in the County of Marin or the region. These products are considered non-compliant.
- (g) *“City”* means the City of San Rafael.
- (h) *“City Facility”* means any building or structure owned, leased, or operated by the City of San Rafael.
- (i) *“Customer”* means any person obtaining Prepared Food from a Food Vendor.
- (j) *“Director”* means the County of Marin Deputy Director of Environmental Health Services or their designee.
- (k) *“Disposable (or Non-Reusable) Cup”* means a beverage cup designed for single-use to serve beverages such as water, hot and cold drinks, and alcoholic beverages.
- (l) *“Effective Date”* means June 14, 2023.
- (m) *“EPS”* means expanded polystyrene, also known as Polystyrene Foam.
- (n) *“Fluorinated Chemical”* means a class of fluorinated organic compounds containing at least one (1) fully fluorinated carbon atom, also known as perfluoroalkyl (PFOA) and polyfluoroalkyl (PFOS) substances, or PFAS chemicals. California Prop 65 lists PFOA and PFOS as reproductive toxicants.
- (o) *“Foodware”* means all containers, bowls, plates, food trays, cups, lids, boxes, and other like items that are used for Prepared Foods, including without limitation, Foodware for takeout foods and/or leftovers from partially consumed meals prepared by Food Vendors.
- (p) *“Foodware Accessories”* means types of items usually provided alongside Prepared Food including but not limited to forks, spoons, knives, chopsticks, napkins, cup sleeves, food wrappers, beverage trays, condiment containers, straws, stirrers, splash sticks, cocktail sticks, toothpicks, tray-liners, and plate-liners.
- (q) *“Food Vendor”* means a food facility as that term is defined in Health & Safety Code section 113789, or its successor, including but not limited to a restaurant, bar, grocery store, delicatessen, bakery, food service establishment (carry out, quick service, full-service), food truck, itinerant restaurant, pushcart, farmers market, caterer, microenterprise home kitchen operation, or cottage food operation, that sells Prepared Food to be consumed on and/or off the premises located or operating within the city, except that for purposes of this ordinance the term “food vendor” shall not include a public or private school cafeteria.
- (r) *“Natural Fiber”* means a plant-based, non-synthetic fiber, including but not limited to paper, wood, bamboo, palm leaf, wheat straw, or sugarcane. Natural Fiber does not include plastic of any kind.
- (s) *“On Request”* means that only at the request of a customer shall the compliant product be provided.

Agenda Item 4.b

- (t) *“Polystyrene Foam”* means and includes blown polystyrene and expanded and extruded foams (sometimes incorrectly called Styrofoam, a Dow Chemical Co. trademarked form of polystyrene foam insulation) which are thermoplastic petrochemical materials utilizing a styrene monomer and processed by any number of techniques including, but not limited to, fusion of polymer spheres (expandable bead polystyrene), injection molding, foam molding, and extrusion-blow molding (extruded foam polystyrene). Polystyrene Foam is generally used to make cups, bowls, plates, trays, clamshell containers, meat trays, coolers, packing peanuts, and egg cartons.
- (u) *“Prepared Food”* means food or beverages, which are served, packaged, cooked, chopped, sliced, mixed, brewed, frozen, squeezed or otherwise prepared on the premises of the Food Vendor and includes Takeout Food. For the purposes of this chapter, Prepared Food does not include raw, butchered meats, fish and/or poultry, which are sold from a butcher case or similar appliance.
- (v) *“Reusable or Durable”* Foodware and Foodware Accessories, including plates, bowls, cups, jars, trays, glasses, straws, stirrers, condiment cups, utensils, etc. that are manufactured of durable materials and specifically designed and manufactured to be washed and sanitized and to be used repeatedly over an extended period of time, and are safe for washing and sanitizing according to applicable regulations.
- (w) *“Takeout Food”* means food or beverages requiring no further preparation to be consumed and which generally are purchased to be consumed off the premises of the Food Vendor.

10.92.030 - Dine-in Foodware regulations.

Food Vendors within the city:

- (a) Shall sell or provide food and beverages for consumption on the premises using Reusable Foodware and utensils (forks, spoons, knives, chopsticks) except as otherwise provided in section 10.92.040(b);
- (b) May provide all other Compliant Foodware Accessories, which are made of Natural Fibers, including napkins, food wrappers, straws, stirrers, cocktail sticks, toothpicks, tray-liners, and plate-liners;
- (c) Shall offer condiments in reusable containers or dispensers rather than pre-packaged single-use condiment packets; and
- (d) Food Vendors will have until November 10, 2023, before enforcement of this regulation begins.

10.92.040 - Takeout Foodware regulations.

Food Vendors within the city selling Takeout Food for consumption off premises:

- (a) Shall provide takeout food in Reusable Foodware, or compostable Natural Fiber Compliant Foodware, or items composed entirely of glass or aluminum;

Agenda Item 4.b

- (b) Shall provide all other Compliant Foodware Accessories, which are made from Natural Fibers, including napkins, cup sleeves, beverage trays, condiment containers, straws, stirrers, splash sticks, cocktail sticks, and toothpicks only On Request or at self-serve stations;
- (c) Takeout food bags shall be Reusable, paper, or comply with Chapter 10.94 (regulations of single use carry out bags);
- (d) Takeout Food delivery services shall provide the option for Compliant Foodware Accessories (forks, spoons, knives, chopsticks) and single-use condiments only On Request. A Food Vendor or a Takeout Food delivery service may include lids, spill plugs, and sleeves without request for Non-Reusable Cups for delivery; and
- (e) Food Vendors shall provide plastic straws only On Request, to accommodate any person's access needs.

10.92.050 - City facilities and city-sponsored events.

The following regulations apply to Food Vendors at city facilities, and city-sponsored events:

- (a) Food Vendors shall use Reusable Foodware and Compliant Foodware Accessories at city facilities and city-sponsored events.
- (b) The city shall prohibit the use of EPS/Polystyrene Foam and Non-Reusable plastic foodware by Food Vendors at all city facilities. Prohibited products include, but are not limited to, EPS/Polystyrene Foam and Non-Reusable plastic food containers, straws, bowls, plates, trays, utensils, clamshells, and cups which are not intended for reuse, on or in which any foods or beverages are placed or packaged.
- (c) As of the Effective Date, all city departments that hold contracts, lease agreements, permits, or other agreements that involve food service shall incorporate this prohibition into all new and renewed contracts, leases, permits, agreements, etc.
- (d) The use or distribution of EPS/Polystyrene Foam, and Non-Reusable plastic foodware by Food Vendors at special events at city facilities that are sponsored or co-sponsored by the city shall be prohibited. This prohibition shall apply to the event organizers, agents of the event organizers, event vendors, and any other party (including non-profit organizations) who have an agreement with one or more of the co-sponsors of the event to sell goods or beverages at the event or otherwise provide an event-related service.
- (e) Written agreements with Food Vendors, including non-profit organizations, to sell food or beverages at an event that is sponsored or co-sponsored by the city, shall specifically prohibit the usage and distribution of EPS/Polystyrene Foam and Non-Reusable plastic foodware.

10.92.060 - Non-Reusable cup charge.

- (a) All Food Vendors shall charge customers twenty-five cents (\$0.25) at the point of sale for every Non-Reusable cup provided unless they are exempt under this chapter.
- (b) Income from the Non-Reusable cup charge shall be retained by the Food Vendor.

Agenda Item 4.b

- (c) Charges for Non-Reusable cups shall be identified separately on any post-sale receipt provided and, pre-sale, shall be clearly identified for the customer on media such as menus, ordering platforms, and/or menu boards. Customers placing orders by telephone shall be informed verbally of Non-Reusable cup charges.
- (d) All customers demonstrating, at the point of sale, a payment card or voucher issued by the California Special Supplemental Food Program for Women, Infants, and Children (WIC) pursuant to Article 2 (commencing with section 123275) of Chapter 1 of Part 2 of Division 106 of the California Health and Safety Code and as amended, or an electronic benefit transfer card (EBT) issued pursuant to section 10072 of the California Welfare and Institutions Code, and individuals with disabilities shall be exempt from the Non-Reusable cup charge.

10.92.070 - Separate waste receptacles required.

- (a) All Food Vendors who provide solid waste containers for customer use, must provide separate receptacles for solid waste, recyclables, and organics. Receptacles shall be colored black or grey for garbage, blue for recycling, and green for compost/organics.
- (b) To the extent possible given space constraints, all receptacles for solid waste, recyclables, and organics should be placed adjacent to one another.
- (c) Graphic-rich signage must be posted on or above each receptacle following the waste hauler's guidelines.

10.92.080 - Exemptions.

- (a) Entities packaging Prepared Foods outside Marin County are exempt from the provisions of this chapter; provided, however, such entities are urged to follow the provisions of this chapter.
- (b) Non-Reusable Foodware and Foodware Accessories composed entirely of aluminum are exempt from the provisions of this chapter.
- (c) Should Foodware or Foodware Accessories made of Compliant compostable Natural Fiber not be commercially available, as determined by the Director or their designee, the County of Marin may approve temporary exemption of specific nonreusable Foodware or Foodware Accessories items until they are made commercially available. The County of Marin shall maintain a list, updated annually, with Foodware or Foodware Accessories deemed not available commercially.
- (d) For the immediate preservation of the public peace, health, or safety due to an emergency or natural disaster, the city council, or designee, may exempt Food Vendors, persons operating city facilities and agents, contractors, and vendors doing business with the city, from the provisions of this chapter.

10.92.090 - Enforcement.

- (a) Compliance with this ordinance is required as of the Effective Date.

Agenda Item 4.b

- (b) Enforcement shall include written notice of non-compliance and a reasonable opportunity to correct, prior to issuance of any penalty.
- (c) It is found and determined to by the city council that the public interest, health, safety, and welfare of the residents of the city require that the Marin County Environmental Health Services Division be designated as the enforcement agency of and within city and as such enforcement agency it is authorized with the enforcement of the provisions of this chapter and the Marin County Environmental Health Services division is vested, for the purposes of enforcing this chapter within city, with all of the jurisdiction and powers vested in or available to said division by this Chapter and said health and safety code.
- (d) Enforcement of this chapter will begin on November 10, 2023. Enforcement will be then delegated to the County of Marin's Environmental Health Services. Enforcement will progress on the regular inspection schedule of all covered Food Vendors in the County as described in this chapter.

10.92.100 - Violations

On behalf of the city, the County of Marin may choose to undertake the following legal actions to correct and/or abate nuisances and violations of this ordinance. The Director of Environmental Health Services or their designee is authorized to promulgate regulations and take any and all other actions reasonable and necessary to enforce the provisions of this Chapter, including but not limited to, entering the premises of any food provider during regular business hours to verify compliance, and by the issuance of administrative citations. The remedies and penalties provided by this Chapter are cumulative and in addition to any other remedies available at law or in equity.

- (a) **Administrative Citations.**
Administrative citations may be issued for violations of this Chapter at the discretion of the Director. The issuance of an administrative citation under this chapter shall not supersede or limit the remedies provided elsewhere in this Code or California law, including other administrative citation remedies. Issuance of an administrative citation may be exercised in place of, but shall not be considered a waiver of, the use of any other available enforcement remedy.
- (b) **Process and Service of Citation.**
 1. Prior to issuance of citation penalty, the County of Marin shall issue a violation warning letter to the facility operator and provide the facility operator thirty (30) days to correct the violation(s).
 2. The violation warning letter and/or citation shall be mailed to the food facility operator named in the facility's permit.
 3. The failure of any interested person to receive the violation warning letter and/or citation shall not affect the validity of the proceedings.
- (c) **Administrative Citation Penalty Schedule.**
Following the violation warning letter described in Section 10.92.100(b)(1) above and thirty (30) day cure period, if the violations remains, the County of Marin may issue the following administrative penalties:
 1. A fine not exceeding \$100.00 for the first violation;
 2. A fine not exceeding \$200.00 for a second violation of the same Code provision within one year; and

Agenda Item 4.b

3. A fine not exceeding \$500.00 for each additional violation in excess of two, of the same Code provision within one year.

(d) Response to Citation Penalty

Following receipt of citation penalty, food facility operator shall have thirty (30) days to pay the fine as indicated on the citation, or to request a waiver of payment of the penalty due to unique undue hardship. This waiver may be granted by the Director upon demonstration by a food facility operator to the satisfaction of the Director that strict application of the requirements would cause undue hardship. An “undue hardship” includes but is not limited to the following: 1. A situation unique to the food facility where a suitable alternative that conforms with the requirements of this chapter does not exist for a specific application. 2. Imposing the provisions of this Chapter would cause significant economic hardship. “Significant economic hardship” may be based on, but not limited to, demonstrating that suitable Foodware or Foodware Accessories made of Compliant compostable Natural Fiber is not available at a commercially reasonable price and the additional cost associated with providing the Compliant Foodware or Foodware is particularly burdensome to the food facility based on the type of operation(s) affected, the overall size of the business/operation, the number, type and location of its facilities, the impact on the overall financial resources of the food facility, and other factors. Reasonable added cost for a suitable item as compared to a similar item that the food facility can no longer use shall not by itself constitute adequate grounds to support an exemption for such item. In determining whether a significant economic hardship has been established, the Director or designee shall consider the following information: ability of the food facility to recover the additional expense by increasing its prices; the availability of tax credits and deductions; outside funding; and other options.

(e) Nonpayment of Citation for More than One Year Deemed Nuisance.

Nonpayment of any assessed violation for longer than one year shall constitute a nuisance and be subject to the nuisance abatement procedures in Marin County Code Chapter 1.05, including payment of civil penalties of up to \$2,500 per violation per day and enforcement and other abatement costs incurred by the County of Marin.

SECTION 3. This Ordinance was assessed in accordance with the authority and criteria contained in the California Environmental Quality Act (CEQA), the State CEQA Guidelines, and the environmental regulations of the city. The city council hereby finds that under section 15061(b)(3) of the State CEQA Guidelines, this Ordinance is exempt from the requirements of CEQA because it can be seen with certainty that the provisions contained herein would not have the potential for causing a significant effect on the environment. It also finds the Ordinance is exempt from the requirements of CEQA pursuant to CEQA Guidelines sections 15307 and 15308 as an action by a regulatory agency taken to protect the environment and natural resources.

SECTION 4: SEVERABILITY

Every section, paragraph, clause, and phrase of this Ordinance is hereby declared to be severable. If for any reason, any section, paragraph, clause, or phrase is held to be invalid or unconstitutional, such invalidity or unconstitutionality shall not affect the validity or constitutionality of the remaining sections, paragraphs, clauses or phrases, and the remaining portions of this ordinance shall continue in full force and effect unless amended or modified by the city.

SECTION 5: EFFECTIVE DATE AND PUBLICATION

This Ordinance shall be published once, in full or in summary form, before its final passage, in a newspaper of general circulation, published and circulated in the City of San Rafael and shall be in

Agenda Item 4.b

full force and effect 30 days after its adoption. If published in summary form, the summary shall also be published within fifteen (15) days after the adoption, together with the names of those Council members voting for or against same, in a newspaper of general circulation published and circulated in the City of San Rafael, County of Marin, State of California.

Within fifteen (15) days after adoption, the City Clerk shall also post in the office of the City Clerk, a certified copy of the full text of this Ordinance along with the names of those Councilmembers voting for and against the Ordinance.

Kate Colin, Mayor

Attest:

LINDSAY LARA, City Clerk

THE FOREGOING ORDINANCE was first read and introduced at a regular meeting of the San Rafael City Council on the 1st day of May 2023, and was passed and adopted at a regular meeting of the San Rafael City Council on the 15th day of May 2023 by the following vote, to wit:

AYES: COUNCILMEMBERS:
NOES: COUNCILMEMBERS:
ABSENT: COUNCILMEMBERS:

LINDSAY LARA, City Clerk

SUMMARY OF ORDINANCE NO. 2027

AN ORDINANCE OF THE CITY OF SAN RAFAEL CITY COUNCIL REPEALING AND REPLACING CHAPTER 10.92 OF TITLE 10 OF THE SAN RAFAEL MUNICIPAL CODE, TITLED PROHIBITION ON USE OF POLYSTYRENE FOAM DISPOSABLE FOOD PACKAGING WITH NEW CHAPTER 10.92 - REGULATION OF FOODWARE FOR RETAIL FOOD VENDORS (CM)

This Summary concerns a proposed ordinance of the City Council of the City of San Rafael, designated as Ordinance No. 2027, which will repeal and replace Chapter 10.92 - Prohibition on Use of Polystyrene Foam Disposable Food Packaging with New Chapter 10.92 - Regulation of Foodware for Retail Food Vendors in Title 10 of the San Rafael Municipal Code, as detailed in the complete text of Ordinance No. 2027.

Ordinance No. 2027 is scheduled for adoption by the San Rafael City Council at its regular meeting of May 15, 2023. The City Clerk has been directed to publish this Summary pursuant to City Charter and California Government Code section 36933(c)(1).

SUMMARY OF AMENDMENT TO MUNICIPAL CODE

This ordinance would require retail food vendors and food facilities to provide reusable foodware for dine-in operations and compliant compostable—foodware for take-out services, declare exemptions to these requirements, require a 25 cent charge for disposable cups, provide enforcement services via the County of Marin Environmental Health Services Food Program, and describe processes and fines for violations of the ordinance. Enforcement of the ordinance would begin on November 10, 2023.

Copies of the Ordinance are available for public review by contacting the City Clerk's office by email to city.clerk@cityofsanrafael.org. You may also contact the City Clerk, at 415-485-3066 or city.clerk@cityofsanrafael.org for information.

/s/ Lindsay Lara
LINDSAY LARA
San Rafael City Clerk
Dated: 05/05/23

**City of San Rafael
Proclamation in Recognition of
National Gun Violence Awareness Day
June 2, 2023**

WHEREAS, the first Friday in June is declared as National Gun Violence Awareness Day to commemorate, honor, and remember all victims and survivors of gun violence and to declare that we as a city and country must do more to reduce gun violence; and

WHEREAS, Americans are 25 times more likely to die by gun homicide than people in other high-income countries, and every day more than 100 Americans are killed by gun violence, and another 200 are shot and wounded, and on average there are more than 13,000 gun homicides every year; and

WHEREAS, support for the Second Amendment rights of law-abiding citizens goes hand-in-hand with keeping guns away from people with dangerous histories and helps prevent accidental gun incidents; and

WHEREAS, gun violence prevention is more important than ever as calls for service to suicide and domestic violence hotlines increases, and there is an increase in gun violence in schools and public spaces; and

WHEREAS, we renew our commitment to reduce gun violence and pledge to do all we can to encourage responsible gun ownership and keep firearms out of the wrong hands, in order to keep our communities, children, and most vulnerable individuals safe.

NOW, THEREFORE BE IT RESOLVED, that the Mayor and City Council of the City of San Rafael, do hereby proclaim June 2, 2023, as National Gun Violence Awareness Day. The Mayor and members of the City Council call upon our residents, government agencies, public and private institutions, businesses, and schools in San Rafael to commit to increasing awareness on gun violence and encourages all citizens to support our local efforts to honor and value human lives by preventing the misuse of guns and the tragic effects of gun violence.



**Kate Colin
Mayor**

**City of San Rafael
Proclamation in Recognition of
Jewish American Heritage Month, 2023**

- WHEREAS,** Jewish Americans have been an important part of the American story and have greatly contributed to all areas of American life and culture since our nation's earliest days; and
- WHEREAS,** on April 20, 2006, the Federal Government proclaimed May as Jewish American Heritage Month, stating, "As a nation of immigrants, the United States is better and stronger because Jewish people from all over the world have chosen to become American citizens," and, since then, proclamations in support of Jewish American Heritage Month have been made by Presidents of the United States annually; and
- WHEREAS,** Jewish Americans connect to their Jewish identity in a variety of ways, such as culturally, ethnically, religiously and by following Jewish ethics and values; and
- WHEREAS,** Jewish Americans are racially, ethnically, socially, politically and economically diverse, and around 25 percent of Bay Area Jewish households include a person of color, increasing to nearly 40 percent of households if the head of the household is younger than 35; and
- WHEREAS,** in recent years Jewish Americans faced a dramatic rise in antisemitic incidents—including but not limited to physical attacks, vandalism, verbal and physical harassment, and hateful comments posted on social media, and
- WHEREAS,** The City of San Rafael shares an obligation to condemn and combat antisemitism wherever it exists, to include Jewish Americans in all facets of civic life, and to stand with the Jewish American community against hatred or bigotry in our City and country; and
- WHEREAS,** there is a need for education and policies that are culturally competent when describing, discussing, or addressing the impacts of being Jewish in all aspects of American society, including discourse and policy; and
- WHEREAS,** we celebrate the rich and diverse heritage of the Jewish American community, including those who live, work and play in San Rafael, and;
- WHEREAS,** we recognize Jewish American commitment to civic engagement and how San Rafael has been enriched by local Jewish institutions and synagogues.

THEREFORE, BE IT RESOLVED that the City of San Rafael hereby declares the month of May as Jewish American Heritage Month in appreciation of the achievements and contributions made by members of the Jewish community. The Mayor and City Council calls upon all residents to celebrate Jewish Americans who have woven the fabric of our country and community, and support opportunities to learn more about Jewish American history and culture.

THEREFORE, BE IT FURTHER RESOLVED that San Rafael will continue efforts to confront antisemitism and other forms of hate impacting the Jewish community, support local education about the diversity of our Jewish American community, and integrate Jewish American culture into future programs, activities, and ceremonies throughout the year.



A handwritten signature in blue ink that reads "Kate".

**Kate Colin
Mayor**



Agenda Item No: 5.a
Meeting Date: May 15, 2023

SAN RAFAEL CITY COUNCIL STAFF REPORT

Department: Community Development

Prepared by: Alicia Giudice, Director
Barry Miller, Consultant

City Manager Approval: 

TOPIC: SAN RAFAEL 2023-2031 HOUSING ELEMENT AND RELATED GENERAL PLAN AND ZONING AMENDMENTS

- SUBJECT:**
- 1. RESOLUTION ADOPTING THE 2023-2031 SAN RAFAEL HOUSING ELEMENT AND AMENDING THE SAFETY AND RESILIENCE ELEMENT OF GENERAL PLAN 2040
 - 2. INTRODUCTION OF AN ORDINANCE AMENDING THE ZONING MAP OF THE SAN RAFAEL MUNICIPAL CODE TO CHANGE THE ZONING FOR TWO NON-ADDRESSED PARCELS LOCATED IMMEDIATELY NORTH AND EAST OF 86 CULLODEN PARK ROAD FROM PLANNED DISTRICT 1729 (PD 1729) TO LOW-DENSITY RESIDENTIAL 20,000 SQUARE FOOT LOT MINIMUM (R20) (APN 011-051-31 AND APN 011-115-30) (ZC23-001 AND ZC23-002)
 - 3. INTRODUCTION OF AN ORDINANCE AMENDING THE ZONING MAP OF THE SAN RAFAEL MUNICIPAL CODE TO CHANGE THE ZONING FOR 380 MERRYDALE ROAD (APN 173-041-22) FROM PLANNED DISTRICT 1436 (PD 1436) TO OFFICE, AND THE ZONING CLASSIFICATION OF 401 MERRYDALE ROAD (APN 179-041-05) FROM LIGHT INDUSTRIAL-OFFICE TO OFFICE (ZC23-003 AND ZC23-004)

RECOMMENDATION:
Staff recommends that the City Council adopt the attached Resolution, and waive further reading of the Ordinances and refer to it by title only and introduce the Ordinances.

EXECUTIVE SUMMARY:
The Housing Element is the City’s long-range plan for conserving and maintaining its housing supply, removing regulatory barriers to housing production, promoting fair housing, and creating new housing opportunities for all residents. Requirements and timelines for Housing Elements are established by State law, as well as guidelines developed by the California Department of Housing and Community Development (HCD). All cities and counties in the Bay Area are required to update their Housing Elements to cover the 2023-2031 period.

_____ **FOR CITY CLERK ONLY** _____

Council Meeting: _____

Disposition: _____

The City of San Rafael began the update process in September 2021 and has engaged the community throughout this process. A Working Draft Housing Element was published on November 4, 2022. That Draft was presented to the Planning Commission on November 15, 2022 and to the City Council on December 5, 2022. Staff incorporated minor revisions at the direction of the City Council and submitted the revised Draft Housing Element to HCD for their initial review on December 20, 2022. HCD provided comments to the City on March 20, 2023. Staff has revised the Draft Housing Element in response to HCD's comments. Staff has worked closely with HCD reviewers during the revision process to ensure that the final draft Housing Element is substantially compliant with State law.

In addition to recommending that the City Council adopt the revised Housing Element, the City Council is being asked to take several other actions as part of this agenda item. The resolution adopting the Housing Element also includes an amendment to the Safety and Resilience Element of General Plan 2040 to add a set of maps related to evacuation planning. Senate Bill (SB) 99 requires that these maps be added to the General Plan concurrently with adoption of the Housing Element. The other action is to amend the San Rafael zoning map for several parcels so that the zoning map conforms to the General Plan 2040 Land Use Map. These zoning map amendments were anticipated in General Plan 2040, which was adopted by the City Council on August 2, 2021.

BACKGROUND:

All local governments in California are required to maintain and periodically update a General Plan "Housing Element." The Housing Element establishes the jurisdiction's policies and programs for meeting local housing needs, with an emphasis on the needs of lower- and moderate-income households and persons with special needs. Housing Elements address all aspects of housing, including production, conservation, rehabilitation, and fair housing.

Housing Elements are subject to review and approval by the State Department of Housing and Community Development (HCD). State law requires cities to submit draft Housing Elements to HCD for initial review before they are adopted. HCD issues findings to the jurisdiction following a 90-day review period, indicating what edits to the document will be required before HCD can find that it "substantially complies" with State law. Many cities and towns edit their Elements after receiving the HCD findings, then adopt the Housing Element and submit it for a formal compliance determination.

Cities and counties are required to update their Housing Elements on eight-year cycles. The start and finish dates of these cycles vary by region and are set by the State. In the Bay Area, the upcoming eight-year planning period (referred to as the "6th cycle") began on January 31, 2023, and ends on January 31, 2031. All 101 cities and 9 counties in the Bay Area were required to adopt new Housing Elements by January 31, 2023. A number of jurisdictions did not make the January 31 deadline and are adopting their elements during the February to May period. As of May 1, 2023, only 16 Bay Area cities have been found in compliance by HCD. As of the drafting of this staff report only one Marin County jurisdiction has been found in compliance by HCD at this time.

An important factor in determining if a Housing Element is compliant is the jurisdiction's ability to accommodate its "fair share" of the region's housing needs over the eight-year planning period. The "fair share" is determined by the Association of Bay Area of Governments (ABAG) through a process called the "Regional Housing Needs Allocation" or RHNA. ABAG takes the total regional need, which is determined by the State, and assigns a share to each jurisdiction based on factors such as population, employment, access to transit, and growth potential. The regional need for the nine-county Bay Area for the 2023-2031 planning period was determined to be 441,176 units; San Rafael's assignment is 3,220 units, which is less than one percent of the regional total.

The RHNA is further broken down into income categories. San Rafael's assignment includes 857 very low-income units, 492 low-income units, 521 moderate-income units, and 1,350 above moderate-income units. This is more than three times larger than the City's assignment for the 5th Cycle (2015-2023) planning period. The City is responsible for identifying the specific sites in the community where this housing can be built, and for zoning these sites in a way that enables their development. The City is not responsible for building the housing itself, but it must demonstrate that its policies and regulations support construction of a diverse range of housing types by private and non-profit developers.

Since the City's prior Housing Element was adopted and certified in 2015, many new State housing laws have been passed. This has resulted in substantive changes to Housing Element requirements. One of the most impactful laws is AB 686, which requires every jurisdiction in California to "Affirmatively Further Fair Housing" (AFFH). This requires extensive data collection and analysis, policies and programs that promote fair housing, inclusive public outreach strategies, and measures to increase housing choices for lower income and special needs households in each community, particularly in "high resource" (or more affluent) communities.

The City initiated the update process in September 2021. Between that time and November 2022, the City completed background data collection and analysis tasks; completed a robust public outreach program; and drafted new goals, policies, and programs. In November 2021, the City Council appointed a 13-member Working Group to advise on key policy choices. The Working Group met eight times between December 2021 and August 2022. Other community engagement activities included three community workshops, a developer forum, presentations and outreach to neighborhood and community-based organizations, a community survey, numerous focus groups and interviews, a project website, pop-up workshops, and focused outreach to the Spanish-speaking community.

There were five study sessions on the Housing Element convened with the Planning Commission between September 2021 and November 2022. There were also four City Council study sessions on the Housing Element, including:

- An August 16, 2021 introduction to the project, setting forth the schedule and work program and providing an initial opportunity for Council discussion.
- An April 4, 2022 study session on the Housing Needs Assessment.
- An August 1, 2022 study session on the Sites Inventory.
- A December 5, 2022 study session on policies and programs, including direction to submit the Working Draft to HCD.

ANALYSIS:

HOUSING ELEMENT

The analysis in this staff report focuses on the changes that have been made to the Housing Element since it was reviewed by the City Council in December 2022. It explains the Resolutions to be considered by the Council, including the various attachments. The analysis does not go into detail on the contents of the Housing Element and its appendices, as this information was reviewed by the City Council on December 5, 2022. Councilmembers are encouraged to review prior Housing Element staff reports for additional analysis and information about the Element's contents. In particular, the December 5, 2022 staff report (focused on policies and programs) may be reviewed [here](#).

Summary of the Housing Element Adoption and Safety and Resilience Element Amendment Resolution

The City Council is being asked to vote on a resolution adopting the 2023-2031 Housing Element, inclusive of revisions made in response to the [State of California's March 20, 2023 findings letter](#). The first part of the resolution (the recitals or “whereas” clauses) provide information on California’s housing crisis and the reasons the City is updating its Housing Element. The recitals reiterate key milestones in the Housing Element update process, including public meetings and document publication dates. The recitals also provide the context for amending the Safety and Resilience Element of General Plan 2040, which is addressed in a later section of this staff report.

The second half of the resolution includes a series of findings, which are summarized below.

The first set of findings relate to the conclusion that the General Plan EIR addendum (discussed below) is the appropriate CEQA vehicle for the Housing Element and General Plan Amendments. The rationale for an Addendum is that adoption of the Housing Element and General Plan Amendments would not result in significantly different land uses than are envisioned by the General Plan, nor amplify the impacts evaluated in the General Plan. The Housing Element proposes no changes to the 2040 General Plan Land Use Map adopted in August 2021. The City is able to accommodate its RHNA without amending the Land Use Map. General Plan EIR mitigation measures will continue to apply to all future projects, and environmental review procedures will be followed for individual developments.

The second set of findings relates to the appropriateness of the Housing Element and amended Safety and Resilience Element as policy documents, including their necessity, consistency with the other elements of the San Rafael General Plan 2040, and potential benefits to the community. The benefits of having a compliant Housing Element are noted, including access to grants and funds, protection from litigation and loss of local control over land use decisions, and comprehensive policy and program guidance to address housing issues. The findings also affirm that the Housing Element is consistent with General Plan 2040 (including its population forecasts and land use assumptions) and helps support and further the other goals and policies in the General Plan.

The next set of findings is specifically required by State law for Housing Elements. These relate to the reliance of the Housing Element on “non-vacant sites” for new housing. The City must find that the existing uses on these sites are not an impediment to its ability to meet the RHNA. Any city relying on non-vacant sites to meet more than 50% of its RHNA for lower income units is subject to this requirement. As a mature city with very little vacant private land, San Rafael must rely on non-vacant sites. The City has provided an analysis in Chapter 4 of the Housing Element to demonstrate that its sites are viable. The resolution cites the conclusions of this analysis.

The last set of findings relate to the Housing Element’s “substantial compliance” with State law. These findings reference several exhibits that are attached to the Resolution. The first exhibit (Exhibit “1-A”) is a copy of the March 20, 2023 review letter from HCD. The second exhibit (Exhibit “1-B”) recites every comment in the March 20, 2023 HCD letter and explains how the City has responded to that comment in its revised Housing Element. There are 43 comments in total that are addressed. The third exhibit (Exhibit “1-C”) recites the State Government Code requirements for Housing Elements and explains where each requirement has been met in the document. It is the City’s position, as expressed in Exhibits “1-B” and “1-C”, that the Housing Element now meets the requirements of State law.

In addition to Exhibits 1-A through 1-C, the resolution includes Exhibits “1-D” and “1-E”. Exhibit “1-D” is a tracked change version of the December 20, 2022 Draft Housing Element. It shows every edit to that

document made since December using underlined/strikeout text. Many of the edits are accompanied by a vertical yellow bar in the right-hand margin. The vertical bar indicates the specific HCD comment that is being addressed (as referenced in Exhibit “1-B”). Text edits in **red font** were made between December 20, 2022 and April 20, 2023 and primarily respond to the March 20 HCD comment letter. Text edits in **blue font** respond to supplemental comments made by HCD between April 20, 2023 and May 10, 2023.

Exhibit “1-E” is a clean copy of Exhibit “1-D”, with all the changes accepted. It is considered the “Adoption Draft” Housing Element. Exhibits 1-B through 1-E will be submitted to the State once the Housing Element is adopted. Exhibits 1-D and 1-E include the Appendices to the Housing Element, plus the main text. As such, they are lengthy documents.

Staff had three meetings with the City’s HCD reviewer to discuss their comments on the December Draft in February, March, and April 2023. These meetings were helpful and productive. The HCD reviewer was supportive of the City’s efforts and provided positive feedback on the drafts and helpful guidance in responding to the HCD’s comments.

The City completed its revised draft on April 17, 2023. Staff submitted the draft to HCD for an “informal technical review” and HCD provided comments on April 20, 2023. The HCD reviewer indicated that almost all HCD’s findings had been adequately addressed. However, HCD requested the following additional changes to the document prior to City Council adoption:

- Provide an estimate of the number of units in the City needing rehabilitation
- Submit a State checklist with specific data on the 3301 Kerner project
- Update the discussion of emergency shelters to meet the requirements of AB 2339, which became effective on April 1, 2023
- Eliminate the \$967 fee for processing reasonable accommodation requests
- Clarify that supportive housing is treated no differently than other multi-family housing
- Accelerate the timing of those zoning-related actions that comply with state law

Staff subsequently made these edits (shown in **blue font** in Exhibit 1-D).

The Resolution adopting the Housing Element includes language allowing staff to make supplemental minor changes to the adopted document, in the event that HCD finds that the responses to its April 20 “informal” comments are not entirely sufficient. Staff does not anticipate revisions at a level that would require another City Council hearing or “re-adoption” of the document.

Staff will submit the revised Housing Element to HCD following City Council adoption. Although the State has 60 days to issue its decision letter, the prior “informal” review will qualify San Rafael for expedited review. HCD has indicated the City will receive its determination letter within two weeks after the revised Housing Element is received by the State.

Summary of Changes to the Housing Element

As noted above, Exhibit “1-B” provides a guide to the changes that have been made to the Housing Element. The changes respond directly to HCD’s letter dated March 20, 2023. While HCD had 43 separate comments, they can be broadly summarized as follows:

- Provide additional data in the Needs Assessment (number of cost-burdened lower- income renters, number of housing units in need of rehabilitation, and cost to address expiring subsidies)
- Provide more evidence supporting the viability of the housing opportunity sites, including:

- Evidence that approved and proposed projects will actually be built
- Evidence that mixed use and commercial sites will develop with housing and not with non-residential uses
- Evidence that small sites (less than ½ acre) are viable for housing
- Evidence that non-vacant sites are viable for housing
- Evidence that infrastructure is adequate for housing
- Provide programs that ensure that San Rafael is fully compliant with current Government Code requirements for all housing types (ADUs, group homes, supportive housing, employee housing, SROs)
- Include more actionable and committal language in some of the programs (e.g., “Adopt...”, “Require...”, “Enact...” rather than “Consider...” or “Study...”)

A summary of the changes to Chapters 1-5 and Appendix A is provided below:

- The **Introduction** (Chapter 1) has been updated with information about activities since December 2022.
- The **Evaluation of the Previous Housing Element** (Chapter 2) has been updated to include a dedicated section on housing programs for persons with special needs during 2015-2023.
- The **Needs Assessment** (Chapter 3) includes additional information on cost burdens for lower income renters, and housing condition. It also includes additional information on existing projects with expiring subsidies.
- The **Sites Analysis** (Chapter 4) includes a new section demonstrating that the sites inventory meets State requirements. This section further updates the status of some of the larger “pipeline” development projects to provide assurance to HCD that they will proceed and be ready for occupancy by 2031. This new section discusses:
 - The likelihood that sites where commercial development is permitted will actually develop with housing (or mixed use) rather than with commercial uses. This discussion includes data for Downtown San Rafael and data for other commercial zoning districts where housing is permitted.
 - The viability of small sites (less than 0.5 acres) for housing based on data for recent projects.
 - The feasibility that non-vacant sites will develop with housing in the next eight years, including examples of where non-vacant sites in San Rafael have been redeveloped with housing in the recent past.
 - Additional information on the availability of water and sewer to serve the housing sites
 - Chapter 4 also includes updated information on ADUs.
- The **Constraints Analysis** (Chapter 5) includes additional information on access to services in the areas where emergency shelter is allowed, zoning requirements for group homes, supportive housing, zoning requirements for employee housing (which includes farmworker housing), clarification of the intent of the 2012/2013 Station Area Plans, clarification of requirements for planned development districts, additional analysis of CEQA requirements, demonstration of compliance with Government Code 65940.1(a)(1), additional discussion of subdivision standards, an analysis of the definition of family, and additional information on the reasonable accommodation process. It also includes additional text on the length of time between project entitlement and the submittal of application for building permits.

- The **Fair Housing Analysis** (Appendix A) now includes a list of state and federal fair housing programs and laws with which the City complies.

The most substantive changes are to the Housing Programs, which are contained in Chapter 6. The following list provides a summary:

- Policy H-1.2 clarifies that the City complies with State law regarding supportive housing.
- Programs 1, 2, 8, 9, 16, 20, and 21 have been updated to note the City's progress since these programs were initially drafted in Fall 2022.
- Program 2 has also been expanded to include objective standards for SRO units.
- Program 4 clarifies that the City will update its parking standards for emergency shelter to be consistent with new State law.
- Program 11 has been strengthened to indicate the City will take appropriate actions based on the findings of its evaluation of potential tenant protection measures.
- Program 19 has been expanded to indicate the City will comply with the Surplus Lands Act, and to add quantified objectives and more specificity regarding how the City will support housing development on City-owned downtown parking lots.
- Program 26 has been updated to indicate that the City will work with HCD to ensure that its ADU requirements remain consistent with State law, as these requirements change regularly in response to new legislation. This program also now uses more actionable language.
- Program 28 now provides greater specificity on when the City will reach out to churches to encourage on-site housing production.
- Program 30 has been amended to note that the City will protect housing units with affordability restrictions that may expire by 2031 and will enforce noticing requirements for tenants facing displacement as required by State law.
- Program 32 (implementation of age-friendly measures) now uses more actionable language.
- Program 33 provides direction to add a barrier-free definition of family to the Zoning Code and eliminate the fee for reasonable accommodation requests.
- Program 34 now includes objective standards for large residential care facilities.
- Program 35 has been amended to use more actionable language (HCD objected to the previous direction to "consider" incentives for large family housing).
- Program 38 now includes more specific guidance on where to focus lot consolidation.
- Program 39: the third bullet has been amended to indicate the timing of the activity.

- Program 40 has been amended to coordinate capital improvement programming with local sewer districts.
- Program 41 has been amended to reference the determination of CEQA compliance within 30 days, consistent with State law.
- Program 42 has been amended to modify the private open space standards in the MR district, increase lot coverage limits in the HR-1 district, and require that employee housing is treated the same as other housing types.
- Program 43 regarding changes to parking standards has been amended to be consistent with recently adopted State law.
- A new program has been added to work with developers following project entitlement to monitor their progress toward permitting and construction and identify any steps the City can take to address constraints or obstacles.

SAFETY AND RESILIENCE ELEMENT

The resolution adopting the 2023-2031 Housing Element also adopts certain amendments to the General Plan 2040 Safety and Resilience Element. These amendments are attached to the resolution as Exhibit “1-F.” Upon City Council approval of the Resolution, they will become part of General Plan 2040.

In August 2021, San Rafael adopted General Plan 2040. The Plan includes 13 topical “elements”, including a State-mandated Safety and Resilience Element. The purpose of the Safety and Resilience Element is to include safety considerations in the decision-making process for future development. The Element aims to reduce personal injury and loss of life, prevent property destruction, and reduce environmental damage throughout the community. The City also has a Local Hazard Mitigation Plan (LHMP), a federally-required document that includes greater detail about how the City will reduce exposure to environmental hazards. Among the hazards covered by the Safety and Resilience Element and the LHMP are earthquakes, landslides, wildfires, flooding, and sea level rise. These documents also address emergency preparedness and disaster recovery.

In 2020, the State approved Senate Bill 99 (SB 99). SB 99 required that all General Plan Safety Elements identify “residential developments” in “hazard areas” that do not have at least two emergency evacuation routes. The State further requires that local governments comply with this requirement “upon the next revision of the Housing Element.” Thus, adoption of the 2023-2031 Housing Element triggers the requirement to add a General Plan map showing areas with potential evacuation constraints.

It is up to each jurisdiction to define what constitutes a “hazard area” and to set a threshold for determining when an area has evacuation constraints. While the State has not provided guidance for how to incorporate the maps into local policies or planning decisions, the City anticipates that additional policy and program guidance will occur through the City/County Local Hazard Mitigation Plan Update, which is currently underway.

San Rafael has defined “hazard areas” to include all properties within the Wildland-Urban Interface (WUI) boundary, all properties in the General Plan Sea Level Rise Overlay Zone, all properties in the 100-year flood plain, all properties with “high” liquefaction susceptibility, and all properties noted by the US Geological Survey as having “many landslides.” Most parcels in the city are affected by one or more of

these hazards. San Rafael has defined “constrained residential developments” as being areas with at least 30 parcels with only one means of ingress and egress. This metric has been used by many other jurisdictions to meet SB 99 requirements.

The Safety and Resilience Element text amendments (Exhibit 1-F) describe SB 99 and reference the new appendix. A new policy and program have been added to utilize the maps in emergency preparedness planning, and as a tool for informing local land use, development, and transportation planning decisions. Four maps have been developed as part of the SB 99 compliance process. These are included in a new appendix to General Plan 2040 (Appendix K). In addition to the map of constrained residential development, Appendix K also includes a composite map showing the “Hazard Areas”, a map showing all public streets in San Rafael classified by pavement width, and a map showing evacuation routes (from the County’s Zonehaven program). Adoption of these maps will ensure the City is compliant with SB99.

ZONING MAP AMENDMENTS

In 2021, the City adopted General Plan 2040. The General Plan included Map changes which resulted in several parcels now having zoning designations that do not match their General Plan designations. The City is amending the Zoning Map in two locations to make it consistent with the General Plan Land Use Map. Two ordinances are appended to this staff report, each associated with a different location.

86 Culloden Park Road

86 Culloden Park is a single-family residence located at the end of Culloden Park Road in the Fairhills neighborhood. The address covers four contiguous parcels with one property owner. With the adoption of General Plan 2040, all four of the parcels have a General Plan land use designation of “Low Density Residential.” However, the current zoning is split, with two of the parcels zoned R20 (20,000 square foot minimum lot size) and two of the parcels zoned PD 1729. The PD zoning is a legacy of when the Academy Heights subdivision (Live Oak Way, the former rock quarry) was created in 2001. APNs 011-051-31 and 011-115-30 were sold to the owner of 86 Culloden by the developer but retained their PD zoning. The two parcels are 0.692 acres and 0.111 acres respectively. The proposed map change would rezone the entire property to R20, which is consistent with the Low Density Residential General Plan land use designation.

The first of the two attached Ordinances includes a map of the four parcels, showing “before” and “after” conditions.

380/401 Merrydale

380 Merrydale and 401 Merrydale are two parcels adjacent to the Civic Center SMART station. Both are developed with mini-storage facilities. 380 Merrydale (APN 179-041-22) is a 1.81-acre site occupied by Public Storage. It is currently zoned Planned Development (PD). 401 Merrydale (APN 011-041-05) is a 0.90-acre site occupied by Northgate Security Storage. It is currently zoned Light Industrial/Office.

Both properties have a General Plan designation of “Office.” The proposed zoning for the two parcels is “Office”, which would make the zoning consistent with the General Plan land use designation and implement General Plan 2040. The Office district permits high-density residential uses as well as office uses, making these parcels suitable as Housing Opportunity Sites. Thus, these sites have been included in the San Rafael 2023-2031 Housing Element as potential locations for multi-family residential development up to 43.5 units per acre. The sites also provide an opportunity to affirmatively further fair

housing by creating multi-family housing opportunities in a higher-resource neighborhood. In addition to multi-family housing and office uses, the Office zoning district also allows a range of other commercial uses, providing flexibility for the property owners. The existing mini-storage facilities will become legal non-conforming uses upon the rezoning and may continue operating as they do today.

These parcels were initially identified as development opportunities in the Civic Center Station Area Plan (2013). General Plan 2040 further acknowledged their potential, given that each site is immediately adjacent to the SMART station. The designation of both sites was changed from “Light Industrial/Office” to “Office” through the General Plan Update. The change was consistent with the General Plan’s emphasis on transit-oriented development and its goal of creating higher density housing opportunities at the City’s two SMART stations. This is a programmatic change and there are no development proposals on either of these sites.

The second of the two attached Ordinances includes a map of the subject parcels, showing “before” and “after” conditions.

PLANNING COMMISSION FEEDBACK:

As noted above, the Planning Commission convened a public hearing on the Draft Housing Element, Safety and Resilience Element amendments, and Zoning Map changes on April 25, 2023. Specific questions were raised regarding the intent of the Culloden Park rezoning, and why zoning map changes were being considered concurrently with Housing Element adoption. The Commission asked staff to elaborate on the supplemental changes requested by HCD, and whether it was unusual for cities to rely on non-vacant sites for new housing.

There were two speakers at the meeting, one expressing strong support for additional affordable housing and another expressing concerns about development impacts, height, access, and compatibility in the Merrydale area. In their deliberations, the Commission expressed their support for the documents and adopted four resolutions recommending Council adoption of all proposed changes. The Commission made no changes to the documents or resolutions but expressed an interest in follow-up discussions on metrics to measure the success of housing programs as well as incentives for housing production.

CORRESPONDENCE:

As of May 9, 2023, no correspondence has been received for this item. However, several emails and letters were submitted prior to the April 25, 2023 Planning Commission hearing, and those are included as Attachment 4 to this staff report.

COMMUNITY OUTREACH:

The May 15 City Council public hearing was advertised in the Marin Independent Journal and also publicized with a notice to stakeholders, agencies, and special interest groups. The City’s Housing Element email list includes approximately 1,100 addresses, with each address receiving notification of the availability of the Housing Element and the related public meetings. Post card notices were mailed to the owners of the parcels being rezoned and all properties within 300 feet of each of the parcels being rezoned.

The Housing Element itself is the product of an intensive public outreach program that included three community workshops, eight Working Group meetings, eight briefings to Planning Commission and City Council, a resident survey, a developer forum, focus groups, interviews, a youth/school program, and presentations to multiple neighborhood groups and community-based organizations.

ENVIRONMENTAL REVIEW:

The 2023-2031 Housing Element and Safety and Resilience Element Update amend a previously approved project covered by the previously certified San Rafael General Plan 2040 & Downtown Precise Plan Environmental Impact Report (SCH No. 2019039167) (General Plan EIR). The California Environmental Quality Act (CEQA) recognizes that between the date an environmental document is completed and the date a project is fully implemented, the project may change.

In this instance, the project amends the 2040 San Rafael General Plan, which is covered by the EIR certified on August 2, 2021. Consistent with CEQA, an Addendum to the General Plan EIR has been prepared to evaluate the impacts of the amendment. An Addendum to the General Plan EIR was determined to be the most appropriate method of CEQA documentation, as the proposed updates to the Housing Element and Safety and Resilience Element do not change land use designations, affect buildout potential, or extend development beyond the boundaries analyzed in the General Plan EIR. The Housing Element is focused on affirmatively furthering fair housing, programmatic measures to comply with State laws, and removing obstacles to development in the city. The Safety and Resilience Element amendments consist of the addition of informational maps and do not change City policies.

The Addendum found that there are no substantial changes which would require major revisions to the certified General Plan EIR due to new significant environmental effects or a substantial increase in the severity of significant effects identified in the certified General Plan EIR. It does not identify any new information which might require additional environmental review pursuant to Section 21666 of CEQA and Section 15162 of the State CEQA Guidelines; the Addendum is included as Attachment 1-G to the Housing Element Resolution.

FISCAL IMPACT:

The Housing Element is a policy document and does not have a direct fiscal impact on the city. Future programs developed as a result of Housing Element 2023-2031 adoption could have fiscal impacts by identifying programs requiring funding. Other Housing Element 2023-2031 programs may have positive fiscal impacts by identifying new revenue sources or improving the City's eligibility for grants and other funds. Conversely, the absence of a certified Housing Element would have adverse fiscal impacts, as the City would become ineligible for numerous state grants and funds and potentially vulnerable to lawsuits and fines. The other components of the project, including the amendments to the Safety and Resilience Element and the two zoning map changes, would not have fiscal impacts.

RECOMMENDED ACTION:

Staff recommends that the City Council adopt the attached Resolution, and waive further reading of the Ordinances and refer to it by title only and introduce the Ordinances.

ATTACHMENTS:

1. Resolution Adopting the 2023-2031 Housing Element and General Plan 2040 Safety and Resilience Element Amendments, including the following exhibits:
 - Exhibit 1-A: HCD Findings Letter (March 20, 2023)
 - Exhibit 1-B: Demonstration that the City has responded to all HCD comments
 - Exhibit 1-C: Demonstration that the City has met all Government Code requirements
 - Exhibit 1-D: [Tracked Change San Rafael 2023-2031 Working Draft Housing Element Showing All Proposed Changes](#) [hyperlink]
 - Exhibit 1-E: [Adoption Draft \("clean"\) Housing Element](#) [hyperlink]
 - Exhibit 1-F: Amendments to the Safety and Resilience Amendments, including text and new Appendix K (Evacuation Planning Maps)

Exhibit 1-G: [Addendum to the General Plan 2040 EIR](#) (hyperlink)

2. Ordinance Rezoning APNs 011-051-31 and 011-115-30 (adjacent to 86 Culloden Park)
3. Ordinance Rezoning APNs 179-041-22 and 179-041-05 (380 and 401 Merrydale)
4. Correspondence received as of May 9, 2023 (includes Planning Commission correspondence)

RESOLUTION

RESOLUTION OF THE SAN RAFAEL CITY COUNCIL ADOPTING THE SAN RAFAEL 2023-2031 HOUSING ELEMENT AND AMENDING THE SAFETY AND RESILIENCE ELEMENT OF GENERAL PLAN 2040

WHEREAS, the California legislature has found that “California has a housing supply and affordability crisis of historic proportions” and further that “the consequences of failing to effectively and aggressively confront this crisis are hurting millions of Californians, robbing future generations of the chance to call California home, stifling economic opportunities for workers and businesses, worsening poverty and homelessness, and undermining the state’s environmental and climate objectives” (Gov. Code Section 65589.5); and

WHEREAS, the legislature has further found that “Among the consequences of those actions are discrimination against low-income and minority households, lack of housing to support employment growth, imbalance in jobs and housing, reduced mobility, urban sprawl, excessive commuting, and air quality deterioration” (Gov. Code Section 65589.5); and

WHEREAS, the legislature adopted the Housing Crisis Act of 2019 (SB 330) which states that “California needs an estimated 180,000 additional homes annually to keep up with population growth, and the Governor has called for 3.5 million new homes to be built over 7 years”; and

WHEREAS, State Housing Element Law (Government Code Sections 65580, *et seq.*) requires that the City of San Rafael adopt a Housing Element for the eight-year period 2023-2031 to accommodate the City’s regional housing need allocation (RHNA) of 3,220 housing units, comprised of 857 very-low-income units, 492 low-income units, 521 moderate-income units, and 1,350 above moderate-income units; and

WHEREAS, to comply with State Housing Element Law, the City of San Rafael has prepared the San Rafael 2023-2031 Housing Element (the Housing Element); and

WHEREAS, as provided in Government Code Section 65350, *et seq.*, the Housing Element constitutes an amendment to the San Rafael 2040 General Plan; and

WHEREAS, as provided in Government Code Sections 65352 – 65352.5 for general plan amendments, the City contacted California Native American tribes on the contact list provided by the Native American Heritage Commission and informed them of the opportunity for consultation under AB 52 and SB 18; and no requests for consultation were received; and

WHEREAS, the City has prepared the Housing Element in accordance with State Housing Element Law; and

WHEREAS, State law requires that the City take meaningful steps to promote and affirmatively further fair housing (Gov. Code Section 65583(c)(5)); and

WHEREAS, State law requires that the City make zoning available for all types of housing, including multifamily housing (Gov. Code Sections 65583.2 and 65583(c)); and

WHEREAS, the preparation, adoption, and implementation of the Housing Element and related General Plan Amendments, and zoning ordinance and map amendments requires a diligent effort to include all economic segments of the community; and

WHEREAS, the City conducted an extensive community outreach program between September 2021 and March 2023, including a noticing list with over 1,100 email addresses, a dedicated website landing page, flyers and postcards preceding project-related events; community workshops in November 2021, July 2022, and August 2022; including Spanish and Vietnamese translation; meetings and interviews with housing and tenant advocacy organization; and presentations to major civic groups and organizations; and

WHEREAS, the City Council created a 13-member Working Group to guide the Housing Element Update process and that Group met eight times between December 2021 and August 2022, providing substantive guidance used to shape new housing policies and programs; and

WHEREAS, the Planning Commission convened public meetings specifically focused on the Housing Element on September 28, 2021; February 15, 2022; June 28, 2022; July 13, 2022; and November 15, 2022 and received public input on housing issues at each meeting; and

WHEREAS, the San Rafael City Council was briefed on the Housing Element at meetings on August 16, 2021; November 1, 2021; April 4, 2022; and August 1, 2022; and approved submittal of the Working Draft Housing Element for initial HCD review at its regular meeting on December 5, 2022; and provided opportunities for public input on housing issues at each meeting; and

WHEREAS, the outreach and engagement program for the Housing Element was particularly focused on populations with the most significant unmet housing needs, including non-English speaking residents, persons with disabilities, and lower income households, including coordination with the community-based organizations representing these populations; and

WHEREAS, the outreach and engagement program also involved housing providers, including developers and the local business community, in order to most effectively address and remove constraints to housing preservation and development; and

WHEREAS, outreach efforts were coordinated with ongoing City initiatives to be a more equitable and inclusive community; and

WHEREAS, public input was considered and incorporated in the policy and program recommendations, and provided local knowledge that was essential in documenting existing conditions and issues; and

WHEREAS, staff published a Working Draft Housing Element on November 4, 2022, circulated that Draft for public review for 30 days, convened a Planning Commission meeting on the Draft on November 15, 2022, received written and oral comments throughout the 30 days, and presented the Draft to the City Council on December 5, 2022, including public comment; and

WHEREAS, on December 5, 2022, the City Council recommended submittal of the Working Draft to the State Department of Housing and Community Development (HCD) for their initial review; and

WHEREAS, the City allowed 10 business days following the December 5 meeting to revise the HCD Draft and incorporated public comment, in accordance with Government Code Section 65585 (b), and submitted the Draft Housing Element to HCD on December 20, 2022; and

WHEREAS, City staff convened two meetings with HCD during the 90-day review period to discuss HCD's initial observations and comments on the Working Draft, so that the City was positioned to respond to HCD's comments more rapidly upon receipt of the Findings letter; and

WHEREAS, on March 20, 2023, the City received a letter from HCD providing its findings regarding the Draft Housing Element (Exhibit "1-A"). The findings stated that while the Draft Housing Element addressed many statutory requirements, revisions would be necessary to comply with State Housing Element Law; and

WHEREAS, the City systematically analyzed HCD's findings and segmented their findings letter into numbered comments requiring a response or revision (Exhibit "1-B"); and

WHEREAS, the City responded to each numbered item in the findings letter and revised the Housing Element so that it now substantially complies with all State Housing Element Law requirements (Exhibit "1-C"); and

WHEREAS, the City produced a "tracked change" version (Exhibit "1-D") of the HCD Draft Housing Element identifying all the edits and changes, and a "clean version," (Exhibit "1-E") referred to as the "Adoption Draft", and published that Draft to the City's website on April 20, 2023; and

WHEREAS, the City submitted its "tracked change" document to HCD for an informal technical review prior to presenting it to the Planning Commission and City Council, and received direction to make further modifications to several sections, and subsequently made those modifications;

WHEREAS, the City notified all interested parties of the availability of the "Adoption Draft," the opportunity to provide comments, and the dates of upcoming public hearings; and

WHEREAS, the State adopted Senate Bill 99 (SB 99) in 2019, requiring specific amendments to the Safety and Resilience Element to be adopted concurrently with the next update to the Housing Element. These amendments require each jurisdiction to identify existing residential developments in hazard areas that do not have at least two emergency evacuation routes; and

WHEREAS, the City of San Rafael has prepared the maps required under SB 99 as well as supplemental text for the Safety and Resilience Element to summarize the implications of the mapped data for land use and emergency preparedness planning; and

WHEREAS, no other amendments to the San Rafael General Plan have been deemed necessary to maintain internal consistency with the Draft Housing Element and proposed changes to the Safety and Resilience Element; and

WHEREAS, on August 2, 2021, the City Council certified the General Plan 2040 and Downtown Precise Plan (General Plan 2040) Environmental Impact Report (SCH No. 2019039167) (“Certified EIR”) and adopted General Plan 2040 (“Approved Project”). The Housing Element 2023-2031 update and amendments to the Safety and Resilience Element modify the Approved Project (General Plan 2040) and together constitute the “Modified Project”; and

WHEREAS, in accordance with the California Environmental Quality Act (CEQA) and the State CEQA Guidelines, the City has prepared an Addendum to the Certified EIR which includes an analysis of the provisions of Section 21166 of CEQA and Section 15162 of the State CEQA Guidelines and their applicability to the Modified Project. Said Addendum is on file with the San Rafael Community Development Department; and

WHEREAS, the Addendum concludes that the Modified Project does not result in a change to the impacts evaluated in the Certified EIR for housing, population and growth, transportation, air quality, noise, biological resources, or other environmental categories; does not result in any actions by the City that would result in any new growth potential than what was evaluated in the Certified EIR; and does not result in a new impact or a substantial increase in magnitude of the existing impacts evaluated in the Certified EIR; and

WHEREAS, the Addendum does not identify any substantial changes to the Approved Project, or substantial changes with respect to the circumstances under which the Modified Project is undertaken, which would require major revisions to the Certified EIR due to the involvement of new significant environmental effects or a substantial increase in the severity of significant effects identified in the Certified EIR, and does not identify any new information which might require additional environmental review pursuant to Section 21666 of CEQA and Section 15162 of the State CEQA Guidelines; and

WHEREAS, on April 25, 2023, the Planning Commission convened a public hearing and adopted a resolution recommending that the City Council find that the 2023-2031 Housing Element and Safety and Resilience Element Amendments were completed in compliance with CEQA and that the City Council adopt the Housing Element and the amendments to the Safety and Resilience Element as presented; and

WHEREAS, the City provided the legally required notice of the May 15, 2023 City Council meeting in the Marin Independent Journal; and

WHEREAS, the City Council conducted a duly and properly noticed public hearing on May 15, 2023 to take public testimony and consider this Resolution, reviewed the Housing Element and revised Safety and Resilience Element; all pertinent maps, documents and exhibits, including HCD’s findings, the City’s response to HCD’s findings, the staff report and all attachments, and oral and written public comments; and

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

NOW, THEREFORE, BE IT RESOLVED, that the San Rafael City Council makes the following findings based on substantial evidence in the record:

1. The foregoing recitals are true and correct and are incorporated by reference into this action.
2. The project has been completed in compliance with the California Environmental Quality Act (CEQA) as described above and an Addendum has been prepared. The Addendum, which is attached herewith as Exhibit 1-G, adequately documents that none of the conditions requiring a subsequent or supplemental EIR are required for consideration of the Modified Project, including but not limited to the provisions of Section 21666 of CEQA and Section 15162 of the State CEQA Guidelines, and that use of the Addendum is appropriate pursuant to Section 15164 of the State CEQA Guidelines.
3. The public interest would be served by the adoption of the 2023-2031 Housing Element in that the action would comply with State Housing Element Law, maintain the City's eligibility for grants and other funding sources contingent on having a certified Housing Element, protect the City from fines, penalties, and increased risk of litigation associated with having a non-compliant Housing Element, and support the City's efforts to maintain local control over local land use decisions, which could be jeopardized in the absence of a certified Housing Element. Second, adoption of the Housing Element would provide a comprehensive set of programs to address Housing Needs. This includes programs to end and prevent homelessness; combat housing discrimination, eliminate racial bias, and undo historic patterns of segregation; ensure housing habitability and maintenance; and meet housing needs by providing a range of housing choices and affordability levels throughout the city.

California's housing crisis has resulted in limited housing opportunities for the San Rafael workforce, leading to excessive commuting, air quality deterioration, and greenhouse gas emissions that make it more difficult to achieve the goals of the San Rafael General Plan. Moreover, the needs assessment for the Housing Element found that there are limited housing options available for residents with low and very low-incomes, that housing opportunities are not equally distributed across the city, and that older adults, persons with disabilities, students, immigrants, single parents, and other groups are living in housing that does not meet their needs. This has led to high cost burdens among many households, particularly for lower-income households. The lack of housing for low- and moderate-income households makes it more difficult to achieve the state mandate to affirmatively further fair housing in each community and perpetuates housing inequity at the local and regional levels. Adoption of the Housing Element serves an urgent community need while supporting San Rafael's goal of being a more complete and inclusive community that accommodates households of all sizes, backgrounds, and income levels.

5. The public interest also would be served by the adoption of the revisions to the Safety and Resilience Element in that the action would comply with State law, alert emergency services personnel to locations with constrained access, provide a foundation for emergency response planning to address the needs of these areas, inform future land use policies for constrained parcel clusters, and provide a benchmark for capital improvements and other provisions to improve access to these areas.
6. Adoption of the 2023-2031 Housing Element and Safety and Resilience Element amendments would be consistent with, and would not conflict with, the other elements of the San Rafael General Plan 2040, including the goals, policies, and programs contained therein.
 - a. The 2023-2031 Housing Element supports the guiding principles of San Rafael General Plan 2040, which include conserving and modernizing the city's housing stock, building more housing, increasing housing choices for the local workforce, meeting special needs, encouraging aging in community, improving housing affordability, and treating all residents fairly. The Housing Element further supports other General Plan principles, including ending homelessness, reducing income inequality, promoting a thriving downtown, and living more sustainably.
 - b. The 2023-2031 Housing Element is consistent with the land use, mobility, neighborhoods, community design, economic vitality, community services and infrastructure, and safety and resilience goals expressed in the San Rafael General Plan 2040. It further advances the goals articulated in the Equity, Diversity, and Inclusion Element, including Goal EDI-3 to improve housing stability for all San Rafael residents. Likewise, the Safety and Resilience Element amendments reinforce the other elements of the General Plan by improving emergency preparedness and aligning land use, housing, transportation and open space policies with hazards and evacuation capacity.
 - c. The 2023-2031 Housing Element accommodates San Rafael's RHNA without requiring changes to the General Plan Land Use Map, modifications to density ranges, or Downtown Precise Plan.
 - d. The 2023-2031 Housing Element carries forward much of the policy and program framework from the 2015-2023 Housing Element, while making important additions that will remove constraints to housing production, respond to current needs and issues, and affirmatively further fair housing in all parts of the city.
 - e. The Housing Element, as presented, conforms with best practices in planning and public policy and follows the guidance provided by the State Department of Housing and Community Development. The Element provides essential policy guidance on housing issues in San Rafael, includes measurable targets for production and conservation, identifies specific timelines for implementation, and indicates the parties responsible for carrying out each action. Annual reporting requirements ensure will help ensure accountability.

7. The City Council makes the following specific findings for Non-Vacant Sites, as required by State law.
 - a. Section 65583.2(g)(2) of the California Government Code requires any jurisdiction relying on non-vacant sites to meet more than 50 percent of the RHNA for lower-income households to make findings that the existing uses on the non-vacant sites are not impediments to residential development during the planning period. The findings must be made on substantial evidence that the existing uses are likely to be discontinued during the planning period. HCD has defined non-vacant sites very broadly, including parking lots, utility yards, and sites with vacant buildings.
 - b. Because San Rafael is a mature city with limited potential for annexation, it has a limited supply of vacant land. Most of the undeveloped land in the city is publicly owned and has been designated as permanent open space. Most of the privately-owned vacant land in the city is constrained by poor access, steep slopes, and natural hazards. These sites are not well situated for lower income housing, which requires relatively high-densities and proximity to services and public transportation. As a result, approximately 92 percent of the lower income capacity identified in this Housing Element is associated with sites meeting HCD's definition of "non-vacant."
 - c. Based on substantial evidence in the record, the City has found that existing uses on the non-vacant sites listed in the site inventory are likely to be discontinued during the planning period and therefore do not constitute an impediment to planned residential development during the planning period. The substantial evidence is provided in Chapter 4 and Appendix B of the Housing Element and includes the following:
 - i. The City has created incentives for higher-density residential uses on non-vacant sites. This includes the elimination of density and floor area ratio (FAR) limits on all Downtown sites, and the automatic granting of a 10- to 20-foot height bonus for affordable housing and other housing projects meeting the city's inclusionary zoning requirements. Outside of Downtown, residential uses are not counted toward in the FAR allowance, creating incentives to develop residential uses on commercial sites and develop mixed use projects rather than projects that are entirely commercial.
 - ii. The City has provided more capacity for lower income housing than is required by the RHNA, consistent with State law and "buffer" requirements. This provides additional flexibility in the event some of the non-vacant sites become unavailable during the planning period.
 - iii. Most of the lower-income housing recently developed in San Rafael has been on non-vacant sites. The 32-unit Homeward Bound project at 190 Mill Street was developed on the site of a former shelter. The 67-unit Vivalon affordable senior project was formerly a PG&E facility. The 44-unit HomeKey project at 3301 Kerner is a converted office building.

- iv. Most of the approved and proposed multi-family development in San Rafael is on non-vacant sites. Approved residential projects on non-vacant sites include 703 Third Street, 1010 Northgate Drive (Northgate Walk), 88 Vivian Street, 1515 Fourth Street, and 350 Merrydale. Proposed residential projects on non-vacant sites include Northgate Town Square and 420 Fourth Street.
 - v. The estimated housing yields used in the Housing Element are conservative, especially for Downtown sites and multi-family/mixed use sites. Recently proposed projects typically have exceeded the number of units allowed by zoning due to density bonuses, suggesting that the actual number of units developed on opportunity sites will exceed the figures used in the Housing Element.
 - vi. The City's zoning regulations strongly support multi-family residential and mixed use development on commercially zoned properties. Market trends favor residential uses over office and retail uses in these areas, given high post-pandemic office vacancy rates and the depressed demand for brick-and-mortar retail. The City is developing objective design and development standards to support ministerial approval of affordable housing projects on these sites, creating additional incentives for residential use.
 - vii. The City has analyzed the potential for housing on non-vacant commercial sites based on a consistent set of metrics, such as the ratio of assessed improvement value to land value, the square footage of existing floor area relative to what is permitted by zoning, the age and condition of structures, and the size and shape of each parcel. Non-vacant housing sites have been systematically identified based on these metrics.
 - viii. The City has included Table 4.4 in the Housing Element, stating the rationale for including each non-vacant site outside of Downtown that is included in the inventory. The City has also included Table 4.5 in the Housing Element, stating the rationale for including each non-vacant site (with the capacity to generate at least 30 units) within the Downtown area. In both tables, the City has presented evidence that the site is viable for multi-family residential uses.
8. As required by Government Code Section 65585, the City Council has considered the findings made by the Department of Housing and Community Development (HCD) included in HCD's letter to San Rafael dated March 20, 2023. The City revised the "Draft Housing Element" transmitted to HCD on December 20, 2022, to address each of the findings in the HCD letter. The Housing Element now substantially complies with all requirements of State Housing Element Law as interpreted by HCD. The revisions, and the manner in which they address the HCD comment, have been listed in Exhibit "1-B" to this Resolution, which is incorporated herein by reference. The City has also prepared Exhibit "1-C" which identifies the Housing

Element page on which each requirement of the Housing Element Law is addressed.

9. The City has prepared a “tracked change” version of the December 20, 2022, document submitted to HCD to identify the edits made in response to the HCD’s findings. This is Exhibit “1-D” to this Resolution and is incorporated herein by reference.
10. The City has prepared a “clean” version of the Housing Element (“Adoption Draft”) that accepts all changes shown in the tracked change document. This is Exhibit “1-E” to this Resolution and is incorporated herein by reference.
11. The City has prepared text amendments to the Safety and Resilience Element, and added Appendix K to General Plan 2040, in order to meet the requirements of SB99. The text amendments and Appendix are attached as Exhibit “1-F” to this Resolution and are incorporated herein by reference.

Based on the findings above, the San Rafael City Council:

1. Adopts the first General Plan 2040 EIR Addendum, attached herewith as Exhibit “1-G”, together with the previously Certified EIR. This action occurs prior to and as part of making the decision to approve the Modified Project
2. Repeals the 2015-2023 Housing Element in its entirety.
3. Adopts the Adoption Draft Housing Element in substantially the form attached hereto as Exhibit “1-E”.
4. Authorizes the Community Development Director to submit Exhibits “1-B” through “1-E” to HCD, with a request for a compliance determination.
5. Authorizes the Community Development Director to make any non-substantive changes to the Housing Element that may be required by HCD to achieve certification or that may be necessary to ensure internal consistency with other planning documents.
6. Authorizes the Community Development Director to distribute copies of the Housing Element in the manner provided in Government Code Sections 65357 (requiring that copies be provided to specific public entities and persons submitting comments) and 65589.7 (requiring that copies be submitted to water and sewer service providers).

BE IT FURTHER RESOLVED, that any documents attached by hyperlink to this resolution will be edited as necessary following adoption to incorporate the final approved documents, included related addenda,

I, Lindsay Lara, Clerk of the City of San Rafael, hereby certify that the foregoing Resolution was duly and regularly introduced and adopted at a regular meeting of the City Council of San Rafael held on May 15th, 2023 by the following vote, to wit:

AYES:

NOES:

ABSENT:

Lindsay Lara, City Clerk

Exhibits:

- 1-A. March 20, 2023 letter from HCD to City of San Rafael
- 1-B. City Responses to HCD letter
- 1-C. Demonstration of Compliance with Government Code
- 1-D. [2023-2031 Housing Element Tracked Change Edition](#) (hyperlink)
- 1-E. [2023-2031 Housing Element Adoption Draft \("clean copy"\)](#) (hyperlink)
- 1-F. Amendments to the Safety and Resilience Element
- 1-G. [Addendum 1 to San Rafael General Plan 2040 EIR](#) (hyperlink)

**DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT
DIVISION OF HOUSING POLICY DEVELOPMENT**

2020 W. El Camino Avenue, Suite 500
Sacramento, CA 95833
(916) 263-2911 / FAX (916) 263-7453
www.hcd.ca.gov



March 20, 2023

Alicia Giudice, Director
Community Development Division
City of San Rafael
1400 Fifth Avenue, Top Floor
San Rafael, CA 94901

Dear Alicia Guidice:

RE: City of San Rafael's 6th Cycle (2023-2031) Draft Housing Element (Update)

Thank you for submitting the City of San Rafael's (City) draft housing element update received for review on December 20, 2022. Pursuant to Government Code section 65585, subdivision (b), the California Department of Housing and Community Development (HCD) is reporting the results of its review. Our review was facilitated by telephone conversations on February 15, 2023 and March 9, 2023 with you, Alexis Captanian, Liz Darby, and Barry Miller. In addition, HCD considered comments from Canal Alliance, Community Action Marin, Legal Aid of Marin, TransForm, YIMBY Law/Greenbelt Alliance, Kevin Bruke, David Kellogg, and Jenny Silva pursuant to Government Code section 65585, subdivision (c).

The draft housing element addresses many statutory requirements; however, revisions will be necessary to comply with State Housing Element Law (Article 10.6 of the Gov. Code). The enclosed Appendix describes the revisions needed to comply with State Housing Element Law.

For your information, pursuant to Assembly Bill 1398 (Chapter 358, Statutes of 2021), if a local government fails to adopt a compliant housing element within 120 days of the statutory deadline (January 31, 2023), then any rezoning to accommodate the regional housing needs allocation (RHNA), including for lower-income households, shall be completed no later than one year from the statutory deadline. Otherwise, the local government's housing element will no longer comply with State Housing Element Law, and HCD may revoke its finding of substantial compliance pursuant to Government Code section 65585, subdivision (i). Please be aware, if the City fails to adopt a compliant housing element within one year from the statutory deadline, the element cannot be found in substantial compliance until rezones to accommodate a shortfall of sites pursuant to Government Code section 65583, subdivision (c), paragraph (1),

subparagraph (A) and Government Code section 65583.2, subdivision (c) are completed.

Public participation in the development, adoption and implementation of the housing element is essential to effective housing planning. Throughout the housing element process, the City must continue to engage the community, including organizations that represent lower-income and special needs households, by making information regularly available while considering and incorporating comments where appropriate. Please be aware, any revisions to the element must be posted on the local government's website and to email a link to all individuals and organizations that have previously requested notices relating to the local government's housing element at least seven days before submitting to HCD.

Several federal, state, and regional funding programs consider housing element compliance as an eligibility or ranking criteria. For example, the CalTrans Senate Bill (SB) 1 Sustainable Communities grant; the Strategic Growth Council and HCD's Affordable Housing and Sustainable Communities programs; and HCD's Permanent Local Housing Allocation consider housing element compliance and/or annual reporting requirements pursuant to Government Code section 65400. With a compliant housing element, the City meets housing element requirements for these and other funding sources.

For your information, some general plan element updates are triggered by housing element adoption. HCD reminds the City to consider timing provisions and welcomes the opportunity to provide assistance. For information, please see the Technical Advisories issued by the Governor's Office of Planning and Research at:

<https://www.opr.ca.gov/planning/general-plan/guidelines.html>.

HCD appreciates the diligent efforts and outstanding dedication your team provided in the preparation of the City's housing element. We are committed to assisting the City in addressing all statutory requirements of State Housing Element Law. If you have any questions or need additional technical assistance, please contact Chelsea Lee, of our staff, at Chelsea.Lee@hcd.ca.gov.

Sincerely,

A handwritten signature in black ink, appearing to read 'Melinda Coy', with a long horizontal stroke extending to the right.

Melinda Coy
Proactive Housing Accountability Chief

Enclosure

APPENDIX CITY OF SAN RAFAEL

The following changes are necessary to bring the City's housing element into compliance with Article 10.6 of the Government Code. Accompanying each recommended change, we cite the supporting section of the Government Code.

Housing element technical assistance information is available on HCD's website at <https://www.hcd.ca.gov/planning-and-community-development/hcd-memos>. Among other resources, the housing element section contains HCD's latest technical assistance tool, *Building Blocks for Effective Housing Elements (Building Blocks)*, available at <https://www.hcd.ca.gov/planning-and-community-development/housing-elements/building-blocks> and includes the Government Code addressing State Housing Element Law and other resources.

A. Review and Revision

Review the previous element to evaluate the appropriateness, effectiveness, and progress in implementation, and reflect the results of this review in the revised element. (Gov. Code, § 65588 (a) and (b).)

As part of the evaluation of programs in the past cycle (Chapter 2), the element must provide an explanation of the effectiveness of goals, policies, and related actions in meeting the housing needs of special needs populations (e.g., elderly, persons with disabilities, large households, female-headed households, farmworkers and persons experiencing homelessness).

B. Housing Needs, Resources, and Constraints

1. *Affirmatively further[ing] fair housing in accordance with Chapter 15 (commencing with Section 8899.50) of Division 1 of Title 2...shall include an assessment of fair housing in the jurisdiction. (Gov. Code, § 65583, subd. (c)(10)(A).)*

Enforcement & Outreach: While the element discusses outreach capacity for fair housing issues and includes an analysis of fair housing complaints, it must also describe the City's compliance with existing fair housing laws and regulations. For additional information, please see pages 28-30 on HCD's Affirmatively Furthering Fair Housing (AFFH) Guidance Memo at https://www.hcd.ca.gov/community-development/affh/docs/AFFH_Document_Final_4-27-2021.pdf.

2. *Include an analysis of population and employment trends and documentation of projections and a quantification of the locality's existing and projected needs for all income levels, including extremely low-income households. (Gov. Code, § 65583, subd. (a)(1).)*

Extremely Low-Income (ELI) Households: While the element included the total number of existing ELI households, it must also quantify the number of existing ELI households by tenure (i.e., renter and owner).

3. *Include an analysis and documentation of household characteristics, including level of payment compared to ability to pay, housing characteristics, including overcrowding, and housing stock condition. (Gov. Code, § 65583, subd. (a)(2).)*

Overpayment: While the element included the total number of low-income households overpaying for housing, it must also quantify the number of low-income households that are cost burdened by tenure (i.e., renter and owner).

Housing Conditions: While the element identifies the age of the housing stock and includes some information on housing stock conditions from American Community Survey (ACS) data (pp. 3-53), it must also estimate the number of units in need of replacement and rehabilitation. For example, the analysis could include estimates from a recent windshield survey or sampling, estimates from the code enforcement agency, or information from knowledgeable builders/developers, including nonprofit housing developers or organizations.

4. *An inventory of land suitable and available for residential development, including vacant sites and sites having realistic and demonstrated potential for redevelopment during the planning period to meet the locality's housing need for a designated income level, and an analysis of the relationship of zoning and public facilities and services to these sites. (Gov. Code, § 65583, subd. (a)(3).)*

The City has a regional housing needs allocation (RHNA) of 3,220 housing units, of which 1,349 are for lower-income households, 521 are for moderate-income households, and 1,350 are for above-moderate income households. To address this need, the element relies on pipeline projects, vacant and underutilized residential sites, mixed-use sites, and Accessory Dwelling Units (ADUs). To demonstrate the adequacy of these sites and strategies to accommodate the City's RHNA, the element must include complete analyses:

Progress in Meeting the RHNA: The element relies on a significant number of pipeline projects to meet its RHNA. Specifically, the element identifies 1,989 units that are either pending, approved, or under construction. The element must demonstrate these units are expected to be constructed during the planning period. To demonstrate the availability of units within the planning period, the element could analyze infrastructure schedules, the City's past completion rates on pipeline projects, outreach with project developers, and should describe any expiration dates on entitlements, anticipated timelines for final approvals, and any remaining steps for projects to receive final entitlements. In addition, given the City's reliance on pipeline projects, the element must include programs with actions that commit to facilitating development and monitoring approvals of the projects (e.g., coordination with applications to approve remaining entitlements, supporting funding applications, expediting approvals, rezoning or identification of additional sites should the applications not be approved).

Adequate Site Alternative: Table 4.2 indicates the City is crediting 44 units affordable to extremely low-income households towards its RHNA as part of a Homekey Project. To credit these units toward the City's housing need, the element must demonstrate compliance with all the statutory requirements (Gov. Code, § 65583.1, subd. (c)(2)(D)). For example, the element must demonstrate that the affordability for the units determined will be maintained for at least 55 years, units be made available for people experiencing homelessness as defined in Section 578.3 of Title 24 of the Code of Federal Regulations and will be affordable to very-low and low-income households at the time the units were identified for preservation, among other things. For additional information and an Alternative Sites Checklist, see the *Building Blocks* at https://www.hcd.ca.gov/community-development/building-blocks/site-inventory-analysis/adequate-sites-alternatives/docs/adequate_site_alt_checklist.pdf.

Realistic Capacity: While the element provides analysis and assumptions of realistic buildout for sites included in the inventory (pp. 4-14-23), additional information is required to fully address this requirement. Specifically, the element appears to assume residential development on sites with zoning that allow 100 percent nonresidential uses. The element identifies mixed-use sites located within and outside of Downtown San Rafael and notes that these sites represent a substantial opportunity for housing, but it must still account for the likelihood of nonresidential uses. The element should include analysis based on factors such as development trends, performance standards or other relevant factors. For example, the element could analyze all development activity in these nonresidential zones, how often residential development occurs and adjust residential capacity calculations, policies, and programs accordingly.

Small and Large Sites: Sites larger than ten acres in size or smaller than a half-acre in size are deemed inadequate to accommodate housing for lower-income households unless it is demonstrated, with sufficient evidence, that sites are suitable to accommodate housing for lower-income households. While the element included a few examples about developments on small and large sites (pp. 4-3, 4-15, 4-21), it must also provide specific examples with the densities, affordability, and if applicable, circumstances leading to lot consolidation or subdivision. The element should relate these examples to the sites identified to accommodate the RHNA for lower-income households to demonstrate that these sites can adequately accommodate the City's lower-income housing need. Based on a complete analysis, the City should consider adding or revising Program 38 to include incentives for facilitating development on small and large sites.

Suitability of Nonvacant Sites: While the element includes an analysis demonstrating the potential for redevelopment of nonvacant sites, including information such as age of structures, low improvement to land value ratios, and expressed developer interest, additional information is required to address this finding. The element should analyze the extent that existing uses may impede additional residential development. For example, the element includes sites with existing anchor supermarkets, religious institutions, and fast-food chain restaurants (Appendix B). To better correlate the potential for converting existing uses to higher density residential development, the element should relate past development trends described on pages 4-16 and 4-19 to the sites identified in the

inventory and add or modify programs as necessary to encourage and facilitate residential development on these sites. This is particularly significant considering that several of these sites were included in prior planning cycles.

In addition, as noted in the element, the City relies upon nonvacant sites to accommodate more than 50 percent of the RHNA for lower-income households. For your information, the element must demonstrate existing uses are not an impediment to additional residential development and will likely discontinue in the planning period (Gov. Code, § 65583.2, subd. (g)(2)). Absent findings (e.g., adoption resolution) based on substantial evidence, the existing uses will be presumed to impede additional residential development and will not be utilized toward demonstrating adequate sites to accommodate the RHNA.

Accessory Dwelling Units (ADUs): The element projects 200 ADUs to be constructed over the planning period, averaging 25 units per year. This projection was based on annual permit data from 2018-2021 (pp. 4-13). However, Annual Progress Reports submitted by the City indicated building permit figures of 24, 13, 36, and 18 for 2018, 2019, 2020, and 2021, respectively. The element should reconcile these figures and adjust assumptions as appropriate. In addition, a cursory review of the City's ordinance by HCD discovered areas which appear to be inconsistent with State ADU Law. As a result, the element should add or modify a program to update the City's ADU ordinance in order to comply with state law. For more information, please consult HCD's ADU Guidebook, updated in July 2022, which provides detailed information on new state requirements surrounding ADU development.

Availability of Infrastructure: The element includes some discussion on water and sewer providers in the City but describes some infrastructure limitations including drought and the need for capital improvement projects (pp. 4-36). The element must clarify whether there is sufficient total water and sewer capacity (existing and planned) to accommodate the regional housing need and include programs if necessary.

Electronic Sites Inventory: Pursuant to Government Code section 65583.3, subdivision (b), the City must utilize standards, forms, and definitions adopted by HCD when preparing the sites inventory. Please see HCD's housing element webpage at <https://www.hcd.ca.gov/planning-and-community-development/housing-elements> for a copy of the form and instructions. The City can reach out to HCD at sitesinventory@hcd.ca.gov for technical assistance. Please note, upon adoption of the housing element, the City must submit an electronic version of the sites inventory with its adopted housing element to sitesinventory@hcd.ca.gov.

Zoning for a Variety of Housing Types:

- *Emergency Shelters:* While the element acknowledged that emergency shelter parking requirements should be updated pursuant to AB 139 (Chapter 335, Statutes of 2019), no corresponding action in Program 4 was found. The element should be revised to demonstrate consistency with AB 139, which requires only sufficient parking to accommodate all staff working in the emergency shelter, provided that the standards do not require more parking for emergency shelters than other residential or commercial uses within the same zone. In addition, while the element included some

discussion on development standards for emergency shelters in the area south of Bellam/east of I-580, it must also include analysis on proximity to transportation and services for these sites, hazardous conditions, and any conditions inappropriate for human habitability.

For your information, Chapter 654, Statutes of 2022 (AB 2339), adds additional specificity on how cities and counties plan for emergency shelters and ensure sufficient and suitable capacity. Future submittals of the housing element may need to address these statutory requirements. For additional information and timing requirements, please see HCD's memo at <https://www.hcd.ca.gov/sites/default/files/docs/planning-and-community/ab2339-notice.pdf>.

- *Supportive and Transitional Housing:* The element states that supportive and transitional housing are treated as residential uses subject only to those restrictions that apply to other residential uses of the same type in the same zone (pp. 5-25). Additionally, the element included Table 5.7, listing allowable uses per zoning district. However, this table did not reflect whether transitional and supportive housing are allowed in zones that allow for residential uses (e.g., downtown commercial, community commercial, etc.). The element should reconcile this information and specifically clarify whether the City permits these types of housing as a residential use and only subject to those restrictions that apply to other residential dwellings of the same type in the same zone pursuant to Government Code section 65583 (a)(5). Finally, supportive housing shall be a use by-right in zones where multifamily and mixed uses are permitted, including nonresidential zones permitting multifamily uses pursuant to Government Code section 65651. The element must demonstrate compliance with these requirements and include programs as appropriate.
 - *Housing for Agricultural Employees:* The element must demonstrate zoning is consistent with the Employee Housing Act (Health and Safety Code, § 17000 et seq.), specifically, sections 17021.5 and 17021.6. Section 17021.5 requires employee housing for six or fewer employees to be treated as a single-family structure and permitted in the same manner as other dwellings of the same type in the same zone. To address this, the element references an action to be included in its programs (pg. 5-29) but no such program was found. In addition, 17021.6 requires employee housing consisting of no more than 12 units or 36 beds to be permitted in the same manner as other agricultural uses in the same zone. For additional information and sample analysis, see the Building Blocks at <https://www.hcd.ca.gov/planning-and-community-development/housing-elements/building-blocks/farmworkers>.
5. *An analysis of potential and actual governmental constraints upon the maintenance, improvement, or development of housing for all income levels, including the types of housing identified in paragraph (1) of subdivision (c), and for persons with disabilities as identified in the analysis pursuant to paragraph (7), including land use controls, building codes and their enforcement, site improvements, fees and other exactions required of developers, and local processing and permit procedures... (Gov. Code, § 65583, subd. (a)(5).)*

Land-Use Controls: While the element included discussion of development standards in many residential districts, including the Downtown Precise Plan districts, it must also provide analysis on development standards for the Downtown Station Area Plans. In addition, the element identifies open space and minimum lot coverage requirements for multi-family development in the HR-1 zones as constraints and identifies programs to address these constraints (pp. 5-10; 5-14). However, no corresponding actions were found in Program 42 (Zoning Text and Map Revisions). Accordingly, Program 42 should be modified to address these constraints.

Processing and Permit Procedures: The element identified the Planned Development (PD) process for parcels greater than five acres as a constraint on housing and indicates that the City's General Plan contains an action to make the PD process optional for parcels greater than five acres (pp. 5-7). Accordingly, Program 41 (Streamlining of Development Approval) should also be modified to address this constraint. In addition, the element should address public comments on this revised draft submittal and discuss compliance with the Permit Streamlining Act and intersections with CEQA and timing requirements, including streamlining determinations and add or modify programs as appropriate.

Zoning, Development Standards, and Fees: The element must clarify compliance with new transparency requirements for posting all zoning, development standards, and fees on the City's website and add a program to address these requirements, if necessary.

On-/Off-Site Improvements: While the element includes a general discussion of on-/off-site improvements (pp. 5-43), it must specifically identify subdivision level improvement requirements, such as minimum street widths (e.g., 40-foot minimum street width), and analyze their impact as potential constraints on housing supply and affordability.

Constraints on Housing for Persons with Disabilities:

- *Family Definition:* Zoning should implement a barrier-free definition of family. The element must identify and analyze the City's definition of family as a potential constraint on housing for persons with disabilities and include programs as appropriate.
- *Group Homes:* The City's Zoning Code appears to isolate and regulate group homes based on the type of population served (Table 5.7). Notably, the element notes that group homes are permitted by-right if serving the "handicapped" and subject to a conditional use permit (CUP) otherwise. Zoning and standards should simply implement a barrier-free definition of family instead of subjecting, potentially persons with disabilities, to special regulations. Zoning code regulations that isolate and regulate various types of housing for persons with disabilities based on the number of people and other factors may pose a constraint on housing choice for persons with disabilities. The element should include specific analysis of these and any other constraints for impacts on housing for persons with disabilities and add or modify programs as appropriate. For more information, please consult HCD's Group Home Technical Advisory Memo <https://www.hcd.ca.gov/sites/default/files/docs/planning-and-community/group-home-technical-advisory-2022.pdf>.

- *Reasonable Accommodation:* While the element includes discussion of reasonable accommodation procedures for persons with disabilities (pp. 5-30), additional information is required to address this finding. Specifically, the element must also analyze fees and processing times for requests received.

6. *An analysis of potential and actual nongovernmental constraints upon the maintenance, improvement, or development of housing for all income levels, including... ..the requests to develop housing at densities below those anticipated in the analysis required by subdivision (c) of Government Code section 65583.2, and the length of time between receiving approval for a housing development and submittal of an application for building permits for that housing development that hinder the construction of a locality's share of the regional housing need in accordance with Government Code section 65584... (Gov. Code, § 65583, subd. (a)(6).)*

Permit Approval Times: While the element includes a general description of delays between approval and building permits (pgs. 5-48-49), it must still identify the length of time between receiving approval for a housing development and submittal of an application for building permits. The element must address any hinderance on the development of housing and include programs as appropriate.

7. *Analyze existing assisted housing developments that are eligible to change to non-low-income housing uses during the next 10 years due to termination of subsidy contracts, mortgage prepayment, or expiration of use restrictions. (Gov. Code, § 65583, subd. (a)(9) through 65583(a)(9)(D).)*

The element indicates that the Rafael Town Center (38 assisted units) is at-risk of conversion in the planning period. Therefore, the element must include additional analysis that provides estimates of replacement and preservation costs for at-risk housing. In addition, the element includes Table 3.32 which lists known affordable housing developments. For your information, HCD's records indicate the following projects are also within the City's affordable housing portfolio. The element should verify affordability information for the following projects: Vivalon Healthy Aging Campus (66 assisted units located on 999 3rd Street), Belle Avenue (9 assisted units located on 519 Belle Avenue), 3301 Kerner (44 assisted units located on 3301 Kerner Boulevard), and Marin Housing for the Handicapped (12 assisted units located on 626 Del Ganado Road).

C. Housing Programs

1. *Include a program which sets forth a schedule of actions during the planning period, each with a timeline for implementation, which may recognize that certain programs are ongoing, such that there will be beneficial impacts of the programs within the planning period, that the local government is undertaking or intends to undertake to implement the policies and achieve the goals and objectives of the Housing Element... (Gov. Code, § 65583, subd. (c).)*

To have a beneficial impact in the planning period and address the goals of the housing element, programs must be revised with discrete timelines and programs should be evaluated to ensure meaningful and specific actions and objectives. As an example, several programs contain timelines for implementation that have since past or are underway and should be updated to reflect current conditions and circumstances. These programs include, but are not limited to, 1 (Housing and Homelessness Division), 2 (Extremely Low-Income Housing Resources), and 8 (Latinx Community Capacity Building and Engagement). Additionally, all programs should be evaluated to ensure meaningful and specific actions and objectives. Programs containing unclear language (e.g., “evaluate”; “consider”; “encourage”; etc.) or vague commitments should be amended to include more specific and measurable actions. These programs include, but are not limited to, 26 (Accessory Dwelling Units), 32 (Housing Resources for Older Adults), 41 (Streamlining of Development Approval), 43 (Revisions to Parking Standards).

2. *Identify actions that will be taken to make sites available during the planning period with appropriate zoning and development standards and with services and facilities to accommodate that portion of the city’s or county’s share of the regional housing need for each income level that could not be accommodated on sites identified in the inventory completed pursuant to paragraph (3) of subdivision (a) without rezoning, and to comply with the requirements of Government Code section 65584.09. Sites shall be identified as needed to facilitate and encourage the development of a variety of types of housing for all income levels, including multifamily rental housing, factory-built housing, mobilehomes, housing for agricultural employees, supportive housing, single-room occupancy units, emergency shelters, and transitional housing. (Gov. Code, § 65583, subd. (c)(1).)*

As noted in Finding B4, the element does not include a complete site analysis, therefore, the adequacy of sites and zoning were not established. Based on the results of a complete sites inventory and analysis, the City may need to add or revise programs to address a shortfall of sites or zoning available to encourage a variety of housing types. In addition, the element should be revised as follows:

Publicly-Owned Sites: The element identifies City-owned sites to accommodate a portion of the RHNA. The element must include a program that ensures compliance with the Surplus Lands. The program should include numerical objectives, and provide incentives and actions, along with a schedule, to facilitate development of City-owned sites. Actions could include outreach with developers, issuing requests for proposals, incentives, fee waivers, priority processing, and financial assistance.

Single-Room Occupancy: The element notes that SROs are not explicitly defined in the City’s Zoning Code and notes that a corresponding action should be considered (pp. 5-25-26). As such, the element must include a program to establish appropriate to establish appropriate zoning.

3. *Address and, where appropriate and legally possible, remove governmental and nongovernmental constraints to the maintenance, improvement, and development of housing, including housing for all income levels and housing for persons with disabilities. The program shall remove constraints to, and provide reasonable accommodations for*

housing designed for, intended for occupancy by, or with supportive services for, persons with disabilities. (Gov. Code, § 65583, subd. (c)(3).)

As noted in Findings B5 and B6, the element requires a complete analysis of potential governmental constraints. Depending upon the results of that analysis, the City may need to revise or add programs and address and remove or mitigate any identified constraints.

4. *Promote and affirmatively further fair housing opportunities and promote housing throughout the community or communities for all persons regardless of race, religion, sex, marital status, ancestry, national origin, color, familial status, or disability, and other characteristics protected by the California Fair Employment and Housing Act (Part 2.8 (commencing with Section 12900) of Division 3 of Title 2), Section 65008, and any other state and federal fair housing and planning law. (Gov. Code, § 65583, subd. (c)(5).)*

As noted in Finding B1, the element must include a complete analysis of AFFH. Based on the outcome of that analysis, the element must add or modify programs.

Goals, Policies, and Metrics: While the element included significant and meaningful programs to address issues identified in its AFFH analysis, HCD received public comment that identified homelessness as an ongoing concern in the City. Given the City's significant homeless population, the element should include reference to programs that the City is undertaking to address homelessness in Table 6-2 and modify these programs to geographically target actions in areas with high concentration of persons experiencing homelessness as part of the City's place based AFFH strategies. Additionally, HCD also received public comment regarding the need to strengthen Program 11 (Tenant Protection Measures). The element should commit to implementing some or all of these strategies, depending on the outcomes of the City's feasibility evaluation and identify potential funding sources and timelines to secure funding to support some or all of the actions identified by stakeholders in Program 11.

5. *The housing program shall preserve for low-income household the assisted housing developments identified pursuant to paragraph (9) of subdivision (a). The program for preservation of the assisted housing developments shall utilize, to the extent necessary, all available federal, state, and local financing and subsidy programs identified in paragraph (9) of subdivision (a), except where a community has other urgent needs for which alternative funding sources are not available. The program may include strategies that involve local regulation and technical assistance. (Gov. Code, § 65583, subd. (c)(6).)*

The element includes Program 30 (Preservation of At-Risk Housing) and specifies actions to monitor at-risk units, including contacting property owners within two years of the affordability expiration dates on projects. However, the program should be modified to include noticing requirements within 3 years and 6 months of the affordability expiration dates, in addition to coordinating with qualified entities such as nonprofit organizations and establish time parameters around such actions.

D. Quantified Objectives

Establish the number of housing units, by income level, that can be constructed, rehabilitated, and conserved over a five-year time frame. (Gov. Code, § 65583, subd. (b)(1 & 2).)

The element provides a summary of quantified objectives (pp. 6-54). For your consideration, conservation and rehabilitation objectives could be increased by incorporating anticipated outcomes from the following programs: 12 (Periodic Housing Inspection), 15 (Increasing Equity in Home Maintenance), and 29 (Conversion of Residential and Nonresidential).

Exhibit 1-B: Demonstration of Substantial Compliance through Responses to HCD Findings on Draft San Rafael 2023-2031 Housing Element

On December 20, 2022, the City of San Rafael submitted its Draft Housing Element to HCD for their review. Pursuant to Government Code section 65585, subdivision (b), HCD reviewed the Draft Housing Element and reported the results of its review within 90 days of receiving the Draft. The City received HCD's findings on March 20, 2023. HCD considered public comments in preparing their findings, as well as the requirements of the Government Code.

HCD found that the Draft met many statutory requirements but required revisions to be compliant with Housing Element law (Article 10.6 of the Government Code). HCD's letter included a 10-page Appendix describing the revisions needed. On February 15, March 9, and April 6, 2023, City staff met with its HCD Housing Element Reviewer, who clarified HCD's intent and expectations on several of the required revisions.

The City of San Rafael has prepared this document to demonstrate that it has edited the Draft Housing Element to respond to all HCD comments and produce a Draft that is now substantially compliant with State Law. The City has prepared a tracked change (redlined) version of the December Draft showing every change made and linking these changes to specific HCD comments.

This document has organized the HCD findings in numeric sequence, from 1 to 43. Comments are numbered in **bold blue font**. The findings are copied verbatim from the March 20, 2023 letter in black font. The City's responses appear below each finding in *red italic font*. The responses direct the reader to the specific location in the "tracked change" document where the edits are located and summarize the edits made. Page number references are to the tracked change version of the Element. All of the tracked edits are incorporated in a "clean" version of the document that is tentatively scheduled for adoption by the City Council in May 2023.

HCD Comment 1

A. Review and Revision

Review the previous element to evaluate the appropriateness, effectiveness, and progress in implementation, and reflect the results of this review in the revised element. (Gov. Code, § 65588 (a) and (b).)

As part of the evaluation of programs in the past cycle (Chapter 2), the element must provide an explanation of the effectiveness of goals, policies, and related actions in meeting the housing needs of special needs populations (e.g., elderly, persons with disabilities, large households, female-headed households, farmworkers and persons experiencing homelessness).

City Response

See Pages 2-3 and 2-4. The City had added a new section to Chapter 2 specifically highlighting accomplishments between 2015-2023 related to special needs housing.

HCD Comment 2

B. Housing Needs, Resources, and Constraints

1. *Affirmatively further[ing] fair housing in accordance with Chapter 15 (commencing with Section 8899.50) of Division 1 of Title 2...shall include an assessment of fair housing in the jurisdiction. (Gov. Code, § 65583, subd. (c)(10)(A).)*

Enforcement & Outreach: While the element discusses outreach capacity for fair housing issues and includes an analysis of fair housing complaints, it must also describe the City's compliance with existing fair housing laws and regulations. For additional information, please see pages 28-30 on HCD's Affirmatively Furthering Fair Housing (AFFH) Guidance Memo at https://www.hcd.ca.gov/community-development/affh/docs/AFFH_Document_Final_4-27-2021.pdf.

City Response

See Page A-13 (Appendix A). *The City has added a new section to Appendix A (Fair Housing Assessment) listing federal, State, and local fair housing laws and describing the City's compliance with these laws and programs.*

HCD Comment 3

2. *Include an analysis of population and employment trends and documentation of projections and a quantification of the locality's existing and projected needs for all income levels, including extremely low-income households. (Gov. Code, § 65583, subd. (a)(1).)*

Extremely Low-Income (ELI) Households: While the element included the total number of existing ELI households, it must also quantify the number of existing ELI households by tenure (i.e., renter and owner).

City Response

See Page 3-22. *The City has added the requested data on the number of Extremely Low Income Households by tenure to Chapter 3.*

HCD Comment 4

3. *Include an analysis and documentation of household characteristics, including level of payment compared to ability to pay, housing characteristics, including overcrowding, and housing stock condition. (Gov. Code, § 65583, subd. (a)(2).)*

Overpayment: While the element included the total number of low-income households overpaying for housing, it must also quantify the number of low-income households that are cost burdened by tenure (i.e., renter and owner).

City Response

See Page 3-27 and 3-28. *The City has added information on the number of low-income households that are cost-burdened by tenure. A new table has been included on the Needs Assessment (Chapter 3) and the data is cited in the text.*

HCD Comment 5

Housing Conditions: While the element identifies the age of the housing stock and includes some information on housing stock conditions from American Community Survey (ACS) data (pp. 3-53), it must also estimate the number of units in need of replacement and rehabilitation. For example, the analysis could include estimates from a recent windshield survey or sampling, estimates from the code enforcement agency, or information from knowledgeable builders/developers, including nonprofit housing developers or organizations.

City Response

See Pages 3-55 and 3-56. *Per HCD's suggestion, staff completed a windshield survey of five neighborhoods in San Rafael with high concentrations of rental housing. A map and summary of findings have been added to Chapter 3.*

HCD Comment 6

4. An inventory of land suitable and available for residential development, including vacant sites and sites having realistic and demonstrated potential for redevelopment during the planning period to meet the locality's housing need for a designated income level, and an analysis of the relationship of zoning and public facilities and services to these sites. (Gov. Code, § 65583, subd. (a)(3).)

The City has a regional housing needs allocation (RHNA) of 3,220 housing units, of which 1,349 are for lower-income households, 521 are for moderate-income households, and 1,350 are for above-moderate income households. To address this need, the element relies on pipeline projects, vacant and underutilized residential sites, mixed-use sites, and Accessory Dwelling Units (ADUs). To demonstrate the adequacy of these sites and strategies to accommodate the City's RHNA, the element must include complete analyses:

Progress in Meeting the RHNA: The element relies on a significant number of pipeline projects to meet its RHNA. Specifically, the element identifies 1,989 units that are either pending, approved, or under construction. The element must demonstrate these units are expected to be constructed during the planning period. To demonstrate the availability of units within the planning period, the element could analyze infrastructure schedules, the City's past completion rates on pipeline projects, outreach with project developers, and should describe any expiration dates on entitlements, anticipated timelines for final approvals, and any remaining steps for projects to receive final entitlements.

City Response

See Pages 4-13 to 4-15. *Following receipt of this comment, staff reached out to the developers of the largest projects in the development "pipeline" and prepared status updates for major projects. Staff also reviewed permit tracking data using the e-trakit on-line system. As requested, the element now analyzes infrastructure schedules, expiration dates on entitlements (for entitled projects) and expected entitlement dates for projects in the application stages.*

HCD Comment 7

In addition, given the City's reliance on pipeline projects, the element must include programs with actions that commit to facilitating development and monitoring approvals of the projects (e.g., coordination with applications to approve remaining entitlements, supporting funding applications, expediting approvals, rezoning or identification of additional sites should the applications not be approved).

City Response

See new Program 44 on page 6-58 (Chapter 6). *The City has added a new program to conduct regular outreach to all developers of residential projects with 25 or more units and to monitor the status of these projects. The program description includes specific details on the frequency and intent of this outreach, including the topics listed above. The AFFH matrix (table 6-2) includes a new row for this program on Page 6-67.*

HCD Comment 8

Adequate Site Alternative: Table 4.2 indicates the City is crediting 44 units affordable to extremely low-income households towards its RHNA as part of a Homekey Project. To credit these units toward the City's housing need, the element must demonstrate compliance with all the statutory requirements (Gov. Code, § 65583.1, subd. (c)(2)(D)). For example, the element must demonstrate that the affordability for the units determined will be maintained for at least 55 years, units be made available for people experiencing homelessness as defined in Section 578.3 of Title 24 of the Code of Federal Regulations and will be affordable to very-low and low-income households at the time the units were identified for preservation, among other things. For additional information and an Alternative Sites Checklist, see the *Building Blocks* at https://www.hcd.ca.gov/community-development/building-blocks/site-inventory-analysis/adequate-sites-alternatives/docs/adequate_site_alt_checklist.pdf.

City Response

See Page 3-48. *The information requested for the 3301 Kerner HomeKey project has been added to Chapter 3. The number of units has been corrected—the project includes 40 extremely low-income units and one manager's unit. The units will be affordable for 55 years and made available as transitional housing for formerly homeless persons. At HCD's request, the City also added Appendix "D" (the Alternative Sites checklist).*

HCD Comment 9

Realistic Capacity: While the element provides analysis and assumptions of realistic buildout for sites included in the inventory (pp. 4-14-23), additional information is required to fully address this requirement. Specifically, the element appears to assume residential development on sites with zoning that allow 100 percent nonresidential uses. The element identifies mixed-use sites located within and outside of Downtown San Rafael and notes that these sites represent a substantial opportunity for housing, but it must still account for the likelihood of nonresidential uses. The element should include analysis based on factors such as development trends, performance standards or other relevant factors. For example, the element could analyze all development activity in these nonresidential zones, how often

residential development occurs and adjust residential capacity calculations, policies, and programs accordingly.

City Response

See Pages 4-36 to 4-41. The City has reorganized the text in Chapter 4 and relocated the discussion of realistic capacity to a new Section 4.8. Data on average densities in recent and proposed projects has been moved to this section. A new section has been added to address the possibility that some of the housing sites could be used for non-residential development. As suggested, the Element now analyzes development activities in the non-residential zones during the recent past and determines that most nonresidential development is occurring on sites that would not meet the criteria for housing sites.

HCD Comment 10

Small and Large Sites: Sites larger than ten acres in size or smaller than a half-acre in size are deemed inadequate to accommodate housing for lower-income households unless it is demonstrated, with sufficient evidence, that sites are suitable to accommodate housing for lower-income households. While the element included a few examples about developments on small and large sites (pp. 4-3, 4-15, 4-21), it must also provide specific examples with the densities, affordability, and if applicable, circumstances leading to lot consolidation or subdivision. The element should relate these examples to the sites identified to accommodate the RHNA for lower-income households to demonstrate that these sites can adequately accommodate the City's lower-income housing need. Based on a complete analysis, the City should consider adding or revising Program 38 to include incentives for facilitating development on small and large sites.

City Response

See Pages 4-41 and 4-42 (and P. 6-50 on lot consolidation). A new section on small and large sites has been added to Chapter 4. There are no large sites identified as potential lower income sites. For the small sites identified as potential lower income sites, the text now cites the factors that makes them realistic. In addition, per the comment above Program 38 has been modified to identify two specific Downtown housing sites requiring lot consolidation, including working with property owners to facilitate assembly.

HCD Comment 11

Suitability of Nonvacant Sites: While the element includes an analysis demonstrating the potential for redevelopment of nonvacant sites, including information such as age of structures, low improvement to land value ratios, and expressed developer interest, additional information is required to address this finding. The element should analyze the extent that existing uses may impede additional residential development. For example, the element includes sites with existing anchor supermarkets, religious institutions, and fast-food chain restaurants (Appendix B). To better correlate the potential for converting existing uses to higher density residential development, the element should relate past development trends described on pages 4-16 and 4-19 to the sites identified in the inventory and add or modify programs as necessary to encourage and facilitate residential development on these

sites. This is particularly significant considering that several of these sites were included in prior planning cycles.

City Response

See Pages 4-42 to 4-45. *The requested information on past development trends has been added, including the percentage of past development on non-vacant sites, and the similarities between the previous uses on recent development sites and the uses on the designated Housing Opportunity Sites. The text also cites the incentives the City has created for development of non-vacant sites, and the specific programs that address potential constraints associated with such sites. The City has also removed the McDonalds restaurant on 4th Street from the sites inventory (it was a carry-over from the Fifth Cycle).*

HCD Comment 12

In addition, as noted in the element, the City relies upon nonvacant sites to accommodate more than 50 percent of the RHNA for lower-income households. For your information, the element must demonstrate existing uses are not an impediment to additional residential development and will likely discontinue in the planning period (Gov. Code, § 65583.2, subd. (g)(2)). Absent findings (e.g., adoption resolution) based on substantial evidence, the existing uses will be presumed to impede additional residential development and will not be utilized toward demonstrating adequate sites to accommodate the RHNA.

City Response

See Page 4-4. *The required findings for non-vacant sites have been included in the adopting Resolution.*

HCD Comment 13

Accessory Dwelling Units (ADUs): The element projects 200 ADUs to be constructed over the planning period, averaging 25 units per year. This projection was based on annual permit data from 2018-2021 (pp. 4-13). However, Annual Progress Reports submitted by the City indicated building permit figures of 24, 13, 36, and 18 for 2018, 2019, 2020, and 2021, respectively. The element should reconcile these figures and adjust assumptions as appropriate.

City Response

See Page 4-16 (Sites) and Page 5-21 (Constraints). *The data in the Housing Element now matches the data reported by HCD and is consistent with the City's own annual progress reports. The City has moved the four-year "look-back" period forward to include data for 2022, when 45 ADUs received building permits. Thus the four-year historic average is now 28 units a year, which exceeds the 25 unit/yr projection included in the Housing Element.*

HCD Comment 14

In addition, a cursory review of the City's ordinance by HCD discovered areas which appear to be inconsistent with State ADU Law. As a result, the element should add or modify a

program to update the City's ADU ordinance in order to comply with state law. For more information, please consult HCD's ADU Guidebook, updated in July 2022, which provides detailed information on new state requirements surrounding ADU development.

City Response

See Page 6-38. Also, see Page 5-22. Program 26 has been amended to direct the City to work with HCD's ADU team to resolve any issues with the current ordinance and amend the Municipal Code as needed. Recent changes to State law are also now noted on Page 5-22.

HCD Comment 15

Availability of Infrastructure: The element includes some discussion on water and sewer providers in the City but describes some infrastructure limitations including drought and the need for capital improvement projects (pp. 4-36). The element must clarify whether there is sufficient total water and sewer capacity (existing and planned) to accommodate the regional housing need and include programs if necessary.

City Response

See Page 4-49 to 4-51. Also see Page 6-52. The requested information has been added to Chapter 4. There is sufficient water and sewer capacity to meet the regional need. Based on the analysis, we have also edited Program 40 to call for regular coordination with the two sanitary sewer districts as they implement their CIPs.

HCD Comment 16

Electronic Sites Inventory: Pursuant to Government Code section 65583.3, subdivision (b), the City must utilize standards, forms, and definitions adopted by HCD when preparing the sites inventory. Please see HCD's housing element webpage at <https://www.hcd.ca.gov/planning-and-community-development/housing-elements> for a copy of the form and instructions. The City can reach out to HCD at sitesinventory@hcd.ca.gov for technical assistance. Please note, upon adoption of the housing element, the City must submit an electronic version of the sites inventory with its adopted housing element to sitesinventory@hcd.ca.gov.

City Response

The City will be completing this task upon adoption of the Housing Element, as required.

HCD Comment 17

Zoning for a Variety of Housing Types:

- *Emergency Shelters:* While the element acknowledged that emergency shelter parking requirements should be updated pursuant to AB 139 (Chapter 335, Statutes of 2019), no corresponding action in Program 4 was found. The element should be revised to demonstrate consistency with AB 139, which requires only sufficient parking to accommodate all staff working in the emergency shelter, provided that the standards do not

require more parking for emergency shelters than other residential or commercial uses within the same zone.

City Response

See Page 6-12. Program 4 has been amended to revise the parking standards so they are consistent with AB 139.

HCD Comment 18

In addition, while the element included some discussion on development standards for emergency shelters in the area south of Bellam/east of I-580, it must also include analysis on proximity to transportation and services for these sites, hazardous conditions, and any conditions inappropriate for human habitability. For your information, Chapter 654, Statutes of 2022 (AB 2339), adds additional specificity on how cities and counties plan for emergency shelters and ensure sufficient and suitable capacity. Future submittals of the housing element may need to address these statutory requirements. For additional information and timing requirements, please see HCD's memo at <https://www.hcd.ca.gov/sites/default/files/docs/planning-and-community/ab2339-notice.pdf>.

City Response

See Page 5-28 and 5-29. The discussion of emergency shelters has been amended to analyze proximity to transportation and services, hazardous conditions, and conditions impacting human habitability in the areas where shelters are permitted by right. Compliance with AB 2339 is also addressed here, and Program 4 has been changed to require a future zoning amendment that allows emergency shelter on additional sites where residential uses are allowed (per AB 2339).

HCD Comment 19

• **Supportive and Transitional Housing:** The element states that supportive and transitional housing are treated as residential uses subject only to those restrictions that apply to other residential uses of the same type in the same zone (pp. 5-25). Additionally, the element included Table 5.7, listing allowable uses per zoning district. However, this table did not reflect whether transitional and supportive housing are allowed in zones that allow for residential uses (e.g., downtown commercial, community commercial, etc.). The element should reconcile this information and specifically clarify whether the City permits these types of housing as a residential use and only subject to those restrictions that apply to other residential dwellings of the same type in the same zone pursuant to Government Code section 65583 (a)(5).

City Response

See Page 5-26 and Page 6-3. The text has been updated to clarify that transitional and supportive housing are allowed in all zones that allow residential uses, subject only to the same restrictions that apply to other residential dwellings of the same type in the same zone. Policy H-1.2 has been amended to clarify this as well.

HCD Comment 20

Finally, supportive housing shall be a use by-right in zones where multifamily and mixed uses are permitted, including nonresidential zones permitting multifamily uses pursuant to Government Code section 65651. The element must demonstrate compliance with these requirements and include programs as appropriate.

City Response

See Page 5-25, 5-26, and Page 6-54. Table 5.7 and related text clarifies that “multi-family” is defined in the Muni Code to include transitional and supportive housing. Program 41 (P 6-54) has also been amended to explicitly state that supportive housing is permitted by right where multi-family and mixed uses are permitted. This is also reiterated in Policy H-1.2 (P 6-3), per previous comment.

HCD Comment 21

• *Housing for Agricultural Employees:* The element must demonstrate zoning is consistent with the Employee Housing Act (Health and Safety Code, § 17000 et seq.), specifically, sections 17021.5 and 17021.6. Section 17021.5 requires employee housing for six or fewer employees to be treated as a single-family structure and permitted in the same manner as other dwellings of the same type in the same zone. To address this, the element references an action to be included in its programs (pg. 5-29) but no such program was found. In addition, 17021.6 requires employee housing consisting of no more than 12 units or 36 beds to be permitted in the same manner as other agricultural uses in the same zone. For additional information and sample analysis, see the Building Blocks at <https://www.hcd.ca.gov/planning-and-community-development/housing-elements/building-blocks/farmworkers>.

City Response

See Page 5-31 and Page 6-56. The discussion of special housing types in Chapter 5, and Program 42 in Chapter 6, have been amended to address this issue.

HCD Comment 22

5. An analysis of potential and actual governmental constraints upon the maintenance, improvement, or development of housing for all income levels, including the types of housing identified in paragraph (1) of subdivision (c), and for persons with disabilities as identified in the analysis pursuant to paragraph (7), including land use controls, building codes and their enforcement, site improvements, fees and other exactions required of developers, and local processing and permit procedures... (Gov. Code, § 65583, subd. (a)(5).)

Land-Use Controls: While the element included discussion of development standards in many residential districts, including the Downtown Precise Plan districts, it must also provide analysis on development standards for the Downtown Station Area Plans.

City Response

See Page 5-5. Chapter 5 has been amended to note that the Station Area Plans were not formally adopted and did not have development standards.

HCD Comment 23

In addition, the element identifies open space and minimum lot coverage requirements for multi-family development in the HR-1 zones as constraints and identifies programs to address these constraints (pp. 5-10; 5-14). However, no corresponding actions were found in Program 42 (Zoning Text and Map Revisions). Accordingly, Program 42 should be modified to address these constraints.

City Response

See Page 6-56. *Program 42 has been amended so that the potential constraints identified in this comment will be mitigated.*

HCD Comment 24

Processing and Permit Procedures: The element identified the Planned Development (PD) process for parcels greater than five acres as a constraint on housing and indicates that the City's General Plan contains an action to make the PD process optional for parcels greater than five acres (pp. 5-7). Accordingly, Program 41 (Streamlining of Development Approval) should also be modified to address this constraint.

City Response

See Page 5-8. *The text in Chapter 5 has been edited to note that the PD process became optional in August 2021 with the adoption of General Plan 2040. A Municipal Code Amendment is not required.*

HCD Comment 25

In addition, the element should address public comments on this revised draft submittal and discuss compliance with the Permit Streamlining Act and intersections with CEQA and timing requirements, including streamlining determinations and add or modify programs as appropriate.

City Response

See Page 5-38 and 5-39 for analysis, and Page 6-52 and 6-54 for program changes. *A new section to Chapter 5 has been added to describe environmental review procedures and resolve this comment. In addition, Program 41 has been amended to note that the City's CEQA procedures will comply with the relevant provisions of the Permit Streamlining Act.*

HCD Comment 26

Zoning, Development Standards, and Fees: The element must clarify compliance with new transparency requirements for posting all zoning, development standards, and fees on the City's website and add a program to address these requirements, if necessary.

City Response

See Page 5-40. *The requested information has been added to Chapter 5.*

HCD Comment 27

On-/Off-Site Improvements: While the element includes a general discussion of on-/off-site improvements (pp. 5-43), it must specifically identify subdivision level improvement requirements, such as minimum street widths (e.g., 40-foot minimum street width), and analyze their impact as potential constraints on housing supply and affordability.

City Response

See Pages 5-49 and 5-50. *The requested information on subdivision-level improvement requirements, including street widths, has been added. Based on input from our development community, these requirements are not potential constraints on housing supply and affordability in San Rafael.*

HCD Comment 28

Constraints on Housing for Persons with Disabilities:

- **Family Definition:** Zoning should implement a barrier-free definition of family. The element must identify and analyze the City's definition of family as a potential constraint on housing for persons with disabilities and include programs as appropriate.

City Response

See Page 5-32 and Page 6-45. *An analysis of the definition of family has been added to Chapter 5. The City has also modified Program 33 (page 6-45) to add a barrier-free definition of family to the Municipal Code.*

HCD Comment 29

- **Group Homes:** The City's Zoning Code appears to isolate and regulate group homes based on the type of population served (Table 5.7). Notably, the element notes that group homes are permitted by-right if serving the "handicapped" and subject to a conditional use permit (CUP) otherwise. Zoning and standards should simply implement a barrier-free definition of family instead of subjecting, potentially persons with disabilities, to special regulations. Zoning code regulations that isolate and regulate various types of housing for persons with disabilities based on the number of people and other factors may pose a constraint on housing choice for persons with disabilities. The element should include specific analysis of these and any other constraints for impacts on housing for persons with disabilities and add or modify programs as appropriate. For more information, please consult HCD's Group Home Technical Advisory Memo <https://www.hcd.ca.gov/sites/default/files/docs/planning-and-community/group-home-technical-advisory-2022.pdf>.

City Response

See Page 5-27 (analysis) and Pages 6-45 and 6-46 (programs). *The Chapter 5 edits address the issues raised here. The Chapter 6 edits modify Programs 33 and 34 to address the concerns raised here. Program 34 now includes objective standards for large residential care facilities so that they may be permitted by right.*

HCD Comment 30

Reasonable Accommodation: While the element includes discussion of reasonable accommodation procedures for persons with disabilities (pp. 5-30), additional information is required to address this finding. Specifically, the element must also analyze fees and processing times for requests received.

City Response

See Page 5-33 and 34 (analysis) and Page 6-45 (programs). Staff conducted supplemental outreach on this topic and has documented its findings in Chapter 5. In addition, the City has modified Program 33 to eliminate the fee for reasonable accommodation permits.

HCD Comment 31

6. An analysis of potential and actual nongovernmental constraints upon the maintenance, improvement, or development of housing for all income levels, including... ..the requests to develop housing at densities below those anticipated in the analysis required by subdivision (c) of Government Code section 65583.2, and the length of time between receiving approval for a housing development and submittal of an application for building permits for that housing development that hinder the construction of a locality's share of the regional housing need in accordance with Government Code section 65584... (Gov. Code, § 65583, subd. (a)(6).)

Permit Approval Times: While the element includes a general description of delays between approval and building permits (pgs. 5-48-49), it must still identify the length of time between receiving approval for a housing development and submittal of an application for building permits. The element must address any hinderance on the development of housing and include programs as appropriate.

City Response

See Pages 5-55 and 5-56 (analysis) and Page 6-58 (programs). This topic is addressed as a nongovernmental constraint in Chapter 5. In response to a meeting with HCD, the City has provided data on the average time between entitlement and permitting, noting that it varies widely depending on project size and type. In addition, the City has added a new Program (Program 44) calling for regular monitoring of entitled projects and outreach to developers. This program also responds to HCD Comment 7.

HCD Comment 32

7. Analyze existing assisted housing developments that are eligible to change to non-low-income housing uses during the next 10 years due to termination of subsidy contracts, mortgage prepayment, or expiration of use restrictions. (Gov. Code, § 65583, subd. (a)(9) through 65583(a)(9)(D).)

The element indicates that the Rafael Town Center (38 assisted units) is at-risk of conversion in the planning period. Therefore, the element must include additional analysis that provides estimates of replacement and preservation costs for at-risk housing.

City Response

See Pages 3-66 to 3-68. Staff conducted follow-up research after receiving this comment and determined that there are no units at risk of conversion. The 2015 Housing Element reported that the BMR units at Rafael Town Center would expire in 2025 and this information had been carried forward in the December 2022 Draft. Staff did supplemental research on the Development Agreement for this project and learned that the BMR term is actually 40 years and does not expire until 2042. Staff has also modified Program 32 (Page 6-42) to work with the non-profit owner of Pilgrim Park, who has already stated their intent to preserve the affordability of units there.

HCD Comment 33

In addition, the element includes Table 3.32 which lists known affordable housing developments. For your information, HCD's records indicate the following projects are also within the City's affordable housing portfolio. The element should verify affordability information for the following projects: Vivalon Healthy Aging Campus (66 assisted units located on 999 3rd Street), Belle Avenue (9 assisted units located on 519 Belle Avenue), 3301 Kerner (44 assisted units located on 3301 Kerner Boulevard), and Marin Housing for the Handicapped (12 assisted units located on 626 Del Ganado Road).

City Response

See Pages 3-66 to 3-68. Staff added 519 Belle Ave text to the Table. The 626 Del Ganado project was already listed and has been confirmed. The Vivalon and Kerner projects are currently under construction and are not yet providing units (this is now noted in the text).

HCD Comment 34

C. Housing Programs

1. Include a program which sets forth a schedule of actions during the planning period, each with a timeline for implementation, which may recognize that certain programs are ongoing, such that there will be beneficial impacts of the programs within the planning period, that the local government is undertaking or intends to undertake to implement the policies and achieve the goals and objectives of the Housing Element... (Gov. Code, § 65583, subd. (c).)

To have a beneficial impact in the planning period and address the goals of the housing element, programs must be revised with discrete timelines and programs should be evaluated to ensure meaningful and specific actions and objectives. As an example, several programs contain timelines for implementation that have since past or are underway and should be updated to reflect current conditions and circumstances. These programs include, but are not limited to, 1 (Housing and Homelessness Division), 2 (Extremely Low-Income Housing Resources), and 8 (Latinx Community Capacity Building and Engagement).

City Response

See Chapter 6. Staff has have updated the timelines to reflect activities since Fall 2002 for the following Programs:

- *Program 1 (Housing/Homelessness Division)*

- *Program 2 (Extremely Low-Income Housing)*
- *Program 3 (Funding to Reduce Homelessness)*
- *Program 5 (Public Information and Engagement)*
- *Program 8 (Latinx Community Capacity Building)*
- *Program 9 (Interjurisdictional Housing Activities)*
- *Program 16 (Funding for Affordable Housing)*
- *Program 20 (Precise Plan for North San Rafael)*
- *Program 21 (Precise Plan for Southeast San Rafael)*

HCD Comment 35

Additionally, all programs should be evaluated to ensure meaningful and specific actions and objectives. Programs containing unclear language (e.g., “evaluate”; “consider”; “encourage”; etc.) or vague commitments should be amended to include more specific and measurable actions. These programs include, but are not limited to, 26 (Accessory Dwelling Units), 32 (Housing Resources for Older Adults), 41 (Streamlining of Development Approval), 43 (Revisions to Parking Standards).

City Response

See Chapter 6. *Staff has added more actionable language and/or time commitments to the following programs in response to this comment and subsequent communication with HCD:*

- *Program 26 (ADUs)*
- *Program 28 (Housing on Institutional and Religious Properties)*
- *Program 32 (Housing Resources for Older Adults)*
- *Program 35 (Affordable Housing for Large Families)*
- *Program 39 (Affordable Housing Incentives)*
- *Program 41 (Streamlining of Development Approval)*
- *Program 43 (Revisions to Parking Standards)*

HCD Comment 36

2. Identify actions that will be taken to make sites available during the planning period with appropriate zoning and development standards and with services and facilities to accommodate that portion of the city’s or county’s share of the regional housing need for each income level that could not be accommodated on sites identified in the inventory completed pursuant to paragraph (3) of subdivision (a) without rezoning, and to comply with the requirements of Government Code section 65584.09. Sites shall be identified as needed to facilitate and encourage the development of a variety of types of housing for all income levels, including multifamily rental housing, factory-built housing, mobilehomes, housing for agricultural employees, supportive housing, single-room occupancy units, emergency shelters, and transitional housing. (Gov. Code, § 65583, subd. (c)(1).)

As noted in Finding B4, the element does not include a complete site analysis, therefore, the adequacy of sites and zoning were not established. Based on the results of a complete sites inventory and analysis, the City may need to add or revise programs to address a shortfall of sites or zoning available to encourage a variety of housing types. In addition, the element should be revised as follows:

City Response

The comment is resolved by revisions to other comments, as described above.

HCD Comment 37

Publicly-Owned Sites: The element identifies City-owned sites to accommodate a portion of the RHNA. The element must include a program that ensures compliance with the Surplus Lands. The program should include numerical objectives, and provide incentives and actions, along with a schedule, to facilitate development of City-owned sites. Actions could include outreach with developers, issuing requests for proposals, incentives, fee waivers, priority processing, and financial assistance.

City Response

See Pages 6-31 and 6-32. Staff has modified Program 19 to address this issue. Compliance with Surplus Land Act is specifically addressed in the edited Program. More specific direction has been provided for marketing and developing at least two of the City-owned parking lots (including outreach, RFP, incentives, etc.).

HCD Comment 38

Single-Room Occupancy: The element notes that SROs are not explicitly defined in the City's Zoning Code and notes that a corresponding action should be considered (pp. 5-25-26). As such, the element must include a program to establish appropriate to establish appropriate zoning.

City Response

See Page 6-9. Staff has modified Program 2 to address this issue and establish appropriate zoning for SROs. This is also referenced on Page 5-27.

HCD Comment 39

3. Address and, where appropriate and legally possible, remove governmental and nongovernmental constraints to the maintenance, improvement, and development of housing, including housing for all income levels and housing for persons with disabilities. The program shall remove constraints to, and provide reasonable accommodations for housing designed for, intended for occupancy by, or with supportive services for, persons with disabilities. (Gov. Code, § 65583, subd. (c)(3).)

As noted in Findings B5 and B6, the element requires a complete analysis of potential governmental constraints. Depending upon the results of that analysis, the City may need to revise or add programs and address and remove or mitigate any identified constraints.

City Response

Comment is resolved by revisions to other comments, as described above.

HCD Comment 40

4. Promote and affirmatively further fair housing opportunities and promote housing throughout the community or communities for all persons regardless of race, religion, sex, marital status, ancestry, national origin, color, familial status, or disability, and other characteristics protected by the California Fair Employment and Housing Act (Part 2.8 (commencing with Section 12900) of Division 3 of Title 2), Section 65008, and any other state and federal fair housing and planning law. (Gov. Code, § 65583, subd. (c)(5).)

As noted in Finding B1, the element must include a complete analysis of AFFH. Based on the outcome of that analysis, the element must add or modify programs.

Goals, Policies, and Metrics: While the element included significant and meaningful programs to address issues identified in its AFFH analysis, HCD received public comment that identified homelessness as an ongoing concern in the City. Given the City's significant homeless population, the element should include reference to programs that the City is undertaking to address homelessness in Table 6-2 and modify these programs to geographically target actions in areas with high concentration of persons experiencing homelessness as part of the City's place based AFFH strategies.

City Response

See Pages 6-68 and 6-69. The AFFH matrix (Table 6-2) has been amended to address this issue. The matrix identifies place-based initiatives related to homelessness and also cites other place-based initiatives not associated with the Housing Element that advance AFFH goals in the city.

HCD Comment 41

Additionally, HCD also received public comment regarding the need to strengthen Program 11 (Tenant Protection Measures). The element should commit to implementing some or all of these strategies, depending on the outcomes of the City's feasibility evaluation and identify potential funding sources and timelines to secure funding to support some or all of the actions identified by stakeholders in Program 11.

City Response

See Pages 6-22 and 6-23. Program 11 has been modified to address the issues cited here, including taking action on the recommendations following the evaluation, and securing funding to support the actions.

5. The housing program shall preserve for low-income households the assisted housing developments identified pursuant to paragraph (9) of subdivision (a). The program for preservation of the assisted housing developments shall utilize, to the extent necessary, all available federal, state, and local financing and subsidy programs identified in paragraph (9) of subdivision (a), except where a community has other urgent needs for which alternative funding sources are not available. The program may include strategies that involve local regulation and technical assistance. (Gov. Code, § 65583, subd. (c)(6).)

HCD Comment 42

The element includes Program 30 (Preservation of At-Risk Housing) and specifies actions to monitor at-risk units, including contacting property owners within two years of the affordability expiration dates on projects. However, the program should be modified to include noticing requirements within 3 years and 6 months of the affordability expiration dates, in addition to coordinating with qualified entities such as nonprofit organizations and establish time parameters around such actions.

City Response

See Page 6-42. *Program 30 has been modified to add the specific changes requested here.*

D. Quantified Objectives

Establish the number of housing units, by income level, that can be constructed, rehabilitated, and conserved over a five-year time frame. (Gov. Code, § 65583, subd. (b)(1 & 2).)

HCD Comment 43

The element provides a summary of quantified objectives (pp. 6-54). For your consideration, conservation and rehabilitation objectives could be increased by incorporating anticipated outcomes from the following programs: 12 (Periodic Housing Inspection), 15 (Increasing Equity in Home Maintenance), and 29 (Conversion of Residential and Nonresidential).

City Response

See Page 6-59, and also Pages 6-24 and 6-41. *In response to this comment, Staff has identified quantified objectives for Programs 12, 15, and 29. These are included in the text for Programs 12 (P 6-24) and 29 (P 6-41) and also in Table 6-1.*

Exhibit 1-C:

Conformance of Housing Element with State Law Requirements, Article 10.6 [65580 – 65589.11]

Note: All page number references are to the “clean” Adoption Draft version of the Housing Element published on April 20, 2023. Provisions labelled N/A are either not applicable to San Rafael or do not require a reference.

GOVERNMENT CODE PROVISION	HOUSING ELEMENT COMPLIANCE
Section 65583	
The housing element shall consist of an identification and analysis of existing and projected housing needs and a statement of goals, policies, quantified objectives, financial resources, and scheduled programs for the preservation, improvement, and development of housing.	Chapter 3 (Needs Assessment) Chapter 6 (Goals, policies, quantified objectives, programs)
The housing element shall identify adequate sites for housing, including rental housing, factory-built housing, mobilehomes, and emergency shelters, and shall make adequate provision for the existing and projected needs of all economic segments of the community.	Chapter 4 (Sites Inventory)
The element shall contain all of the following:	N/A
(a) An assessment of housing needs and an inventory of resources and constraints relevant to the meeting of these needs. The assessment and inventory shall include all of the following:	Chapter 3 (Needs Assessment) Chapter 4 (Resources) Chapter 5 (Constraints)
(a)(1) An analysis of population and employment trends and documentation of projections	Sec 3.2.1 to 3.2.4 (population trends) Sec 3.2.5 (employment trends) Sec 3.6 (projections)
(a)(1) A quantification of the locality's existing and projected housing needs for all income levels, including extremely low income households, as defined in subdivision (b) of Section 50105 and Section 50106 of the Health and Safety Code. These existing and projected needs shall include the locality's share of the regional housing need in accordance with Section 65584. Local agencies shall calculate the subset of very low income households allotted under Section 65584 that qualify as extremely low income households. The local agency may either use available census data to calculate the percentage of very low income households that qualify as extremely low income households or presume that 50 percent of the very low income households qualify as extremely low income households. The number of extremely low income households and very low income households shall equal the jurisdiction's allocation of very low income households pursuant to Section 65584.	Sec 3.6.2 (existing and projected needs for all income levels) Page 3-21 to 3-33 (Extremely Low Income Household needs) Page 3-71 (projected need for extremely low)

GOVERNMENT CODE PROVISION	HOUSING ELEMENT COMPLIANCE
(a)(2) An analysis and documentation of household characteristics, including level of payment compared to ability to pay,	Sec 3.3 (Household Trends) Sec 3.3.4 (Household Tenure) Sec 3.3.6 (Cost burden)
(a)(2) housing characteristics, including overcrowding, and	Sec 3.5 (Housing characteristics) Sec 3.3.7 (Overcrowding)
(a)(2) housing stock condition.	Sec 3.5.4
(a)(3) An inventory of land suitable and available for residential development, including vacant sites and sites having realistic and demonstrated potential for redevelopment during the planning period to meet the locality's housing need for a designated income level, and an analysis of the relationship of zoning and public facilities and services to these sites, and an analysis of the relationship of the sites identified in the land inventory to the jurisdiction's duty to affirmatively further fair housing. Note: Please see Section 65583.2 regarding the land inventory.	Chapter 4 (Sites Inventory) Sec 4.9.2 (relation to Public Facilities and Services) Sec 4.9.3 and Appendix A, page A-116 (Contribution to AFFH)
[Note that AB 2339 (Chapter 654, Statutes of 2022) amended Section 65583(a)(4). It does not apply to ABAG-area housing elements unless the first draft of the housing element is submitted to ABAG after January 31, 2023 or a draft is submitted after April 1, 2023. Therefore the sections below include the statutory provisions of Section 65583(a)(4) effective in 2022. Jurisdictions adopting their housing element after January 31, 2023 should describe why AB 2339 is not applicable to them.]	N/A. The first Draft was submitted before Jan 31, 2023. Also, the City has already adopted objective standards for emergency shelter.
(a)(4)(A) The identification of a zone or zones where emergency shelters are allowed as a permitted use without a conditional use or other discretionary permit. The identified zone or zones shall include sufficient capacity to accommodate the need for emergency shelter identified in paragraph (7), except that each local government shall identify a zone or zones that can accommodate at least one year-round emergency shelter.	Page 5-27 to 5-30
(a)(4)(A) If the local government cannot identify a zone or zones with sufficient capacity, the local government shall include a program to amend its zoning ordinance to meet the requirements of this paragraph within one year of the adoption of the housing element. The local government may identify additional zones where emergency shelters are permitted with a conditional use permit.	N/A
(a)(4)(A) The local government shall also demonstrate that existing or proposed permit processing, development, and management standards are objective and encourage and facilitate the development of, or conversion to, emergency shelters.	Page 5-27 to 5-30 (objective standards are listed)

GOVERNMENT CODE PROVISION	HOUSING ELEMENT COMPLIANCE
<p>(a)(4)(A) Emergency shelters may only be subject to those development and management standards that apply to residential or commercial development within the same zone except that a local government may apply written, objective standards that include all of the following:</p> <ul style="list-style-type: none"> (i) The maximum number of beds or persons permitted to be served nightly by the facility. (ii) Sufficient parking to accommodate all staff working in the emergency shelter, provided that the standards do not require more parking for emergency shelters than other residential or commercial uses within the same zone. (iii) The size and location of exterior and interior onsite waiting and client intake areas. (iv) The provision of onsite management. (v) The proximity to other emergency shelters, provided that emergency shelters are not required to be more than 300 feet apart. (vi) The length of stay. (vii) Lighting. (viii) Security during hours that the emergency shelter is in operation. 	<p>Page 5-27 to 5-30</p>
<p>(a)(4)(B) The permit processing, development, and management standards applied under this paragraph shall not be deemed to be discretionary acts within the meaning of the California Environmental Quality Act (Division 13 (commencing with Section 21000) of the Public Resources Code).</p>	<p>N/A</p>
<p>(a)(4)(C) A local government that can demonstrate to the satisfaction of the department the existence of one or more emergency shelters either within its jurisdiction or pursuant to a multijurisdictional agreement that can accommodate that jurisdiction's need for emergency shelter identified in paragraph (7) may comply with the zoning requirements of subparagraph (A) by identifying a zone or zones where new emergency shelters are allowed with a conditional use permit.</p>	<p>N/A</p>
<p>(a)(4)(D) A local government with an existing ordinance or ordinances that comply with this paragraph shall not be required to take additional action to identify zones for emergency shelters. The housing element must only describe how existing ordinances, policies, and standards are consistent with the requirements of this paragraph.</p>	<p>Page 5-27 to 5-30 Program 42 further addresses Low Barrier Navigation Centers</p>

GOVERNMENT CODE PROVISION	HOUSING ELEMENT COMPLIANCE
(a)(5) An analysis of potential and actual governmental constraints upon the maintenance, improvement, or development of housing for all income levels, including the types of housing identified in paragraph (1) of subdivision (c), and [Note: The types of housing identified in Section 65583(c)(1) include multifamily rental housing, factory-built housing, mobilehomes, housing for agricultural employees, supportive housing, single-room occupancy units, emergency shelters, and transitional housing.]	Sec. 5.2.8
(a)(5) for persons with disabilities as identified in the analysis pursuant to paragraph (7),	Sec 5.2.9
(a)(5) including land use controls,	Sec 5.2.8
(a)(5) building codes and their enforcement,	Sec 5.2.10
(a)(5) site improvements,	Sec 5.2.14
(a)(5) fees and other exactions required of developers,	Sec 5.2.13
(a)(5) local processing and permit procedures,	Sec 5.2.11
(a)(5) and any locally adopted ordinances that directly impact the cost and supply of residential development.	Sec 5.2.6 (Affordable Housing Ord.)
(a)(5) The analysis shall also demonstrate local efforts to remove governmental constraints that hinder the locality from meeting its share of the regional housing need in accordance with Section 65584	Sec. 5.2.12 Chapter 6, programs 24, 25, 26, 27, 28, 36, 37, 38, 39, 40, 41, 42, 43
(a)(5) and from meeting the need for housing for persons with disabilities, supportive housing, transitional housing, and emergency shelters identified pursuant to paragraph (7).	Sec 2.3 Chapter 6, programs 1, 2, 3, 4, 32, 33, 34, 35
(a)(6) An analysis of potential and actual nongovernmental constraints upon the maintenance, improvement, or development of housing for all income levels, including the availability of financing,	Sec 5.3
(a)(6) the price of land,	Sec 5.3.1
(a)(6) the cost of construction,	Sec 5.3.1
(a)(6) the requests to develop housing at densities below those anticipated in the analysis required by subdivision (c) of Section 65583.2,	Sec 5.3.4
(a)(6) and the length of time between receiving approval for a housing development and submittal of an application for building permits for that housing development that hinder the construction of a locality's share of the regional housing need in accordance with Section 65584.	Sec 5.3.4
(a)(6) The analysis shall also demonstrate local efforts to remove nongovernmental constraints that create a gap between the locality's planning for the development of housing for all income levels and the construction of that housing.	Chapter 6, programs 3, 9, 15, 16, 18, 36, 38, 39, 41, 44

GOVERNMENT CODE PROVISION	HOUSING ELEMENT COMPLIANCE
(a)(7) An analysis of any special housing needs, such as those of the	Sec 3.4
(a)(7) elderly;	Sec 3.4.1
(a)(7) persons with disabilities, including a developmental disability, as defined in Section 4512 of the Welfare and Institutions Code;	Sec 3.4.2
(a)(7) large families;	Sec 3.4.3
(a)(7) farmworkers;	Sec 3.4.5
(a)(7) families with female heads of households;	Sec 3.4.4
(a)(7) and families and persons in need of emergency shelter.	Sec 3.4.6
(a)(7) The need for emergency shelter shall be assessed based on the capacity necessary to accommodate the most recent homeless point-in-time count conducted before the start of the planning period, the need for emergency shelter based on number of beds available on a year-round and seasonal basis, the number of shelter beds that go unused on an average monthly basis within a one-year period, and the percentage of those in emergency shelters that move to permanent housing solutions.	Page 3-42 to 3-45
(a)(7) The need for emergency shelter may be reduced by the number of supportive housing units that are identified in an adopted 10-year plan to end chronic homelessness and that are either vacant or for which funding has been identified to allow construction during the planning period.	N/A
(a)(7) An analysis of special housing needs by a city or county may include an analysis of the need for frequent user coordinated care housing services.	N/A
(a)(8) An analysis of opportunities for energy conservation with respect to residential development. Cities and counties are encouraged to include weatherization and energy efficiency improvements as part of publicly subsidized housing rehabilitation projects. This may include energy efficiency measures that encompass the building envelope, its heating and cooling systems, and its electrical system.	Sec 4.10
(a)(9) An analysis of existing assisted housing developments that are eligible to change from low-income housing uses during the next 10 years due to termination of subsidy contracts, mortgage prepayment, or expiration of restrictions on use. "Assisted housing developments," for the purpose of this section, shall mean multifamily rental housing that receives governmental assistance under federal programs listed in subdivision (a) of Section 65863.10, state and local multifamily revenue bond programs, local redevelopment programs, the federal Community Development Block Grant Program, or local in-lieu fees. "Assisted housing developments" shall also include multifamily rental units that	Sec 3.5.10

GOVERNMENT CODE PROVISION	HOUSING ELEMENT COMPLIANCE
<p>were developed pursuant to a local inclusionary housing program or used to qualify for a density bonus pursuant to Section 65915.</p>	
<p>(a)(9)(A) The analysis shall include a listing of each development by project name and address, the type of governmental assistance received, the earliest possible date of change from low-income use, and the total number of elderly and nonelderly units that could be lost from the locality's low-income housing stock in each year during the 10-year period. For purposes of state and federally funded projects, the analysis required by this subparagraph need only contain information available on a statewide basis.</p>	<p>Sec 3.5.10</p>
<p>(a)(9)(B) The analysis shall estimate the total cost of producing new rental housing that is comparable in size and rent levels, to replace the units that could change from low-income use, and an estimated cost of preserving the assisted housing developments. This cost analysis for replacement housing may be done aggregately for each five-year period and does not have to contain a project-by-project cost estimate.</p>	<p>N/A (no at risk units)</p>
<p>(a)(9)(C) The analysis shall identify public and private nonprofit corporations known to the local government that have legal and managerial capacity to acquire and manage these housing developments.</p>	<p>Sec 4.11 (P 4-59)</p>
<p>(a)(9)(D) The analysis shall identify and consider the use of all federal, state, and local financing and subsidy programs that can be used to preserve, for lower income households, the assisted housing developments, identified in this paragraph, including, but not limited to, federal Community Development Block Grant Program funds, tax increment funds received by a redevelopment agency of the community, and administrative fees received by a housing authority operating within the community. In considering the use of these financing and subsidy programs, the analysis shall identify the amounts of funds under each available program that have not been legally obligated for other purposes and that could be available for use in preserving assisted housing developments.</p>	<p>Sec 4.11</p>
<p>(b) (1) A statement of the community's goals, quantified objectives, and policies relative to affirmatively furthering fair housing and to the maintenance, preservation, improvement, and development of housing.</p>	<p>Chapter 6</p>

GOVERNMENT CODE PROVISION	HOUSING ELEMENT COMPLIANCE
(2) It is recognized that the total housing needs identified pursuant to subdivision (a) may exceed available resources and the community's ability to satisfy this need within the content of the general plan requirements outlined in Article 5 (commencing with Section 65300). Under these circumstances, the quantified objectives need not be identical to the total housing needs. The quantified objectives shall establish the maximum number of housing units by income category, including extremely low income, that can be constructed, rehabilitated, and conserved over a five-year time period.	Page 6-59 (Table 6-1)
(c) A program that sets forth a schedule of actions during the planning period, each with a timeline for implementation, that may recognize that certain programs are ongoing, such that there will be beneficial impacts of the programs within the planning period, that the local government is undertaking or intends to undertake to implement the policies and achieve the goals and objectives of the housing element	Chapter 6 (all programs)
(c) through the administration of land use and development controls,	Chapter 6: programs 17, 20, 21, 24, 25, 26, 27, 28, 38, 39, 42, 43
(c) the provision of regulatory concessions and incentives,	Chapter 6: programs 24, 36, 39, 41
(c) the utilization of appropriate federal and state financing and subsidy programs when available,	Chapter 6: program 3, 9, 15, 16, 18
(c) and the utilization of moneys in a low- and moderate-income housing fund of an agency if the locality has established a redevelopment project area pursuant to the Community Redevelopment Law (Division 24 (commencing with Section 33000) of the Health and Safety Code).	Chapter 6: program 16
In order to make adequate provision for the housing needs of all economic segments of the community, the program shall do all of the following:	N/A
(c)(1) Identify actions that will be taken to make sites available during the planning period with appropriate zoning and development standards and with services and facilities to accommodate that portion of the city's or county's share of the regional housing need for each income level that could not be accommodated on sites identified in the inventory completed pursuant to paragraph (3) of subdivision (a) without rezoning, and to comply with the requirements of Section 65584.09.	Chapter 6: programs 4, 20, 21, 23, 24, 28, 29, 38, 39, 42
(c)(1) Sites shall be identified as needed to affirmatively further fair housing	Sec 4.9.3 and Appendix A, page A-116 (Contribution to AFFH)
(c)(1) and to facilitate and encourage the development of a variety of types of housing for all income levels, including multifamily rental housing,	P 5-10 to 5-15 (multi-family) Sec 5.2.8 Table 5.7
(c)(1) factory-built housing,	Page 5-24 (manufactured housing)
(c)(1) mobilehomes,	Page 5-24 (mobile homes)

GOVERNMENT CODE PROVISION	HOUSING ELEMENT COMPLIANCE
(c)(1) housing for agricultural employees,	Page 5-30
(c)(1) supportive housing,	Page 5-25
(c)(1) single-room occupancy units,	Page 5-27
(c)(1) emergency shelters,	Page 5-27 to 5-30
(c)(1) and transitional housing.	Page 5-25
(c)(1)(A) Where the inventory of sites, pursuant to paragraph (3) of subdivision (a), does not identify adequate sites to accommodate the need for groups of all household income levels pursuant to Section 65584, rezoning of those sites, including adoption of minimum density and development standards, for jurisdictions with an eight-year housing element planning period pursuant to Section 65588, shall be completed no later than three years after either the date the housing element is adopted pursuant to subdivision (f) of Section 65585 or the date that is 90 days after receipt of comments from the department pursuant to subdivision (b) of Section 65585, whichever is earlier, unless the deadline is extended pursuant to subdivision (f). Notwithstanding the foregoing, for a local government that fails to adopt a housing element that the department has found to be in substantial compliance with this article within 120 days of the statutory deadline in Section 65588 for adoption of the housing element, rezoning of those sites, including adoption of minimum density and development standards, shall be completed no later than one year from the statutory deadline in Section 65588 for adoption of the housing element.	Current zoning provides adequate capacity to meet RHNA for all income levels.
(c)(1)(B) Where the inventory of sites, pursuant to paragraph (3) of subdivision (a), does not identify adequate sites to accommodate the need for groups of all household income levels pursuant to Section 65584, the program shall identify sites that can be developed for housing within the planning period pursuant to subdivision (h) of Section 65583.2. The identification of sites shall include all components specified in Section 65583.2. Note: Please see Section 65583.2 regarding the land inventory and conformance with subdivision (h).	N/A. The inventory identifies adequate sites to meet the RHNA for all income groups.
(c)(1)(C) Where the inventory of sites pursuant to paragraph (3) of subdivision (a) does not identify adequate sites to accommodate the need for farmworker housing, the program shall provide for sufficient sites to meet the need with zoning that permits farmworker housing use by right, including density and development standards that could accommodate and facilitate the feasibility of the development of farmworker housing for low- and very low income households.	N/A. The inventory identifies adequate sites to meet the need for farmworker housing. Program 42 is included to treat employee housing the same as other housing types in each zone.
(c)(2) Assist in the development of adequate housing to meet the needs of extremely low, very low, low-, and moderate-income households.	Chapter 6 (all programs)

GOVERNMENT CODE PROVISION	HOUSING ELEMENT COMPLIANCE
(c)(3) Address and, where appropriate and legally possible, remove governmental and nongovernmental constraints to the maintenance, improvement, and development of housing, including housing for all income levels	Governmental: Chapter 6, programs 24, 25, 26, 27, 29, 37, 38, 39, 42, 43 Non-Governmental: Chapter 6, programs 16, 18, 23, 37, 40, 44
(c)(3) and housing for persons with disabilities. The program shall remove constraints to, and provide reasonable accommodations for housing designed for, intended for occupancy by, or with supportive services for, persons with disabilities.	Chapter 6: programs 5, 33, 34
(c)(3) Transitional housing and supportive housing shall be considered a residential use of property and shall be subject only to those restrictions that apply to other residential dwellings of the same type in the same zone.	Chapter 6: Policy H-1.2 (p 6-3)
(c)(3) Supportive housing, as defined in Section 65650, shall be a use by right in all zones where multifamily and mixed uses are permitted, as provided in Article 11 (commencing with Section 65650).	Chapter 6: Policy H-1.2 (p 6-3)
(c)(4) Conserve and improve the condition of the existing affordable housing stock, which may include addressing ways to mitigate the loss of dwelling units demolished by public or private action.	Chapter 6: Program 11 (also Programs 12 and 13)
(c)(5) Promote and affirmatively further fair housing opportunities and promote housing throughout the community or communities for all persons regardless of race, religion, sex, marital status, ancestry, national origin, color, familial status, or disability, and other characteristics protected by the California Fair Employment and Housing Act (Part 2.8 (commencing with Section 12900) of Division 3 of Title 2), Section 65008, and any other state and federal fair housing and planning law.	Appendix A Also see Table 6-2 (Chapter 6)
(c)(6) Preserve for lower income households the assisted housing developments identified pursuant to paragraph (9) of subdivision (a).	Chapter 6, Program 30
(c)(6) The program for preservation of the assisted housing developments shall utilize, to the extent necessary, all available federal, state, and local financing and subsidy programs identified in paragraph (9) of subdivision (a), except where a community has other urgent needs for which alternative funding sources are not available.	Chapter 6, Programs 16, 30
(c)(6) The program may include strategies that involve local regulation and technical assistance.	Chapter 6, Programs 6A, 6E, 6G
(c)(7) Develop a plan that incentivizes and promotes the creation of accessory dwelling units that can be offered at affordable rent, as defined in Section 50053 of the Health and Safety Code, for very low, low-, or moderate-income households. For purposes of this paragraph, "accessory dwelling units" has the same meaning as "accessory dwelling	Chapter 6, Program 26

GOVERNMENT CODE PROVISION	HOUSING ELEMENT COMPLIANCE
unit” as defined in paragraph (4) of subdivision (i) of Section 65852.2.	
(c)(8) Include an identification of the agencies and officials responsible for the implementation of the various actions and the means by which consistency will be achieved with other general plan elements and community goals.	Chapter 6. A responsible agency is listed for each of the 44 programs. Program 22 addresses the APR, which covers General Plan consistency.
(c)(9) Include a diligent effort by the local government to achieve public participation of all economic segments of the community in the development of the housing element, and the program shall describe this effort.	Page 1-9 to 1-16, Appendix C
(c)(10)(A) Affirmatively further fair housing in accordance with Chapter 15 (commencing with Section 8899.50) of Division 1 of Title 2. The program shall include an assessment of fair housing in the jurisdiction that shall include all of the following components:	Appendix A
(c)(10)(A)(i) A summary of fair housing issues in the jurisdiction	Appendix A, Section C
(c)(10)(A)(i) and an assessment of the jurisdiction’s fair housing enforcement and fair housing outreach capacity.	Appendix A, Page A-6 (enforcement) and Page A-11 (outreach)
(c)(10)(A)(ii) An analysis of available federal, state, and local data and knowledge to identify integration and segregation patterns and trends,	Appendix A, Section D
(c)(10)(A)(ii)racially or ethnically concentrated areas of poverty and affluence,	Appendix A, Section E1 and E2
(c)(10)(A)(ii) disparities in access to opportunity,	Appendix A, Section F
(c)(10)(A)(ii) and disproportionate housing needs,	Appendix A, Section G
(c)(10)(A)(ii) including displacement risk.	Appendix A, Section G4
(c)(10)(A)(ii) The analysis shall identify and examine such patterns, trends, areas, disparities, and needs, both within the jurisdiction.	This is addressed throughout Appendix A, with maps of San Rafael and the region for several variables
(c)(10)(A)(ii) and comparing the jurisdiction to the region in which it is located, based on race and other characteristics protected by the California Fair Employment and Housing Act (Part 2.8 (commencing with Section 12900) of Division 3 of Title 2) and Section 65008.	See comment above
(c)(10)(A)(iii) An assessment of the contributing factors, including the local and regional historical origins	Appendix A, Section H and Section J
(c)(10)(A)(iii) and current policies and practices, for the fair housing issues identified under clauses (i) and (ii).	Appendix A, Section C5
(c)(10)(A)(iv) An identification of the jurisdiction’s fair housing priorities and goals, giving highest priority to those factors identified in clause (iii) that limit or deny fair housing choice or access to opportunity, or negatively impact fair housing or civil rights compliance,	Appendix A, Section J. Also Chapter 6, Table 6-2
(c)(10)(A)(iv) and identifying the metrics and milestones for determining what fair housing results will be achieved.	Table 6-2

GOVERNMENT CODE PROVISION	HOUSING ELEMENT COMPLIANCE
(c)(10)(A)(v) Strategies and actions to implement those priorities and goals, which may include, but are not limited to, enhancing mobility strategies	See Chapter 6, programs supporting housing mobility are specifically listed in Table 6-2
(c)(10)(A)(v) and encouraging development of new affordable housing in areas of opportunity,	See Chapter 6, programs supporting new affordable housing in areas of opportunity are specifically listed in Table 6-2
(c)(10)(A)(v) as well as place-based strategies to encourage community revitalization, including preservation of existing affordable housing,	See Chapter 6, programs supporting place-based strategies are specifically listed in Table 6-2
(c)(10)(A)(v) and protecting existing residents from displacement.	See Chapter 6, programs to prevent displacement are specifically listed in Table 6-2
(c)(10)(B) A jurisdiction that completes or revises an assessment of fair housing pursuant to Subpart A (commencing with Section 5.150) of Part 5 of Subtitle A of Title 24 of the Code of Federal Regulations, as published in Volume 80 of the Federal Register, Number 136, page 42272, dated July 16, 2015, or an analysis of impediments to fair housing choice in accordance with the requirements of Section 91.225 of Title 24 of the Code of Federal Regulations in effect before August 17, 2015, may incorporate relevant portions of that assessment or revised assessment of fair housing or analysis or revised analysis of impediments to fair housing into its housing element.	N/A
(c)(10)(C) The requirements of this paragraph shall apply to housing elements due to be revised pursuant to Section 65588 on or after January 1, 2021.	N/A
(d)(1) A local government may satisfy all or part of its requirement to identify a zone or zones suitable for the development of emergency shelters pursuant to paragraph (4) of subdivision (a) by adopting and implementing a multijurisdictional agreement, with a maximum of two other adjacent communities, that requires the participating jurisdictions to develop at least one year-round emergency shelter within two years of the beginning of the planning period.	N/A
(d)(2) The agreement shall allocate a portion of the new shelter capacity to each jurisdiction as credit toward its emergency shelter need, and each jurisdiction shall describe how the capacity was allocated as part of its housing element.	N/A
(d)(3) Each member jurisdiction of a multijurisdictional agreement shall describe in its housing element all of the following:	N/A
(d)(3)(A) How the joint facility will meet the jurisdiction's emergency shelter need.	N/A

GOVERNMENT CODE PROVISION	HOUSING ELEMENT COMPLIANCE
<p>(d)(3)(B) The jurisdiction's contribution to the facility for both the development and ongoing operation and management of the facility.</p> <p>(d)(3)(C) The amount and source of the funding that the jurisdiction contributes to the facility.</p>	
<p>(d)(4) The aggregate capacity claimed by the participating jurisdictions in their housing elements shall not exceed the actual capacity of the shelter.</p>	N/A.
<p>(e) Except as otherwise provided in this article, amendments to this article that alter the required content of a housing element shall apply to both of the following: [Note that this provision is applicable to AB 2339 (Chapter 654, Statutes of 2022), which amended Section 65583(a)(4). Jurisdictions adopting their housing element after January 1, 2023 should describe why this amendment is not applicable to them.]</p>	N/A. City's standards comply with AB 2339.
<p>(1) A housing element or housing element amendment prepared pursuant to subdivision (e) of Section 65588 or Section 65584.02, when a city, county, or city and county submits a draft to the department for review pursuant to Section 65585 more than 90 days after the effective date of the amendment to this section.</p>	N/A
<p>(2) Any housing element or housing element amendment prepared pursuant to subdivision (e) of Section 65588 or Section 65584.02, when the city, county, or city and county fails to submit the first draft to the department before the due date specified in Section 65588 or 65584.02.</p>	N/A
<p>(f) – (j): Not applicable</p>	N/A
<p>Section 65583.1(a)</p>	
<p>(a) The Department of Housing and Community Development, in evaluating a proposed or adopted housing element for substantial compliance with this article, ... may also allow a city or county to identify sites for accessory dwelling units based on the number of accessory dwelling units developed in the prior housing element planning period whether or not the units are permitted by right, the need for these units in the community, the resources or incentives available for their development, and any other relevant factors, as determined by the department.</p>	Sec 4.6
<p>(b) Sites that contain permanent housing units located on a military base undergoing closure or conversion as a result of action pursuant to the Defense Authorization Amendments and Base Closure and Realignment Act (Public Law 100-526), the Defense Base Closure and Realignment Act of 1990 (Public Law 101-510), or any subsequent act requiring the closure or conversion of a military base may be identified as an adequate site if the housing element demonstrates that the housing units will be available for occupancy by households within the planning period of the element. No</p>	N/A (no military base in San Rafael)

GOVERNMENT CODE PROVISION	HOUSING ELEMENT COMPLIANCE
sites containing housing units scheduled or planned for demolition or conversion to nonresidential uses shall qualify as an adequate site.	
Note: If communities are using the provisions of Section 65583.1(c), which allow RHNA credit for conversion of non-affordable to affordable housing and for preservation of existing affordable housing at risk of loss, the applicable provisions need to be added to this table.	N/A. Provision is not being used
Section 65583.2	
(a) A city's or county's inventory of land suitable for residential development pursuant to paragraph (3) of subdivision (a) of Section 65583 shall be used to identify sites throughout the community, consistent with paragraph (10) of subdivision (c) of Section 65583,	Chapter 4 (maps included); Appendix B
(a) that can be developed for housing within the planning period and that are sufficient to provide for the jurisdiction's share of the regional housing need for all income levels pursuant to Section 65584. As used in this section, "land suitable for residential development" includes all of the following sites that meet the standards set forth in subdivisions (c) and (g):	Chapter 4 and Appendix B
(a)(1) Vacant sites zoned for residential use.	Sec 4.7.2 and 4.7.3, Appendix B
(a)(2) Vacant sites zoned for nonresidential use that allows residential development.	Sec 4.7.4 and 4.7.5
(a)(3) Residentially zoned sites that are capable of being developed at a higher density, including sites owned or leased by a city, county, or city and county	Sec. 4.7.3
(a)(4) Sites zoned for nonresidential use that can be redeveloped for residential use, and for which the housing element includes a program to rezone the site, as necessary, rezoned for, to permit residential use, including sites owned or leased by a city, county, or city and county.	Sites zoned for nonresidential use that can be redeveloped for residential use are addressed in Sections 4.7.4 to 4.7.6 and in Appendix B. Housing is allowed on all sites listed.
(b) The inventory of land shall include all of the following:	N/A
(b)(1) A listing of properties by assessor parcel number.	Appendix B
(b)(2) The size of each property listed pursuant to paragraph (1), and the general plan designation and zoning of each property.	Appendix B
(b)(3) For nonvacant sites, a description of the existing use of each property.	Appendix B, spreadsheets D, E, and F. Also, Tables 4.4 and 4.5
(b)(3) If a site subject to this paragraph is owned by the city or county, the description shall also include whether there are any plans to dispose of the property during the planning period and how the city or county will comply with Article 8 (commencing with Section 54220) of Chapter 5 of Part 1 of Division 2 of Title 5.	Chapter 6, Program 19

GOVERNMENT CODE PROVISION	HOUSING ELEMENT COMPLIANCE
(b)(4) A general description of any environmental constraints to the development of housing within the jurisdiction, the documentation for which has been made available to the jurisdiction. This information need not be identified on a site-specific basis.	Sec 4.9.1
(b)(5)(A) A description of existing or planned water, sewer, and other dry utilities supply, including the availability and access to distribution facilities.	Sec 4.9.2
(b)(5)(B) Parcels included in the inventory must have sufficient water, sewer, and dry utilities supply available and accessible to support housing development or be included in an existing general plan program or other mandatory program or plan, including a program or plan of a public or private entity providing water or sewer service, to secure sufficient water, sewer, and dry utilities supply to support housing development. This paragraph does not impose any additional duty on the city or county to construct, finance, or otherwise provide water, sewer, or dry utilities to parcels included in the inventory.	All parcels have water, sewer, and dry utilities. See also Program 40 (Water and Sewer Priority)
(b)(6) Sites identified as available for housing for above moderate-income households in areas not served by public sewer systems. This information need not be identified on a site-specific basis.	N/A. All areas served by sewer.
(b)(7) A map that shows the location of the sites included in the inventory, such as the land use map from the jurisdiction's general plan, for reference purposes only.	Figures 4-1 (A through E)
(c) Based on the information provided in subdivision (b), a city or county shall determine whether each site in the inventory can accommodate the development of some portion of its share of the regional housing need by income level during the planning period, as determined pursuant to Section 65584. The inventory shall specify for each site the number of units that can realistically be accommodated on that site and whether the site is adequate to accommodate lower income housing, moderate-income housing, or above moderate-income housing.	Appendix B. Spreadsheets C through F
(c) A nonvacant site identified pursuant to paragraph (3) or (4) of subdivision (a) in a prior housing element and a vacant site that has been included in two or more consecutive planning periods that was not approved to develop a portion of the locality's housing need shall not be deemed adequate to accommodate a portion of the housing need for lower income households that must be accommodated in the current housing element planning period unless the site is zoned at residential densities consistent with paragraph (3) of this subdivision and the site is subject to a program in the housing element requiring rezoning within three years of the beginning of the planning period to allow residential use by right for housing developments in which at least 20 percent	Program 41, Clause D (By right development on carry over sites)

GOVERNMENT CODE PROVISION	HOUSING ELEMENT COMPLIANCE
of the units are affordable to lower income households. An unincorporated area in a nonmetropolitan county pursuant to clause (ii) of subparagraph (B) of paragraph (3) shall not be subject to the requirements of this subdivision to allow residential use by right.	
(c) Notwithstanding the foregoing, for a local government that fails to adopt a housing element that the department has found to be in substantial compliance with state law within 120 days of the statutory deadline in Section 65588 for adoption of the housing element, rezoning pursuant to this subdivision shall be completed no later than one year from the statutory deadline in Section 65588 for adoption of the housing element.	N/A, The City has sufficient zoning in place to meet its RHNA.
(c) The analysis shall determine whether the inventory can provide for a variety of types of housing, including multifamily rental housing,	Chapter 4 (most sites are zoned to accommodate 30 units per acre or more)
(c) factory-built housing, mobilehomes,	Page 5-24
(c) housing for agricultural employees, supportive housing,	Page 5-30, Page 6-56
(c) single-room occupancy units,	Page 5-27, Page 6-9
(c) emergency shelters, and	Page 5-27 to 30, plus Chapter 6, Programs 2 and 4
(c) transitional housing	Page 5-26, Policy H-1.2, Program 41
(c) and whether the inventory affirmatively furthers fair housing.	Page A-116
(c) The city or county shall determine the number of housing units that can be accommodated on each site as follows:	Section 4.3
(c)(1) If local law or regulations require the development of a site at a minimum density, the department shall accept the planning agency's calculation of the total housing unit capacity on that site based on the established minimum density. If the city or county does not adopt a law or regulation requiring the development of a site at a minimum density, then it shall demonstrate how the number of units determined for that site pursuant to this subdivision will be accommodated.	See Appendix B. Capacity estimates are provided and explained for each site in the inventory.
(c)(2) The number of units calculated pursuant to paragraph (1) shall be adjusted as necessary, based on the land use controls and site improvements requirement identified in paragraph (5) of subdivision (a) of Section 65583,	Section 4.3 and Section 4.8: See "realistic capacity" discussions. Also, Appendix B includes "theoretical" and "realistic" capacity columns
(c)(2) the realistic development capacity for the site,	Appendix B (see above)
(c)(2) typical densities of existing or approved residential developments at a similar affordability level in that jurisdiction,	Section 4.8
(c)(2) and on the current or planned availability and accessibility of sufficient water, sewer, and dry utilities.	Sec 4.9.2, also Appendix B

GOVERNMENT CODE PROVISION	HOUSING ELEMENT COMPLIANCE
(c)(2)(A) A site smaller than half an acre shall not be deemed adequate to accommodate lower income housing need unless the locality can demonstrate that sites of equivalent size were successfully developed during the prior planning period for an equivalent number of lower income housing units as projected for the site or unless the locality provides other evidence to the department that the site is adequate to accommodate lower income housing.	Sec 4.8.2, "large and small sites"
(c)(2)(B) A site larger than 10 acres shall not be deemed adequate to accommodate lower income housing need unless the locality can demonstrate that sites of equivalent size were successfully developed during the prior planning period for an equivalent number of lower income housing units as projected for the site or unless the locality provides other evidence to the department that the site can be developed as lower income housing.	Sec 4.8.2, "large and small sites"
(c)(2)(B) For purposes of this subparagraph, "site" means that portion of a parcel or parcels designated to accommodate lower income housing needs pursuant to this subdivision.	Appendix B Also, Figure 4-1, Sheets 1-5
(c)(2)(C) A site may be presumed to be realistic for development to accommodate lower income housing need if, at the time of the adoption of the housing element, a development affordable to lower income households has been proposed and approved for development on the site.	Appendix B, Spreadsheets A and B
(c)(3) For the number of units calculated to accommodate its share of the regional housing need for lower income households pursuant to paragraph (2), a city or county shall do either of the following:	Chapter 4
(c)(3)(A) Provide an analysis demonstrating how the adopted densities accommodate this need. The analysis shall include, but is not limited to, factors such as market demand, financial feasibility, or information based on development project experience within a zone or zones that provide housing for lower income households.	N/A. San Rafael is using approach (B) below: default density is 30 DU/Ac
(c)(3)(B) The following densities shall be deemed appropriate to accommodate housing for lower income households: (i) For an incorporated city within a nonmetropolitan county and for a nonmetropolitan county that has a micropolitan area: sites allowing at least 15 units per acre. (ii) For an unincorporated area in a nonmetropolitan county not included in clause (i): sites allowing at least 10 units/ ac. (iii) For a suburban jurisdiction: sites allowing at least 20 units per acre. (iv) For a jurisdiction in a metropolitan county: sites allowing at least 30 units per acre.	Sites identified as lower income sites allow at least 30 units per acre.
(4)(A) For a metropolitan jurisdiction:	N/A

GOVERNMENT CODE PROVISION	HOUSING ELEMENT COMPLIANCE
(4)(A)(i) At least 25 percent of the jurisdiction's share of the regional housing need for moderate-income housing shall be allocated to sites with zoning that allows at least 4 units of housing, but not more than 100 units per acre of housing.	Appendix B. The moderate-income sites meet this criteria.
(4)(A)(ii) At least 25 percent of the jurisdiction's share of the regional housing need for above moderate-income housing shall be allocated to sites with zoning that allows at least 4 units of housing.	Appendix B. The above moderate income housing sites meet this criteria.
(B) The allocation of moderate-income and above moderate-income housing to sites pursuant to this paragraph shall not be a basis for the jurisdiction to do either of the following: (i) Deny a project that does not comply with the allocation. (ii) Impose a price minimum, price maximum, price control, or any other exaction or condition of approval in lieu thereof. This clause does not prohibit a jurisdiction from imposing any price minimum, price maximum, price control, exaction, or condition in lieu thereof, pursuant to any other law. (iii) The provisions of this subparagraph do not constitute a change in, but are declaratory of, existing law with regard to the allocation of sites pursuant to this section.	Nothing in the San Rafael 2023-2031 Housing Element conflicts with this requirement.
(C) This paragraph does not apply to an unincorporated area.	N/A
(D) For purposes of this paragraph:	N/A
(i) "Housing development project" has the same meaning as defined in paragraph (2) of subdivision (h) of Section 65589.5.	N/A
(ii) "Unit of housing" does not include an accessory dwelling unit or junior accessory dwelling unit that could be approved pursuant to Section 65852.2 or Section 65852.22 or through a local ordinance or other provision implementing either of those sections. This paragraph shall not limit the ability of a local government to count the actual production of accessory dwelling units or junior accessory dwelling units in an annual progress report submitted pursuant to Section 65400 or other progress report as determined by the department.	Appendix B. The potential for ADUs is not counted in determining the yield of the housing opportunity sites and is calculated separately at Sec 4.6. Chapter 6, Program 26 addresses ADU monitoring and surveys.
(E) Nothing in this subdivision shall preclude the subdivision of a parcel, provided that the subdivision is subject to the Subdivision Map Act (Division 2 (commencing with Section 66410)) or any other applicable law authorizing the subdivision of land.	N/A
(d) For purposes of this section, a metropolitan county, nonmetropolitan county, and nonmetropolitan county with a micropolitan area shall be as determined by the United States Census Bureau. A nonmetropolitan county with a micropolitan area includes the following counties: Del Norte, Humboldt, Lake, Mendocino, Nevada, Tehama, and Tuolumne and other counties as may be determined by the	N/A. Marin County is classified as a suburban county

GOVERNMENT CODE PROVISION	HOUSING ELEMENT COMPLIANCE
United States Census Bureau to be nonmetropolitan counties with micropolitan areas in the future.	
(e) (1) Except as provided in paragraph (2), a jurisdiction shall be considered suburban if the jurisdiction does not meet the requirements of clauses (i) and (ii) of subparagraph (B) of paragraph (3) of subdivision (c) and is located in a Metropolitan Statistical Area (MSA) of less than 2,000,000 in population, unless that jurisdiction's population is greater than 100,000, in which case it shall be considered metropolitan. A county, not including the City and County of San Francisco, shall be considered suburban unless the county is in an MSA of 2,000,000 or greater in population in which case the county shall be considered metropolitan.	N/A
(2)(A)(i) Notwithstanding paragraph (1), if a county that is in the San Francisco-Oakland-Fremont California MSA has a population of less than 400,000, that county shall be considered suburban. If this county includes an incorporated city that has a population of less than 100,000, this city shall also be considered suburban. This paragraph shall apply to a housing element revision cycle, as described in subparagraph (A) of paragraph (3) of subdivision (e) of Section 65588, that is in effect from July 1, 2014, to December 31, 2028, inclusive.	This applies to Marin County, but San Rafael is using the higher default density standard applicable to metropolitan counties.
(2)(A)(ii) A county subject to this subparagraph shall utilize the sum existing in the county's housing trust fund as of June 30, 2013, for the development and preservation of housing affordable to low- and very low income households.	N/A
(2)(B) A jurisdiction that is classified as suburban pursuant to this paragraph shall report to the Assembly Committee on Housing and Community Development, the Senate Committee on Housing, and the Department of Housing and Community Development regarding its progress in developing low- and very low income housing consistent with the requirements of Section 65400. The report shall be provided three times: once, on or before December 31, 2019, which report shall address the initial four years of the housing element cycle, a second time, on or before December 31, 2023, which report shall address the subsequent four years of the housing element cycle, and a third time, on or before December 31, 2027, which report shall address the subsequent four years of the housing element cycle and the cycle as a whole. The reports shall be provided consistent with the requirements of Section 9795.	San Rafael documents its progress in its Annual Progress Report.
(f) A jurisdiction shall be considered metropolitan if the jurisdiction does not meet the requirements for "suburban area" above and is located in an MSA of 2,000,000 or greater in population, unless that jurisdiction's population is less than 25,000 in which case it shall be considered suburban.	See earlier comments.

GOVERNMENT CODE PROVISION	HOUSING ELEMENT COMPLIANCE
(g)(1) For sites described in paragraph (3) of subdivision (b) [non-vacant sites], the city or county shall specify the additional development potential for each site within the planning period and shall provide an explanation of the methodology used to determine the development potential.	Appendix B, spreadsheets C through E, also Sec 4.3, 4.7, and 4.8
(g)(1) The methodology shall consider factors including the extent to which existing uses may constitute an impediment to additional residential development,	Sec 4.3 and 4.8.3
(g)(1) the city's or county's past experience with converting existing uses to higher density residential development,	Sec 4.8.3
(g)(1) the current market demand for the existing use,	Sec 4.8.3 and Appendix B, spreadsheets C through E
(g)(1) an analysis of any existing leases or other contracts that would perpetuate the existing use or prevent redevelopment of the site for additional residential development,	Same as above
(g)(1) development trends,	Same as above
(g)(1) market conditions,	Same as above
(g)(1) and regulatory or other incentives or standards to encourage additional residential development on these sites.	Same as above. See also Chapter 6, Programs 19, 20, 21, 24, 28, 38, 39, 41, 42, 43
(g)(2) In addition to the analysis required in paragraph (1), when a city or county is relying on nonvacant sites described in paragraph (3) of subdivision (b) to accommodate 50 percent or more of its housing need for lower income households, the methodology used to determine additional development potential shall demonstrate that the existing use identified pursuant to paragraph (3) of subdivision (b) does not constitute an impediment to additional residential development during the period covered by the housing element. An existing use shall be presumed to impede additional residential development, absent findings based on substantial evidence that the use is likely to be discontinued during the planning period.	Sec 4.2.5 and 4.8.3. Findings included in adoption Resolution.
(g)(3) Notwithstanding any other law, and in addition to the requirements in paragraphs (1) and (2), sites that currently have residential uses, or within the past five years have had residential uses that have been vacated or demolished, that are or were subject to a recorded covenant, ordinance, or law that restricts rents to levels affordable to persons and families of low or very low income, subject to any other form of rent or price control through a public entity's valid exercise of its police power, or occupied by low or very low income households, shall be subject to a policy requiring the replacement of all those units affordable to the same or lower income level as a condition of any development on the site. Replacement requirements shall be consistent with those set forth in paragraph (3) of subdivision (c) of Section 65915.	See Chapter 6, Program 11 (p 6-22)

GOVERNMENT CODE PROVISION	HOUSING ELEMENT COMPLIANCE
(h) The program required by subparagraph (A) of paragraph (1) of subdivision (c) of Section 65583 shall accommodate 100 percent of the need for housing for very low and low-income households allocated pursuant to Section 65584 for which site capacity has not been identified in the inventory of sites pursuant to paragraph (3) of subdivision (a) on sites that shall be zoned to permit owner-occupied and rental multifamily residential use by right for developments in which at least 20 percent of the units are affordable to lower income households during the planning period.	N/A. The City has provided adequate sites to meet the RHNA.
(h) These sites shall be zoned with minimum density and development standards that permit at least	A rezoning program is not required, but most of the sites are subject to minimum density requirements.
(h) 16 units per site at a density of at least 16 units per acre in jurisdictions described in clause (i) of subparagraph (B) of paragraph (3) of subdivision (c),	See note above. Housing sites have the capacity to provide 16 units per site at a density of at least 16 DUA.
(h) shall be at least 20 units per acre in jurisdictions described in clauses (iii) and (iv) of subparagraph (B) of paragraph (3) of subdivision (c)	N/A
(h) and shall meet the standards set forth in subparagraph (B) of paragraph (5) of subdivision (b).	See note above
(h) At least 50 percent of the very low and low-income housing need shall be accommodated on sites designated for residential use and for which nonresidential uses or mixed uses are not permitted, except that a city or county may accommodate all of the very low and low-income housing need on sites designated for mixed uses if those sites allow 100 percent residential use and require that residential use occupy 50 percent of the total floor area of a mixed-use project.	100% residential is allowed on all of the housing sites
(i) For purposes of this section and Section 65583, the phrase “use by right” shall mean that the local government’s review of the owner-occupied or multifamily residential use may not require a conditional use permit, planned unit development permit, or other discretionary local government review or approval that would constitute a “project” for purposes of Division 13 (commencing with Section 21000) of the Public Resources Code. Any subdivision of the sites shall be subject to all laws, including, but not limited to, the local government ordinance implementing the Subdivision Map Act.	See note above; CUP and/or PUD permit not required for residential. Program included to eliminate AUP requirement and use objective standards in certain commercial zones.
(i) A local ordinance may provide that “use by right” does not exempt the use from design review. However, that design review shall not constitute a “project” for purposes of Division 13 (commencing with Section 21000) of the Public Resources Code.	The Housing Element is not inconsistent with this requirement

GOVERNMENT CODE PROVISION	HOUSING ELEMENT COMPLIANCE
(i) Use by right for all rental multifamily residential housing shall be provided in accordance with subdivision (f) of Section 65589.5.	N/A. The San Rafael Municipal Code (zoning) treats rental and owner-occupied multifamily housing the same.
(j) Notwithstanding any other provision of this section, within one-half mile of a Sonoma-Marín Area Rail Transit station, housing density requirements in place on June 30, 2014, shall apply.	N/A

Exhibit 1-D:

[Tracked Change San Rafael 2023-2031 Working Draft Housing Element Showing All Proposed Changes](#)

<https://storage.googleapis.com/proudcity/sanrafaelca/uploads/2023/05/FullSanRafaelHousingElement-Tracked-051023.pdf>

Exhibit 1-E:

[Adoption Draft \("clean"\) Housing Element](#)

<https://storage.googleapis.com/proudcity/sanrafaelca/uploads/2023/05/FullSanRafaelHousingElement-clean-051023.pdf>

EXHIBIT 1-F:

AMENDMENTS TO GENERAL PLAN 2040 SAFETY AND RESILIENCE ELEMENT

The text below has been excerpted from General Plan 2040, which was adopted on August 2, 2021. The text in black is already part of the adopted General Plan. The red, underlined text is being added to General Plan 2040 to meet the requirements of SB 99. Further amendments may be made when an updated Local Hazard Mitigation Plan is adopted.

Emergency Preparedness

Goal S-6: Emergency Preparedness

Improve disaster preparedness, resiliency, response, and recovery.

The City should enhance public outreach, awareness, education, and preparedness for all hazards to minimize losses.

Emergency preparedness is an essential part of being a more resilient city. The City of San Rafael administers programs to help residents prepare for disasters and ensure that the City itself can effectively respond to—and recover from—natural and human-caused disasters. These programs begin with basic preventive measures such as vegetation management around homes, seismic reinforcement of older structures, and flood proofing of vulnerable infrastructure. They also include community emergency response training, drills and exercises, and education about how to stay safe when disaster strikes. It is also critical to have plans in place for evacuation, shelter, food, medical care, counseling, and other needs that occur during and after an emergency.

Most of San Rafael's emergency preparedness programs are administered through the Fire Department and the City's Office of Emergency Services. The City has an Emergency Preparedness Plan, which aims to prepare both the City and its residents for possible emergencies. San Rafael also works collaboratively with the Marin County Sheriff's Office and County Office of Emergency Services, which coordinates the activities of local jurisdictions and operates a countywide Emergency Operations Center (EOC) during a major emergency or disaster.

The City has prepared General Plan Appendix "K" to facilitate emergency preparedness planning. Appendix K meets the requirements of Senate Bill 99 (SB99), which requires cities to include maps showing neighborhoods in hazard-prone areas with only one means of ingress and egress. The map identifies "constrained parcel groups" in San Rafael where evacuation may require additional strategic planning. Appendix K also shows evacuation routes identified through the County's Zonehaven program, as well as streets with narrow road widths.





Policy S-6.1: Disaster Preparedness Planning

Conduct disaster prevention and preparedness planning in cooperation with other public agencies and public interest organizations.

Program S-6.1A: Mutual Aid Agreements. Continue, and where feasible expand, mutual aid agreements that augment public safety personnel in times of emergency.

Program S-6.1B: Standardized Emergency Management System (SEMS). Maintain a SEMS-based emergency plan that provides direction and identifies responsibilities after a disaster. Continue to train all City employees and officials in SEMS procedures.

Program S-6.1C: Emergency Preparedness Plan. Update and publicize the City's emergency preparedness plan in conformance with State guidelines, including information on evacuation routes and shelter locations. The City's Emergency Operations Center Handbook also should be updated.

Program S-6.1D: Urban Search and Rescue Techniques. Continue to ensure that Urban Search and Rescue techniques remain current. Provide opportunities for trained volunteers to participate as appropriate.

Policy S-6.2: Neighborhood Disaster Preparedness Programs

Encourage educational outreach to promote awareness and readiness among residents regarding disaster preparedness. Outreach and education should be targeted for each hazard type and risk area, including climate-related incidents. Community involvement is an essential part of resilience and recovery, and residents play an important role in disaster response.

Program S-6.2A: Educational and Training Programs. Support educational and training programs through the Police and Fire Departments and community-based organizations. These Programs include Community Emergency Response Teams (CERT), Citizens Police Academy, Neighborhood Response Groups (NRGs), and Voluntary Organizations Active in Disaster (VOAD) among others. Neighborhood teams should supplement City resources during emergency situations and can assist in disaster preparedness and mitigation efforts.

Program S-6.2B: Neighborhood Disaster Plans. Provide technical assistance as needed to develop and update neighborhood disaster plans.

Program S-6.2C: Website Improvements. Regularly update the Fire Department's website and social media presence to provide information on disaster preparedness, resources, and links to other sites. Include printed information in City publications such as the Recreation Activities guide.

Program S-6.2D: Outreach to Vulnerable Populations. Identify vulnerable populations (such as non-English speaking residents, frail older adults, young children, and persons with disabilities) that may need assistance in times of disaster. Develop outreach programs that are geared toward these populations, including multi-lingual communications.

Program S-6.2E: Disaster Management Drills. Conduct emergency response drills to test the effectiveness of local procedures, including evacuation and emergency shelter drills in neighborhoods prone to flooding and wildfire.

See also Policies EDI-2.10 and EDI-6.5 on increasing resilience among disadvantaged communities and older adults. See Program EV-1.10A on the role of the business community in emergency preparedness.

Policy S-6.3: Improving Evacuation Capacity

Improve local evacuation capacity by identifying and improving escape routes for areas with unique hazards or at-risk populations and identifying safe assembly locations for evacuees.

Program S-6.3A: Evacuation-Related Capital Projects. Identify key capital improvements needed to facilitate the orderly evacuation of at-risk areas and the ability of designated assembly points to handle evacuees.

Program S-6.3B: SB99 and AB747 Compliance. Utilize the maps in General Plan Appendix "K" to inform evacuation planning and emergency preparedness efforts. The maps identify hazard-prone areas, neighborhoods with only one means of ingress and egress, areas with narrow street widths, and local evacuation routes. As part of the Local Hazard Mitigation Plan (LHMP) update, pursue multi-jurisdictional analysis of evacuation under different scenarios, as required by AB 747. Incorporate the findings into updated emergency preparedness plans.

Policy S-6.4: Emergency Operations Centers

Maintain a centralized Emergency Operation Center to coordinate emergency responses to emergencies, complemented by other locations in the city that provide for emergency evacuation and service delivery following a major disaster.

Program S-6.4A: Evacuation Shelters. Identify locations of evacuation shelters and provide the necessary training and supplies so that these centers can function effectively during and after a disaster. This should include refuge centers for extreme heat events, power failures, and air quality emergencies.





Policy S-6.5: Post-Disaster Recovery Planning

Incorporate post-disaster recovery planning in the City's emergency management programs. Recovery planning should include measures to mitigate the potential for further damage.

Program S-6.5A: Essential Services Following Disasters. Make provisions to continue essential emergency public services during and after natural disasters and other catastrophes.

Program S-6.5B: Employee Transportation. To ensure adequate safety personnel in an emergency, explore ways to transport first responders from outlying areas when damaged infrastructure prevents them from driving to San Rafael.

Program S-6.5C: Incentives for Disaster Response and Essential Worker Personnel. Support state legislation and City initiatives that would provide incentives for staff with roles in disaster response to live in San Rafael, so they may be readily available if a disaster should occur.

Program S-6.5D: Rapid Reconstruction Ordinances. Explore model ordinances and best practices to facilitate rapid reconstruction and recovery, including issues such as temporary housing and modular construction. Reconstruction should achieve code compliance, while advancing green building practices where feasible.



CERT Training

One of the most important emergency preparedness resources for residents is the Community Emergency Response Team (CERT) Program. CERT is sponsored by the San Rafael Fire Department and includes a training program that familiarizes residents with the basics. Participants learn to:

- Size up the situation in their immediate area
- Reduce immediate dangers by turning off utilities, suppressing small fires, and evacuating hazardous areas
- Performing immediate medical triage and basic treatment of injuries
- Assessing structural integrity and performing light search and rescue
- Collecting and recording vital information to professional responders on damage, victims, and resources needed
- Providing leadership to untrained volunteers.

The City encourages all residents to participate in CERT training. A steering committee provides ongoing guidance and assists in specific projects, events, and meetings.

Policy S-6.6: Effective Communication Systems

Ensure that all City agencies with a role in emergency response are provided with effective, reliable and robust emergency communications systems and equipment. The systems and equipment should have adequate capacity and redundancy to ensure these agencies can accomplish their missions.

Consideration should also be given to the communications needs of the County of Marin and other agencies that may be required to supply mutual aid to or from other jurisdictions.

Program S-6.6A: Involvement with Marin Emergency Radio Authority. Maintain active involvement with Marin Emergency Radio Authority (MERA) and pursue installation and activation of the MERA radio system.

Program S-6.6B: Emergency Alert Systems. Use emergency alerts, electronic message boards, and other notification systems to warn resident of an active threat such as a flood or wildfire. The use of emergency warning sirens and other types of mass notification alerts also should be considered.

Policy S-6.7: Emergency Connectors

Pursue the development of road connections for emergency vehicles only to improve access within San Rafael and between San Rafael and adjacent communities.

Program S-6.7A: Emergency Connectors. Maintain the following existing access routes for emergency vehicles:

- a) the existing connection between Freitas Parkway and Fawn Drive.
- b) the all-weather connections between Freitas and Fawn and between Ridgewood and Fawn.
- c) The connection between Del Ganado and Butterfield Road in Sleepy Hollow.
- d) The private portion of Sienna Way in the Dominican area.
- e) The access drive between Peacock and Biscayne.

Consider the need for additional emergency connectors, including the costs, effectiveness, impacts, and potential to use such routes for evacuation in the event of a wildfire.

Program S-6.7B: Obstruction of Evacuation Routes. Reduce obstacles for emergency vehicles and evacuation routes, including parked cars that constrict emergency vehicle passage.

Program S-6.7C: SMART Crossing. Work with SMART to explore the feasibility of an emergency vehicle rail and pedestrian/bicycle crossing at Merrydale Drive (see also Policy NH-4.10).

See the Mobility Element for policies to limit constriction of emergency access routes in future road design.

Policy S-6.8: Design of Public Safety Facilities and Utilities

Ensure that public safety facilities, critical utilities, and telecommunication facilities are designed and constructed to deliver necessary services with minimal interruption in times of disaster.

Program S-6.9A: Facility Evaluations. Regularly evaluate the need to upgrade essential public safety facilities, equipment, and technology, and identify funding mechanisms to meet these needs.

Program S-6.9B: Energy Storage Plan. Develop an Energy Storage Plan, including microgrids and expanded battery capacity, to improve reliability of the power system following a major disaster (see also Policy CSI-4.13 on energy reliability).

Policy S-6.9: Use of Technology

Leverage new technologies to reduce losses and save lives following a disaster. Implement improvements such as traffic signal pre-emption for first responders to facilitate response and recovery time.

APPENDIX K

SB 99 Evacuation Planning Maps

SB 99 Requirement

Senate Bill 99 (SB99) was signed by the Governor on August 30, 2019. The bill required each city and county, upon the next revision of its housing element, to update the safety element of its general plan to identify residential developments in hazard areas that do not have at least 2 emergency evacuation routes. San Rafael adopted its updated Housing Element for 2023-2031 in May 2023. Accordingly, the City added this Appendix to the General Plan 2040 along with a program in the Safety Element to use this data in emergency preparedness planning.

Four maps have been prepared. An overview of these maps is provided below.

Composite Hazard Areas

Figure K-1 shows composite natural hazards in the San Rafael Planning Area. Different colors are used to display a variety of hazard types, including the Wildland Urban Interface area (WUI), the 100-year flood plain (Flood Insurance Rate Maps), the Sea Level Rise overlay (a General Plan land use designation), areas with high landslide risks, and areas with high liquefaction hazard levels. Collectively, these areas comprise most of San Rafael. The five hazards listed here were merged into a single “layer” that is used in Figure K-2 to identify “hazard areas” as required by SB 99.

Constrained Parcel Clusters

SB99 requires the City to identify residential areas with less than two emergency evacuation routes. The State Office of Planning and Research has not published thresholds for defining “residential areas.” Based on best practices in other cities, the City used a threshold of 30 parcels (or 30 dwelling units) to identify these areas. In other words, individual cul-de-sacs and dead-end streets were not included on the map if they served fewer than 30 units. Designated evacuation routes also were excluded. The map primarily shows subdivisions in San Rafael’s hillside neighborhoods where more than 30 homes must rely on a single local street to access the nearest evacuation route. These areas are shown on Figure K-2.

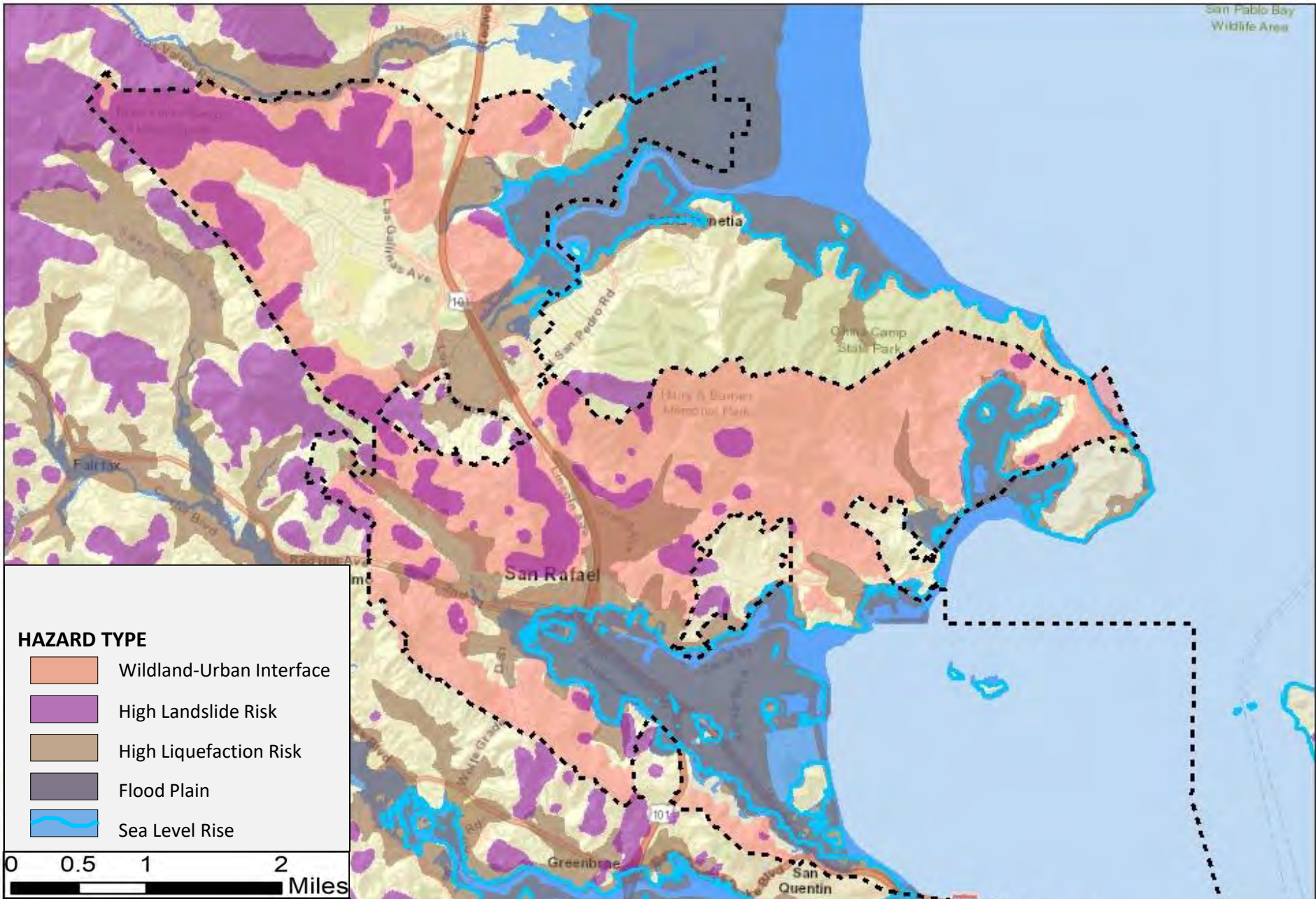
Street Widths

Figure K-3 shows street widths in San Rafael. Street are classified using pavement width rather than right-of-way, providing a better assessment of constrained areas. Private streets are generally excluded from this diagram. Of particular note are those streets with a curb to curb width of less than 20 feet. On-street parking can create emergency vehicle access hazards in such areas, requiring parking limitations in some cases.

Evacuation Routes

Figure K-4 shows evacuation routes in San Rafael, as designated on the Zonehaven map prepared for countywide emergency preparedness planning. The map identifies primary routes, which generally correspond to major arterial streets, and secondary routes, which generally correspond

to minor arterial and collector streets. Zonehaven is a technology service that identifies individual evacuation zones in each jurisdiction, improves the efficiency and speed of evacuation, and assists first responders in orderly and effective disaster response.

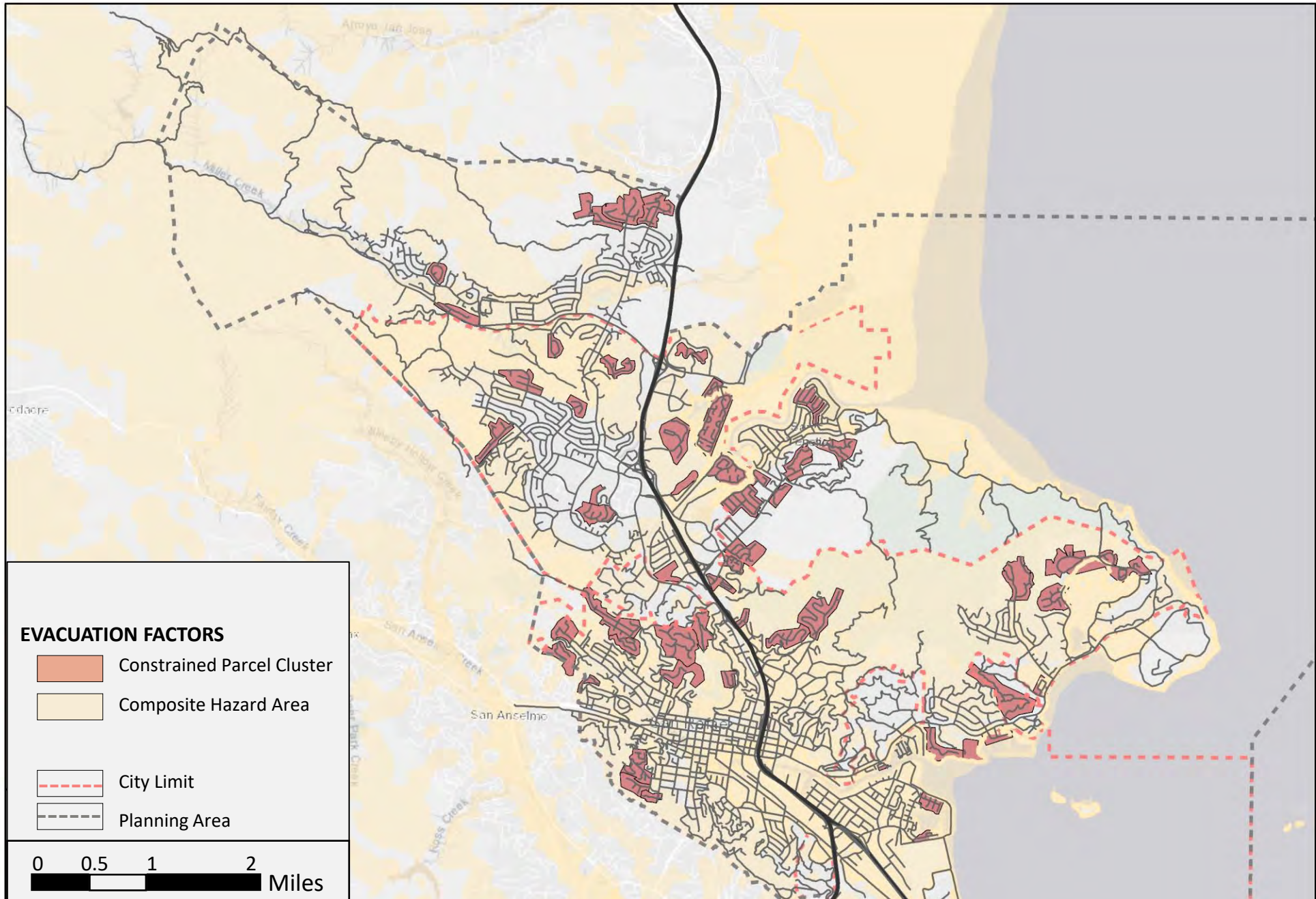


HAZARD TYPE

- Wildland-Urban Interface
- High Landslide Risk
- High Liquefaction Risk
- Flood Plain
- Sea Level Rise



**Figure K-1:
Composite Hazard Areas**

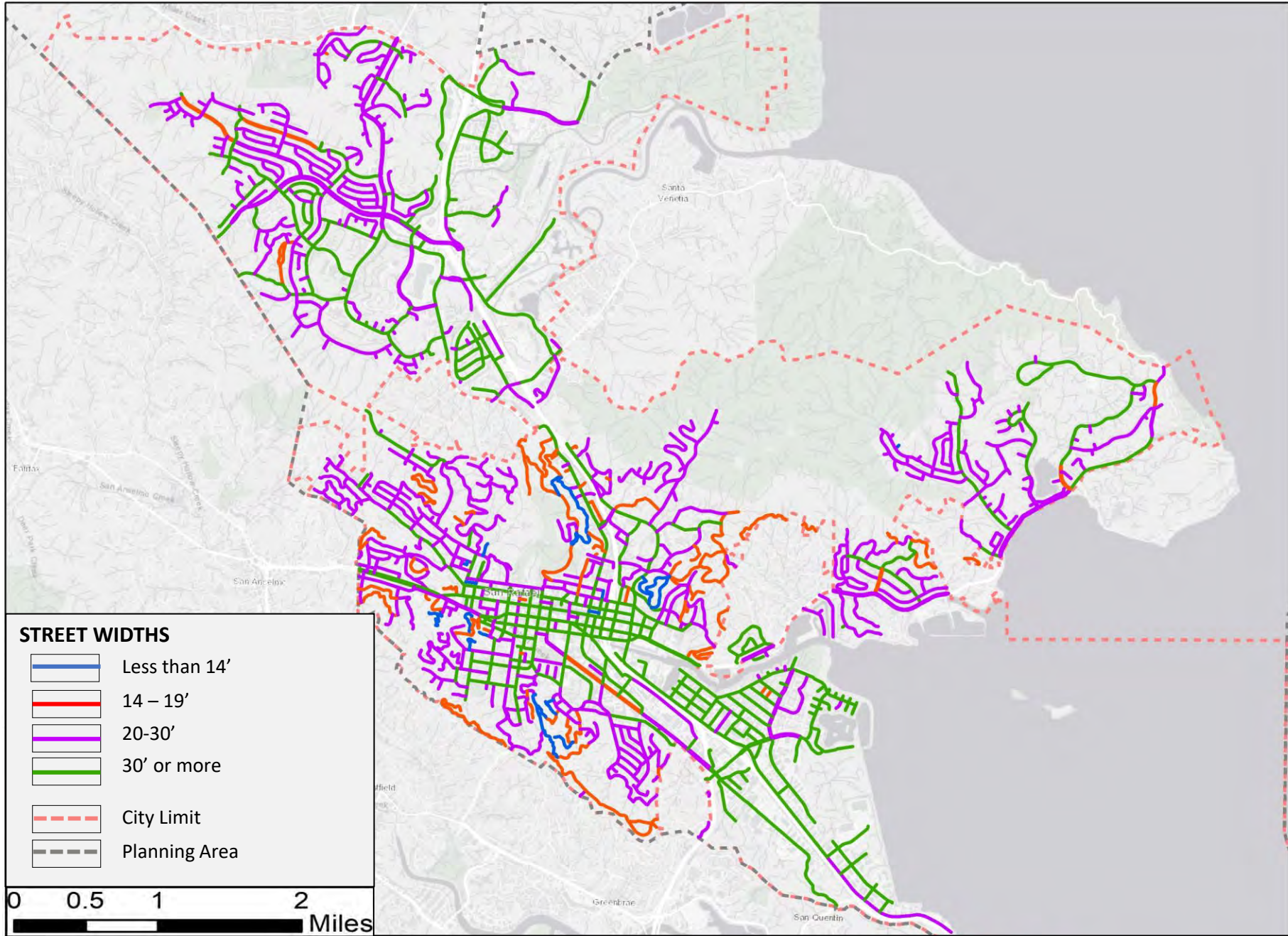


EVACUATION FACTORS

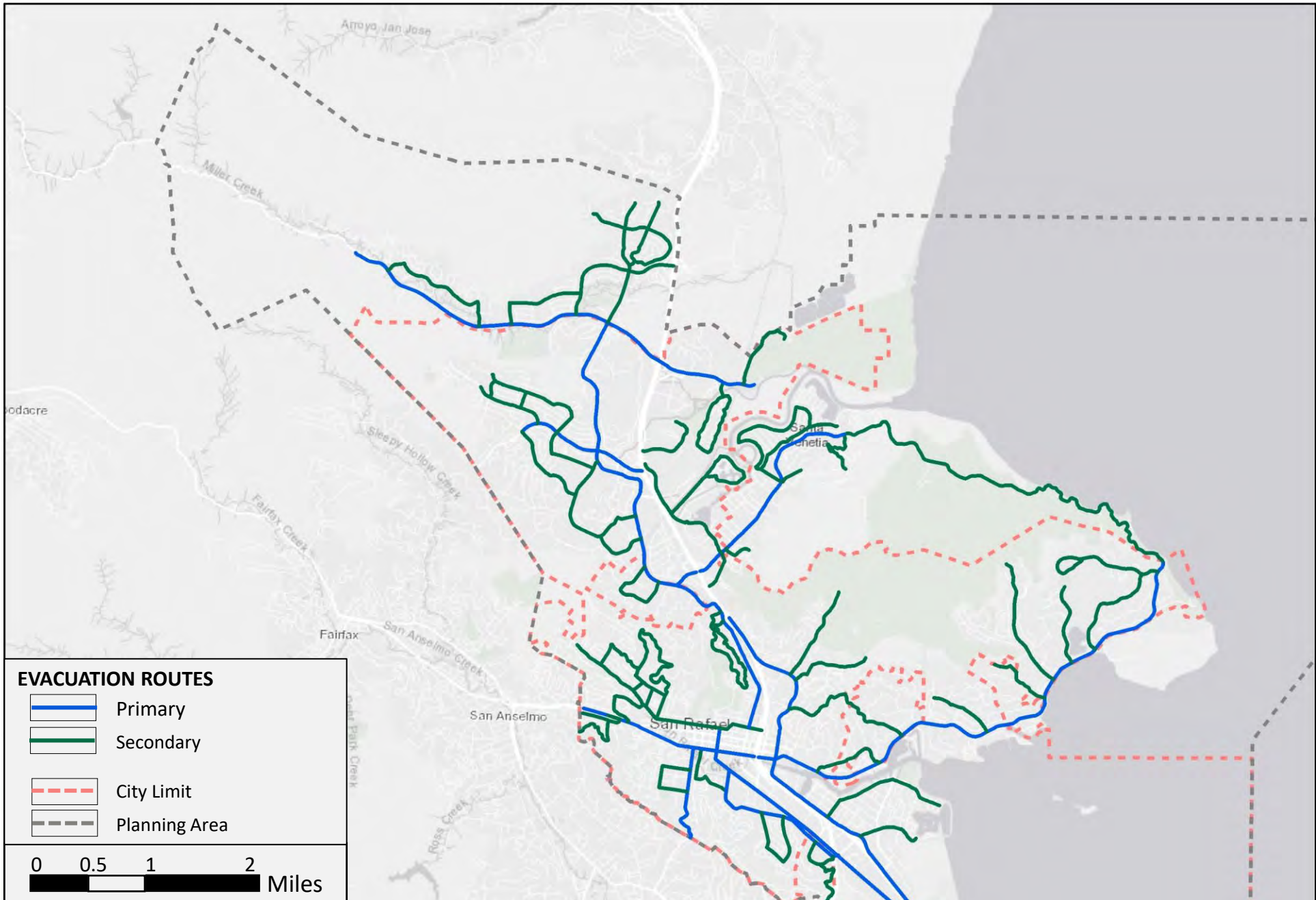
- Constrained Parcel Cluster
- Composite Hazard Area
- City Limit
- Planning Area

0 0.5 1 2 Miles

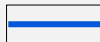


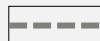
**Figure K-2:
Constrained Parcel Clusters**



**Figure K-3:
Street Widths**



EVACUATION ROUTES

-  Primary
-  Secondary
-  City Limit
-  Planning Area

0 0.5 1 2 Miles

**Figure K-4:
Evacuation Routes**

Exhibit 1-G:

[Addendum to the General Plan 2040 EIR](#)

https://storage.googleapis.com/proudcity/sanrafaelca/uploads/2023/04/EXHIBIT1-F-EIRAddendum_HousingElement2023-31.pdf

ORDINANCE NO.

AN ORDINANCE OF THE SAN RAFAEL CITY COUNCIL AMENDING THE ZONING MAP OF THE SAN RAFAEL MUNICIPAL CODE TO CHANGE THE ZONING FOR TWO NON-ADDRESSED PARCELS LOCATED IMMEDIATELY NORTH AND EAST OF 86 CULLODEN PARK ROAD FROM PLANNED DISTRICT 1729 (PD 1729) TO LOW-DENSITY RESIDENTIAL 20,000 SQUARE FOOT LOT MINIMUM (R20) (APN 011-051-31 and APN 011-115-30) (ZC23-001 and ZC23-002)

WHEREAS, the City of San Rafael completed a comprehensive update of its General Plan between 2018 and 2021, moving the time horizon forward from 2020 (General Plan 2020) to 2040 (General Plan 2040); and

WHEREAS, the Plan Update process included a “Call for Amendments” wherein property owners were invited to apply for amendments to the General Plan Map; and

WHEREAS, on June 21, 2019, the owners of Assessor Parcel Number 011-051-31 submitted a request for an amendment to change the designation of this 0.692-acre property from its 2020 General Plan designation of Hillside Resource Residential to a 2040 designation of Low Density Residential; and

WHEREAS, the intent of this request was to harmonize the land use designations of four adjacent properties with the same owner, including one 1.196-acre property with a home (86 Culloden Park Road, APN 011-115-10) which was designated Low Density Residential, two small vacant properties (0.111 acres and 0.194 acres) also designated Low Density Residential, and an adjoining 0.692-acre parcel on the east which was vacant and designated Hillside Resource Residential (011-051-31); and

WHEREAS, staff evaluated the request and determined that the requested change was consistent with best practices, would avoid a “split” General Plan designation on a single-family, single-ownership property; and would not adversely impact surrounding properties; and

WHEREAS, on February 5, 2020, the San Rafael Planning Commission considered this request and several others and supported changing the land use designation as requested; and

WHEREAS, on August 2, 2021, the San Rafael City Council adopted General Plan 2040, including an updated Land Use Map incorporating the Low-Density Residential designation for APN 011-051-31; and

WHEREAS, California Government Code 65860 requires a city’s zoning ordinance, including its zoning map, to be consistent with a city’s general plan; and

WHEREAS, APNs 011-051-31 and 011-115-30 currently have zoning designations of Planned District (PD 1729), a designation that was created to support the adjacent Academy Heights/ Live Oak Estates subdivision, which no longer includes the subject parcels; and

WHEREAS, the best fit zoning designation for APN 011-051-31 and 011-115-30 is R20, which matches the designation of the primary residence at 86 Culloden Park Road and all other parcels along Culloden Park Road; and

WHEREAS, the R20 designation is consistent with the Low Density General Plan designation and would align the zoning for these parcels with the General Plan; and

WHEREAS, the proposed rezoning implements the San Rafael General Plan 2040, for which a Final Environmental Impact Report was previously prepared and certified on August 2, 2021, Consistent with the California Environmental Quality Act (CEQA) Guidelines and the City of San Rafael Environmental Assessment Procedures Manual, the appropriate steps were followed to complete environmental review of General Plan 2040, including the adoption of Findings and a Mitigation Monitoring and Reporting program. No development is currently proposed on the subject properties and no further impacts will result from the rezoning; and

WHEREAS, the City of San Rafael established zoning case numbers ZC23-001 and ZC23-002 for the two subject parcels to facilitate this rezoning, in order to align the zoning and General Plan Maps; and

WHEREAS, on April 25, 2023, the San Rafael Planning Commission convened a duly noticed public hearing and unanimously (5:0, with one member absent) approved a resolution recommending City Council approval of this rezoning; and

WHEREAS, the City has complied with all noticing requirements for the rezoning action, including providing mailed notices to all property owners within 300 feet of the subject properties; and

WHEREAS, on May 15, 2023, the San Rafael City Council held a duly noticed public hearing on the proposed rezoning, accepting and considering all oral and written public testimony and the written report of the Department of Community Development; and

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

WHEREAS, as required by San Rafael Municipal Code Section 14.27.060, the City Council makes the following findings in support of an ordinance to amend the Zoning Map to change parcels APN 011-051-31 and 011-115-30, located immediately north and east of 86 Culloden Park Road, from Planned District 1729 (PD 1729) to Low-Density Residential 20,000 Square Foot Lot Minimum (R20), as shown on the map contained in Exhibit "A":

1. The proposed amendment to the Zoning Map is consistent in principle with the General Plan in that:
 - a. This action would be consistent with the General Plan Land Use Map, which identifies the subject sites as Low Density Residential.
 - b. This action would implement the General Plan Land Use Map.
 - c. This action would be consistent with the mapping protocol used in the General Plan, including assigning a single General Plan category to properties under single ownership rather than applying multiple designations.
 - d. This action would be consistent with and implement the following General Plan policies:
 - 1) Land Use Element Policy LU-1.8 (*Density of Residential Development*), which supports densities that are aligned with the physical characteristics of the natural landscape and topography.

- 2) Land Use Element Policy LU-2.1 (*Land Use Map and Categories*), which supports aligning zoning with the General Plan Land Use Map.
- 3) Neighborhoods Element Policy NH-2.11 (*Fairhills Neighborhood*) to retain the character of Fairhills as a scenic hillside neighborhood.
- 4) Community Design and Preservation Policy CDP-1.3 (*Hillside Protection*) to ensure that hillside development protects the natural landscape and supports lot consolidation in hillside areas.
- 5) Housing Element Policy H-4.8 (*Adequately Zoned Sites*) to maintain an adequate supply of residentially zoned land to meet the needs of all economic segments of the community.

2. The public health, safety, and general welfare would be served by the adoption of the proposed amendment to change the existing PD 1729 Zoning Classification to the R20 Zoning Classification for the property in that the Zoning Map change will implement the General Plan Land Use designation and is consistent with the General Plan as noted above.

NOW THEREFORE, THE CITY COUNCIL OF THE CITY OF SAN RAFAEL DOES HEREBY ORDAIN AS FOLLOWS:

DIVISION 1: Findings

The City Council of the City of San Rafael hereby determines and finds that all of the facts and statements contained in the recitals herein and the finding of Planning Commission Resolution 23-03, adopted April 25, 2023, recommending to the City Council adoption of this Ordinance, are true and correct. The City Council further finds that the zoning map amendment complies with CEQA and is consistent with the certified EIR for San Rafael General Plan 2040.

DIVISION 2: Approval

The City Council of the City of San Rafael hereby approves and adopts the amendment to SRMC Title 14 Zoning Map as presented in Exhibit A attached hereto and incorporated herein by reference.

DIVISION 3: Publication

A summary of this Ordinance shall be published and a certified copy of the full text of this Ordinance shall be posted in the Office of the City Clerk at least five (5) days prior to the Council meeting at which it is adopted.

The Ordinance shall be in full force and effect thirty (30) days after its final passage, and the summary of this Ordinance shall be published within fifteen (15) days after the adoption, together with the names of those Councilmembers voting for or against the same, in the Marin Independent Journal, a newspaper of general circulation published and circulated in the City of San Rafael, Marin County, State of California.

Within fifteen (15) days after adoption, the City Clerk shall also post in the office of the City Clerk a certified copy of the full text of this Ordinance, along with the names of those Councilmembers voting for or against the Ordinance.

KATE COLIN, Mayor

ATTEST:

LINDSAY LARA, City Clerk

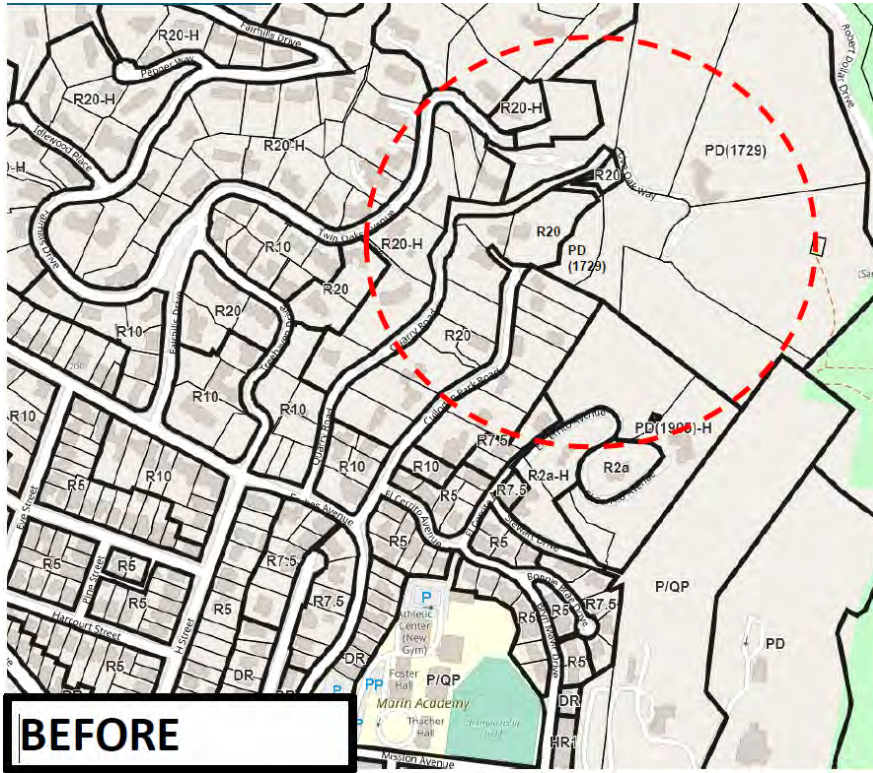
THE FOREGOING ORDINANCE was first read and introduced at a regular meeting of the San Rafael City Council on the 15th day of May 2023, and was passed and adopted at a regular meeting of the San Rafael City Council on the 5th day of June 2023 by the following vote, to wit:

AYES: COUNCILMEMBERS:
NOES: COUNCILMEMBERS:
ABSENT: COUNCILMEMBERS:

LINDSAY LARA, City Clerk

Exhibits:
A. Rezoning Map

Attachment A San Rafael Zoning Map



ORDINANCE NO.

AN ORDINANCE OF THE SAN RAFAEL CITY COUNCIL AMENDING THE ZONING MAP OF THE SAN RAFAEL MUNICIPAL CODE TO CHANGE THE ZONING FOR 380 MERRYDALE ROAD (APN 179-041-22) FROM PLANNED DISTRICT 1436 (PD 1436) TO OFFICE, AND THE ZONING CLASSIFICATION OF 401 MERRYDALE ROAD (APN 179-041-05) FROM LIGHT INDUSTRIAL-OFFICE TO OFFICE. (ZC23-003 and ZC23-004)

WHEREAS, the City of San Rafael completed a comprehensive update of its General Plan between 2018 and 2021, moving the time horizon forward from 2020 (General Plan 2020) to 2040 (General Plan 2040); and

WHEREAS, the Plan Update process included an update of the General Plan Land Use Map to reflect recently prepared plans and land use policies, including policies supporting higher density residential and mixed use development around rail transit stations; and

WHEREAS, on August 2, 2021, the San Rafael City Council adopted General Plan 2040, including an updated Land Use Map replacing the “Light Industrial/ Office” General Plan designations at 380 Merrydale (APN 179-041-22) and 401 Merrydale (APN 179-041-05) with the “Office Mixed Use” General Plan designation, thereby creating additional opportunities for transit-oriented development, including housing at densities up to 43.5 units per acre and

WHEREAS, California Government Code 65860 requires a city’s zoning ordinance, including its zoning map, to be consistent with a city’s general plan; and

WHEREAS, the current zoning classification for 380 Merrydale (APN 179-041-22) Planned District 1436 (PD 1436), corresponding to the self-storage facility on the property and the current zoning classification for 401 Merrydale (APN 179-041-05) is Light Industrial/Office (LI/O) and neither of these designation is consistent with the General Plan Land Use designation of Office Mixed Use; and

WHEREAS, the City of San Rafael has identified 380 Merrydale and 401 Merrydale as potential sites to meet a portion of its Regional Housing Needs Allocation (RHNA) of 3,220 housing units, as well as opportunities to affirmatively further fair housing by creating multi-family housing opportunities in a range of locations around the city; and

WHEREAS, rezoning of these properties would better align their zoning designations with their General Plan designations, while also facilitating the City’s ability to meet its State-mandated RHNA; and

WHEREAS, the proposed rezoning implements the San Rafael General Plan 2040, for which a Final Environmental Impact Report was previously prepared and certified on August 2, 2021, Consistent with the California Environmental Quality Act (CEQA) Guidelines and the City of San Rafael Environmental Assessment Procedures Manual, the appropriate steps were followed to complete environmental review of General Plan 2040, including the adoption of Findings and a Mitigation Monitoring and Reporting program. No development is currently proposed on the subject properties and no further impacts will result from the rezoning; and

WHEREAS, the City of San Rafael established zoning case numbers ZC23-003 and ZC23-004 for the two subject parcels to facilitate this rezoning, in order to align the zoning and General Plan Maps; and

WHEREAS, on April 25, 2023, the San Rafael Planning Commission convened a duly noticed public hearing and unanimously (5:0, with one member absent) approved a resolution recommending City Council approval of this rezoning; and

WHEREAS, the City has complied with all noticing requirements for the rezoning action, including providing mailed notices to all property owners within 300 feet of the subject properties; and

WHEREAS, on May 15, 2023, the San Rafael City Council held a duly noticed public hearing on the proposed rezoning, accepting and considering all oral and written public testimony and the written report of the Department of Community Development; and

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

WHEREAS, as required by San Rafael Municipal Code Section 14.27.060, the City Council makes the following findings in support of an ordinance to amend the Zoning Map to change 380 Merrydale Road (APN 179-041-22) from Planned District 1436 (PD 1436) to an Office (O) zoning classification and to change 401 Merrydale Road (APN 179-041-05) from Light Industrial/Office (LI/O) to an Office (O) zoning classification, as shown on the map contained in Exhibit "A":

1. The proposed amendment to the Zoning Map is consistent in principle with the General Plan in that:
 - a. This action would be consistent with the General Plan Land Use Map, which identifies the subject sites as Office Mixed Use, rather than Light Industrial/Office.
 - b. This action would implement the General Plan Land Use Map.
 - c. This action supports the General Plan concept of transit-oriented development around the two SMART stations and would accommodate higher-density residential and employment uses that is more sustainable and less car-dependent than traditional suburban development.
 - d. This action would be consistent with and implement the following General Plan policies and programs:
 - 1) Land Use Element Policy LU-1.3 (*Land Use and Climate Change*), which supports housing and commercial development adjacent to transit stations.
 - 2) Land Use Element Policy LU-2.1 (*Land Use Map and Categories*), which indicates that the General Plan Map should be used as a framework for future land use decisions, including zoning regulations.
 - 3) Land Use Element Policy LU-2.2 (*Mixed Use Development*), which supports mixed uses on commercial properties.
 - 4) Land Use Element Policy LU-3.3 (*Housing Mix*), which supports a diverse mix of housing choices and opportunities.

- 5) Neighborhoods Element Program NH-4.10A (*Station Area Plan Implementation*) which supports additional residential and commercial development opportunities adjacent to the Civic Center Station.
 - 6) Mobility Policy M-3.8 (*Land Use and VMT*), which supports development opportunities around transit stations.
 - 7) Housing Element Policy H-4.8 (*Adequately Zoned Sites*) to maintain an adequate supply of residentially zoned land to meet the needs of all economic segments of the community.
2. The public health, safety, and general welfare would be served by the adoption of the proposed amendment to change the existing “PD 1436” and “LI/O” Zoning Classifications to the “O” Zoning Classification because the subject parcels would provide opportunities for housing, including affordable housing. Allowing densities of 43.5 units per acre on sites where residential uses are not permitted today can help meet an urgent community need and leverage the benefits of the sites’ proximity to mass transit. Moreover, rezoning properties located immediately adjacent to the SMART station presents an opportunity for development that is less car-dependent, reduces per capita greenhouse gas emissions, supports active transportation modes such as walking and bicycling, and reduces the need to convert open space on the fringes of the city to urban uses.

NOW THEREFORE, THE CITY COUNCIL OF THE CITY OF SAN RAFAEL DOES HEREBY ORDAIN AS FOLLOWS:

DIVISION 1: Findings

The City Council of the City of San Rafael hereby determines and finds that all of the facts and statements contained in the recitals herein and the finding of Planning Commission Resolution 23-03, adopted April 25, 2023, recommending to the City Council adoption of this Ordinance, are true and correct. The City Council further finds that the zoning map amendment complies with CEQA and is consistent with the certified EIR for San Rafael General Plan 2040.

DIVISION 2: Approval

The City Council of the City of San Rafael hereby approves and adopts the amendment to SRMC Title 14 Zoning Map as presented in Exhibit A attached hereto and incorporated herein by reference.

DIVISION 3: Publication

A summary of this Ordinance shall be published and a certified copy of the full text of this Ordinance shall be posted in the Office of the City Clerk at least five (5) days prior to the Council meeting at which it is adopted.

The Ordinance shall be in full force and effect thirty (30) days after its final passage, and the summary of this Ordinance shall be published within fifteen (15) days after the adoption, together with the names of those Councilmembers voting for or against the same, in the Marin Independent Journal, a newspaper of general circulation published and circulated in the City of San Rafael, Marin County, State of California.

Within fifteen (15) days after adoption, the City Clerk shall also post in the office of the City Clerk a certified copy of the full text of this Ordinance, along with the names of those Councilmembers voting for or against the Ordinance.

KATE COLIN, Mayor

ATTEST:

LINDSAY LARA, City Clerk

THE FOREGOING ORDINANCE was first read and introduced at a regular meeting of the San Rafael City Council on the 15th day of May 2023, and was passed and adopted at a regular meeting of the San Rafael City Council on the 5th June of May 2023 by the following vote, to wit:

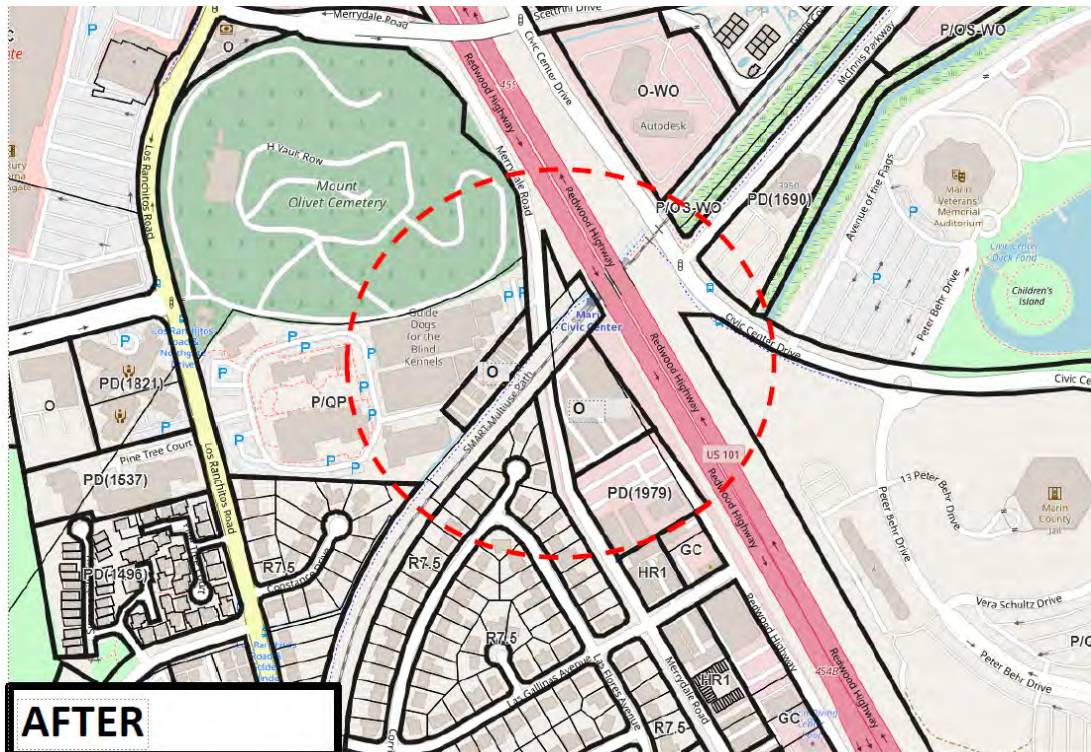
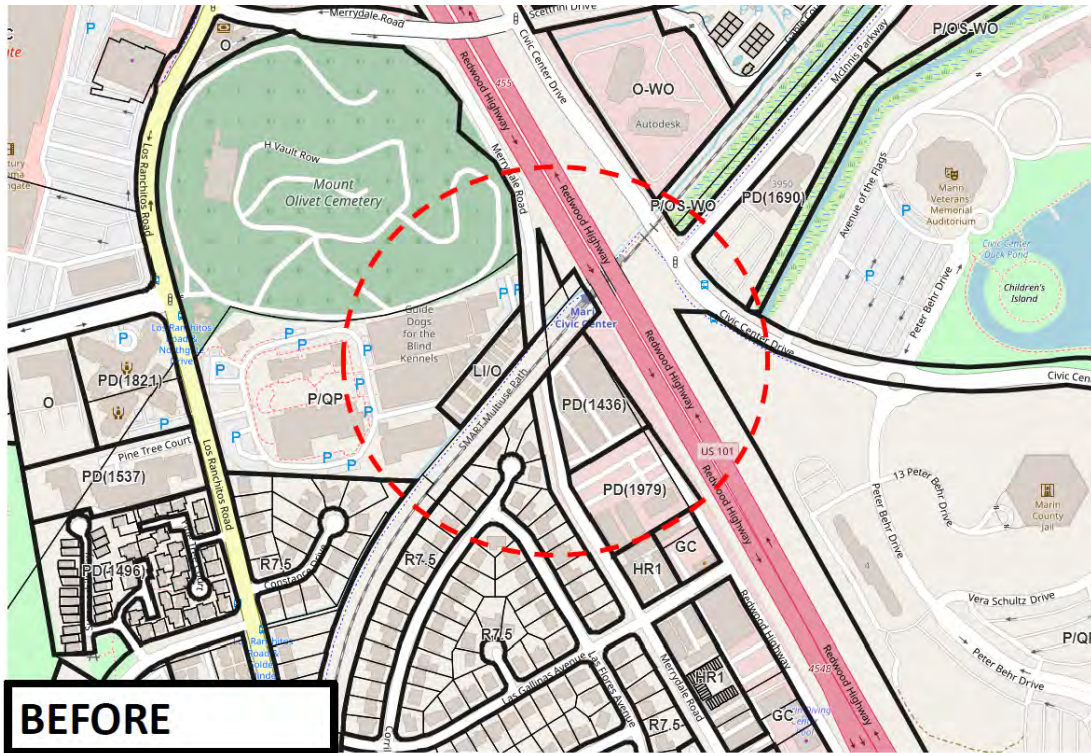
AYES: COUNCILMEMBERS:
NOES: COUNCILMEMBERS:
ABSENT: COUNCILMEMBERS:

LINDSAY LARA, City Clerk

Exhibits:

A. Rezoning Map

Attachment A San Rafael Zoning Map



Barry Miller

From: [REDACTED]
Sent: Sunday, April 16, 2023 1:53 PM
To: Barry Miller
Subject: Rezoning of 401 Merrydale Road APN 179-041-05

Dear Mr. Miller,

I am the owner of 401 Merrydale Rd (Northgate Security Storage) located adjacent to Guide Dogs for the Blind (GDB) on two sides of my property. The back property line is the new puppy kennel and the side property is the existing kennels. The south side of the property is located next to the SMART train tracks and within 200' of the Civic Center Platform. The frontage is Hwy 101.

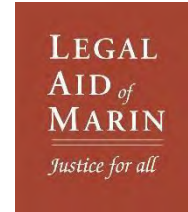
A noise analysis was conducted by Charles M. Salter Associates in 2016 to evaluate existing noise levels as well as evaluate the impact from barking dogs at the new Puppy Center. The noise levels were predicted to be 76dBA at the Northgate Security Storage property line. Maximum limit is 70dBA for industrial zoning during the day and 60dBA at night. Dogs do not stop barking during the night and especially don't stop barking on weekends when the staff is limited. The noise level from GDB has not been mitigated. I can attest to this since I have owned this property and business for over 45 years.

Due to all the noise generated from GDB dog kennels, the Smart train and Civic Center platform and Hwy 101 frontage, the new proposed office zoning would not meet the noise requirement for office zoning of 65dBA intermittent and 55 dBA constant during the day and 55dBA intermittent and 45dBA constant at night. The Light Industrial/Office zoning is the correct zoning for the APN 179-041-05 (401 Merrydale). The mini storage business seems a perfect business for the site.

I am confident that any future development on this site would be fully evaluated by the planning commission if the zoning is not changed.

Thank you for your consideration in this matter.

Janette Caron
Owner



April 21, 2023

Mayor Kate Colin
Vice Mayor Llorens Gulati
Councilmembers Kertz, Bushey, and Hill
Planning Commissioners Saude, Haveman, Mercado, Previtali, Samudzi, and Shalk
City Administration

San Rafael City Hall
1400 Fifth Avenue, Room 203
San Rafael, CA 94901

Re: Community Response to HCD Comments on San Rafael’s Proposed Housing Element

Dear Mayor Kate and Team San Rafael:

We represent a coalition of Marin nonprofits working alongside and on behalf of thousands of Marin residents, especially the Latino immigrant community, Black, Indigenous, People of Color (BIPOC) and other lower-income residents disproportionately impacted by the current housing crisis.

First, let us congratulate City staff and consultants on what is largely an excellent Housing Plan. We have reviewed the State’s letter dated March 30th ¹ and agree that the City is very close to having a compliant housing element. We recognize that much of the tangible work on housing will begin after the Element is adopted, and we are committed to working with the City on the implementation of its ambitious goals, policies and programs in a timely manner.

Regarding the City’s reply to the State’s letter, we find it important to highlight the State’s reminder that under Gov. Code, § 65583, subd. (c):

Programs containing unclear language (e.g., “evaluate”; “consider”; “encourage”; etc.) or vague commitments should be amended to include more specific and measurable actions.

¹ California Department of Housing and Community Development. City of San Rafael’s 6th Cycle (2023-2031) Draft Housing Element (Update). March 20, 2023. [Link](#).

As our organizations and community members have made it clear throughout this process,² the City of San Rafael needs to make a stronger commitment to passing renter protections allowed under state law, including stronger just cause eviction protections and stronger rent control. Language in Program Sections 10 and 11, which are the sections that deal with Just Cause Eviction and Rent Control, fall into this unclear or vague determination.³

The State also noted that, with respect to the need to strengthen Program 11 (Tenant Protection Measures):

The element should commit to implementing some or all these strategies, depending on the outcomes of the City’s feasibility evaluation and identify potential funding sources and timelines to secure funding to support some or all the actions identified by stakeholders in Program 11.

With a few simple changes, the City can align itself with the State’s response by shifting from consideration to commitment.

For example, the City of Concord— a city similarly situated to San Rafael demographically, socioeconomically and politically —made specific and time-bound commitments to advance tenant protections through their Housing Element.⁴ Program 20: Residential Tenant Protections commits to **“begin drafting rent stabilization and just cause for eviction ordinances within 90 days of Housing Element adoption, with adoption of ordinances by December 2023.”** We ask that San Rafael adopt language in line with Concord’s specific and time-bound commitment to considering, passing and implementing meaningful protections for San Rafael’s renters. These ordinances would improve housing stability for the City’s low-income and BIPOC residents, especially those residing in the Canal neighborhood.

Goals & Objectives

We also feel it is important to note that on May 15th, the City Council will consider both the Housing Element for adoption and begin setting their 2023–24 Goals & Objectives, outlining the City’s priorities for the next 24 months. We urge the Council to adopt tenant protections as a top priority for San Rafael in order to put the full weight of the City behind implementing this crucial component of the Housing Element.

We will be there to support the community’s voice at the Council meeting on May 15th, and we are also ready to work with staff on May 16th and beyond. While we insist on stronger and more committed language regarding tenant protections in the Housing Element, we know that building stronger programs for San Rafael will require intensive and consistent cross-sector collaboration after the Housing Element is adopted. The Canal Policy Working Group proved its

² See City of San Rafael. 6th Cycle 2023-2031 Housing Element Update HCD Draft November 2022, p. 6-23. [Link](#); San Rafael City Council Meeting, March 6, 2023. [Link](#); San Rafael Housing Element Comment Letter, August 5, 2022. [Link](#); San Rafael Housing Element Comment Letter, December 1, 2022. [Link](#); San Rafael Housing Element Comment Letter, February 16, 2023. [Link](#).

³ City of San Rafael. 6th Cycle 2023-2031 Housing Element Update HCD Draft November 2022, p. 6-20 – 6-24. [Link](#).

⁴ City of Concord. 6th Cycle 2023-2031 Housing Element Update HCD Draft August 2022, p. 38, [Link](#).

worth during the pandemic, and we are committed to playing a similar role in studying, designing and ushering implementation of stronger renter protections and the 44 housing programs proposed in the Element.

We very much look forward to our ongoing collaboration.


Sincerely,



Omar Carrera
Chief Executive Officer
Canal Alliance



Laura McMahon
Executive Director
Legal Aid of Marin



Chandra Alexandre
Chief Executive Officer
Community Action Marin

Gregory Andrew

Comments on San Rafael 2023-2031 Housing Element; April 25, 2023

I am providing the following comments for: **Planning Commission Regular Meeting; Tuesday, April 25, 2023,**

The public notice and agenda packet for this meeting do not provide any staff report so I ask that the Planning Commission provide, at the meeting, a full and complete explanation of why the Housing Element is proposed to be revised for:

- Rezoning of 380 Merrydale (APN 179-041-22) from PD 1436 to Office (O) and 401 Merrydale (APN 179-041-05) from Light Industrial/ Office (LI/O) to Office (O)

In addition, I am reiterating my previous comments from 12/5/2022 on the Draft Housing Element and ask that these issues be addressed by the Planning Commission during the public meeting:

Table 4.1 should be revised to show the Total Buffer = 51%. Why is the Total Buffer on Table 4.1 shown as N/A? The total buffer = 51% (50.869%); why is this not shown in the table?

There is no justification for such a large buffer and it should be drastically reduced, down to the 15% buffer that is required. Why allocate a 51% when the State requirement is for a 15% buffer. What is the rationale and justification such a high buffer? Especially when the ABAG RHNA allocation of 3,220 units is already such an arbitrary and grossly inflated number to begin with.

The Housing Element needs to show and clearly define the income levels associated with Low, Moderate, and Above Moderate income households; the only mention of this is buried in tiny print in an asterix note at the bottom of Table 4.3. There needs to be better transparency of the incomes associated with the housing categories.

The City needs to reconsider its allocation of Moderate housing units. Table 4.2 shows that Moderate Income housing units have been left in the dark by the City, and almost completely left out of City-approved housing units, with only 3 out of 785 units being Moderate.. Table 4.3 shows that again Moderate housing units will be sidelined with only 11% of units in the approval pipeline designated for Moderate income levels. If the City wants to profess that it is making housing units available to safety & emergency service employees then how will there be enough Moderate Income units available given the City's track record? It seems to be a false argument for more housing if the City won't deliver on the housing for Moderate income families.

Figure 4-1 needs to be revised to show in a legend what the circled letter-number designations represent. There is no information on Figure 4-1 on what these designations are. The maps should also have basic and standard map references to a north arrow and scale.

The Housing Element needs to include maps showing what the zoning designations are for the areas around the units highlighted; there should be more transparent information about how the proposed zoning for the allocated sites compares to the areas around the sites.

Housing designations bordering single-family residential parcels should constraint building height so that new developments do not tower over and look into private residences, thus destroying privacy. An example site is the Dandy Market site at the corner of Merrydale Road and El Prado (Site E-20). Any new development at this site must not destroy the privacy of the single-family residences behind Dany Market.

Thank you.



April 25, 2023

San Rafael Planning Commission
1400 Fifth Avenue
San Rafael, CA 94901

BOARD OF DIRECTORS

William Carney,
President
Linda Jackson,
Vice President
Stuart Siegel,
Secretary
Greg Brockbank
Kay Karchevski
Kiki La Porta
Annika Osborn
Howard Schwartz

415.302-0110

RE: Adoption of 2023-2031 Housing Element

Honorable Commissioners,

Sustainable San Rafael has been following the City's housing programs and policies as part of the Housing Element Working Group (2021-22). There is much to commend in the revised Housing Element, including the consultations with project developers, housing to meet the needs of lowest income residents, and implementation of the CCAP.

We appreciate the opportunity to submit these comments to make the Element more accurate. We hope these will assist you in further strengthening the revised Housing Element.

Page 2-3

Current: 'Promotion of accessory dwelling units (ADU) as a resource for lower income and senior homeowners seeking a source of income to reduce housing expensive, and a housing resource for older adults and lower income renters.'

Recommended:

"Promoted accessory dwelling units (ADU) as a resource for homeowners seeking an additional source of income to reduce housing expenses and to provide new housing for lower income renters."

page 3-17

Add: Roughly one third of the city's households include at least one resident over 65 years old. Nearly half of these households consist of single persons over 65 living alone.

page 3-22

Table 3.13 shows income by tenure. Owner-occupied households had a median income of \$141,212, which was more than double the median income of \$61,595 reported for renters. More than 41 percent of all renter households had incomes below \$50,000 a year, compared to 16 percent for owner households. Nearly half of all homeowners had annual incomes exceeding \$150,000 a year, compared to just 16 percent for renter households.

Ownership rates are particularly low among extremely low income (ELI) households. CHAS data indicate that just 25.1 percent (1,225) of the ELI households in San Rafael are homeowners, while 74.9 percent (3,655) are renters. Even without mortgages, ELI owners may face challenges associated with home maintenance, taxes, and other expenses.

Recommended for last sentence: "**ELI homeowners** [delete 'may'] face

challenges associated with home maintenance, taxes, and other expenses."

Comment: the data shows that older homeowners may also be cost-burdened; they should be included. (see page 3-33)

Page 4-13 and B-8

Recommended: Include the Aldersly Garden Community project's status as well. This is non-profit senior housing. The project was approved in January '22 and plans have been submitted for building permits. The groundbreaking is scheduled for '23.

Page 4-16

The ADU projections based on ABAG calculations result in "conservative," very low expectations for ADU construction.

Recommended: We encourage the City to propose a goal to increase the number of new ADU units to 100 a year during the planning period. This would mean a greater policy and program commitment to promote this housing type due to its affordability, the ability to meet various needs of older homeowners (income, caregiving, intergenerational housing), and to provide infill lower-income housing that can increase the diversity of a neighborhood.

Page 4-32

Sites C4 and C5 are on steep hillside lots.

Recommended: As environmentally sensitive locations, these sites should not be included on the 'housing sites' list. They may still be developed as single-family homes, but they should not be fast-tracked as housing opportunity sites through the City's review process.

Page 4-35

Site B2 is the Aldersly housing project (326 Mission) that was approved December '22.

Recommended: This site should be shown in 'red.'

Page 4-36

"Similarly, the project at 107 G Street included one very low-income unit, representing 15% of the project total."

Comment: 107 G Street is ten units. Please verify that instead an in-lieu fee was paid for the fractional affordable unit required for the project.

Page 4-37

Recommended: The discussion of San Rafael's legacy track record in approving projects above the zoning density could also recognize the record in previous housing elements documenting the City's practice since the 1980s of approving density bonuses for affordable housing throughout the community.

Page 4-48

Recommended: In "Air Quality and Noise" section, recognize that the proposal by the Transportation Authority of Marin to build an interchange at 105/580

with connections that will relocate commuters from south of San Rafael to central San Rafael will have air quality and noise (and visual) impacts on housing sites E-16 and E-17.

Page 4-49

Recommended: Delete these sensitive hillside sites from the housing sites list and delete this sentence "A few of the low-density sites (Fair Drive/Coleman), collectively representing less than one percent of the City's total site capacity, do not currently have infrastructure and are shown in the site inventory as "above moderate income" to reflect those costs."

Page 5-51

Comment: The definition of 'family' was removed due to court decisions at the time that found 'family' was defined in ways to restrict non-familial roommate, board and care, multigenerational and other types of non-mainstream housing arrangements. The definition needs to not discriminate against non-family types of housing.

Page 6-10 and 6-38 to -39 and 6-71

Recommended: Do more than 'allow and promote' ADUs. This includes assigning a planner with the goal to approve 100 units/year and to expedite approvals; contracting with a firm to provide initial feasibility studies; joining the County of Marin's ADU partnership site, [City Standards — ADU Marin](#); holding ADU informational workshops with community-based and faith-based organizations; and revising the Planning Department ADU handouts to make the information accessible and to eliminate planning jargon ([ADU Single Family Checklist - San Rafael](#)).

Page 6-11

Recommended: for " Program 3: Funding and Resources to Prevent and Reduce Homelessness," add 'shallow rent subsidies for the most vulnerable extremely-low-income renters' (i.e. single renters 80 and older) to prevent them from becoming homeless.

Page 6-27

Add: Continue to encourage the provision of EV charging in apartment buildings, both new and previously-built.

Page 6-32

Recommended: Prioritize the air rights development plan by pursuing an RFP for the plan in 2024. Implementation of the plan should begin in 2026. The current wording says there won't be any action for another seven years.

Page 6-44 and 6-72

Current: "Amend affordable housing provisions by 2025 to clarify that assisted living units are subject to as a residential use rather than a commercial use so that the City's affordable housing requirements may be applied."

Recommended: "Study assisted living and memory care housing projects to understand the applicability of affordable housing provisions in supportive-services housing for older adults. Develop recommendations to encourage the development of housing to meet the needs of lower-income older adults."

Comment: There is a growing need for assisted living and memory care housing for people, especially as they age into their 80s. The City needs to research the efficacy of various options to meet the need, in addition to possibly requiring affordable units in a development that provides expensive medical services to its residents.

Recommended: Add an item to work with HCD to clarify that housing for older adults in assistive living and memory care counts as a 'unit' for RHNA purposes, consistent with a recent court decision.

Recommended: Revise as follows: "Continue to assist older San Rafael residents by offering wellness checks, recreational programming and social activities, and links to transportation, parks, shopping, health care, and other resources that make it easier to age in community."

Recommended: Add (similar to the large family preference and 6-73) "Express preference for housing units designed for older adults (including senior amenities such as onsite day center or community room)."

Page 6-46

Add: a program to monitor the number of facilities to ensure there is no loss of residential care and board and care facilities over the next eight years.

Finally there are some minor edits to correct typos:

Page 1-13

Typo: for the year (2023) of this focus group: Marin Center for Independent Living and Vivalon (2/14/33)

page 1-14

Typo: Voces De l Canal

Thank you for your leadership on behalf of increased affordability and diversity of housing in San Rafael.

Sincerely,

Linda M. Jackson
Vice President



SAN RAFAEL CITY COUNCIL AGENDA REPORT

Department: City Manager’s Office

**Prepared by: Bernadette Sullivan,
Senior Management Analyst**

City Manager Approval: _____

TOPIC: Draft FY 23-25 Goals and Objectives and Performance Metrics

SUBJECT: INFORMATIONAL REPORT ON THE CITY COUNCIL DRAFT FY23-25 GOALS AND OBJECTIVES AND PERFORMANCE METRICS

RECOMMENDATION:

Accept report on the Draft FY23-25 Goals and Objectives and Performance Metrics.

BACKGROUND:

The City Council regularly establishes a set of goals, objectives, and key implementation tasks (Goals and Objectives) that guide decision-making. The City created four Policy Focus Areas to highlight overarching policy priorities while retaining five City Service Areas to highlight operational efforts that are of particular focus. The four Policy Focus areas and five City Service Areas are listed below:

Policy Focus Areas

- **Economic Growth:** Building our economy to be stronger and more resilient.
- **Housing & Homelessness:** Creating new housing, keeping people in their homes, and use a “Housing First” model.
- **Diversity, Equity, Inclusion & Belonging (DEIB):** Working to create equitable outcomes for all, while addressing systemic racial injustices.
- **Sustainability, Climate Change & Disaster Preparedness:** Reducing greenhouse gas emissions while mitigating and adapting to climate change.

City Service Areas

- Neighborhood and Economic Vitality:** Create and preserve a healthy economy and sustain vibrant neighborhoods, Downtown, and other business areas.
- Quality of Life:** Serve and strengthen community relationships by providing literary, artistic, recreational, and cultural experiences for all residents and improving resident engagement and governmental transparency.
- Public Safety:** Prevent and respond to emergencies through essential facility improvements and community and organizational emergency readiness.
- Public Assets:** Improve and preserve public assets by sustaining effective levels of core infrastructure while reducing traffic congestion by expanding bicycle, pedestrian, and transit options.

FOR CITY CLERK ONLY

Council Meeting: _____

Disposition: _____

- E. **Foundational Services:** Sustain organizational viability and exemplary service through short and long-term financial success, organizational excellence and succession planning, and technology to improve efficiency and service levels.

Each Policy Focus and City Service Area has a set of objectives which provide a basis for making resource allocation decisions during the budget process and serve as a focal point for assessing and coordinating the City's short- and long-term strategic planning. The resources required to perform each objective and task are summarized in the Time and Intensity graphic within the Goals and Objectives.

ANALYSIS:

The City of San Rafael is committed to its work implementing environmentally sustainable practices, promoting affordable housing; supporting local businesses; improving public safety; enhancing livable neighborhoods; providing efficient and effective City services, transportation, and recreational opportunities; and ensuring equitable access to all City services.

The City of San Rafael provides a comprehensive range of municipal services in-house, making it a "full service" City. Since our services are primarily provided by people, 75% of our overall expenditures go towards City staff. Our employees perform a wide variety of tasks, including emergency response, community programming, streets and parks maintenance, safety inspections and more.

The City's primary limitation is financial resources. Sales and property taxes are our biggest revenue sources. However, the bulk of these taxes are allocated to entities such as the State of California, the County of Marin, schools, and transit agencies. As a result, our goals and aspirations must be balanced against our financial responsibilities.

In addition, the City Council had identified 15 metrics to start collecting, measuring, and analyzing the City Goals in the next fiscal year to track progress towards the Council's key policy areas. In addition to these 15 metrics, City staff are tracking other metrics internally that measure performance towards department-specific goals and objectives. The Performance Metrics are a part of the overall Goals and Objectives package.

Regarding the Performance Metrics, over the next year, City staff recommends evaluating and revising the current set of metrics as needed, assigning targets for each metric, and integrating performance measurement into existing processes.

COMMUNITY OUTREACH:

A City Council Study Session was noticed and held on May 8, 2023 to discuss the draft FY 23-25 Goals and Objectives in advance of the City Council discussion on May 15, 2023. Individual projects of the City's FY 23-25 Goals and Objectives also include community outreach, including but not limited to public meetings, surveys, and the use of online platforms/websites, to engage with residents. Ultimately, the Goals and Objectives and the Performance Metrics will be considered for approval by the City Council in June 2023.

FISCAL IMPACT:

The City's annual budget is guided by the FY 23-25 Goals and Objectives and Performance Metrics. Some included projects will be brought to the Council on an individual basis to ensure proper fiscal analysis and approval as appropriate.

OPTIONS: The City Council has the following options to consider on this matter:

1. Accept report.

2. Direct staff to return with more information.
3. Take no action.

RECOMMENDED ACTION:

Accept the Informational Report on the Draft FY23-25 Goals & Objectives and Performance Metrics

ATTACHMENTS:

1. Draft FY 23-25 Goals & Objectives
2. Draft Performance Metrics

DRAFT

**GOALS &
OBJECTIVES
FY 2023-25**

CITY OF SAN RAFAEL



SAN RAFAEL

THE CITY WITH A MISSION

TABLE OF CONTENTS

Introduction	4
How Do I Get My Services?	5
Policy Focus Areas	6
City Service Areas	11
Measuring Progress	17
Intensity - Cost & People	18
Accomplishments	19
Appendix	20

ABOUT OUR CITY

We are a 21st century government,
making City services easy to use
and work for everyone.



OUR PURPOSE

INTRODUCTION

The City of San Rafael Goals and Objectives 2023-2025 document outlines the City's strategic priorities and initiatives for the upcoming two fiscal years. The document is divided into four key policy focus areas: Economic Growth; Diversity, Equity, Inclusion and Belonging; Sustainability, Climate Change, & Disaster Preparedness; and Housing and Homelessness. Goals are further broken down into City Service Areas.

While each of these areas represents a distinct policy focus, they are interrelated and affect each other in significant ways, so although we have categorized them, some goals have the potential to fall into several areas. By recognizing the potential overlap between goals and policy areas, the City can develop more integrated and effective strategies to achieve our objectives. This approach helps to avoid siloed thinking and encourages collaboration across City departments and community stakeholders to achieve identified goals.

The City of San Rafael is committed to its work implementing environmentally sustainable practices, promoting affordable housing, supporting local businesses, improving public safety, livable neighborhoods, efficient and effective City services, transportation, recreational opportunities, responsive governance, and leadership, and ensuring equitable access to all City services.

The City of San Rafael provides a comprehensive range of municipal services in-house, making it a "full service" City. Since our services are primarily provided by people, 75% of our overall expenditures go towards City staff. Our employees perform a wide variety of tasks, including emergency response, community programming, streets and parks maintenance, safety inspections, and more.

The City's primary limitation is financial resources. Sales and property taxes are our biggest revenue source. However, the bulk of these taxes are allocated to entities such as the State of California, the County of Marin, schools, and transit agencies. As a result, our goals and aspirations must be balanced against our financial responsibilities.

The City recognizes that these goals cannot be achieved in a vacuum. The City will continue to partner and engage with residents, business owners, community groups, and other stakeholders to ensure that its priorities reflect the needs and aspirations of the community. Partnering to achieve the best outcomes for our residents.



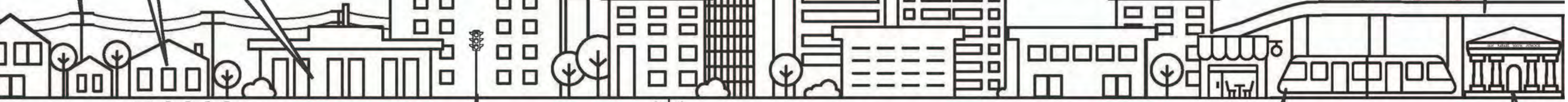
HOW DO I GET MY SERVICES?

STATE OF CALIFORNIA
 Freeways & bridges (Caltrans)
 Department of Motor Vehicles (DMV)
 Income tax and corporate tax collection
 Unemployment

COUNTY OF MARIN
 Health and Human Services
 Homelessness and Mental Health
 Tax assessments
 Birth & marriage certificates
 Registrar of Voters
 County Courts & Jail
 County open space & parks

PG&E / MCE
 Electricity & gas service

CITY OF SAN RAFAEL
 Planning & building approvals
 Libraries & Community Centers
 Homelessness assistance
 Business retention & expansion
 City parks & playgrounds
 Sustainability programs



MARIN SANITARY SERVICE
 Refuse & recycling

SAN RAFAEL, LAS GALLINAS VALLEY, & CENTRAL MARIN SANITATION DISTRICTS
 Sewer & sewerage treatment

CITY OF SAN RAFAEL
 Police Department
 Fire Department
 Parking services
 Traffic signals
 Street maintenance
 Drain and Creek maintenance

MARIN TRANSIT & GOLDEN GATE TRANSIT
 Bus services

SMART
 Sonoma Marin Area Rapid Transit

MARIN MUNICIPAL WATER DISTRICT
 Local water supply, watersheds & reservoirs

SRCS, MILLER CREEK SCHOOL DISTRICT
 K-12 Public Education

POLICY FOCUS AREAS

ECONOMIC GROWTH

Building our economy to be stronger and more resilient.

SUSTAINABILITY, CLIMATE CHANGE & DISASTER PREPAREDNESS

Reducing greenhouse gas emissions while mitigating and adapting to climate change.

DIVERSITY, EQUITY, INCLUSION & BELONGING (DEIB)

Working to create equitable outcomes for all, while addressing systemic racial injustices.

HOUSING & HOMELESSNESS

Creating new housing, keeping people in their homes, and use a “Housing First” model.





ECONOMIC GROWTH

- Implement initiatives from the Economic Development Strategic Plan that will reinvigorate commerce across the city, find innovative strategies to attract and retain businesses, attract high-tech and other emerging market users, and ensure that growth is not only sustainable, but also equitable.
- Create an environment that is conducive to business growth and job creation, encouraging investment and innovation, developing infrastructure and human capital, and promoting trade and commerce.
- Conduct a feasibility study for the creation of Property Based Improvement Districts (PBIDs) that enhance the appearance and vitality of public spaces through such things as: improving safety, cleanliness, marketing, and physical upgrades.
- Work with community partners such as the Chamber of Commerce, Business Improvement District (BID), Small Business Development Center, Marin County Office of Education, Canal Alliance, and Hispanic Chamber of Commerce on economic recovery initiatives and workforce development programs.
- Explore new revenues to fund economic development, such as a tourism-based improvement assessment or an increased Transit Occupancy Tax.



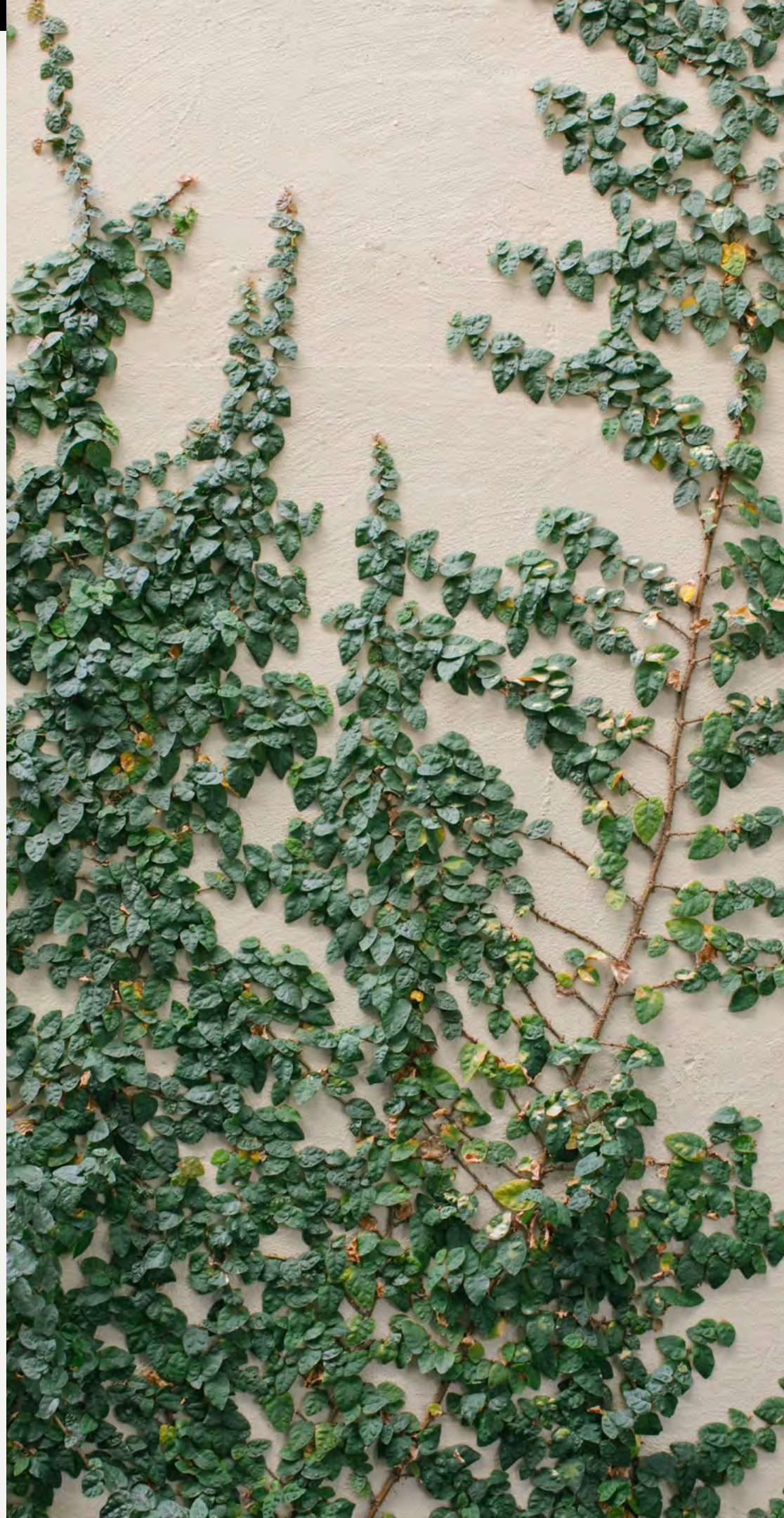
DIVERSITY, EQUITY, INCLUSION & BELONGING (DEIB)

- Continue and expand training for all City staff, elected officials, and boards and commissions members around Diversity, Equity, Inclusion and Belonging (DEIB) principles to ensure that equity considerations are integrated into the City's policies and practices.
- Develop a strategic roadmap to guide the City's DEIB internally-facing efforts, including implementing the human resources equity audit and continuing to evaluate policies and practices for alignment with DEIB principles.
- Continue inclusive resident engagement practices that find opportunities to partner with underserved community members to build capacity for meaningful civic engagement and lift up traditionally marginalized voices.
- Hold community meetings in Spanish with English interpretation and analyze best practices for increasing inclusivity by offering daycare, food, and stipends to participants.
- Increase police accountability and promote transparency with law enforcement, and develop a community accountability advisory committee who will evaluate options such as, engaging an independent auditor and providing feedback on policing policies and practices.
- Develop a Language Resource Access Plan to support multilingual engagement practices across the City, and explore best practices for interpretation for all publicly noticed meetings.
- Implement strategies to increase the diversity of public safety recruitments to attract and hire qualified candidates from diverse backgrounds,



HOUSING & HOMELESSNESS

- Evaluate existing tenant protection policies to determine their effectiveness and consider the implementation of revised policies to expand housing choices for all residents, as outlined in the 2023-2031 Housing Element, to ensure habitability, create fair housing, and end homelessness.
- Partner with community stakeholders to develop policies to protect renters and low-income earners from increasing housing prices and uncertain economic conditions. Support maintaining and improving our housing base and reduce the likelihood of homelessness.
- Continue evaluating Housing-Focused Shelter (Interim Housing), fortified with strong case management services to help transition unhoused community members into permanent supportive housing.
- Explore options for establishing a standardized process to regularly issue Notices of Funding Availability (NOFAs) to facilitate development of new affordable housing using the City's Affordable Housing Trust Fund.
- Continue to take a leadership role to support the countywide coordinated entry system and Project Homekey-type efforts to end chronic and veteran homelessness.



SUSTAINABILITY, CLIMATE CHANGE, & DISASTER PREPAREDNESS

- Develop a comprehensive adaptation plan that addresses the challenges and risks posed by wildfires, sea level rise, and other disasters to San Rafael and its residents using strategies and data from community partnerships and past planning efforts to provide a roadmap for disaster prevention and mitigation.
- Build a more resilient community in the face of disasters, able to recover more quickly and effectively, including evacuation planning for residents in the event of emergencies. Increase disaster preparedness outreach so all residents, regardless of income, language, physical ability, digital access, or any limiting factor have knowledge and resources to be prepared to respond to disasters.
- Implement SB 1383 and reduce short-lived climate pollutants from organic waste. Promote voluntary compliance, protect the environment, and contribute to the City's overall sustainability goals.
- Continue to do outreach and partner with the County to implement the Reusable Foodware Ordinance to reduce waste, litter, and contamination in composting streams.
- Collaborate with the Transportation Authority of Marin and other community partners to develop an electric vehicle (EV) strategy for San Rafael, including increasing EV's and EV charging infrastructure at City facilities and in the community.

CITY SERVICE AREAS



Services provided by
the City of San Rafael

GOAL A: NEIGHBORHOOD AND ECONOMIC VITALITY

Create and preserve a healthy economy and sustain vibrant neighborhoods, Downtown, and other business areas

The City provides a range of ongoing services in this area such as: the development entitlement process, retaining and attracting businesses, facilitating new housing units, reducing homelessness, conducting building/safety inspections and permitting, and implementing climate change and sustainability programs.

- Prioritize the implementation of key General Plan 2040 programs, including neighborhood planning, economic vitality, tree inventory, and improving and preserving public assets.
- Where discretion is allowed under State housing laws, create standards to guide new developments to best fit into San Rafael through implementing the Downtown Precise Plan and additional policies, as needed.
- Establish a By-Right Neighborhood Affordable Housing Overlay Zone to streamline the review and approval of affordable housing projects in high-density residential zoning districts. Develop a comprehensive plan for the Priority Development Areas (PDA) in the North and Southeast San Rafael neighborhoods addressing future development, mobility, sea level rise, and other community priorities.
- As development projects arise, create development agreements as necessary and facilitate community engagement efforts to inform and solicit input from the community throughout the process, such as the Northgate project.
- Using results from the 2022-23 day laborer survey, work with governmental and community partners to facilitate a Feasibility Study of a Day Laborer Center/Hiring Hall in San Rafael.
- Consider revisions to the Cannabis program, such as reviewing quantities and types of licenses, evaluating revisions for hemp products, and addressing products targeting youth.
- Continue to develop, improve and implement a comprehensive plan to address the issue of illegal dumping in areas of denser multifamily housing, with a focus on improving access to legal disposal options for tenants.
- Assess feasibility and revise the City's current residential parking permit program to address overcrowding of neighborhood parking in a cost-neutral and equitable manner.



GOAL B: QUALITY OF LIFE

Serve and strengthen community relationships by providing literary, artistic, recreational and cultural experiences for all residents and improving resident engagement and governmental transparency

The City provides a variety of ongoing services in this area, such as: operating the three libraries and three community centers, childcare services, Falkirk Cultural Center, and operating network of parks.

- Use Parks and Recreation Master Plan to guide the development, enhancement, and maintenance of parks, recreational facilities, and programs for the City.
- Enhance recreational opportunities and user experience at Pickleweed Park by adding new amenities, enhancing existing facilities, and installing all-weather turf on the field to provide a safe, sustainable, and inclusive community space.
- Redesign interior space at Pickleweed Branch Library and improve the Downtown Library's critical and life safety infrastructure, operations, and services to provide safe, functional, and innovative learning spaces.
- Replace the playground at Peacock Gap Park with a new, modern structure.
- Continue process to assess the feasibility of constructing a new library facility that meets the current and future needs of the community, including identifying potential funding sources and partnerships.
- Amend the smoking ordinance to bring it up to the latest standards, such as allowing the general public to bring a civil action against any person who has multiple violations.
- Continue to implement the Age-Friendly Strategic Plan, including working with the Age-Friendly Task Force to support ageism trainings and activities to address social isolation.
- Develop a comprehensive Master Plan for the Terra Linda Park and Community Center that will guide future site improvements and enhance the park and community center's role as a community resource.



GOAL C: PUBLIC SAFETY

Prevent and respond to emergencies through essential facility improvements and community and organizational emergency readiness

The City provides a variety of ongoing services in this area, such as: emergency response, advanced life support care, wildfire and structure fire prevention, traffic enforcement, crime prevention, mental health outreach, disaster preparedness, community education, and vegetation management.

- Analyze the results and effectiveness of the Specialized Assistance for Everyone (SAFE) team three-year pilot and determine if/how it should be adjusted (e.g. hours of operation) to have the greatest impact on community members and develop funding feasibility to extend beyond the pilot program period of time.
- Improve service to the community by reducing emergency response times of priority 1 police calls to average of less than six minutes.
- Continue community conversations about how the police department can improve residents' feelings of safety in their neighborhoods and improve trust with the community.
- Conduct a comprehensive evaluation of the Advanced License Plate Reader (ALPR) technology to assess its effectiveness in reducing auto thefts and Part 1 crimes while ensuring privacy and equity considerations are addressed. Analyze crime trend data to measure the impact of ALPR technology on investigations and explore ways to mitigate potential biases and protect sensitive personal information.
- Conduct a detailed fire deployment study to ensure that the current needs of the community are being met and to prepare for future growth.
- Examine emergency medical services delivery in San Rafael to ensure the highest-quality care is provided and the appropriate resources are provided in a responsible and effective manner for increasing demands for service.
- Evaluate the financial feasibility of the paramedic tax revenues to address future needs, including an increase in elder care facilities.

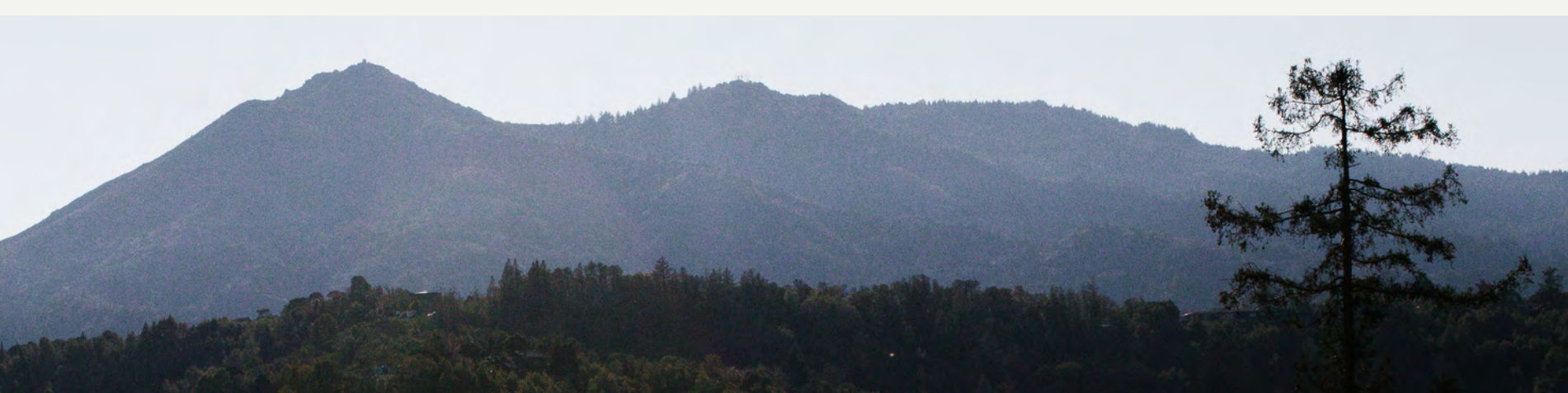


GOAL D: PUBLIC ASSETS

Improve and preserve public assets by sustaining effective levels of core infrastructure while reducing traffic congestion by expanding bicycle, pedestrian, and transit options

The City provides a variety of ongoing services in this area, such as: road paving, park upkeep, drain clearing to prevent flooding, safe transportation options including biking, walking, and public transit, traffic signals, streetlights, and building maintenance to ensure functionality, safety, and accessibility.

- Evaluate and prioritize the Capital Improvement Program annually, including initiating grant-funded projects in 2023 (e.g. improvements to the Second Street and Fourth Street intersection).
- Improve transportation and safety in the Canal neighborhood by conducting a feasibility study of the Canal Multi-modal experience and Canal swing bridge incorporating recommendations from the Canal Community Based Transportation Plan.
- Actively participate in the decision-making process with the Golden Gate Bridge, Highway and Transportation District in relocating the San Rafael (Bettini) Transit Center.
- Coordinate with the TAM and the County of Marin in the analysis and implementation of Vision Zero, or equivalent, to eliminate all traffic fatalities and severe injuries while increasing safe, healthy, equitable mobility for pedestrians, cyclists, and all modes of traffic.
- Actively participate in the decision-making process with Transportation Authority of Marin (TAM), other agencies, and the community on the US 101/I-580 Multimodal and Local Access Improvement Project.
- Develop a comprehensive Storm Drain Master Plan that will include network upgrades, maintenance schedules, sea level rise planning, and requirements for new developments.
- Develop an inventory of City assets, including buildings, infrastructure, parks, lighting, open space and trees, and develop a strategic plan for asset management to identify and quantify unfunded liabilities and deferred maintenance costs. Engage community volunteers to support this effort.
- Reduce the City's greenhouse gas emissions by transitioning, where feasible, diesel and gasoline-powered vehicles to electric vehicles.
- Develop and adopt an updated Pedestrian and Bicycle Master Plan to improve connectivity, safety, and accessibility for pedestrians and cyclists.



GOAL E: FOUNDATIONAL SERVICES

Maintain world-class/award-winning organizational viability and exemplary service through short and long-term financial success, organizational excellence and succession planning, and technology to improve efficiency and service levels

The City provides a variety of ongoing services, such as: managing budgets, supporting local elections, maintaining public records, issuing business licenses, support for boards and commissions, professional services such as human resources, legal, finance, and digital services.

- Develop a civic engagement strategy and reestablish the City's Communications Team including coordination and strategy around Citywide communications, website content strategy, and best practices.
- Improve the user experience for the public by implementing a new, modern permit management system which will streamline processes for applicants and improve coordination of permit services across all City departments.
- Make recommendations to bring to the ballot the Municipal Code and San Rafael's Charter focusing on updating any outdated, confusing, or inaccurate language, and make them more accessible, understandable, and gender-inclusive.
- Enhance Performance Measurement through the co-development of dashboards and data tools for the Council policy focus areas, provide easy access to performance metrics, and enable data-driven decision-making by City departments. Evaluate which data sets can be added to our open data portal to increase transparency.
- Continue next phases of internal "Together San Rafael" efforts including improvements to: employee recognition, employee experience including onboarding and mentoring, and DEIB projects and trainings.
- Review and revise, as necessary, the City's notification and communication standards for projects going through the entitlement process, and consider different standards depending on the potential impact of the project on the community.
- Analyze new revenue alternatives and opportunities for future needs, including aggressively seeking grant funding.



MEASURING PROGRESS

The City is implementing a performance measurement approach to track progress towards the priorities stated in this document. The goals of our performance measurement program are to:

- Track the City's progress on targets set in key policy areas
- Track the outcomes of activities conducted by the City
- Use the metrics and relevant data to help inform decision-making, progress towards our goals and objectives, and improve outcomes.

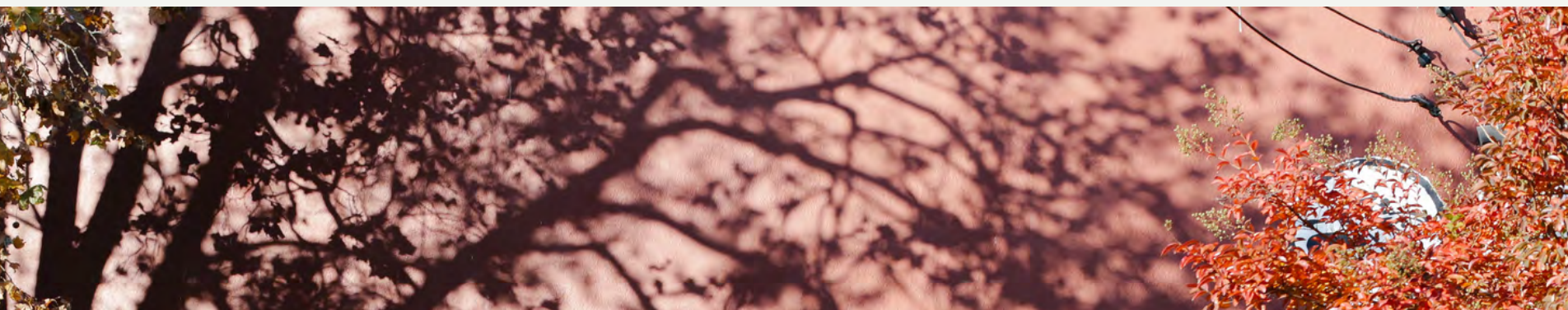
In 2022, the City Council approved 15 key metrics to track the City's progress towards the goals and objectives within the policy focus areas.

In FY 2022-2023, the City collected data related to each metric, established a baseline for the metric, and trendlines. Performance measurement dashboards were created and presented to Council through the budget and goal setting process. Summary findings and public dashboards are available on the City website.

www.cityofsanrafael.org/performance-metrics

Over the course of the next year we will continue to align metrics, targets, and goal setting to make sure the City is measuring the right things that show progress in key policy areas. Over the course of the next few years the City will:

- **Revise Metrics:** Evaluate and revise the current set of metrics to better capture the City's priorities, and develop a mapping of department goals and objectives to these metrics.
- **Choose targets:** Assign targets for each metric based on the estimated budget and staff time spent on related projects, and the relative importance of each of the goals and objectives
- **Integrate Performance Measurement into existing processes:** Leverage performance metrics and additional data to support staff, department directors, and Council in their decision-making to ultimately improve outcomes.



DRAFT INTENSITY - COST AND PEOPLE

Goal A: Neighborhood and Economic Vitality

Goals	\$	👤
Create By-Right Affordable Housing Overlay Zone	\$\$	Ω
General Plan Implementation	\$\$\$	ΩΩΩ
Day Laborer Center Study	\$	Ω
Cannabis Program	\$	ΩΩ
Illegal Dumping Program	\$\$	ΩΩ
Downtown Precise Plan	\$\$	ΩΩ
Evaluate Residential Parking Permit Program	\$\$	ΩΩ

Goal B: Quality of Life

Goals	\$	👤
Evaluate Residential Parking Permit Program	\$\$	ΩΩ
Pickleweed Park Enhancements	\$\$	ΩΩ
Park and Rec Master Plan	\$\$\$	ΩΩΩ
Pickleweed Branch Library	\$\$\$\$	ΩΩ
Replace playground at Peacock Gap Park	\$\$\$	ΩΩ
Update Smoking Ordinance	\$	Ω
Age-Friendly Strategic Plan	\$\$	ΩΩ
Terra Linda Park and Community Center Master Plan	\$\$	ΩΩ
Explore Construction of New Library	\$\$\$\$	ΩΩΩ

Goal C: Public Safety

Goals	\$	👤
Analyze SAFE Pilot	\$\$	ΩΩ
Improve response times of police calls for service	\$\$	Ω
Evaluate alternative ambulance delivery models	\$	Ω
Evaluate License Plate Reader Tech	\$\$	ΩΩ
Auto Theft	\$	Ω
Conduct Fire Deployment Study	\$	Ω
Evaluate Paramedic Program	\$\$	ΩΩ

Goal D: Public Assets

Goals	\$	👤
Canal Swing Bridge	\$\$\$	ΩΩ
Transit Center Relocation	\$\$	ΩΩ
101/580 Multimodal Project	\$\$	ΩΩ
Asset Inventory and Strategic Management Plan	\$\$\$	ΩΩ
Vision Zero	\$\$	ΩΩ
Storm Drain Master Plan	\$\$\$	ΩΩ
Building out electric fleet	\$\$\$	ΩΩ
Capitol Improvement Program	\$\$\$	ΩΩ
Pedestrian and Bike Master Plan	\$\$	ΩΩ

Goal E: Foundational Services

Goals	\$	👤
Permit Management System Implementation	\$\$	ΩΩ
Civic Engagement Strategy	\$\$	ΩΩΩ
Municipal Code Update/City Charter Update	\$	Ω
Performance Measurement and Open Data	\$	Ω
Entitlement Process Standards	\$\$	Ω
Continue Together San Rafael Culture Work	\$	Ω

Key

Description	Symbol
Under 50K	\$
51K to 150K	\$\$
151K to 300K	\$\$\$
Over 300K	\$\$\$\$
One department and/or low time intensity	Ω
Two departments and/or medium time intensity	ΩΩ
Three departments and/or high time intensity	ΩΩΩ
Several departments and/or very high time intensity	ΩΩΩΩ

Economic Growth

Goals	\$	👤
Continue Together San Rafael Culture Work	\$	Ω
Economic Development Strategic Plan	\$\$\$	ΩΩΩ
Property Based Improvement Districts (PBID)	\$\$	Ω
Economic Recovery Initiatives	\$	Ω

Diversity, Equity, Inclusion & Belonging (DEIB)

Goals	\$	👤
Additional Economic Development Revenue	\$	Ω
DEIB Training	\$\$\$	ΩΩΩ
Diversity, Equity, Inclusion & Belonging (DEIB) Strategic Plan	\$\$	ΩΩ
Resident Engagement Practices	\$\$	Ω
Police Department Independent Auditor	\$\$\$	ΩΩΩ
Language Resource Access Plan	\$\$	Ω
Equitable Public Safety Recruitment	\$	Ω
Interpretation for Meetings	\$\$	ΩΩ

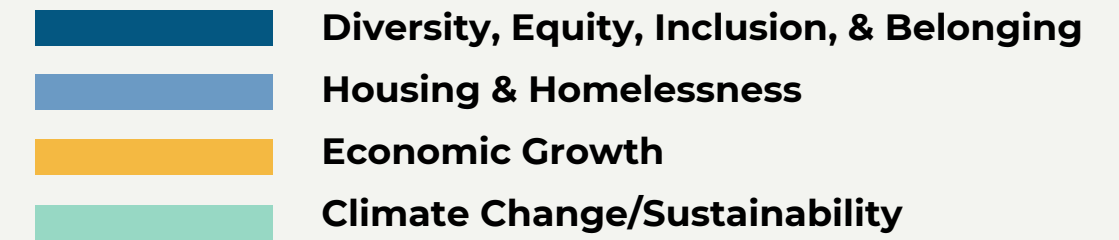
Housing & Homelessness

Goals	\$	👤
Implement the Housing Element	\$\$\$\$	ΩΩ
Renter Protections	\$\$\$\$	ΩΩΩΩ
Housing-Focused Shelter	\$\$\$\$	ΩΩΩΩ
Notices of Funding Availability (NOFA)	\$\$\$	Ω
Support Coordinated Entry	\$\$\$	ΩΩΩ

Sustainability, Climate Change, & Disaster Preparedness

Goals	\$	👤
Adaptation Planning	\$\$\$\$	ΩΩΩΩ
Disaster Preparedness	\$\$	ΩΩ
SB1383 Implementation	\$\$\$\$	ΩΩ
Foodware Ordinance	\$	Ω
Electric Vehicle Strategy	\$\$\$	ΩΩ

ACCOMPLISHMENT HIGHLIGHTS 2021-2023



San Rafael was named one of the three best cities in the United States to work for by Engaging Local Government Leaders (ELGL). Recognized as a top-performing city and having a great workplace culture.

Completed Fire Station 54 replacement and Fire Station 55 renovation projects to increase response times with modern equipment and enhance public safety and public assets.

Developed its first-ever Parks & Recreation Master Plan, which outlines a comprehensive and strategic approach to the development and maintenance of its parks and recreation facilities.

Opened a satellite parking services office at the Al Boro Community Center. Providing parking and code enforcement services helps to ensure that City services are accessible to a wider group of community members.

Replaced playground equipment and made ADA updates to Sun Valley Park, pursued grants for Pickleweed Park Enhancement project, and implemented new park bench/picnic table donation program.

Secured grant funding for the improvement of the Downtown and Pickleweed Branch libraries and launched the Library Modernization Project to enhance the libraries' infrastructure and services.

The Police Department and City conducted hybrid community meetings on policing in San Rafael with simultaneous Spanish and English interpretation to ensure all community members can participate. Creating a platform for open dialogue between law enforcement and the community to foster trust and understanding

Worked with community groups and students to map need and develop a lighting plan in the Canal neighborhood that has resulted in the addition of new lights and safer streets.

Launched the SAFE (Specialized Assistance for Everyone) Team, a new crisis response, prevention, and intervention program for the City's most vulnerable community members.

Approved funding and permits for affordable housing projects resulting in about 140 new affordable units, issued building permits for 147 new residential units, and approved 316 residential units through the planning entitlement process.

Created new policy to ensure that tenants, would receive relocation assistance following an emergency and also ensured all tenants were provided with the necessary relocation assistance as per the city's existing regulations.

Submitted the Housing Element to the Housing and Community Development Department for review and approval. The Housing Element, is a planning document that guides the city's approach to housing development and affordability.

Developed its first-ever Economic Development Strategic Plan to guide economic recovery policy and strategic initiatives to promote economic vitality.

Transformed the COVID-19 Temporary Emergency Parklet Program into the adoption and implementation of the Streetary Program, which improves public spaces and supports local businesses and restaurants.

Supported the formation and launch of the City's Public Art Review Board and partnered with the Downtown San Rafael Arts District to recertify Downtown as a California Cultural Art District.

Completed the Federal and non-Federal Dredging of San Rafael Canal to support emergency response during natural disasters and to benefit hundreds of local businesses that depend upon recreational activities, shopping, and economic vitality.




















Developed a comprehensive emergency management plan to ensure the safety and wellbeing of the residents of San Rafael through the creation of the Emergency Operations Plan, EOC Handbook, and Hazard specific playbook.

Secured \$762,000 in grant funds for a community-driven sea level rise feasibility assessment project. Collaborated with County, Canal Alliance, and Multicultural Center of Marin to begin work on sea level rise feasibility assessment.

Developed a climate adaptation plan as part of the General Plan-related efforts, outlined policy recommendations and adaptation strategies to build resilience and reduce the risk of climate-related disasters.

Made significant progress in drawing down wildfire risk in San Rafael through the Wildfire Action Plan Implementation and Marin Wildfire Prevention Authority (MWPA) participation.












GOALS

Goal A: Neighborhood and Economic Vitality	Economic Growth	Diversity, Equity, Inclusion & Belonging (DEIB)	Sustainability, Climate Change & Disaster Preparedness	Housing & Homelessness
Create By-Right Affordable Housing Overlay Zone				
General Plan Implementation				
Day Laborer Center Study				
Cannabis Program				
Illegal Dumping Program				
Downtown Precise Plan				
Evaluate Residential Parking Program				

GOALS

Goal B: Quality of Life	Economic Growth	Diversity, Equity, Inclusion & Belonging (DEIB)	Sustainability, Climate Change & Disaster Preparedness	Housing & Homelessness
Pickleweed Park Enhancements				
Park and Recreation Master Plan				
Pickleweed & Downtown Branch Library Improvements				
Replace Playground at Peacock Gap Park				
Update Smoking Ordinance				
Age-Friendly Strategic Plan				
Terra Linda Park and Community Center Master Plan				

GOALS

Goal C: Public Safety	Economic Growth	Diversity, Equity, Inclusion & Belonging (DEIB)	Sustainability, Climate Change & Disaster Preparedness	Housing & Homelessness
Analyze SAFE Pilot				
Improve Response Times of Police Calls for Service				
Evaluate Alternative Ambulance Delivery Models				
Evaluate License Plate Reader Technology				
Auto Theft				
Conduct Fire Deployment Study				
Evaluate Paramedic Program				

GOALS

Goal D: Public Assets	Economic Growth	Diversity, Equity, Inclusion & Belonging (DEIB)	Sustainability, Climate Change & Disaster Preparedness	Housing & Homelessness
Canal Swing Bridge	✓	✓	✓	
Transit Center Relocation	✓	✓	✓	
101/580 Multimodal Project		✓	✓	
Asset Inventory and Strategic Management Plan	✓	✓	✓	
Vision Zero		✓	✓	
Storm Drain Master Plan		✓	✓	✓
Building Out Electric Fleet		✓	✓	
Capital Improvement Program	✓	✓	✓	
Pedestrian and Bike Master Plan		✓	✓	

GOALS

Goal E: Foundational Services	Economic Growth	Diversity, Equity, Inclusion & Belonging (DEIB)	Sustainability, Climate Change & Disaster Preparedness	Housing & Homelessness
Permit Management System Implementation	✓	✓	✓	✓
Civic Engagement Strategy		✓	✓	✓
Municipal Code Update/City Charter Update	✓	✓	✓	✓
Performance Measurement and Open Data	✓	✓		
Entitlement Process Standards	✓	✓		✓
Continue Together San Rafael Culture Work	✓	✓	✓	✓
Analyze New Revenue Opportunities	✓	✓	✓	✓



Performance Measurement

Presentation for May 15 City Council Meeting



SAN RAFAEL

THE CITY WITH A MISSION

Table of Contents

- Project Background
- List of Metrics
- Structure of dashboards
- Next Steps: Target Setting

Project Background

- June 2021, the City documented the need to quantitatively measure progress towards our goals and objectives
- June 2022: Staff, Directors, and the City Manager's Office chose 15 metrics that could help illustrate the City's progress in each policy focus areas
- In June 2022, we committed to:
 - Determine the current state for each of the identified metrics with available data
 - Identify any data quality issues, and adjust metrics if necessary
 - Analyze metrics over time to determine trend lines
 - Set targets and stretch goals for each of the metrics

List of Metrics

- Economic Growth
 - Monthly Visits Downtown
 - Number of Approved Businesses
 - Taxable Income of Businesses
 - Vacancy Rate of Commercial Real Estate
- Sustainability, Climate Change, and Disaster Preparedness
 - Greenhouse Gas Emissions
 - Residential and Commercial Composting
 - Compliance with City Vegetation Standards*
 - Residents signed up for emergency alerts
- Diversity, Equity, Inclusion and Belonging (DEIB)
 - Community Resilience Estimates
 - Diversity of Workforce
 - Estimated Business Receipts by Census Tract
- Housing and Homelessness
 - Point in Time Count*
 - Case management clients transitioned to permanent supportive housing
 - Housing units entitled and produced
 - Deed-restricted affordable units

Structure of dashboards

- We've created an interactive dashboard to display information about each of the 15 metrics
- Each page of the dashboard shows one of the 15 metrics.
- For each metric, we present the most recent available status and historical trends (if available) and summarize the insights and analysis in a short narrative
- For some metrics, we were able to further break down the data in ways that may be helpful for Council (e.g. neighborhood, demographics, etc). For these metrics, we've added supplemental dashboard pages

Access Draft of Dashboards

- You can access the dashboards by going to this website and using the given password:
<https://employees.cityofsanrafael.org/performance-metrics>
- Reach out to Vedika.Ahuja@cityofsanrafael.org for any access issues

Target Setting: Background

- In June 2022, we committed to creating targets for all 15 metrics listed
- 4 of those metrics already have targets established in other plans or laws
 - Housing units entitled and permitted: Targets established as part of the 2023-2031 Housing Element
 - Greenhouse gas emissions: Targets established as part of the Climate Change Action Plan
 - Residential and Commercial composting: SB 1383 requires all businesses, multi-family, and single family homes to compost
 - Properties in compliance with city Vegetation Standards: SRMC 4.12 requires all properties in San Rafael to maintain defensible space in accordance with the standards outlined in the ordinance.
- Over the next year, we will work with Directors, staff, and Council to establish targets for relevant metrics

Target Setting: Proposed Next Steps

Over the next year, the City could:

1. **Revise Metrics:** Evaluate and revise the current set of metrics to better capture the City's priorities, and develop a mapping of department goals and objectives to these metrics.
2. **Choose targets:** Assign targets for each metric based on the estimated budget and staff time spent on related projects, and the relative importance of each of the goals and objectives
3. **Integrate performance measurement into existing processes:** Leverage performance metrics and additional data to support staff, department directors, and Council in their decision-making and goal setting to ultimately improve outcomes.



SAN RAFAEL CITY COUNCIL AGENDA REPORT

Department: Economic Development

Prepared by: Micah Hinkle,
Economic Development Director

Victoria Lim,
Senior Management Analyst

City Manager Approval: _____

TOPIC: ECONOMIC DEVELOPMENT STRATEGIC PLAN

SUBJECT: RESOLUTION ADOPTING THE ECONOMIC DEVELOPMENT STRATEGIC PLAN

RECOMMENDATION:

Adopt resolution adopting the Economic Development Strategic Plan.

BACKGROUND:

As part of the City Council's 2021-2022 Goals and Objectives, economic recovery is one of four policy focus areas. In order to build San Rafael's economy to be stronger and more resilient, the creation of an Economic Development Strategic Plan (EDSP) was identified as a key project. With support from the San Rafael Chamber of Commerce and business and community leaders, the City partnered to host a series of Going the Extra Mile (GEM) industry focus groups to gain better understanding of the current challenges businesses were facing. In addition, Mayor Kate Colin conducted "walkabouts" throughout San Rafael's various commercial districts to connect with business owners and provide support and updates on the City's ongoing recovery efforts.

Through the industry sector outreach and input from the City Council Economic Development Subcommittee, the City established the following strategic elements and EDSP focus areas:

- Leverage the prior work completed by the City's General Plan 2040
- Provide meaningful data-driven analysis
- Create actionable multi-step plans with clear metrics for performance
- Integrate technology, partnerships, and innovative thinking into the EDSP
- Leverage external partnerships, resources, and funding to achieve goals
- Support business expansion, attraction, and retention
- Develop a workforce development strategy
- Improve public safety

FOR CITY CLERK ONLY

Council Meeting: May 15, 2023

Disposition:

- Invest in beautification

With an economic development scope established, the City engaged Kosmont Companies, an economic development consulting firm, to prepare an EDSP. Throughout the ten-month project timeline, Kosmont Companies followed a comprehensive scope of work that included the following:

- Led kickoff and group meetings to gather stakeholder input
- Assessed demographic and economic conditions
- Conducted market assessment and review of opportunity sites
- Solicited feedback through community surveys to businesses and the general public
- Reviewed zoning requirements and policies
- Conducted feasibility analyses of key economic development tools for the implementation of strategies
- Prepared draft EDSP to recommend near-term and long-term actions and establish metrics for City to measure success

The project kicked off in the Fall of 2022 and included various community engagements with key business and community stakeholders. In addition, a community-wide survey was completed in January 2023 (see Attachment 3). The project builds upon the community engagement and market data from the Marin County Economic Vitality Strategic Plan that was completed in August 2022.

On February 9, 2023, Kosmont Companies presented the Demographic, Market and Economic Overview (Attachment 4) to the City of San Rafael Council Economic Development Subcommittee, which includes participation from the San Rafael Chamber of Commerce, the Downtown Business Improvement District, the Hispanic Chamber of Commerce, and others. The overview provided a snapshot of the current economic conditions, real estate development data, business sectors, trends, and revenue generation. It also included specific data on San Rafael's geographic business areas: 1) North San Rafael, 2) San Pedro Peninsula, 3) Central San Rafael, 4) Downtown, and 5) Canal.

On April 13, 2023, Kosmont Companies presented EDSP draft policy and program recommendations to the Council Economic Development Subcommittee. Following the subcommittee meeting, the plan has been refined over the past month incorporating feedback (Attachment 2). The recommendations were built upon the City's economic strengths and opportunities, community survey results, interviews with community stakeholders, and successful economic development models implemented in other California communities. The EDSP is designed to provide a playbook for the City's economic development efforts over the next three to five years. The recommendations cover several key areas of opportunity including the potential for increased tourism, improvements in the downtown area, growth of the industrial sector, and financing models to meet needed infrastructure and program costs.

ANALYSIS:

The proposed EDSP would be the first economic development strategic plan since the dissolution of the redevelopment agency in 2012 and the first EDSP evaluating the entire City. With the COVID-19 pandemic's impacts on the business community, a heightened focus was established on economic vitality, and the Council identified strategic efforts to strengthen the San Rafael economy and create greater resiliency for future economic downturns.

The City of San Rafael is the key business engine for Marin County with the largest commercial square footage market share compared to the other Marin communities.

Marin County Commercial Real Estate Inventory Q4 2022 (CoStar)

	Marin County	San Rafael	Percentage Share
Retail	13,407,000 SF	5,034,400 SF	38%
Office	12,737,600 SF	5,505,700 SF	43%
Industrial	5,336,500 SF	3,314,700 SF	62%
Flex	2,967,800 SF	958,600 SF	32%

Over the past 20 years, there has been limited growth in both commercial and residential development within San Rafael. As San Rafael and the greater Bay Area economy recover from the global pandemic, businesses are adjusting to the new normalized work conditions, which include remote work and modified retail shopping patterns. The commercial real estate owners and business community will also need to adjust to market demand for space and incorporate experiential retail that is focused on products and experiences that cannot be purchased online.

The EDSP recommends that policy makers and City activities target seven areas:

1. Support Business / Development
2. Downtown Reimagination
3. Analyze Implementation of EIFD
4. Strengthen Local Partnerships
5. Attract High-Tech Industrial
6. Private Dev/Biz Opportunities
7. Workforce Development

The seven targeted areas would build upon the San Rafael General Plan 2040 Economic Vitality Policies: EV1.1 Quality of Life; EV1.2- Strategic Planning; EV1.3-Relationship Building; EV1.4-Business Retention and Support; EV1.5-Business Attraction; EV1.6- Monitoring; and EV1.7 – Marketing and Branding. The EDSP program recommendations would 1) provide economic data and information; 2) create a strategic plan; 3) strengthen strategic partnerships; 4) create a retention and support program; 5) diversify the economy; 6) monitor economic development program outcomes; and 7) support marketing and branding programs.

The EDSP has 32 identified targeted action items over a 5-year planning horizon and are contingent on resources for implementation. An estimated cost/workload dashboard is included as Attachment 5. Staff recommend prioritizing the following items for upfront implementation given current and anticipated budget and staffing resources:

Action Item 1.1 Business Expansion, Attraction, Retention (BEAR) Program.

The BEAR program is an economic development program focused on enhancing customer service to both businesses and developers. Its focus is to provide process navigation services through City permitting and be a single point of contact for business and/or development questions. Services also include site selection, business referral resources, and financial and technical assistant programs. Staff currently provide services and are building capacity through the purchase of real estate data services and service contracts with strategic partners (San Rafael Chamber of Commerce and Marin SBDC). In addition, we would create marketing and branding material for program overview and how to access the program. All materials would be made available in Spanish and could be further translated into other languages depending on need.

Action Item 1.3 Business Data Analytics.

As part of the development of the EDSP, foundational business and real estate data for San Rafael has been collected and will now be utilized for trend analysis and tracking moving forward. In coordination with the City's Digital Service and Open Government Department, staff would obtain and track business data as a foundational task of the economic development program, and staff would add to the available data sources specific to San Rafael. The focus would be on improving our business license data collection and creating a business census that better identifies the business categories, sectors, and ask for voluntary demographic data to understand our business community better and adjust or develop programs with specific focuses on industries or business needs. This data would be the backbone of the data decision-making process that the City is moving toward and would help inform policy and program outcomes.

Action Item 2.2 Explore the conversion of transitioning the Business Based Improvement District (BID) to a Property Based Improvement District (PBID) to support enhanced cleaning, security, marketing, and physical improvements in downtown.

Council recently approved the Chamber of Commerce agreement to support the Downtown BID. This will allow outreach activity to move forward in the upcoming months to engage both the businesses and property owners to understand the specific needs of the Downtown and enhance services. Downtown is a key economic generator and cultural asset for the City. The EDSP community surveys identified concerns related to safety, cleanliness, and approachability in our commercial districts. The exploration of a BID to PBID district modification could leverage additional funding and create partnerships addressing downtown concerns.

Action Item 3.1 Conduct an Enhanced Infrastructure Finance District (EIFD) feasibility analysis and develop a plan for formation.

With the proposed redevelopment of the Northgate Mall and other development in the Northgate area and Downtown, the City would be well positioned to explore an EIFD as an economic development funding tool for needed infrastructure improvements. The EIFD is an authorized State of California economic development tool that utilizes tax increment financing to help pay for needed infrastructure. This is a newer financing tool coupled with support from the County of Marin that could provide for accelerated infrastructure improvements or enhancements for the community within the established boundaries. The State has defined affordable housing and climate resiliency projects as eligible infrastructure projects through an EIFD.

Action Item 4.1 Explore the formation of a Countywide Tourism Improvement District or increasing the San Rafael Transient Occupancy Tax (TOT) to support tourism marketing and increase the tourism sector.

Both the City and the County have identified the tourism sector as a key economic industry. With the return of travel and tourism, hotel stays have been stabilizing. San Rafael will have a new AC Marriott hotel opening in Summer 2023 and foundation work has begun for a dual brand Hilton hotel featuring a Hampton Inn and H2 Hotel in East San Rafael. As the tourism market continues to grow, there are potential exploration activities for a Countywide tourism improvement district or increasing the San Rafael TOT, which currently is 12% (10% City + 2% County).

Action Item 6.4 Increase Cannabis business opportunities through the release of new cannabis licenses and creation of cannabis specific business programs targeting growth and capacity building. Business opportunities should include the exploration of retail storefront cannabis licenses.

The cannabis sector in the state and in San Rafael is going through a transition phase of market consolidation and recalibration. The City has the ability to release new license types, but has held them waiting for market stabilization and attempting to support our current license holders before releasing additional licenses into the local market. One license type that needs further evaluation is retail cannabis storefront. There has yet to be a cannabis retail storefront in Marin County, but the City has been approached by successful cannabis retail storefront businesses operating in other Bay Area counties looking to expand. There may be opportunities to explore retail storefront permits and establish regulations for hemp derived products targeted at youth.

The above action items would be considered foundational economic development activities or would potentially generate funding or provide needed services to enhance the City's economic vitality. There are other action items that could also be explored depending on Council prioritization and resource allocation. It is anticipated that City staff would provide periodic updates on the Economic Development program and progress on the EDSP as part of the City Council Economic Development Subcommittee meetings and an annual report to the City Council.

COMMUNITY OUTREACH:

Since the beginning of 2022, staff attended monthly meetings of both the Chamber of Commerce and the Business Improvement District Board, where members of the business community are invited and regularly attend. Staff provided updates on the progress of the EDSP at these meetings. Attendees of these meetings were provided the opportunity to share their thoughts and feedback on important factors to include in the EDSP.

In August and September 2022, Kosmont conducted in-person and virtual stakeholder interviews to gather community feedback on priority issues and goals for the EDSP. In the Fall of 2022, Kosmont distributed two surveys to the community: a general community survey for residents of San Rafael, and a business survey with targeted questions for business owners. Both surveys were translated into Spanish to make providing input accessible and equitable and ensure that the feedback reflected the diversity of San Rafael.

As stated above, in February and April 2023, respectively, Kosmont presented their economic baseline study and draft strategies to the Economic Development Subcommittee for feedback. In addition, City staff presented the EDSP to the San Rafael Chamber of Commerce Economic Vitality and Governmental Affairs Committee.

ENVIRONMENTAL REVIEW:

Adoption of the EDSP is statutorily exempt from the California Environmental Quality Act pursuant to section 15262 of the California Environmental Quality Act Guidelines because the EDSP is a policy and planning document which guides possible future actions which have not been approved, adopted or funded.

FISCAL IMPACT:

There is no immediate fiscal impact should Council adopt the EDSP. The Economic Development Strategic Plan will be used to identify and prioritize economic development tasks and goals. Funding to support the tasks will be allocated through the annual budget process. Larger projects may be brought to Council for approval where appropriate.

OPTIONS:

The City Council has the following options to consider on this matter:

1. Adopt resolution as presented;
2. Approve a modified version of the resolution;
3. Direct staff to return with further information.

RECOMMENDED ACTION:

1. Adopt resolution adopting the Economic Development Strategic Plan.

ATTACHMENTS:

1. Resolution adopting the Economic Development Strategic Plan
2. Exhibit A: Economic Development Strategic Plan
3. General Community Survey and Business Survey
4. Data Appendix
5. Task / Workload Dashboard

**RESOLUTION NO.
RESOLUTION OF THE SAN RAFAEL CITY COUNCIL ADOPTING
THE ECONOMIC DEVELOPMENT STRATEGIC PLAN**

WHEREAS, economic recovery has been identified as one of the four policy focus areas in the City of San Rafael City Council 2021-2022 Goals and Objectives; and

WHEREAS, an Economic Development Strategic Plan (EDSP) was identified as a key project to build back the San Rafael economy from the impacts from the COVID-19 pandemic; and

WHEREAS, the City engaged the San Rafael Chamber of Commerce, and business and community leaders for industry focus groups to create the scope of work focus areas for the development of an EDSP; and

WHEREAS, on June 21, 2022, City Council approved a professional services agreement with the Kosmont Companies for the creation of an EDSP; and

WHEREAS, Kosmont Companies completed a series of community engagements with key business and community stakeholders and launched a community-wide economic survey; and

WHEREAS, the Economic Development Strategic Plan was presented to the City Council Economic Development subcommittee on February 9, 2023 and April 13, 2023 on publicly noticed meetings; and

WHEREAS, the project is exempt from California Environmental Quality Act pursuant to section 15062 because the San Rafael Economic Development Strategic Plan is a policy document to guide the future of the City's economic development activities and policy approaches.

NOW, THEREFORE BE IT RESOLVED, that the City Council hereby adopts the Economic Development Strategic Plan (Exhibit A). This adoption is based on and supported by the following findings and determinations:

1. The public interest would be served by the adoption of the EDSP in that it provides targeted economic development tasks and activities to increase the economic vitality and resilience. Specifically, it identifies foundational economic development programs and identifies revenue and partnership initiatives to support economic opportunity.

2. As drafted, the EDSP would be consistent with the General Plan 2040, specifically the Economic Vitality element. The EDSP provides recommendations for Economic Vitality Policies: EV1.1 Quality of Life; EV1.2- Strategic Planning; EV1.3- Relationship Building; EV1.4-Business Retention and Support; EV1.5-Business Attraction; EV1.6- Monitoring; and EV1.7 – Marketing and Branding. The EDSP program recommendations would: 1) provide economic data and information; 2) create a strategic plan; 3) strengthen strategic partnerships; 4) create a retention and support program; 5) diversify the economy; 6) monitor economic development program outcomes; and 7) support marketing and branding programs.

3. The project is statutorily exempt from the California Environmental Quality Act pursuant to section 15262 of the California Environmental Quality Act Guidelines because the EDSP is a policy and planning document which guides possible future actions which have not been approved, adopted or funded.

I, **LINDSAY LARA**, Clerk of the City of San Rafael, hereby certify that the foregoing Resolution was duly and regularly introduced and adopted at a regular meeting of the City Council of the City of San Rafael, held on Monday, the 15th day of May 2023, by the following vote, to wit:

AYES: **Councilmembers:**
NOES: **Councilmembers:**
ABSENT: **Councilmembers:**

Lindsay Lara, City Clerk



CITY OF SAN RAFAEL

ECONOMIC DEVELOPMENT STRATEGIC PLAN

May 15, 2023



El Segundo, CA
TEL: 424-297-1070 | URL: www.kosmont.com

ECONOMIC DEVELOPMENT STRATEGIC PLAN

Kosmont Companies Staff

Ken K. Hira, President
Thomas Jirovsky, Senior Advisor
Robert Valenti, Vice President

San Rafael City Council

Kate Colin, Mayor
Maika Llorens Gulati, Councilmember, District 1
Eli Hill, Councilmember, District 2
Maribeth Bushey, Councilmember, District 3
Rachel Kertz, Councilmember, District 4

San Rafael Staff & Other Advisory

Jim Schutz, City Manager
Christine Alilovich, Assist. City Manager
Micah Hinkle, Director of Economic Development
Victoria Lim, Senior Management Analyst

San Rafael Chamber of Commerce
Joanne Webster, President / CEO
Joshua Townsend, Government Affairs



CITY OF SAN RAFAEL ECONOMIC DEVELOPMENT STRATEGIC PLAN

TABLE OF CONTENTS

Section		Pages
1	Background & Overview	4 - 18
2	Economic Development Strategies	19 - 34
3	Economic Development Toolkit	35 - 53
4	Economic / Land Use Trends & Case Studies	54 - 76
	<i>Data Appendix (Separate Document)</i>	
	<i>Business / Community Survey Results Appendix (Separate Document)</i>	

ECONOMIC DEVELOPMENT STRATEGIC PLAN



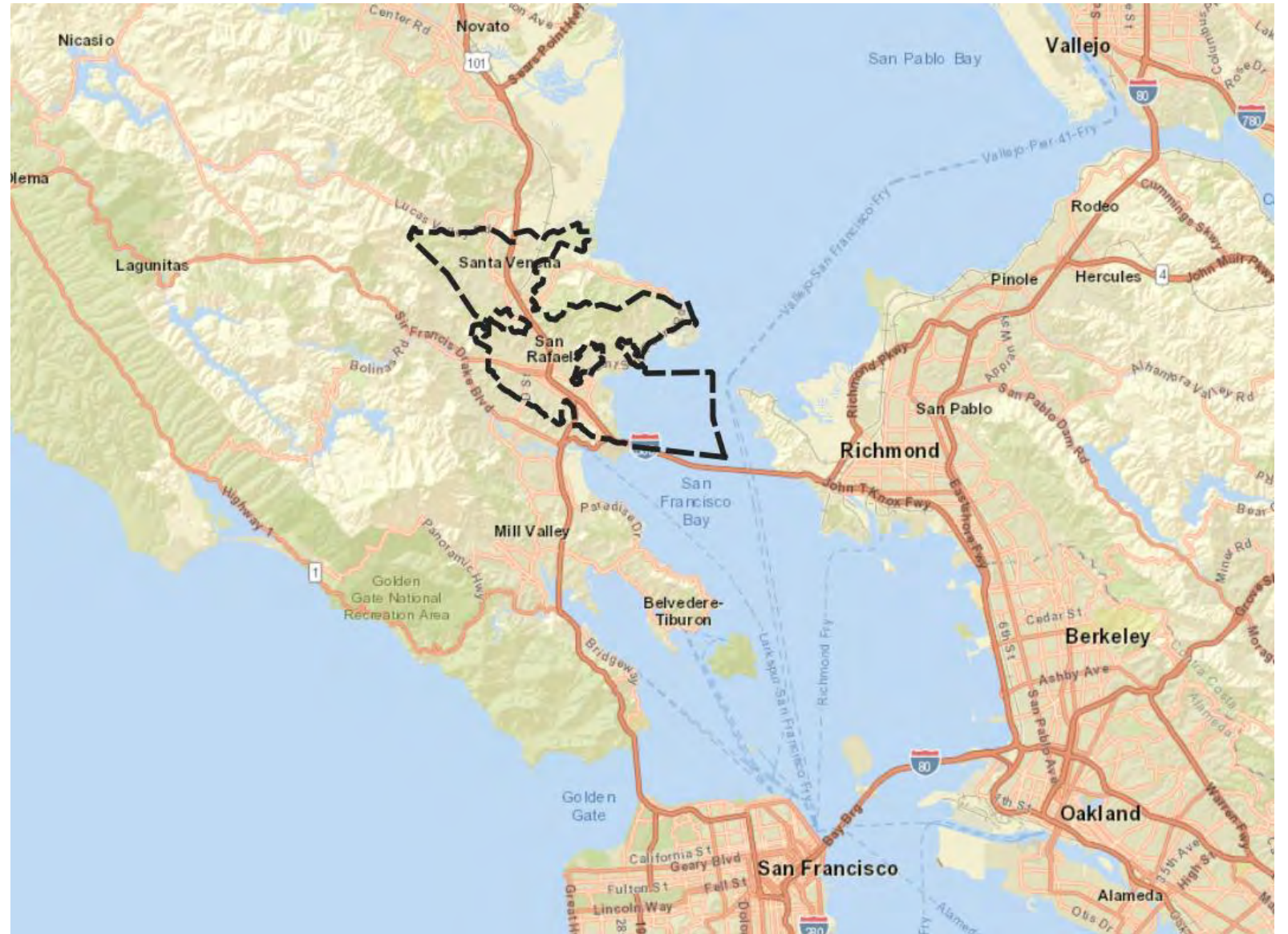
1. BACKGROUND & OVERVIEW

San Rafael Economic Development Strategic Plan

SAN RAFAEL REGIONAL CONTEXT

San Rafael is the County Seat and largest city in Marin County, with a population of over 61,000 spread over 16 square miles of land adjacent to the San Francisco bay. It was settled by the Spanish in 1817 with the construction of Mission San Rafael Archangel. It was incorporated as a City in 1874 and grew substantially as it was connected to the national railroad network.

With the construction of the Golden Gate bridge and the Richmond-San Rafael bridge, the City has excellent vehicle access to both the San Francisco Peninsula and the East Bay. The City also provides easy access to the Sonoma / Napa Valley wine country and the Mendocino Coast.



BACKGROUND

- Kosmont Companies ("Kosmont") was retained by the City of San Rafael ("City") to prepare this Economic Development Strategic Plan ("EDSP").
- The EDSP addresses existing economic conditions, regional real estate trends and opportunities and provides tactical recommendations on business attraction, expansion, and retention through place-making recommendations and community feedback.
- Given shifting consumer preferences and changes in land use, uncertain economic realities, it is imperative that San Rafael identify opportunities within the City to spur development and increase revenues.
- The EDSP includes an assessment of economic / market conditions, an assessment of key commercial districts and sites, as well as insights from community / stakeholder outreach.

APPROACH

Kosmont's approach to preparing the Economic Development Strategic Plan included the following tasks:

- Review of City Budget and Planning documents, together with a daylong tour of the City and its business and residential districts
- Interviews with City staff, Council members, and community stakeholders
- Assessment of regional economic trends
- Assessment of local demographic and market conditions
- In person and virtual community outreach to gain insights as to needs and challenges and present preliminary findings
- Detailed assessment of major commercial districts
- Identification of key opportunities and short-term / long-term strategies

VISION AND OBJECTIVES

Vision:

The EDSP is designed to help strengthen the local economic base and fiscal health of the City; provide a wide range of employment and educational opportunities for its residents; enable the City to leverage State and Federal grants, loans and policy tools; and achieve greater resiliency in light of the Covid-19 pandemic.

Core Objectives:

1. Increase fiscal revenue;
2. Enhance City's commercial and residential market by attracting a healthy balance of local and national businesses and developing a wide range of housing options;
3. Enhance employment, educational and business opportunities;
4. Create job opportunities for younger generations;
5. Fund critical physical improvements to infrastructure.

GOALS & CHALLENGES

The City has identified several challenges:

- Restore Downtown's economic vibrancy
- Maintain/expand industrial and office job opportunities
- Capitalize on the access to SF, east Bay and Wine Country
- Absentee / nonresponsive landlords

Goals to be addressed as part of long-term planning efforts:

- Economic recovery from Covid impacts
- Sustainability / Climate Change
- Racial Equality
- Housing / Homelessness
- Neighborhood Vitality
- Improve Public Safety
- Provide more Public Assets



COMMUNITY AREAS

Downtown

A thriving commercial center in the 1950's with several major department stores, the Downtown still holds a major concentration of City's commercial core with 25% of the office inventory and 30% of the retail inventory. New hotel and residential units are under construction, as well as regional transit center. City owns several surface parking lots and two structures that may need reimagining.

Northgate

Suffering from loss of retail anchors due to growth of e-commerce and big box cannibalization, Northgate Mall is undergoing a major redevelopment process, shrinking retail square footage and adding over 1,000 new MF units. The Northgate Industrial Park / Smith Ranch area is home to a variety of flex industrial / office / retail spaces, and could be have an opportunity for revitalization. The 8-acre movie theater site at 280 Smith Ranch Road is an opportunity site for higher density development.



COMMUNITY AREAS

Canal Area

The Canal Area plays an important part in the City's economy, and is an industrial backbone for Marin County:

- Over 80% of the industrial/flex space
- 30% of the retail space and most high-volume car dealerships
- 15% of the office space
- 20% of apartments, serving predominantly low-moderate income households who represent a major part of the service industry workforce
- Federal Opportunity Zone, with tax advantages for certain types of real estate and business investment



COMMUNITY AREAS

Central San Rafael

This area of the city encompasses residential neighborhoods to the south-west and north-east of Downtown / Canal areas, such as Gerstle Park, West End, Sun Valley, Dominican, and Montecito. Dominican University is a major anchor institution in the area, educating ~1,800 students. These areas are home to neighborhood-serving retail along 4th Street and Lincoln Ave.

San Pedro Peninsula

This area is located east of Central San Rafael, and is home to residential areas such as Country Club, Loch Lomond, and Peacock Gap. China Camp State Park is located in the northern part of this area, featuring hiking, biking, and open space. The McNear – Dutra Quarry is an operating quarry and major supplier of construction material to the region, and there is some long-term opportunity in the future after quarry is closed / reclaimed. This area is also served by some neighborhood-serving retail along Point San Pedro Road.



ECONOMIC OVERVIEW

The City retained Kosmont to prepare the EDSP to develop a strategy that better positions San Rafael to face the economic forces that are reshaping the modern economy:

- Today's consumers are using online websites for purchasing a broad array of goods. As e-commerce continues to take an increasing percentage of consumer spending, cities must take new approaches to land use that explore concepts for public amenities and private attractions that help cities capture trips and thus “sales”.
- Younger consumers, with increased use of media and digital communication, seek gathering places with restaurants, entertainment venues and experiential retail, rather than simply a collection of traditional store fronts.
- Telework dynamics have drastically changed work patterns over the past few years and are poised to reshape office needs. Creative class professionals are attracted to communities with clustered centers, which provide a sense of vitality, diversity, convenience and a mix of work, entertainment, services, arts and culture.

Kosmont is assisting the City in achieving its economic objective by providing strategies, market analysis and recommendation – both citywide, as well as focused on particular commercial districts in the City. The goal is to foster economic vitality throughout the business districts of San Rafael, improving business conditions and resident quality of life.

DEMOGRAPHIC OVERVIEW

- San Rafael has a population of ~61,500, with ~8% growth over the past 20 years
- **Average Household Size** is 2.6 persons, and the **Median Age** is 42.3 years; residents are **well educated**, with ~57% achieving at least a bachelors degree
- City **Average Household Income** is \$164,800, approx. ~14% less than County and 27% higher than statewide levels
- San Rafael sees a Net **Inflow** of ~14,300 jobs, with workers coming from San Rafael, Novato, San Francisco, and Petaluma
- **Jobs in the City** are primarily in the Healthcare / Social Assistance, Retail Trade, Construction, and Professional / Scientific / Technical Services sectors
- **Residents of the City** are primarily employed in the Health Care / Social Assistance, Professional / Scientific / Technical Services, Accommodation / Food Services, and Retail Trade sectors.

FISCAL & BUDGET OVERVIEW

- The city receives ~89% of its General Fund revenue from taxes. The majority (52%) of City tax revenue comes from sales taxes, and ~37% from property taxes. The remainder comes from franchise, business, and transient occupancy taxes.
- Sales tax revenues have grown ~7% annually since 2012, driven by Measure E and Measure R rate increases and dramatic growth in county pool revenues.
- Property taxes have grown ~7% annually since 2012, with assessed value growth driven by high real estate values and mark-to-market reassessments. San Rafael collects an estimated 12.2% of the 1% Property Tax general levy.

FY2022-23 Budget	
Property Taxes	\$ 24,409,721
Property Tax - VLF Backfill	6,700,000
Sales Tax	25,085,742
Sales Tax - Measure E	14,694,975
Sales Tax - Measure R	4,898,325
Franchise Tax	4,182,016
Business Tax	2,669,567
Transient Occupancy Tax	2,483,067
<i>Taxes Subtotal</i>	85,123,413
Revenues from Other Agencies	
CSA #19 Fire Service	2,442,513
Other Agencies	1,903,252
Other	
Permits & Licenses	3,010,159
Fine & Forfeiture	186,732
Interest & Rents	47,500
Charges for Services	2,568,965
Other Revenue	588,196
Total	95,870,730

MARKET OVERVIEW

- San Rafael saw limited growth in commercial, industrial, and apartment markets over the past decade. Commercial real estate rents and occupancy have been fairly stable over the past 10 years.
- The **retail market** is facing challenges as e-commerce reshapes consumer preferences – straining demand for regional shopping centers as well as downtown retail districts
- The **office market** is also undergoing changes as telework restructures employer needs and commute patterns – reshaping downtown business districts and office parks
- The **industrial market** is strong, driven by high demand for logistics / warehouse; San Rafael serves as the industrial heart of Marin with a large amount of construction / building spaces; strong demand for R&D / lab space in Bay Area could be increase demand in San Rafael
- The **multifamily residential market** continues to see high demand due to the housing shortage in California

While San Rafael only represents less than 25% of Marin County’s population, the City represents a much more significant share of Marin County economic activity:

- Retail: 38% of inventory, rents are 12% lower and vacancy is 0.2% lower
- Office: 43% of inventory, rents are 3% lower and vacancy is 3.4% lower
- Industrial: 62% of inventory, rents are 2% higher and vacancy is 2.9% lower
- Flex / R&D: 32% of inventory, rents are 5% lower and vacancy is 1.1% lower
- Multifamily: 40% of inventory, rents are 16% lower and vacancy is 0.3% lower

ILLUSTRATIVE FISCAL REVENUE OF NEW DEVELOPMENT

To evaluate San Rafael economic opportunities and understand their impact on City revenues, the table below provides an illustration of incremental tax revenues potentially generated from various types of development on a typical 1-acre parcel:

	10,000 SF Commercial Services	10,000 SF Retail	10,000 SF Restaurant	Blended-Use Multifamily / Retail	60-room Upscale Hotel
Property Taxes + VLF	\$10,000	\$10,000	\$15,000	\$55,000	\$40,000
Direct Sales Taxes	\$25,000	\$50,000	\$85,000	\$25,000	\$20,000
Indirect Sales Taxes				\$20,000	\$20,000
Hotel TOT					\$370,000
Annual General Fund Revenues	\$35,000	\$60,000	\$100,000	\$100,000	\$450,000

STAKEHOLDER / COMMUNITY OUTREACH OVERVIEW

Kosmont worked with the City to conduct a variety of outreach efforts to solicit feedback from stakeholders and community members, including interviews / group meetings, a business survey, and a community survey.

Stakeholder Interviews	Business Survey	Community Survey
<p>Interviews emphasized the importance of the San Rafael economic engine, entrepreneurial spirit, artistic / historic character, and engaging events and activities.</p> <p>Challenges identified include development costs and processes, beautification improvements needed, and flood risks.</p> <p>Opportunities include better utilization of the waterfront area, more events to attract visitors, and a stronger connection to Dominican University.</p>	<p>Results show that top challenges facing businesses include High Rent / City Fees, Retaining / Hiring Employees, Safety / Cleanliness.</p> <p>Top City priorities include Homelessness, Cleanliness / Appearance / Illegal Dumping, Improving Public Safety, Housing, and Sustainability / Climate Change</p>	<p>Respondents value a wide variety of new developments in the Downtown and North San Rafael areas, including Arts / Cultural / Educational options, Shopping / Other Retail, Fine Dining, Family Restaurants, Gathering Places, and Multifamily Housing.</p> <p>Results also show support for City investment in civic improvements / amenities, with the top-ranking choices including Cleanliness / Appearance, Traffic Flow, Safety, Mobility / Walkability / Bike-ability / Transit, Public Art / Plazas / Walkways, and Streetscape / Design.</p>

ECONOMIC DEVELOPMENT STRATEGIC PLAN



2. ECONOMIC DEVELOPMENT STRATEGIES

San Rafael Economic Development Strategic Plan

ECONOMIC DEVELOPMENT STRATEGIES

The following section prioritizes strategies for the City to consider to achieve the economic goals. Action Items for each strategy are identified, as well as responsible organization. An estimated investment range for each strategy is identified below, recognizing that the City has \$300,000 per year currently available for Economic Development programs, in addition to the two professional staff members.

- 1. Support Business / Development (\$\$\$)**
- 2. Downtown Reimagination (\$\$\$)**
- 3. Analyze Implementation of Enhanced Infrastructure Financing District (EIFD) (\$)**
- 4. Strengthen Local Partnerships (\$)**
- 5. Attract High-Tech Industrial Uses (\$)**
- 6. Outreach for Private and Business Development Opportunities (\$\$)**
- 7. Workforce Development Programs (\$\$)**

\$ = \$50,000 to \$200,000

\$\$ = \$200,000 to 500,000

\$\$\$ = \$500,000 to \$750,000

Estimated new annual investment of \$500,000 is needed to implement the Economic Development Strategies over next 3-5 years

STRATEGY 1: SUPPORT BUSINESS / DEVELOPMENT

City Economic Development – Cost \$\$\$

Business-friendliness is a vital component to support the needs of businesses, developers and to foster entrepreneurship in the City, bolstering the local economy.

Action Item 1.1: Create a Business Expansion, Attraction, and Retention (BEAR) program. Modify existing economic development program to provide enhanced customer service to support business development.

Action Item 1.2: Develop or sponsor technical assistance programs to support emerging businesses/entrepreneurs living or doing business in San Rafael's designated Opportunity Zone.

Action Item 1.3: Maintain enhanced business and development data analytics to track economic and market trends.

Action Item 1.4: Increase bi-lingual staffing with cultural and language capacity to support and enhance access to business development programs.

Action Item 1.5: Sponsor “Shark Tank” type competition and other networking events to promote new entrepreneurial ideas and bolster the local entrepreneur network.

The Economic Trends section identifies key aspects to fostering entrepreneurship in a community, and the Case Study section highlights approaches that the City of Thousand Oaks and the City of Corona took to foster entrepreneurship in their communities.

STRATEGY 2: DOWNTOWN REIMAGINATION

City Economic Development – Cost \$\$\$

Activating Fourth Street is the key for successful downtown revitalization in San Rafael.

Action Item 2.1: Consider programs that can help existing businesses thrive (such as façade improvement programs, streetery / outdoor retail) and help existing properties utilize their space (such as expanding allowable uses in storefront spaces, sales tax in-lieu payment for non-retail uses, etc). Prioritize program implementation to Opportunity Zones and under-invested commercial areas in the City.

Action Item 2.2: Explore conversion or expansion of the Business Based Improvement District to a Property Based District to support enhanced cleaning, security, marketing and physical improvements in downtown. (revenue generating / funding capacity)

Action Item 2.3: Evaluate publicly-owned opportunity sites in the downtown area – such as the surface parking lots and parking garages – to evaluate potential reuse strategies that aim to add gathering places, activities, and other amenities.

As shown in Trends / Case Studies, property owners are exploring new uses and programming to activate underutilized parking lots, ranging from short-term temporary reuses for special events to semi-permanent reuses that provide spaces for people to gather. The Real Estate Strategies Toolkit section identifies key aspects of real estate strategies as well as an overview of potential publicly-owned opportunity sites, such as under-utilized parking properties.

DOWNTOWN REIMAGINATION - CONTINUED

Action Item 2.4: Invest in physical improvements that can create sense of place and further activate the downtown area—through pedestrian-oriented improvements such as plazas and outdoor spaces, water features, running/walking paths, street improvements, sidewalks, transit / micro-transit services, and pedestrian malls.

Action Item 2.5: Invest in other enhancements such as gateway signage and wayfinding, public art, thematic street and sidewalk enhancements, and public open space.

Action Item 2.6: Grow social media engagement channels, social medial influencer/engagement channels, as well as marketing/trade publications to promote Downtown businesses and events.

Pedestrian mall and related case studies explain how pedestrian-oriented improvements, events, and other placemaking strategies / interventions are used to drive activity and engagement in downtown areas – improving the experience for residents and visitors and bolstering the local economy.

STRATEGY 3: ANALYZE IMPLEMENTATION OF EIFD

City Economic Development – Cost \$

Enhanced Infrastructure Financing Districts are a type of tax increment financing district that allows local governments to capture new assessed value creation and finance public projects (such as infrastructure, affordable housing) using property tax revenue from new development.

Action Item 3.1: Conduct feasibility analysis, develop plan for district formation.

Action Item 3.2: Work with Marin County to identify mutually beneficial investments to encourage sharing of a portion of County tax increment. (revenue generating / funding capacity)

Action Item 3.3: Pursue grants that align with goals of the district, particularly those that give preference to EIFDs – Infill Infrastructure Grants, Affordable Housing and Sustainable Communities Grants, and Transformative Climate Communities grants. (revenue generating / funding capacity)

As explained in the Economic Toolkit section below, EIFDs may be well suited for San Rafael’s opportunity areas such as Northgate that have significant infrastructure needs (roads / connectivity, water / sewer, electricity, telecom / broadband). These districts are being utilized by communities across California to induce private sector investment, accelerate growth, create jobs, grow fiscal revenues and capture value.

STRATEGY 4: STRENGTHEN LOCAL PARTNERSHIPS

City Economic Development – Cost \$

Local organizations such as the Chamber of Commerce, Canal Alliance, and Downtown BID are important partners to improve the economic environment for all areas of the City. By strengthening these partnerships, the City will develop a greater capacity to pursue economic development initiatives and facilitate cooperation / collaboration across public, private, and non-profit entities.

Action Item 4.1: Explore the formation of a Countywide Tourism Improvement District or increasing the San Rafael Transient Occupancy Tax or other tourism funding model to support tourism marketing and increase tourism sector growth. (revenue generating / funding capacity)

Action Item 4.2: Evaluate current list of community events & programming (e.g., Dining Under the Lights, Block Parties, festivals/cultural events, outdoor athletic events, live music/concerts, performing arts, etc.). Expand special events in Canal, Terra Linda and Downtown area – such as block parties, public markets, outdoor dining, outdoor music / movies, and other events.

Action Item 4.3: Establish partnerships and leverage cross promotional opportunities between City, Marin County, business owners, and other organizations. Regional marketing is a more cost-efficient way to attract new industry and encourage visitors to use Marin County as a base for regional tourism.

Action Item 4.4: Pursue tourism marketing, San Rafael as a gateway to the Mendocino Coast and Sonoma/Napa Valley wine country.

Action Item 4.5: Coordinate with arts organizations to integrate arts programming with events and economic development initiatives, building upon the Cultural Arts District designation.

Action Item 4.6: Collaborate with service organizations such as Canal Alliance to support programs that address workforce development, entrepreneurship, and economic resiliency.

STRATEGY 5: ATTRACT HIGH-TECH INDUSTRIAL USES

City Economic Development – Cost \$

As shown by the success of BioMarin, San Rafael is well positioned to attract bio-tech and other high-tech industrial businesses. Life Sciences are one of the key expanding economic clusters in Marin County, driven by the flourishing tech economy of the greater Bay Area.

Action Item 5.1: Revise industrial zoning restrictions and entitlement policies/processes to ensure that they facilitate new industrial uses.

Action Item 5.2: Pursue new sectors that can expand the breadth and variety of its industrial core and jobs base. Potential growth opportunities include biotechnology, research and development, and e-commerce fulfillment.

Action Item 5.3: Identify target areas for tech industrial development (e.g. Smith Ranch, Canal) and consider overlay zoning to facilitate development.

Action Item 5.4: Conduct outreach to existing businesses, develop relationships with industry groups to foster collaboration, and identify / address business feasibility issues (infrastructure, procedural, etc.).

The Strategic Land Use Policies Toolkit section identifies key aspects to revising zoning and entitlement processes to facilitate desired development activity. Economic Trends section identifies key aspects to promoting biotech and life sciences businesses (such as access to necessary infrastructure, local tax / administrative policy, and availability of housing and transit). The Case Study highlights the approach that the City of San Diego took to advance the biotech sector in the La Jolla area of the City.

STRATEGY 6: OUTREACH FOR PRIVATE AND BUSINESS DEVELOPMENT OPPORTUNITIES

City Economic Development – Cost \$\$

Proactively work with property-owners to understand challenges and opportunities that may align with the City’s economic development goals.

Action Item 6.1: Identify and analyze key privately-owned sites that are well-positioned for reuse or redevelopment.

Action Item 6.2: Conduct outreach and collaborate with property owners to explore development opportunities and address challenges that can bring new uses to privately-owned sites.

Action Item 6.3: Pursue businesses and developers, in coordination with property owners.

Action Item 6.4: Increase Cannabis business opportunities through release of new cannabis licenses and creation of cannabis specific business programs targeting growth and capacity building of existing permittees. Business opportunities should include exploration of retail storefront cannabis licenses and other State allowed business types in appropriate commercial locations. (revenue generating / funding capacity)

Action Item 6.5: Mobile Vendor Ordinance Update: Update the City’s Mobile Vender Ordinance to create a legal pathway for mobile vending in appropriate commercial locations. Utilize community partners with language and cultural capacity for vendor outreach and permitting technical support.

The Real Estate Strategies Toolkit section identifies key aspects of real estate strategies as well as an overview of potential privately-owned opportunity sites, such as the Smith Ranch movie theater site and the Marin Square shopping center site.

STRATEGY 7: WORKFORCE DEVELOPMENT PROGRAMS

City Economic Development – Cost \$\$

Expand Workforce Development programs to help local residents gain access to career pathways – setting low-income workers on a path to higher wage careers, improving their economic situations and also helping area businesses gain access to a higher-quality pipeline of talent.

Action Item 7.1: Coordinate with Workforce Alliance of the Northbay, Dominican University, local school / community college districts, the Chamber of Commerce, Canal Alliance, and other area nonprofit organizations to encourage collaboration with local/regional educational and workforce-development organizations for training, mentorship, and job placement programs.

Action Item 7.2: Conduct outreach to local businesses to assess skills gaps and other issues with finding workers, and conduct outreach to local aid organizations to better understand barriers that impact workforce readiness (such as language, childcare, transit, and internet accessibility).

PERFORMANCE METRICS

Performance metrics will allow the City to identify progress made and determine what barriers to economic development continue to exist, what responses have proven successful or otherwise, and which projects are scheduled for development. The following metrics are recommended to be measured each calendar year and compared to the prior year's results:

1. **BEAR Program Participation** – Track number of BEAR program participants, investment captured, and jobs created
2. **Annual Reports on EIFD Funding** – identify the revenues received and specify the planned investments
3. **Commercial Building Permits in Key Areas** – measure commercial developer interest
4. **Assessed Value of Commercial and Industrial Property** – show increased private sector investment
5. **Number and Type of Business Licenses** – measure new business formations
6. **Employment by Industry** – show success in commercial and industrial business attraction and employment growth
7. **Sales Tax Revenues by Geographic District** – measure success in attracting businesses and economic activity
8. **Hotel Tax Revenues** – measure success in attracting more visitors
9. **Hotel Visitor Survey** – identify types of visitors, short term vs longer term stays
10. **Annual Survey of Business Owners** – identify issues regarding City permitting / zoning process and other programs to inform City staff of progress/shortcomings
11. **Special Event Data: number of events, attendance estimates** – show success of community outreach efforts, revitalization efforts, and general marketing

ECONOMIC DEVELOPMENT STRATEGIC PLAN

ACTION ITEM RESOURCES

1: Support Business / Development

#	Action Item	Cost	Workload	Timeframe
1.1	BEAR Program	\$	👤 👤	Year 1
1.2	Technical Assistance Programs	\$	👤	Year 2
1.3	Business / Development Data	\$	👤	Ongoing
1.4	Bi-lingual Staff	\$\$\$\$	👤 👤 👤 👤	Ongoing
1.5	Entrepreneurial Events	\$\$	👤 👤	Year 1

2: Downtown Reimagination

#	Action Item	Cost	Workload	Timeframe
2.1	Business Programs	\$\$\$	👤 👤	Year 3 - 4
2.2*	Explore conversion of the BBID to a PBID	\$	👤 👤	Year 1
2.3	Evaluate publicly-owned sites for reuse	\$	👤	Year 2-3
2.4	Placemaking physical improvements	\$\$\$\$	👤 👤	Year 3-5
2.5	Other physical enhancements	\$\$\$	👤 👤	Year 3-5
2.6	Marketing / social media	\$	👤	Ongoing

3: Analyze Implementation of EIFD

#	Action Item	Cost	Workload	Timeframe
3.1	Feasibility analysis / plan	\$	👤 👤	Q1-Q3
3.2*	Explore County Partnership	\$	👤	Year 1-2
3.3*	Pursue Grants	\$	👤	Ongoing

Star (*) - items that generate revenue / funding capacity

Estimated Cost thru Year 5

\$	<\$50,000
\$ \$	\$50,000 to \$150,000
\$ \$ \$	\$150,000 to \$300,000
\$ \$ \$ \$	>\$300,000

Cost does not include allocation of current Econ Dev staff salaries

Estimated Workload During Timeframe

👤	10-20% of employee workload
👤 👤	20-40% of employee workload
👤 👤 👤	40-60% of employee workload
👤 👤 👤 👤	60-100% of employee workload

ECONOMIC DEVELOPMENT STRATEGIC PLAN

ACTION ITEM RESOURCES

4: Strengthen Local Partnerships					5: Attract High-tech Industrial Uses					6: Outreach for Private / Business Development Opportunities																		
#	Action Item	Cost	Workload	Timeframe	#	Action Item	Cost	Workload	Timeframe	#	Action Item	Cost	Workload	Timeframe														
4.1*	Explore tourism funding models	\$	1 person	Year 1-2	5.1	Revise zoning / processes for industrial uses	\$\$	3 people	Year 3-5	6.1	Identify / analyze sites for reuse	\$	1 person	Year 1-2														
4.2	Explore / expand events and programming	\$\$\$	2 people	Year 1-3	5.2	Pursue new industrial sectors	\$	1 person	Year 1-2	6.2	Outreach / collaborate with property owners	\$	1 person	Year 1-2														
4.3	Marketing partnerships	\$	2 people	Year 1	5.3	Evaluate tech industrial overlay zoning	\$\$	2 people	Year 2	6.3	Pursue businesses / developers	\$	2 people	Year 2														
4.4	Tourism marketing	\$	2 people	Year 1	5.4	Conduct outreach businesses, industry grps	\$	2 people	Year 1-2	6.4*	Cannabis business opportunities	\$\$	2 people	Year 2-3														
4.5	Arts programming	\$	2 people	Year 1						6.5	Update Mobile Vender Ordinance	\$\$	2 people	Year 2-3														
4.6	Collaborate with service organizations	\$	2 people	Year 2	<h3>7: Workforce Development Programs</h3> <table border="1"> <thead> <tr> <th>#</th> <th>Action Item</th> <th>Cost</th> <th>Workload</th> <th>Timeframe</th> </tr> </thead> <tbody> <tr> <td>7.1</td> <td>Coordinate with orgs. for workforce development</td> <td>\$</td> <td>2 people</td> <td>Year 3-5</td> </tr> <tr> <td>7.2</td> <td>Conduct outreach to local businesses / orgs.</td> <td>\$</td> <td>2 people</td> <td>Tear 3-5</td> </tr> </tbody> </table>					#	Action Item	Cost	Workload	Timeframe	7.1	Coordinate with orgs. for workforce development	\$	2 people	Year 3-5	7.2	Conduct outreach to local businesses / orgs.	\$	2 people	Tear 3-5				
#	Action Item	Cost	Workload	Timeframe																								
7.1	Coordinate with orgs. for workforce development	\$	2 people	Year 3-5																								
7.2	Conduct outreach to local businesses / orgs.	\$	2 people	Tear 3-5																								

Star (*) - items that generate revenue / funding capacity

Estimated Cost thru Year 5	
\$	<\$50,000
\$\$	\$50,000 to \$150,000
\$\$\$	\$150,000 to \$300,000
\$\$\$\$	>\$300,000

Cost does not include allocation of current Econ Dev staff salaries

Estimated Workload During Timeframe	
1 person	10-20% of employee workload
2 people	20-40% of employee workload
3 people	40-60% of employee workload
4 people	60-100% of employee workload

SAN RAFAEL STRENGTHS

- **Economic Engine for Marin County:** the City is home to major employers, retail centers, downtown district, industrial uses, civic / cultural institutions, entrepreneurs, and essential workers.
- **Unique Character:** The City is steeped in history and serves as a gateway between the Bay Area and Wine Country (Sonoma and Napa Valley); City has Downtown Cultural Arts District and arts organizations; a “green” and active community with parks, trees, outdoor activities, and waterfront; events bring liveliness and activity.
- **Commercial Sites:** Key sites are available for development throughout the City.
- **Diverse Workforce:** Strong local labor options; entrepreneurial spirit – from small businesses to tech entrepreneurs.
- **Anchor Institutions:** Dominican University and BioMarin are major providers of education and employment opportunities; County Civic Center and City offices play a role in providing services / programs / events; other nearby educational partners include College of Marin.
- **Transportation Access:** The City is accessible through SMART passenger rail service and local bus service, and US-101 and I-580 – can support future transit-oriented development and connectivity.
- **Business Organizations:** Chamber of Commerce is very active and meets with businesses regularly.
- **Relative Affordability:** Lower cost single-family housing compared to Marin County and the San Francisco peninsula.

SAN RAFAEL CHALLENGES

- **Commercial Vacancies:** Some vacant / abandoned / blighted buildings and nonresponsive / absentee property owners.
- **Market Trends:** Retail in downtown challenged by e-commerce, office parks challenged by telework.
- **Zoning / Development Code:** Required Conditional Use Permits in Industrial Zoning is obstacle to high value development.
- **Worker Shortage:** Long commutes for many workers impacts employee retention for many businesses.
- **Limited Development Activity:** Previous hesitance to new housing development has historically stalled development.
- **Homeless / Crime:** Perceptions of crime, homelessness, and parking challenges impact commercial activity.
- **Environmental Risk:** Commercial areas are in flood-risk areas, such as the Canal district and parts of Downtown.
- **Development Costs:** High cost of construction materials and labor due to the ongoing COVID-19 pandemic.
- **Economic Uncertainty:** The uncertainty of economic conditions such as Federal Reserve restricting liquidity to reduce inflationary pressures.

SAN RAFAEL OPPORTUNITIES

- **Downtown Revitalization:** Precise Plan takes a placemaking approach and brings predictability to downtown development, paving the way for new activity.
- **City / County Partnership:** Potential joint ventures with Marin County thru EIFD or CRD to fund infrastructure and affordable housing.
- **Tourism:** As a gateway to the Mendocino Coast and Sonoma/Napa Valley wine country, San Rafael can capture significant portion of regional tourist visit.
- **Northgate Town Center:** Development Agreement for conversion of the Northgate Mall into a blended use Town Center and over 1,000 housing units can be major catalyst for North San Rafael.
- **Parking Structures and Parking Lots:** City-owned parking structures and surface lots provide opportunities for reuse and reactivation.
- **Federal Opportunity Zone (“OZ”):** Canal Area development can benefit from OZ and EIFD’s to spur additional investment in new development projects.
- **SMART:** Regional rail service connecting the Sonoma Valley to San Rafael and connecting to the Ferry service to San Francisco, provided transit-oriented development (“TOD”) opportunities.

ECONOMIC DEVELOPMENT STRATEGIC PLAN



3. ECONOMIC DEVELOPMENT TOOLKIT

San Rafael Economic Development Strategic Plan

ECONOMIC DEVELOPMENT TOOLKIT OVERVIEW

Business Expansion, Attraction, and Retention (BEAR)	Focus on business and developer outreach to deliver quality jobs and fiscal revenue.
Real Estate Strategies	Use strategies to better utilize the value of city properties – performance-based leases / ground leases, monetizing assets (such as parking garages, selling property to private sector, etc.)
Special Districts for Infrastructure Financing CFD's, EIFD's, CRD's	Use TIF and other district tools (such as Enhanced Infrastructure Financing Districts – EIFDs and Climate Resilience Districts) to capture taxes from assessed value increases to fund infrastructure needs.
Zoning and Land Use Strategies Development Opportunity Reserve (D.O.R.)®	Zoning and entitlements create value; capture the value from zoning changes to link new density to community benefits and public amenities.
Revenue Replacement Tools	Create general fund revenues through development agreements / public-private partnerships.
Government Funding and Financing	Use government financing tools to generate enhanced revenues to fill financial gaps of projects in order to encourage private investment and other tax-generating development.
Grants and Other Public Funding	Pursue grant funds available at the state and local level for infrastructure, housing, and other projects.

BEAR STRATEGIES BUSINESS EXPANSION, ATTRACTION, AND RETENTION

Business Expansion, Attraction, and Retention (BEAR) strategies focus on business and developer outreach to deliver quality jobs and fiscal revenue.

Different strategies to consider include:

- **Support:** Help existing business through regular check-ins, assistance with resources, and networking opportunities.
- **Marketing:** Highlight the city as a business-friendly destination with community assets, talented workforce, and success stories.
- **Outreach:** Conduct target outreach to developers, businesses, and brokers with opportunity site marketing collateral, correspondence, meetings / site tours, and participation at industry events.
- **Collaboration:** Foster a supportive environment between businesses, universities, industry groups, and government entities.
- **Incentives / Regulatory Reform:** Consider regulatory reform efforts, such as permit streamlining, development code changes, and other policies to foster a business-friendly environment.

REAL ESTATE STRATEGIES PUBLICLY-OWNED PROPERTY

Public agency land is often under-utilized, offering the potential to increase value and revenues (e.g., property tax, sales tax, TOT). Local government-owned real estate can be leveraged to increase revenue and help stimulate economic development projects. The land can include former redevelopment Agency (“RDA”) properties, public use properties (civic centers, fire stations, recreation), and surplus property (city, school district, utility, other), rights of way (streets, alleys, parking lots and parking structures).

The State, in its push to have cities develop more affordable housing, has made subsequent legislative changes (e.g., AB 1486) to strengthen the Surplus Land Act (SLA). The SLA now requires all public agencies in the State of California to first offer a property for sale or lease to ‘housing sponsors’ and affordable housing developers prior to the sale or lease of the asset (unless otherwise exempt) and will assess penalties if a public agency is not in compliance.

Key Strategies include:

- **Performance-Based Leases / Ground Leases:** San Rafael can maintain ownership and leverage an income stream from an asset via a ground lease (e.g., lease revenues) as well as establish a rent structure based on specific performance benchmarks thereby reducing risk for lenders/private investors.
- **Monetizing Assets:** San Rafael can raise revenues by monetizing assets such as surface parking lots / garages.
- **Acquisition or Sale of Property:** San Rafael can make strategic acquisitions and/or sell property for preferred private development opportunities, as well as utilize strategies such as lease-back strategies, continued operation of existing use, and redevelopment of properties into new uses.

ECONOMIC DEVELOPMENT STRATEGIC PLAN

REAL ESTATE STRATEGIES PUBLICLY-OWNED OPPORTUNITY SITES DOWNTOWN CITY-OWNED PARCELS

#	APN(s)	AC	Use
1	011-212-15	0.38	Parking
2	011-221-07	0.27	Parking
3	011-224-05, 06	0.26	Parking
4	011-273-17	0.46	Parking
5	011-271-12, 13, 14, 16	0.44	Parking
6	011-252-10	0.17	Parking



SPECIAL DISTRICTS FOR INFRASTRUCTURE FINANCING

Public agencies can utilize a variety of tax increment financing (TIF) district tools to fund infrastructure projects that can help to motivate private investment. This includes Enhanced Infrastructure Financing Districts (EIFDs). EIFDs may be well suited for San Rafael's opportunity areas such as Northgate that have significant infrastructure needs (roads / connectivity, water / sewer, electricity, telecom / broadband).

EIFDs utilize property tax revenues from an estimated +\$500 million in new development to finance public infrastructure projects without introducing new or increased taxes. EIFD project areas do not have to be contiguous, allowing them to target specific areas of high development and high infrastructure need.

- City receives approximately **16%** of every \$1 collected in property taxes (including Motor Vehicle In-lieu) (varies by Tax Rate Area)
- County receives approximately **30%** of every \$1 collected in property taxes on average

The district commitment of revenues toward infrastructure can induce private sector investment, accelerate growth, create jobs, and grow fiscal revenues.

TIF districts which involve a City / County joint effort are more likely to win state grant funding sources.

SPECIAL DISTRICTS FOR INFRASTRUCTURE FINANCING EIFD CITY / COUNTY PARTNERSHIP CASE STUDY

Placentia / Orange County EIFD Partnership

- 300+ acres: Old Town Placentia Revitalization Plan, Metrolink Station, TOD Packing House Area
- Infrastructure Financing Plan (IFP) will fund \$13 million in public infrastructure improvements for those areas
- Water, sewer, streets, parking, transit connectivity
- \$460M+ expected in new AV from residential, retail, restaurant development
- Net Fiscal Benefit: \$22M to City, \$15M to County

Implementation

- EIFD feasibility analysis & formation process
- Led education/outreach meetings with County BOS
- Developed County EIFD Policy for City/County EIFD
- Completed first EIFD TIF Court Validation in the state
- **Working on TIF Bond—expected by fall of 2022**



SPECIAL DISTRICTS FOR INFRASTRUCTURE FINANCING OTHER DISTRICT TOOLS

Property Business Improvement Districts (PBID)	<p>Property Business Improvement Districts are special assessments levied on real property to fund improvements and promote activities the benefit the properties located within the PBID area. This includes capital improvements, parking facilities, street / streetscape improvements, lighting and landscaping, marketing and promotion, and business attraction / retention. The special assessment amount that each property owner pays must be directly proportional to the benefit received.</p>
Community Facilities District (CFD)	<p>Community Facility Districts are a new property assessment or "special tax" that appears as a separate line item on a tax bill and can be used to fund infrastructure / services that benefit the property. This includes transportation, parking, street / utility improvements, hazardous waste remediation, street lighting / sidewalk, and public services. CFDs are useful because they provide early financing for a variety of critical services and infrastructure. CFDs also pair well with EIFDs as a value capture strategy – with CFDs providing early funding and EIFDs providing funds as projects are constructed, and tax increment grows.</p>
Parking Authority District	<p>Parking Authority Districts can utilize a variety of funding sources – including bonds, ad valorem taxes, user fees, parking meter charges, parking revenues, and City / County contributions – to fund improvements such as parking lots, structures, and alterations to circulatory infrastructure to facilitate ingress and egress.</p>
Climate Resilience District (CRD)	<p>Climate Resilience Districts are a new type of district that can fund projects to mitigate climate change. These districts have broad financing powers, and can fund a wide range of eligible projects, including projects that address sea level rise / flooding, extreme weather, wildfire, and drought.</p>

ZONING AND LAND USE STRATEGIES ENTITLEMENT AND PERMITTING PROCESSES

Permitting processing delays (i.e. Zoning Variances, Conditional Use Permits) have the potential to tie up private resources and discourage investor interest, it can have a significant impact on business formation and economic activity.

Permit processing for new businesses can be an expensive and high-risk endeavor – often featuring multiple public meetings, and uncertainty whether permits will ultimately be approved.

At the same time, planning and building departments can have strained resources and staffing, increasing application review time and limiting staff resources to assist applicants.

Key Strategies include:

- **Increase Flexibility:** Review and revamp zoning and permitting requirements to ensure flexible requirements that can accommodate market and changing business and customer dynamics.
- **Streamline Process:** Identify business and project categories that are particularly beneficial to the Downtown and create a fast and predictable process for review / approval.
- **Encourage Active Uses:** Provide an easy permit process for interesting and dynamic uses – such as pop-up users, live music / events, outdoor dining permits, and artistic improvements / installations – that can enhance the Downtown experience.
- **Incentivize Reuse of Struggling Spaces:** Provide flexible building permit rules for properties suited for adaptive reuse and incentivize conversion of vacant commercial buildings into other uses (such as office, hotel, residential).
- **Specialize:** Tailor requirements for infill development to recognize the often-challenging circumstances involved in infill developments.

ECONOMIC DEVELOPMENT STRATEGIC PLAN

PERMITTED USES IN INDUSTRIAL ZONES

The San Rafael Zoning Code requires many Technology / Research & Development uses to get conditional use permits or other administrative approvals that can be significant obstacles to attracting these high value industries.

To encourage economic development, some cities re-evaluate these requirements to ensure that they do not present an undue burden on development. One strategy is to shift more toward administrative or by-right approvals for select industries.

Cities still place some restrictions on particular uses, while generally allowing a category of uses. For example, the City of Richmond permits Research and Development uses in many of its industrial districts but with a restriction that biological research / commercial testing in a laboratory rated for a Biosafety Level (BSL) 3 or higher requires a CUP. This addresses the city's safety concerns, while still providing the flexibility needed to encourage development.

Use	Permit Requirements
Biotechnology firms	Conditional Use Permit
Chemical manuf. / processing	Conditional Use Permit or Not Allowed
Electronics Industry	Conditional Use Permit and/or zoning administrator
Laboratories	Conditional Use Permit / zoning administrator
Pharmaceutical manufacturing	Conditional Use Permit
Research and Development Facilities	Conditional Use Permit or Not Allowed
Research and Development Industry	Conditional Use Permit and/or zoning administrator or not allowed
Medical Services (Clinics, laboratories, medical office)	Conditional Use Permit or Not Allowed
Cannabis Testing / Lab, Delivery, Manufacture, Distribution	Permitted; subject to additional regulations
Storage, Warehousing, Distribution	Permitted
Maintenance and Repair Services	Permitted; outdoor storage rules
Business Sales / Services	Permitted
Personal Services	Permitted
Motor Vehicle Sales / Service	Varies: Conditional Use Permit, Administrative
Assembly / manufacture / processing	Permitted by right unless <300 ft from residential district, Conditional Use Permit
Food service establishments, Brew Pubs	Conditional Use Permit or Not Allowed

ZONING AND LAND USE STRATEGIES DEVELOPMENT OPPORTUNITY RESERVE D.O.R.®

Zoning and entitlements create value. Cities can avoid simply giving that value away, and instead capture that value as currency to support community benefits and public amenities.

Old Playbook:
Rezone Areas for New Density
and Expect New Development

Rezoning gives the value of the new density to current property owners: inflated land values, limited possibility of development.

New Playbook:
Bank Density with Development
Opportunity Reserve D.O.R.®

DOR allows cities to create a “bank” of new density in zoning / specific plans, allowing them to give the density to projects that deliver **community benefits & public amenities.**

ZONING AND LAND USE STRATEGIES DEVELOPMENT OPPORTUNITY RESERVE D.O.R.® - PROCESS

Create D.O.R.

Step 1

Conduct market / economic density analysis to understand development potential.
Identify sites and areas within community as areas targeted for new development.

Step 2

Use planning process to create a reserve bank of density to use in target areas and create an amenity list of desired community benefits and advance projects.

Implement D.O.R.

Step 3

Development Projects apply for density from the DOR in exchange for amenities and community benefits delivered.

Step 4

City & Developer sign a Development Agreement, assigning DOR density to project with contractual commitment to deliver amenities or infrastructure.

ZONING AND LAND USE STRATEGIES DEVELOPMENT OPPORTUNITY RESERVE D.O.R.® - CASE STUDIES

Buellton Avenue of Flags

- **Goal:** Induce housing development in downtown area
- **Benefits & Amenities:** public restrooms, off-site improvements, public parking, parking district, public art, parks, green buildings, other
- **Incentives:** Increase density up to 40 units / acre, increase heights, reduce on-site parking, reduced setbacks, reduced traffic and application fees



Implementation Steps

1. Conduct market housing / economic study
2. Discuss new density and public amenities with community
3. Create DOR mechanism as new Zoning / Specific Plan provision

El Monte Downtown Main St.

- **Goal:** Increase downtown density along with community benefits and public improvements
- **Benefits & Amenities:** streets, bicycle facilities, parking, open space, beautification, transit, arts / cultural spaces, lot consolidation; developer can install amenities or pay into public improvement fund; value based on a portion of residual land value (~75%)
- **Incentives:** Increase density, heights, FAR, dwelling units per acre



REAL ESTATE STRATEGIES PRIVATELY-OWNED PROPERTY

Cities can pro-actively reach out to select private property owners to facilitate real estate developments to advance the City's economic development goals.

- **Property Owner Outreach** – collaborate with property owners to understand their plans for properties, challenges that they face with development, and opportunities that may align with economic development goals.
- **Rehabilitation / Renovation** – encourage rehabilitation and/or renovation of facilities, signage or store-front facades; can include public programs such as façade improvement loans / grants, or assisting with identifying other sources of funding.
- **Marketing** – Conduct marketing activities, such as developer or building outreach, in coordination with property owner.
- **Public-Private Partnerships (P3)** – Enter into formal partnerships with property-owners that commit city resources to fund improvements that will advance both the property owner's goals for development and the City's goals for economic development.

PRIVATELY-OWNED OPPORTUNITY SITE 280 SMITH RANCH ROAD

As a result of COVID impact to entertainment uses, many movie theaters are challenged. The site currently generates a relatively small amount of property and sales taxes. If redeveloped into a blended-use project with multifamily residential and retail components, it could generate substantially more tax revenue.

Owner	Nationwide Theatres Corp
APN(s)	155-121-09
Acreage	8.95
Current Use	Century Regency Movie Theater
Assessed Value (2022)	\$8,000,000



PRIVATELY-OWNED OPPORTUNITY SITE MARIN SQUARE

Located at the junction of I-580 and US-101, this site may be suited for higher value uses. Residential uses may be problematic due to highway noise and pollution.

#	Owner	APN(s)	AC	Use
1	Chelsea Pacific Investments LP	018-051-17, 20 018-063-04, 07, 08, 09, 10	10.58	Marin Square shopping center, office, service industrial, showroom
2	State of California	018-051-12, 16	0.78	Industrial yard
3	Blue Oak Development LLC	018-051-13	0.53	Service industrial
4	Woodside Holdings LP	018-051-01	0.21	Service industrial
5	City of San Rafael	018-063-11	0.09	Landscaping



GOVERNMENT FUNDING AND FINANCING STRATEGIES

The following financing mechanisms can be utilized to generate enhanced revenues to fill financial gaps of projects, in order to encourage private investment and other tax-generating development.

Lease Revenue Bonds

Lease Revenue Bonds are issued by a public entity (e.g., Joint Powers Authority) and can be used to finance vital capital improvements to be leased to a public agency. The bonds are payable solely from lease payments paid by a public agency.

Lease-leaseback (P3) Structures

Lease-leaseback structures give cities the opportunity to cut costs and deliver public projects through strategic public-private partnership (P3) project delivery. The lease and subsequent sublease of assets between two public agencies enables lease payments to be leveraged (borrowed). These strategies can also come with procurement and project timing advantages. For example, an existing building facility can utilize lease payments immediately without the need to fund capitalized interest.

Cash-Flow Management Programs

Improved cash flow management can generate enhanced revenues from cash resources. Customized cash flow modelling can maximize portfolio size and increase funds that are available to the City. These enhanced short-term returns can then be utilized for community revitalization projects.

GRANTS AND OTHER PUBLIC FUNDING

There is a wide variety of grant programs and funding sources available through the state and federal government. New grant programs are added every year, many with a focus on housing and climate resiliency. Cities should periodically review available grant sources and pursue grants that align with the city's economic development goals (a grant-writing firm can provide assistance if the City's internal resources are limited).

Three current programs that give some preference to EIFDs are:

Infill Infrastructure Grants (IIG)

Grants for infill projects / areas, gap funding for infrastructure for residential / mixed-use with some affordability requirements; awards range between \$1 - \$7.5 million

Affordable Housing and Sustainable Communities Program (AHSC)

Grants for affordable housing, housing infrastructure, transportation, related amenities, and program costs; awards range between \$1 - \$30 million

Transformative Climate Communities (TCC)

Funds community-led development and infrastructure projects that achieve environmental / health / economic benefits in the state's most disadvantaged communities.

Recent Economic Development & Climate Grant / Funding Programs

- Regional Early Action Planning (REAP)
- Local Early Action Planning (LEAP)
- Infill Infrastructure Grants (IIG)
- Affordable Housing and Sustainable Communities (AHSC)
- Community Economic Resilience Fund (CERF)
- Multifamily Housing Program (MHP)
- ICARP Regional Resilience Grant Program (RRGP)
- Infrastructure State Revolving Fund (ISRF)
- Homeless Housing, Assistance, and Prevention (HHAP)
- Infrastructure State Revolving Fund (ISRF)
- Coastal Conservancy Grants
- Adaptation Planning Grant Program (APGP)
- Strategic Growth Council grants
- Infrastructure Investment and Jobs Act (IIJA)

GRANTS AND OTHER PUBLIC FUNDING

Funding Source / Grant	Purpose
Infill Infrastructure Grant (IIG) Program <i>(EIFD Preference)</i>	<ul style="list-style-type: none"> - IIG provides grants for capital improvement projects for qualifying infill projects or qualifying infill areas - Used for gap funding to infrastructure improvements for residential or mixed-use developments - Eligible activities: construction, rehab, demolition, relocation, preservation, and acquisition of infrastructure - Affordability threshold: No less than 15% of units as “affordable” units - Assistance terms: Minimum award (\$1M), maximum award (\$7.5M)
Affordable Housing and Sustainable Communities (AHSC) Program <i>(EIFD Preference)</i>	<ul style="list-style-type: none"> - The AHSC Program assists project areas by providing grants and/or loans to a locality, public housing authority, JPA, developer, or facilities districts, that will achieve greenhouse gas (GHG) emissions reduction and benefit Disadvantaged communities through increasing accessibility of affordable housing, employment centers, and key destinations via low-carbon transportation - Assistance terms: Minimum award (\$1M), maximum award (\$30M) - Eligible activities: new construction, acquisition, or rehab of affordable housing; housing infrastructure; sustainable transportation infrastructure and related amenities, program costs (active transportation) - Affordability threshold: 20% of homes at 80% median household income (MHI)
Multifamily Housing Program (MHP)	<ul style="list-style-type: none"> - MHP assist the new construction, rehab, and preservation of permanent and transitional rental housing for lower income households, or the conversion of a non-residential structure to rental housing - Eligible activities: property acquisition, land lease payments, construction and rehabilitation work, offsite improvements (e.g. sewer, utilities, and streets directly related to housing development) - Assistance terms: Maximum award (\$20M), base loan various from \$150K and \$175K based on type of unit
Transit-Oriented Development (TOD) Housing Program	<ul style="list-style-type: none"> - Program offers low-interest loans as gap financing for rental housing developments near transit that include affordable units. Grants are available to localities and transit agencies for infrastructure improvements necessary for the development of specified housing projects or to facilitate connections between the project and the transit station - Eligible applicants: developers for rental housing projects; municipalities/transit agencies for infrastructure projects - Assistance terms: Maximum award for a single project is \$15M

ECONOMIC DEVELOPMENT STRATEGIC PLAN



4. ECONOMIC / LAND USE TRENDS & CASE STUDIES

San Rafael Economic Development Strategic Plan

ECONOMIC DEVELOPMENT STRATEGIC PLAN



Housing is Not a Loss Leader, it's a Growth Driver

Retail is Not Just Retail Anymore

Telework is Reconfiguring Office

Industrial / Distribution is Critical for Your Economy

Housing Creation as Economic Development

Retail Reimagination as Economic Development

Office Conversions as Economic Development

Industrial & Fulfillment as Economic Development

- New housing can generate significant new tax revenues and support local jobs
- Housing is not necessarily a net negative fiscal impact, especially at current property values

- U.S. retail over-built and needs “right sizing;” Covid accelerated trends; today its about essentials, experience & e-commerce
- Blended/mixed use projects integrate multiple uses (housing, retail, open space, creative office, hotel)

- Telework and work from home options are reshaping the needs for office space and business districts
- Job redistribution tied to housing
- Vacancies can lead to fiscal impact pressure

- Modern industrial is not “your father’s industrial” – not smokestacks
- Retail can’t thrive without distribution
- Booming demand for distribution, e-commerce, and data centers, blending for fulfillment/delivery, job creators

ECONOMIC AND LAND USE TRENDS

➤ Retail

- Retail store closures, bankruptcies, and e-commerce has changed economics of retail centers. Many are being reimagined (e.g, blended use)
- Retail is driven by trip-generators such as entertainment, experience, and essentials

➤ Office

- Downtown S.F. office building vacancy rising as remote work becomes new normal; Social distancing leads to offices resizing/reconfiguring
- Corporations see possible shift to suburban offices - integrating office in blended use environments

➤ Industrial

- E-commerce growth has exploded
- Retail and industrial are merging, with space being used for Buy Online Pick Up in Store (BOPIS), fulfillment, last mile and warehousing

➤ Residential

- Homes are live, play, **and work** environments
- Strength in suburban markets; home office is the new amenity, apartment developments are being designed to facilitate work
- New residential sites in shopping centers

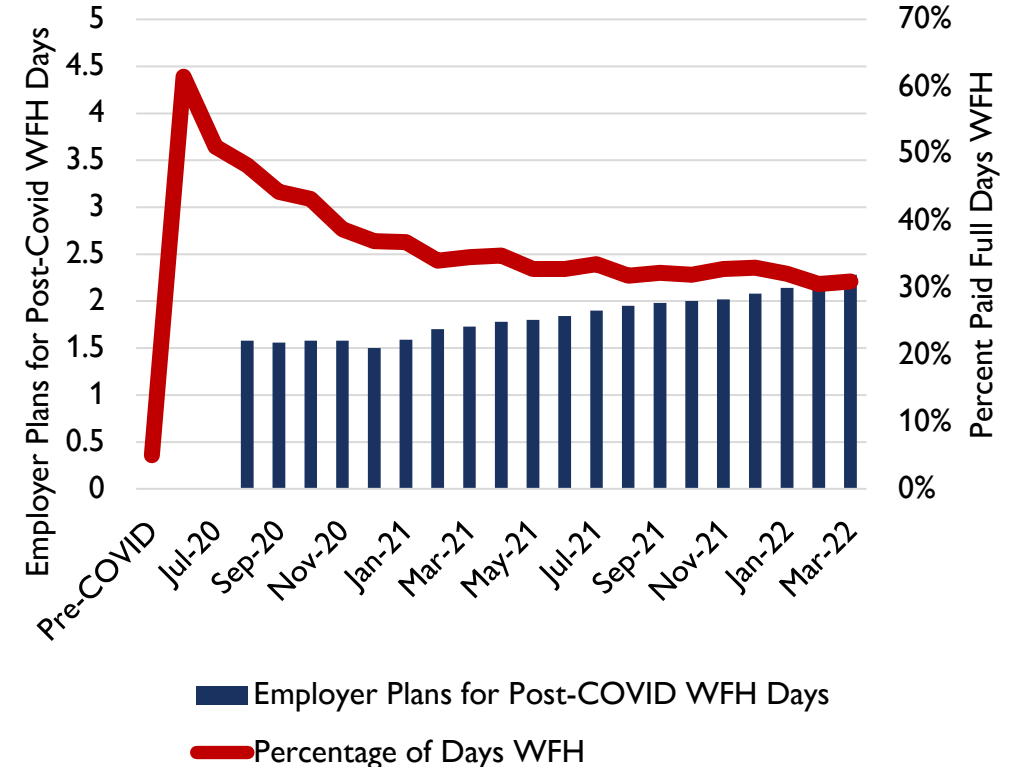
➤ Hospitality

- Hospitality sector hurt the most by Covid-19, but leisure travel is rebounding

TELEWORK GROWTH

- Telework is changing where people choose to live, and increases popularity of “15-minute communities” that offer amenities and quality of life.
- Census Bureau estimated that ~44% of workers are in jobs where working from home is currently feasible, with only a quarter of those in feasible telework jobs actually utilizing this capability.
- Research shows the ability to telework likely varies by educational attainment and income-level; many of the telework occupations are Management / Business / Financial / Professional occupations. Opportunity for San Rafael new residential units.
- Other research shows that work-from-home represent ~30% of days, significantly above pre-pandemic estimates of 5%.
- Employers are expecting an average of 2.3 work-from-home days per week, suggesting that hybrid home/office model is likely to be well-utilized post-Covid.

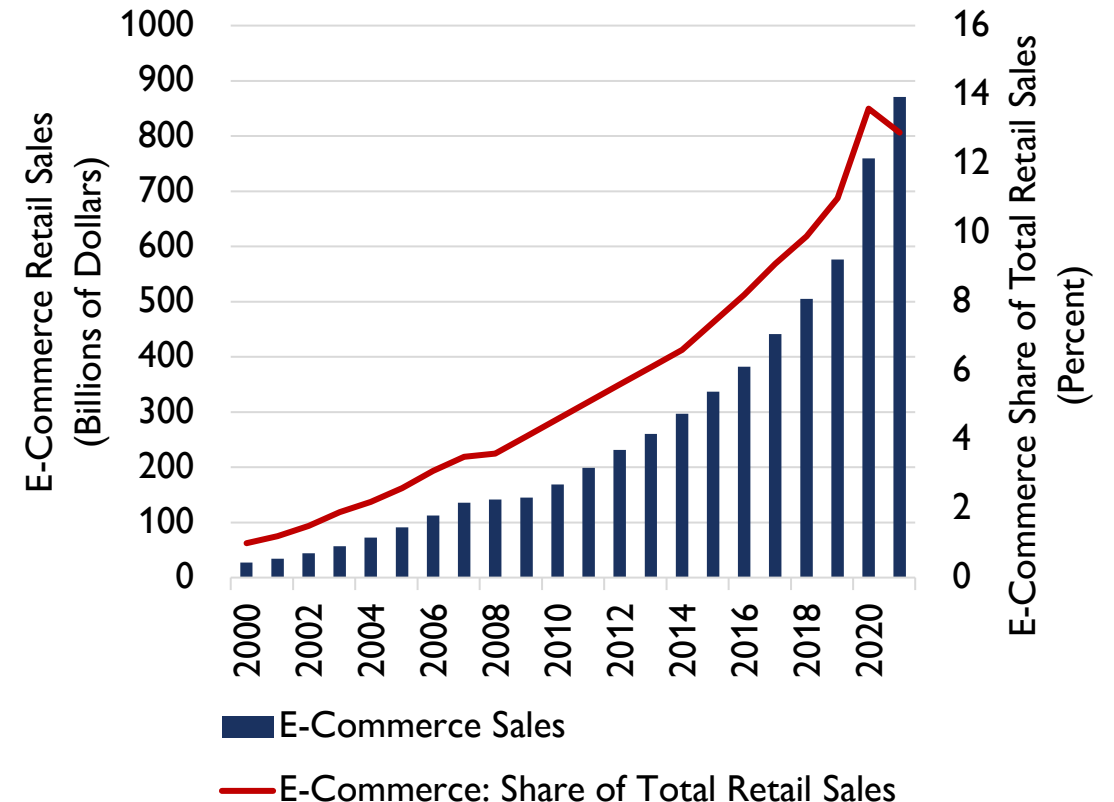
Work-from-Home: Current Utilization and Employer Plans for post-Covid



E-COMMERCE GROWTH

- E-commerce sales in the U.S. have increased steadily, jumping by 30% to \$800 billion annually by Q2 2020 due to increased utilization during the Covid-19 pandemic. This put additional pressure on local brick-and-mortar retailers. Post pandemic retail mall shopping has recovered somewhat.
- According to UBS, e-commerce's share of overall U.S. retail sales will continue to increase over the next 5 years, resulting in a loss of brick-and-mortar sales, primarily in clothing, office supply and sporting goods.
- Consumer online shopping behavior has further solidified during the Covid-19 pandemic, and is not likely to revert to old patterns, thanks to free 1-day delivery services, etc.

E-Commerce Retail Sales



RETAIL TRENDS

- Shopping centers across the U.S. are faced with dramatic decline in retail sales as the digital economy converts the lifestyles and social patterns of every generation. Today's consumers use online websites for purchasing many hard and soft good commodities.
- Several hundred regional malls have closed in past 5-10 years. By 2025, experts expect only Class-A malls in high income communities are most likely to survive.
- The impacts from e-commerce will have major impacts on large shopping centers in the region, particularly power centers. San Rafael is in relatively good position as community retail centers with the strongest opportunity for future growth are those focused on essentials and experiences.
- Shopping districts that are centered around experiences, entertainment, and essentials are best poised for economic resiliency and future success.
- The future for retail centers in San Rafael lies in fostering experiential, entertainment uses and restaurants. Blended use projects that bring additional uses to retail sites (such as hospitality, last-mile logistics, and multifamily residential) can bring more customers to the stores and thus be a more sustainable and diversified development that serves the community.

WHAT DRIVES AN ENGAGING RETAIL EXPERIENCE?

Thoughtful Design	Programmed Outdoor Space	Communal Elements	Unique Amenities	Unique Food Offerings	Curated Retail Tenants
<ul style="list-style-type: none"> • Feels like an exciting destination • Celebrates local character • Fosters a specific vibe/feeling • Feels fresh and innovative 	<ul style="list-style-type: none"> • Fun and welcoming environment to gather and hang • Fresh air elevates dining and shopping experience • Mood lighting and aesthetics lifts the ambiance 	<ul style="list-style-type: none"> • Shared community experiences • Encourage conversation and connection • Examples: breweries, distilleries, coffee / tea 	<ul style="list-style-type: none"> • Unexpected entertainment attracts and retains customers • Memorable and engaging • Examples – arcade games, photo booths, lawn games, art installations 	<ul style="list-style-type: none"> • Interesting and culturally rich food options • Reflects local flavor, authentic, interesting fusion • Exciting to try, drives additional visits 	<ul style="list-style-type: none"> • Tenants and pop-ups create a reason to come • Digital brands with brick-and-mortar spaces • Curated products that create a desirable shopping experience • Local / exclusive products

ECONOMIC DEVELOPMENT STRATEGIC PLAN

ENGAGING RETAIL EXAMPLES



Communal Outdoor Spaces



Upscale Design Elements



Curated Retail & Food



Outdoor Amenities



Curated Food

EXPERIENTIAL ENTERTAINMENT RETAIL CONCEPTS

Experiential retail / entertainment concepts have been merging food, drinks, and entertainment into engaging experiences. This includes:

- Movie Theater concepts such as Alamo Drafthouse that deliver an improved theater experience with better seating / design and elevated food / beverage.
- Bowling concepts such as Bowlmor and Lucky Strike, which provide a more upscale experience in a lounge setting
- Smaller format sports / activities concepts such as Puttshack, Spin Ping Pong, rock climbing gyms, ax throwing, escape rooms, laser tag, and trampoline parks.
- Larger format sporting / activities, including Topgolf and SFC sports facilities
- Personalized retail services, such as clothing and accessories stores that offer in-store services and customization
- Interactive exhibits, including art galleries, installations, and other cultural offerings
- Gaming concepts such as arcade bars, pinball, virtual reality gaming, and e-sports



EXPERIENTIAL RETAIL CASE STUDY VILLAGE CENTER / RODEO 39

Village Center / Rodeo 39 is an example of an experiential retail / housing blended use project that serves as an entertaining destination and hub for the community. It also demonstrates how adding residential can generate demand for retail on the site and add value to a project.

The Village Center shopping plaza in Stanton was a blighted 24-acre shopping site that had significant vacancy issues. The site's retail component was rightsized down to 10-acres of the site, with a "town square" environment anchored by the Rodeo 39 curated public market. A new multifamily housing project was built on the remainder of the site.

Food and entertainment – particularly curated local offerings – was the foundation of the public market, a new 41,000 SF retail and dining space. Rodeo 39 has been a great success, with the local community embracing the eclectic destination.

The project also added a variety of entertaining and experiential offerings that encourage people to spend more time – a wide variety of cultural dining, small stage for live music performances, retro arcade / games, boutique tattoo artists, pop-up shops, and a variety of indoor and outdoor seating and gathering areas.



FOSTERING ENTREPRENEURSHIP

Small business start-ups, and other entrepreneurial enterprises are an important component of a healthy local economy. These enterprises can drive job retention and creation, innovation, vibrancy, and diversity. The City of San Rafael can foster a strong entrepreneurial environment through targeted programs and a supportive regulatory environment. As a gateway community between the Bay Area and wine country, the City can attract talent from across the region and build upon its existing economic clusters.

Talent	Investment in human capital builds and retains a talented workforce. Supporting educational and training programs, as well as linking academic networks with local businesses, can help build a strong and innovative workforce.
Density	Dense communities can foster innovation through greater opportunities for collaboration and larger local customer base. Supporting cluster growth, creating hubs of activity, driving media awareness, and building mentorship networks are components of dense startup hubs.
Culture	Innovation clusters require a culture of innovation, support, learning, and entrepreneurship; this can be fostered through partnerships that teach entrepreneurial skills and link businesses with employees.
Capital	Startup success requires experienced investors to provide funding, networking, and expertise. This can be aided through programs geared toward linking startups with capital and other resources to grow businesses, as well as tax incentives for investors.
Regulatory Environment	Governments should help create a stable, predictable, and supportive regulatory environment to foster innovation and entrepreneurship.

FOSTERING ENTREPRENEURSHIP CASE STUDIES

City of Thousand Oaks – Ventura County

The City of Thousand Oaks partners with a variety of groups and institutions to encourage entrepreneurship in their community:

- **California Lutheran University** – private university home to over 4,000 students that is primarily a liberal arts school with a variety of majors / programs, including biology, chemistry, biochemistry, computer information, computer science and environmental sciences. CLU has a strong record of encouraging business development from its students and graduates, offers a minor in entrepreneurship, and hosts other programs (such as events, incubator grants, and mentorship opportunities).
- **805 Startups** – works with a number of Southern California cities to educate and connect startups to traditional businesses through a variety of programs / services, including events, business development, marketing, skill development, and talent recruitment / retention.
- **Ventura BioCenter** – community of scientists / engineers / educators / business professionals to encourage scientific research and business development. Biotech business incubator includes spaces and equipment available for some members.
- **Hub101** – Coworking space, incubator, and community dedicated to supporting entrepreneurs via coworking, educational programs, mentorship, and events.

City of Corona – Riverside County

City of Corona partnered with TriTech Small Business Development Center and Tech Coast Angels to hold a “Shark Tank”-style event where entrepreneurs pitched ideas to a panel of investors. The event was part of a larger City program that aimed to facilitate start-up businesses to capture more jobs within the city.

PROMOTING BIOTECH AND LIFE SCIENCES

The San Francisco / San Jose area is home to a strong biotech and life sciences cluster, but limited availability of specialized lab / flex R&D / manufacturing spaces can delay business expansions and push firms to move to other areas.

Fostering new developments in these science / tech sectors – from startups to major firms – can be a key economic development strategy to creating good local jobs. Life science firms look for cities with amenities, quality of life, and available housing for workers.

Biocom is an industry group that advocates for life science in California through advocacy, programs, and events. As noted in Biocom’s economic impact reports, the Bay Area’s life sciences industry includes a range of sub-sectors, including Bio-pharmaceutical, Bio-technology, Research & Manufacturing, Medical Devices / Equipment, Scientific / Research Tools, and Food / AG Biotechnology. The life science industry represents a workforce of over 146,000, with ~3,100 workers in Marin County. Research and development is a strong growth area, adding almost 4,000 new jobs in 2021. Average pay is over \$148,000.

San Rafael may be well-positioned to provide less expensive space to develop into campuses that serve some of these biotech sub-sectors.

Biocom California: Bay Area Priorities

Access to Water and Utilities

Access to water and other utilities is necessary for biotech firms’ research processes; mandatory water cutbacks can be challenging

Housing

The extreme housing shortage in the Bay Area is a challenge to accommodate the biotech industry’s diverse workforce

Taxes & Administration

Local taxes and fees can have detrimental impacts on development and firm expansion. Consistent permitting and inspection processes needed.

Infrastructure

Preserving industrial land for R&D, manufacturing, and distribution is needed for long-term stability / growth. Transportation is critical for employee commutes, workforce attraction, and transport of goods / products.

PROMOTING BIOTECHNOLOGY & LIFE SCIENCES CASE STUDY

Case Study: La Jolla / City of San Diego

- The La Jolla area of San Diego was home to a major biotech company in the 1970s (Hybritech). After it was acquired by E.J. Lilly, many of the scientists did not want to be part of a large corporate pharmaceutical company. The City and other local non-profits/agencies worked together to achieve this vision.
- Today, San Diego's biotech industry is responsible for nearly \$9 billion in annual economic impact and employs over 44,000 people across 700 companies.

The following are approaches the City of San Diego and University of San Diego used to aid the growth of the biotech industry in the City:

- City involved in making land use decisions incentivizing industrial development on City-owned land
- City allowed for natural industry growth by taking a “hands-off” approach regarding industry controls
- City worked collaboratively with biotech businesses in the area to address water shortages
- City created an ombudsman position to interact with local biotech companies for fast track permitting/processing, the development of long term relationships, and City/industry collaboration to make quick informed decisions in times of need
- City staff supported industry growth by speaking at events and taking part in visits to Washington D.C. and elsewhere to advocate for their local biotech research community

SMALL BUSINESS SUPPORT

Category	Description
Small Business Liaison / Ombudsman	Designate a city liaison / ombudsman to provide assistance regarding city processes / regulations / policies, such as permitting, license, compliance, and development standards.
Access to Capital	Connect firms with capital through loan programs, grants, and other financing opportunities for businesses to start / grow / expand.
Business Incubators / Accelerators	Support business incubator / accelerator programs to provide early-stage companies with resources, workspace, mentorship, and networking.
Networking / Joint Marketing	Host / support networking events, workshops, and other opportunities that connect small businesses / entrepreneurs with other firms, potential customers / clients, investors, and workers.
Technical / Business Assistance	Seek mentors with business expertise, including business planning, financial management, legal services, market research, e-commerce strategies, etc.

WORKFORCE DEVELOPMENT

Workforce development programs aim to improve and diversify a City's workforce. They address the needs of workers to be better prepared for higher-paying jobs; these programs also help local employers attract and retain the talent needed for their businesses to be successful. These programs often focus on four key themes:

- **Collaboration** – Fostering relationships between current / potential employers, educational institutions, and local nonprofits to identify and address worker skill gaps.
- **Training** – Connecting workers to programs to build skills that improve workforce readiness (certification programs, licensure, English as a Second Language, etc.).
- **Networking** – Connecting employers, educational / training institutions, and workers via networking programs, mentorship programs, internships / apprenticeships.
- **Addressing Barriers** – Encouraging programs that will alleviate pressures on workforce readiness, such as childcare, transit, and internet / computer accessibility.

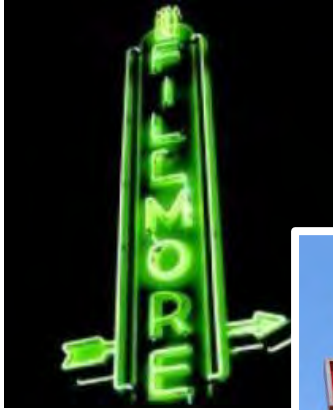
PLACEMAKING THROUGH DISTRICTS AND EVENTS

Programming downtown areas via the use of micro-districts can encourage nodes / clusters of focused business activity – such as areas focused on arts / entertainment, hospitality, office, health / wellness, and dining / restaurants.

While downtown areas should still aim to integrate many different uses in mixed-use districts, micro-districts that place *some* emphasis on particular themes can allow business clusters to thrive and improve the overall downtown experience.

- **Entertainment / Arts Districts:** Focused on cultural and recreational amenities, such as theaters, music venues, art galleries, and experiential activities. These districts can attract residents and tourists and create a vibrant and lively urban environment. Districts can focus on supporting the development of new facilities / venues / restaurants to revitalize the area and attract new visitors.
- **Hospitality Districts:** Focused on hotels, conference centers, recreation, and other tourism-related amenities. These districts can help attract tourists and boost the local economy by focusing on new hotel development and visitor-serving amenities.
- **Technology Districts:** Focused on office space to support new employers and high-paying jobs, attracting workers and visitors into the area and driving economic growth. These districts aim to provide the spaces, technology infrastructure, and amenities needed to attract tech industry investment and workers to the area.
- **Restaurant Districts:** Focused on restaurants, bars, cafes, and food-related amenities as well as entertainment. These districts can create a vibrant and lively urban environment that is desirable to residents, workers, visitors, and tourists.

PLACEMAKING THROUGH DESIGN, DISTRICTS & EVENTS



Distinctive signs – such as the neon signs in Fillmore and the Star Theatre in Oceanside – can give an area a distinctive sense of place.



Events like the CicLAvia bike / walk fairs in Los Angeles and the Mission Inn Festival of Lights in Riverside, CA are memorable and engaging activations of public spaces.



The Medical Street district in Lancaster, CA aims to be a blended use area centered around major medical anchors that includes many complementary uses.

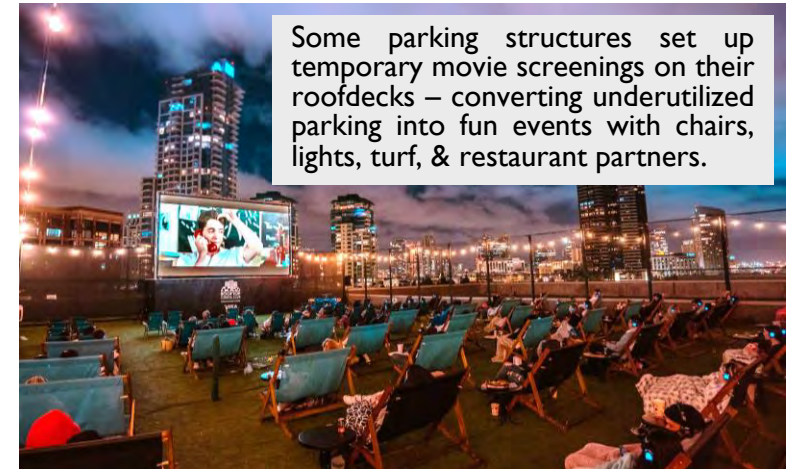
Murals in downtown Providence, RI add character and highlight local artists and themes.



REACTIVATING UNDERUTILIZED PARKING & CATALYST SITES

Cities and property owners are exploring new uses and programming that reactivates underutilized parking space, parking lots, and parking structures:

- **Temporary reuses** for special events such as outdoor movie screenings, block parties, farmers markets, and craft fairs
- **Short-term reuses** such as parklets that allow for extra outdoor seating for dining, music performance spaces, gardens, waiting areas, or retail display tables
- **Semi-permanent reuses** such as converting parking garage roofs into “people decks” that provide spaces for people to gather / relax / socialize, and façade / space-planning revisions that reactivate the sides of structures / lots that face the street (enlivening the pedestrian experience in the area with micro-retail, art, and activity)



Some parking structures set up temporary movie screenings on their roofdecks – converting underutilized parking into fun events with chairs, lights, turf, & restaurant partners.



One proposal for a city-owned parking structure in downtown San Jose aimed to convert the roof into a “people deck” community space.

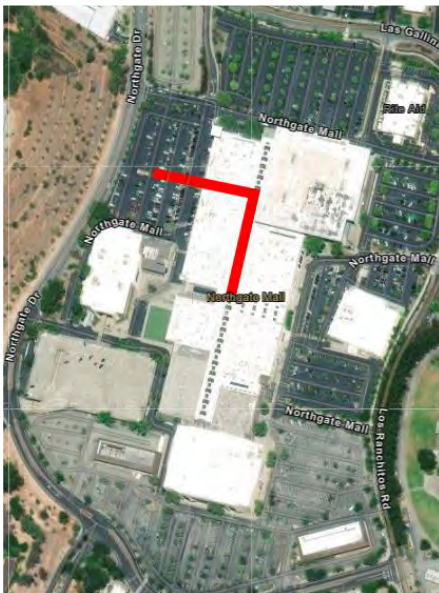


WALK DISTANCE COMPARISON NORTHGATE MALL VS. DOWNTOWN SAN RAFAEL

Walking distances from the downtown parking structures to the main business district along 4th Street are comparable to the walk to the middle of the Northgate Mall from an average parking spot.

The map below shows a walking route (red) from a parking space to a point in the center of the Northgate Mall (~700 ft). The map at right shows the ~700 ft walking distance areas (blue) around the three primary downtown parking structures.

The 5-minute walking distance boundary from each of the garages covers an even larger area of the downtown – suggesting that much of the downtown area is well-served by these facilities.



Note: Maps not to scale

ECONOMIC DEVELOPMENT STRATEGIC PLAN

PEDESTRIAN MALLS IN DOWNTOWN DISTRICTS

Pedestrian malls and significant public spaces help activate downtown districts through vibrant, engaging activity, given proper circumstances, location, design, and implementation.

Even before Covid-19 pandemic, increasing the amount of public space dedicated to pedestrians became particularly popular, with many cities allowing parking spaces, sidewalks, and roadways to be used for commercial and pedestrian activity.

Many cities have found these changes have contributed to more vibrant and enjoyable commercial districts and have found ways to make some of these changes permanent.

Successful Pedestrian Mall Indicators

Population	Most successful pedestrian malls are in areas with populations less than 100,000.
Short Length	Most successful pedestrian malls are 1-4 blocks long; most tend to have small block sizes, with lots of corners and cross streets to bring cars and activity.
Minimally Disruptive	Do not impact high levels of vehicular traffic; many mid-century pedestrian malls closed city's main vehicular arteries, and surrounding streets were not able to handle the additional volume.
Anchors	Usually need nearby anchor institutions to drive foot traffic throughout the day, such as universities (Boulder, Iowa City, Burlington, Charlottesville), transit hubs (Denver, Salem), or office/financial core (Denver, Boston).
Variety of Uses and Services	Successful malls need a vibrant mix of active uses: retail, residential, & commercial; late-night services (bars & restaurants, movie theater) to attract crowds all day; convenience-related businesses, unique shopping experiences, entertainment attractions, programming/public events; balance of chains & independents, retail & restaurants, indoor & outdoor.
Amenities	Attractive landscaping (gardens, fountains, monuments), public art, public tables / chairs, stages, artists, and vendors.
Programming	Festivals, concerts, sports, food trucks, performers drive vibrancy and create a sense of place and destination.
Accessibility, Walkability, and Visibility	Centralized parking allows convenient access to visitors; successful malls need to be easily reachable and accessible, with numerous entrances, cross-streets, nearby parking, public transit. They should also incorporate walkable neighborhood structures, amenities, and visible interest. Visibility of the pedestrian area should not be overly blocked by buildings or landscaping.
Management	Coordinated activities to ensure area management / maintenance; dedicated agency/business improvement district to oversee maintenance, security, planning, programming, retail mix, etc.

PEDESTRIAN MALLS IN DOWNTOWN DISTRICTS IMPLEMENTATION

Pedestrian Malls require the right locational circumstances, design, business selection, and other considerations. Success “depends more on location and access than materials and beauty.” Full street closure takes time to assess current conditions, clarify goals, test concepts, and build community support. Partial closures and events are a good way to test concepts.

Cities can also explore other interventions in a similar spirit – such as parklets, expanded outdoor dining on sidewalks / patios / parking areas, slower traffic speeds and infrastructure that prioritizes pedestrians, and public gathering spaces.

Best Practices – Creating Pedestrian Malls

<i>Step 1</i>	Car Dependency	Ensure that there are nearby parking alternatives with proper wayfinding. Reliance on cars can be hard to assess without testing the concept temporarily.
<i>Step 2</i>	Pedestrian Mall Concept Testing	Start by closing streets for a few days (a holiday; a regular weekend day; a whole weekend, etc), treating each as a test. Stay flexible to see which arrangements work best.
<i>Step 3</i>	Temporary Closure	When confident to make the car ban permanent, first use temporary materials: epoxy gravel, potted plants, small trees, movable tables and chairs.
<i>Step 4</i>	Adding Permanence	if it works well, shift to better pavement and permanent plants / trees / fixtures. Focus on programming rather than design; let it evolve over time. Partner with key institutions, strategically locate equipment needed for targeted activities. Resist adding immovable barriers to cars.

PEDESTRIAN MALLS AND DOWNTOWN DISTRICTS CASE STUDIES

The Pearl Street Mall is a four-block pedestrian mall in downtown Boulder, Colorado, and is one of the country's most successful pedestrian malls.

- **Amenities** include public art, fountains, gardens, sculptures, sandbox, street performers, musicians
- **Business Mix** includes restaurants, cafes, personal services, local independent retailers, national brands
- **Destination** for restaurants, independent businesses, tourists, festivals, entertainment
- **Anchors** nearby include the University of Colorado, Boulder; Boulder County Courthouse; Boulder Theatre; Boulder Museum of Contemporary Art
- **Core Clientele** includes Leisured Middle (*out-of-state tourists, suburban day-trippers and CU Boulder parents*), Yupsters (*artsy and progressive Baby Boomers*), and Students



DISCLAIMER

The analyses, projections, assumptions, rates of return, and any examples presented herein are for illustrative purposes and are not a guarantee of actual and/or future results. Project pro forma and tax analyses are projections only. Actual results may differ from those expressed in this analysis, as results are difficult to predict as a function of market conditions, natural disasters, pandemics, significant economic impacts, legislation and administrative actions.



CITY OF SAN RAFAEL

ECONOMIC DEVELOPMENT STRATEGIC PLAN

May 15, 2023



El Segundo, CA
TEL: 424-297-1070 | URL: www.kosmont.com

CITY OF SAN RAFAEL

ECONOMIC DEVELOPMENT STRATEGIC PLAN BUSINESS & COMMUNITY SURVEY RESULTS APPENDIX

January 2023



El Segundo, CA
TEL: 424-297-1070 | URL: www.kosmont.com



BUSINESS SURVEY

BUSINESS SURVEY RESULTS

OVERVIEW

- The online survey conducted in December 2022 provided feedback from businesses to help plan for San Rafael's future. 228 surveys were submitted; ~29% were from members of the San Rafael Chamber of Commerce, and ~15% of responses were from members of the San Rafael Downtown Business Improvement District.
- Results show that the top challenges facing businesses in San Rafael includes High Rent / City Fees, Retaining / Hiring Employees, Safety / Cleanliness.
- The top City priorities identified in the survey include Homelessness, Cleanliness / Appearance / Illegal Dumping, Improving Public Safety, Housing, and Sustainability / Climate Change.

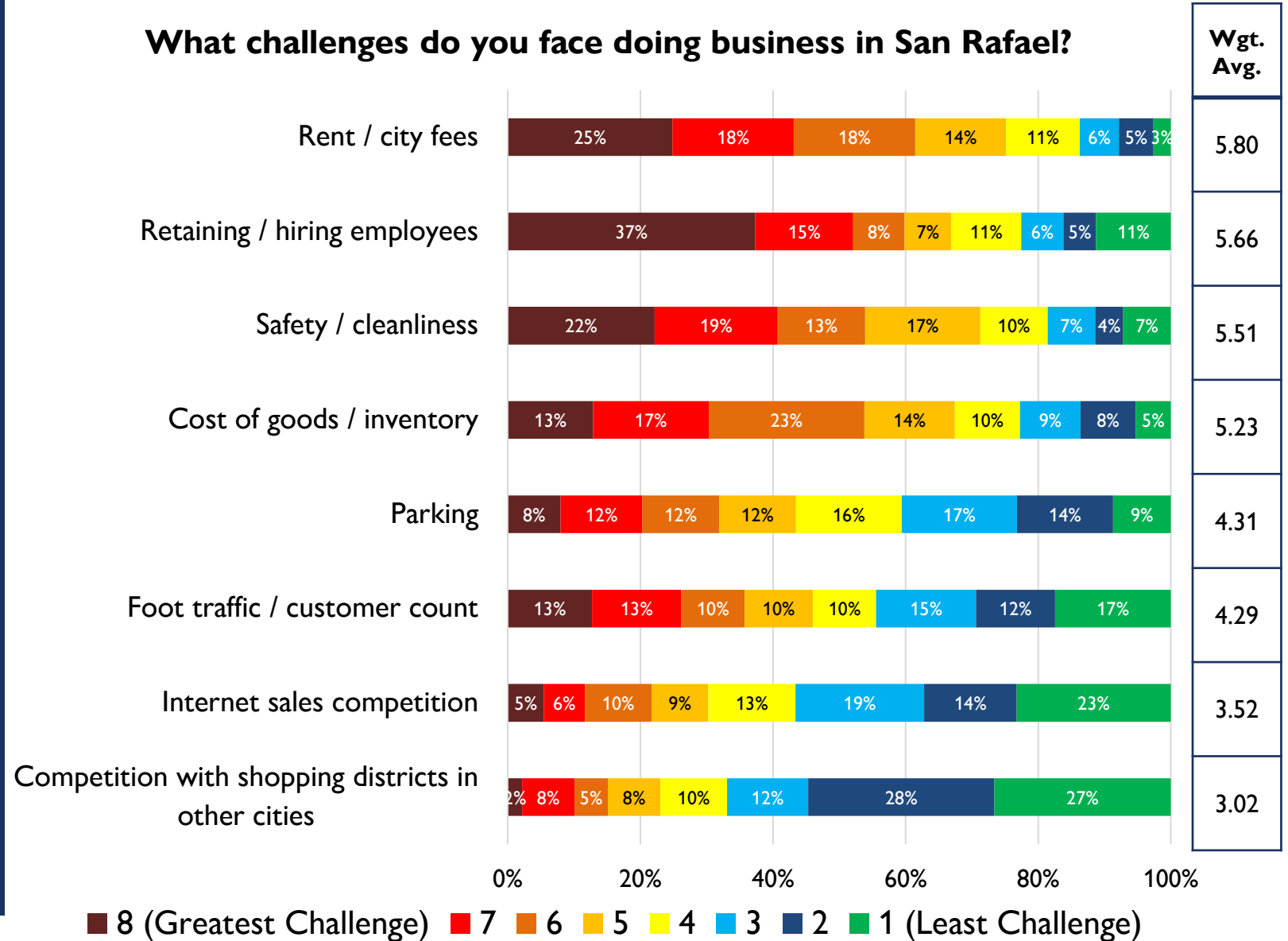
BUSINESS SURVEY RESPONSE COMPOSITION

Business Location	Count of Respondents	% of Respondents	Business Type	Count of Respondents	% of Respondents	Business Size	Count of Respondents	% of Respondents
Downtown	95	42%	Professional / Technical / Scientific Services	55	24%	Sole Proprietor	83	36%
Terra Linda / North San Rafael	61	27%	Retail	28	12%	More than 1 and less than 9 employees	86	38%
East San Rafael	18	8%	Personal Services	26	11%	10-24 employees	31	14%
Montecito, Loch Lomond, Peacock Gap Neighborhood	14	6%	Healthcare / Social Assiis	24	11%	25-99 employees	11	5%
Canal Neighborhood	6	3%	Real Estate / Rental	23	10%	More than 100 employees	11	5%
West Francisco Blvd	5	2%	Accommodation and Food Service	13	6%	Other	6	3%
Woodland / Bret Harte	9	4%	Art, Entertainment, and Recreation	13	6%	Total	228	100%
Other / blank	20	9%	Construction-related	10	4%			
Total	228	100%	Finance and Insurance	9	4%	Membership (not mutually exclusive)		
			Wholesale	8	4%	Downtown Business Improvement District	33	15%
			Automotive / Transport	6	3%	San Rafael Chamber of Commerce	65	29%
			Manufacturing	6	3%			
			Education Services	5	2%			
			Total	228	100%			

SURVEY RESULTS BUSINESS CHALLENGES

Survey responses show that many firms cite Rent / City Fees, Retaining / Hiring Employees, Safety / Cleanliness as high-ranking challenges to their businesses.

What challenges do you face doing business in San Rafael?



SURVEY RESULTS BUSINESS CHALLENGES

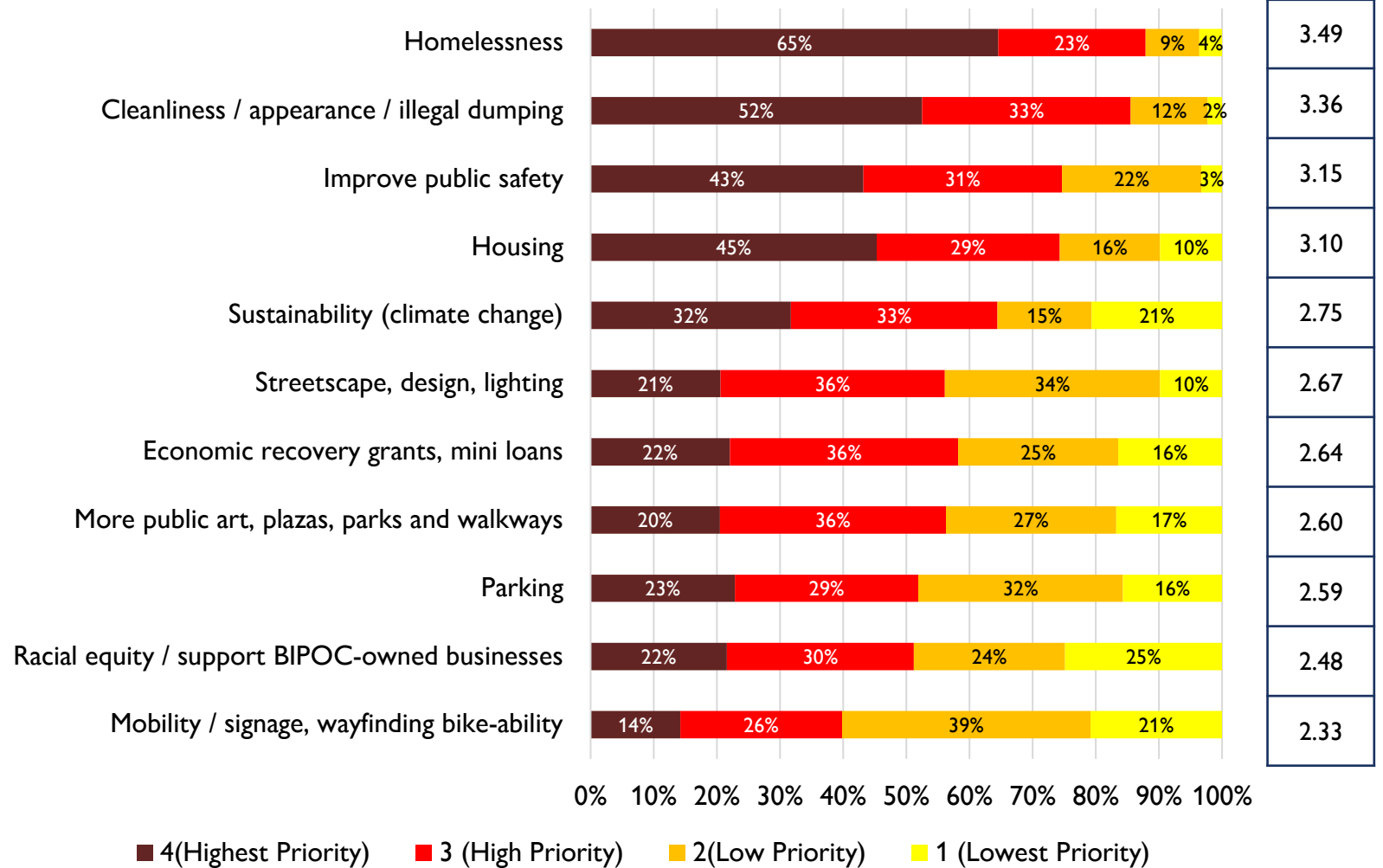
Business challenges results varied by the location of firms, employee count, and industry. The tables at the right summarize the challenges facing these different firm types

Downtown Firms	
Greatest challenges ...	Lowest challenges...
<ul style="list-style-type: none"> • Safety / cleanliness • Rent / city fees • Retaining / hiring employees 	<ul style="list-style-type: none"> • Competition with other shopping districts • Internet sales competitio • Cost of goods / inventory
Terra Linda / North San Rafael Firms	
Greatest challenges ...	Lowest challenges...
<ul style="list-style-type: none"> • Retaining / hiring employees • Rent / city fees • Cost of goods / inventory 	<ul style="list-style-type: none"> • Parking • Competition with other shopping districts • Foot traffic / customer count
East SR / Canal / West Francisco Blvd Firms	
Greatest challenges ...	Lowest challenges...
<ul style="list-style-type: none"> • Cost of goods / inventory • Rent / city fees • Retaining / hiring employees 	<ul style="list-style-type: none"> • Competition with other shopping districts • Parking • Internet sales competition
Firms with Less Than 10 Employees	
Greatest challenges ...	Lowest challenges...
<ul style="list-style-type: none"> • Safety / cleanliness • Rent / city fees • Cost of goods / inventory 	<ul style="list-style-type: none"> • Competition with other shopping districts • Internet sales competition • Foot traffic / customer count
Retail / Accommodation / Food Service Firms	
Greatest challenges ...	Lowest challenges...
<ul style="list-style-type: none"> • Foot traffic / customer count • Retaining / hiring employees • Cost of goods / inventory 	<ul style="list-style-type: none"> • Competition with other shopping districts • Internet sales competition • Parking

SURVEY RESULTS CITY PRIORITIES

Survey responses show that many firms chose Homelessness, Cleanliness / Appearance / Illegal Dumping, Improving Public Safety, Housing, and Sustainability / Climate Change as the top priorities that the City should focus its financial resources.

What level of priority do you think the City should focus its financial resources in each of the following categories?



SURVEY RESULTS CITY PRIORITIES

City priorities results varied by the location of firms, employee count, and industry. The tables at the right summarize the challenges facing these different firm types

Downtown Firms	
Highest priority...	Lowest priority...
<ul style="list-style-type: none"> • Homelessness • Cleanliness / appearance / illegal dumping • Improve public safety 	<ul style="list-style-type: none"> • Mobility / signage, wayfinding bike-ability • Racial equity / support BIPOC-owned businesses • Sustainability / Climate Change
Terra Linda / North San Rafael Firms	
Highest priority...	Lowest priority...
<ul style="list-style-type: none"> • Homelessness • Cleanliness / appearance / illegal dumping • Improve public safety 	<ul style="list-style-type: none"> • Parking • Mobility / signage, wayfinding bike-ability • Racial equity / support BIPOC-owned businesses
East SR / Canal / West Francisco Blvd Firms	
Highest priority...	Lowest priority...
<ul style="list-style-type: none"> • Cleanliness / appearance / illegal dumping • Homelessness • Improve public safety 	<ul style="list-style-type: none"> • Mobility / signage, wayfinding bike-ability • Racial equity / support BIPOC-owned businesses • More public art, plazas, parks and walkways
Firms with Less Than 10 Employees	
Highest priority...	Lowest priority...
<ul style="list-style-type: none"> • Homelessness • Cleanliness / appearance / illegal dumping • Improve public safety 	<ul style="list-style-type: none"> • Mobility / signage, wayfinding bike-ability • Racial equity / support BIPOC-owned businesses • Economic recovery grants, mini loans
Retail / Accommodation / Food Service Firms	
Highest priority...	Lowest priority...
<ul style="list-style-type: none"> • Homelessness • Cleanliness / appearance / illegal dumping • Improve public safety 	<ul style="list-style-type: none"> • Mobility / signage, wayfinding bike-ability • Sustainability / Climate Change • Racial equity / support BIPOC-owned businesses

SURVEY RESULTS FUNDING IDEAS

Businesses were asked to what extent they would support the following ideas to fund BID operations, and provide other resources to the business community:

- Increase transient occupancy taxes on overnight hotel stays (current rate is 12%) – supported by 52% of survey respondents
- Increase parking fees (street meters and parking structure) – supported by 25% of survey respondents

Support for these funding ideas varied by business organization membership, firm location, and firm type as shown in tables.

Increase Transient Occupancy Tax on Overnight Hotel Stays	
	% Support Among Group
Overall	52%
<u>Membership</u>	
Chamber Members	60%
BID Members	61%
<u>Firm Location</u>	
Downtown Businesses	54%
Terra Linda / North San Rafael Businesses	51%
Canal / East SR / West Francisco Blvd.	59%
<u>Firm Type</u>	
Retail / Accommodation / Food Service	68%
Professional / Technical Scientific Services / Finance and Insurance	52%
Personal Services	38%
Real Estate / Rental / Leasing	30%
Healthcare / Social Assistance	46%

Increase Parking Fees	
	% Support Among Group
Overall	25%
<u>Membership</u>	
Chamber Members	31%
BID Members	21%
<u>Firm Location</u>	
Downtown Businesses	25%
Terra Linda / North San Rafael Businesses	20%
Canal / East SR / West Francisco Blvd.	31%
<u>Firm Type</u>	
Retail / Accommodation / Food Service	22%
Professional / Technical Scientific Services / Finance and Insurance	25%
Personal Services	15%
Real Estate / Rental / Leasing	26%
Healthcare / Social Assistance	29%

BUSINESS SURVEY FEEDBACK / RESPONSES

Some of the main themes that emerged in respondent free-response comments include:

- Improve downtown by making it more bike / pedestrian friendly; improve streetscape / beautification, particularly in the Downtown and gateway areas near the freeway
- Encourage entrepreneurship and innovation; address workforce housing and economic challenges facing small businesses; address economic challenges facing small businesses through programs and incentives
- Encourage community events, farmer markets and outdoor dining; Promote public art and entertainment
- Promote local businesses and encouraging community involvement; Increase foot traffic and retail options; Find ways to encourage businesses to stay open and bring customers to the business areas
- Promote San Rafael as a destination, and developing reasons for people to visit and stay in San Rafael
- Reduce bureaucracy, speed up permitting processes, and improve the City's fee / business regulation environment; assist with construction impacts



COMMUNITY SURVEY

COMMUNITY SURVEY SUMMARY

- An online survey was conducted in December 2022 provided feedback from residents to help plan for San Rafael's future. 112 surveys were submitted, with around ~94% of responses coming from San Rafael residents. 60% live in Council District 2, 53% of respondents have lived in San Rafael for over 20 years, and 73% of respondents were at least 55 years old.
- Results show that respondents highly value a wide variety of new developments in the Downtown and North San Rafael areas, including Arts / Cultural / Educational options, Shopping / Other Retail, Fine Dining, Family Restaurants, Gathering Places, and Multifamily Housing.
- Results also show support for City investment in civic improvements / amenities, with the top-ranking choices including Cleanliness / Appearance, Traffic Flow, Safety, Mobility / Walkability / Bike-ability / Transit, Public Art / Plazas / Walkways, and Streetscape / Design.

COMMUNITY SURVEY RESPONSE COMPOSITION

Respondent Type	Count of Respondents	% of Respondents
San Rafael resident	101	94%
Employee with a job in San Rafael	11	10%
Business owner in San Rafael	20	19%
Commercial property owner in San Rafael	2	2%
Investor or Developer	3	3%
Commuter to work outside of San Rafael	5	5%
Total (Unique Respondents)	108	100%

Respondent Age	Count of Respondents	% of Respondents
Under 18	0	0%
18-24	1	1%
25-34	4	4%
35-44	12	11%
45-54	12	11%
55-64	31	28%
65+	50	45%
Total	110	100%

Resident Council District	Count of Respondents	% of Respondents
Council District 1 (includes Canal, Francisco Blvd)	4	4%
Council District 2 (includes most of Downtown, Gerstle Park, West End, Fair Hills, Sun Valley)	60	57%
Council District 3 (includes Dominican, Black Canyon, Montecito, Happy Valley, Loch Lomond, Glenwood, Peacock Gap, Civic Center)	15	14%
Council District 4 (includes Terra Linda, North San Rafael, Smith Ranch, Mont Marin, San Rafael Park)	26	25%
Total	105	100%

Resident Tenure	Count of Respondents	% of Respondents
0-4 years	8	8%
5-9 years	13	12%
10-14 years	18	17%
15-19 years	11	10%
20+ years	56	53%
Total	106	100%

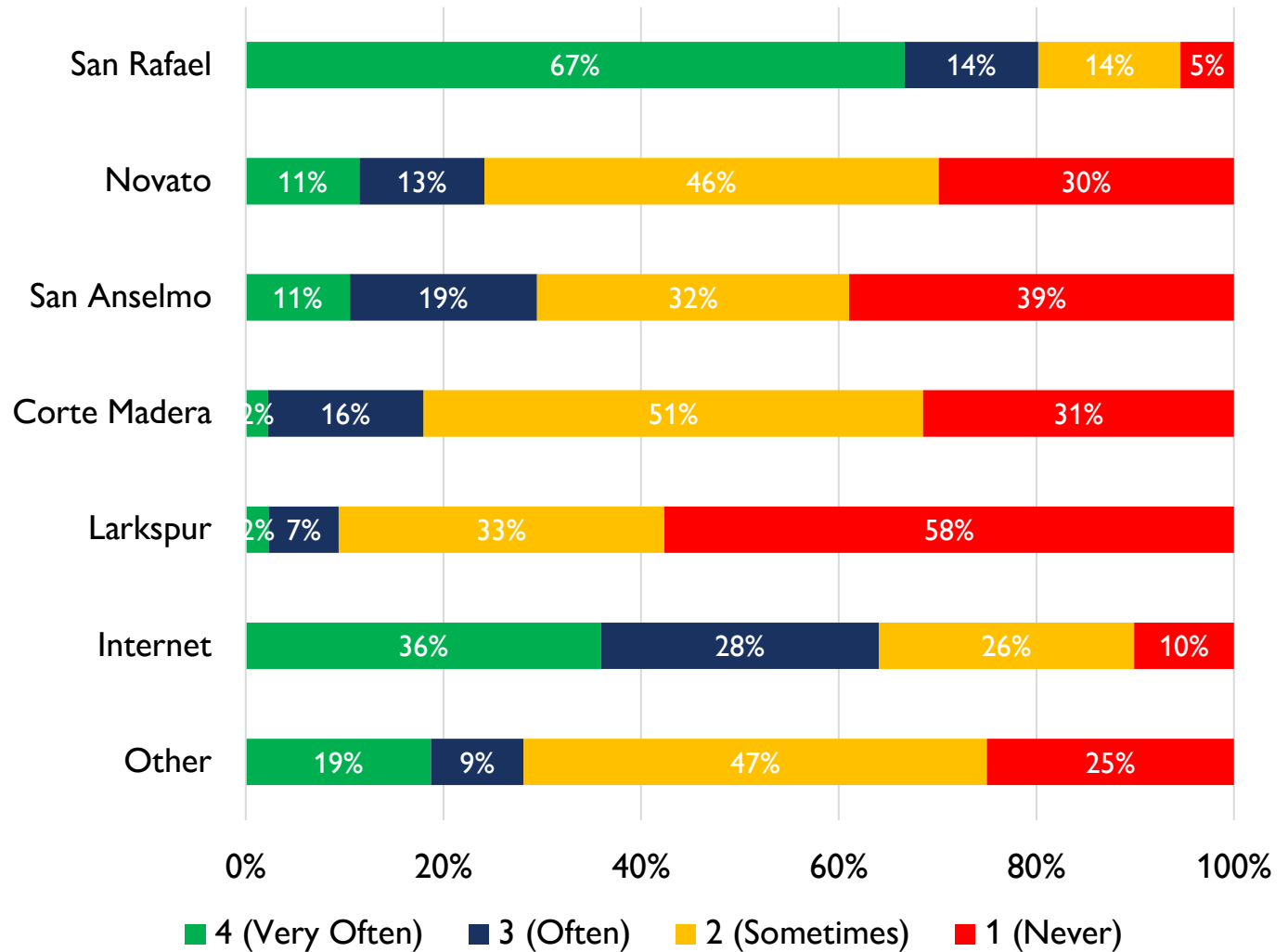
SURVEY RESULTS WEEKLY SHOPPING

Survey responses show that ~81% of respondents conduct their weekly shopping “often” or “very often” in San Rafael. The most popular weekly shopping destinations other than San Rafael include Novato and San Anselmo, with a smaller portion of respondents choosing Corte Madera or Larkspur.

Around 64% conduct their weekly shopping via the internet either “often” or “very often”.

Totals exceed 100% as many people list more than one location

Where do you conduct your weekly shopping?



Wgt.
Avg.

3.41

2.06

2.01

1.89

1.54

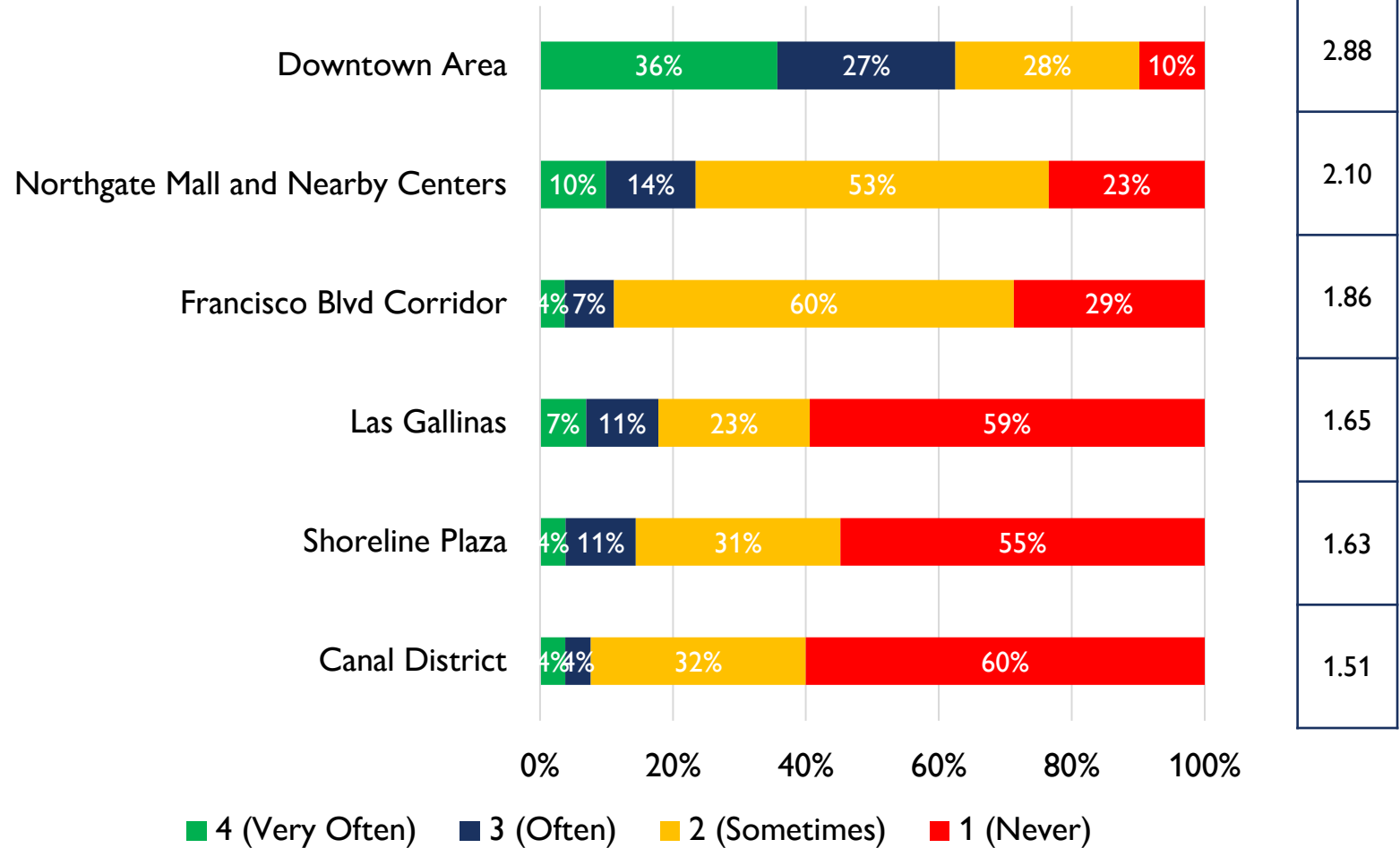
2.90

2.22

SURVEY RESULTS BUSINESS DISTRICTS

Survey responses show that ~63% of respondents visit the Downtown Business District “often” or “very often”. The next most popular business districts in San Rafael is Northgate Mall / Surrounding Centers, with ~24% visiting at least “often”.

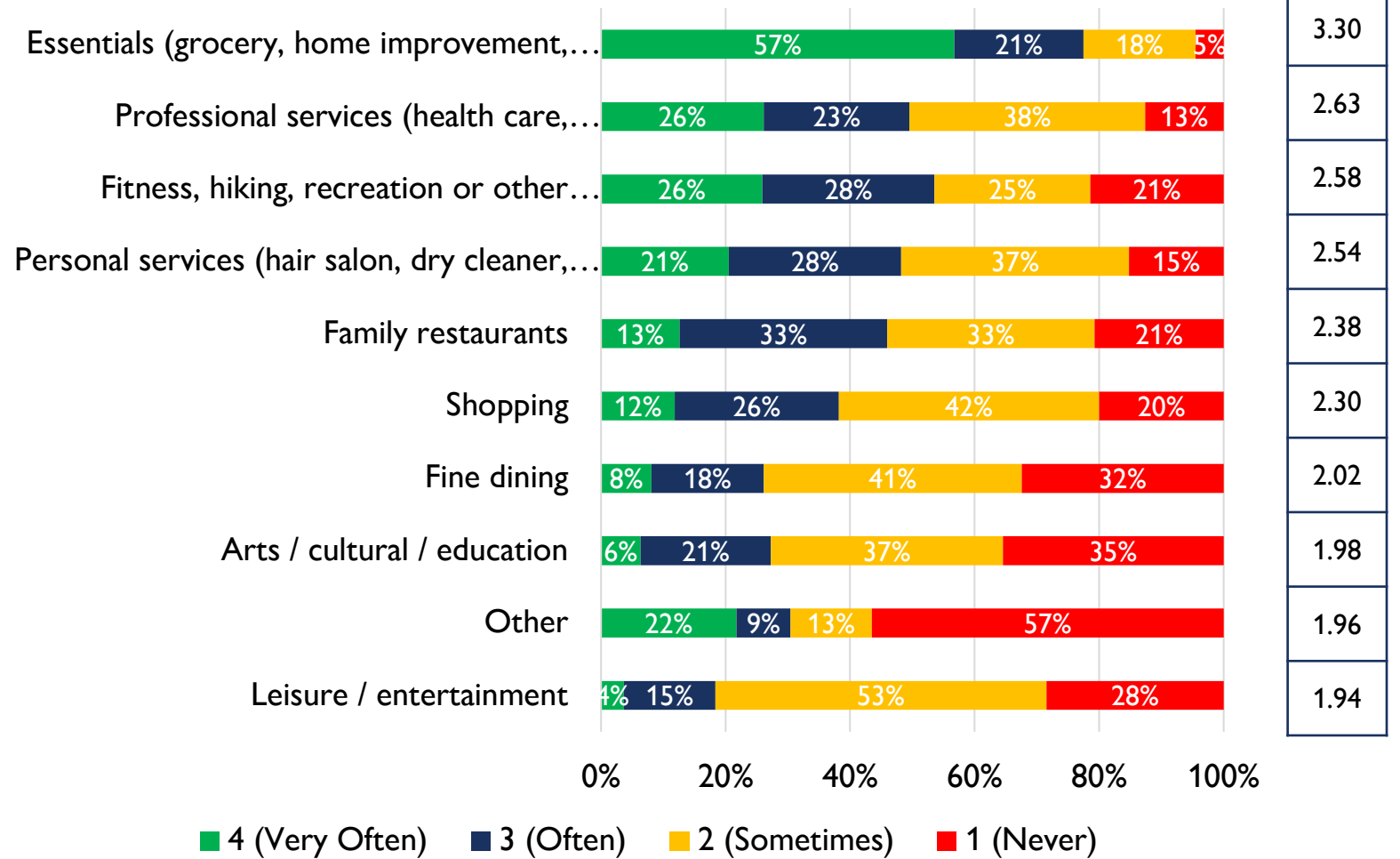
How Often do you Visit Each of the Following Business Districts in San Rafael



SURVEY RESULTS BUSINESS DISTRICTS VISIT PURPOSE

Survey responses show that ~78% of respondents visit the San Rafael business districts “often” or “very often” for Essential purchases. Other common purposes include Professional Services, Fitness, and Personal Services; the least common purposes include Leisure / Entertainment, Arts / Cultural / Education, and Fine Dining.

How often do you visit business districts in the City of San Rafael for the following purposes

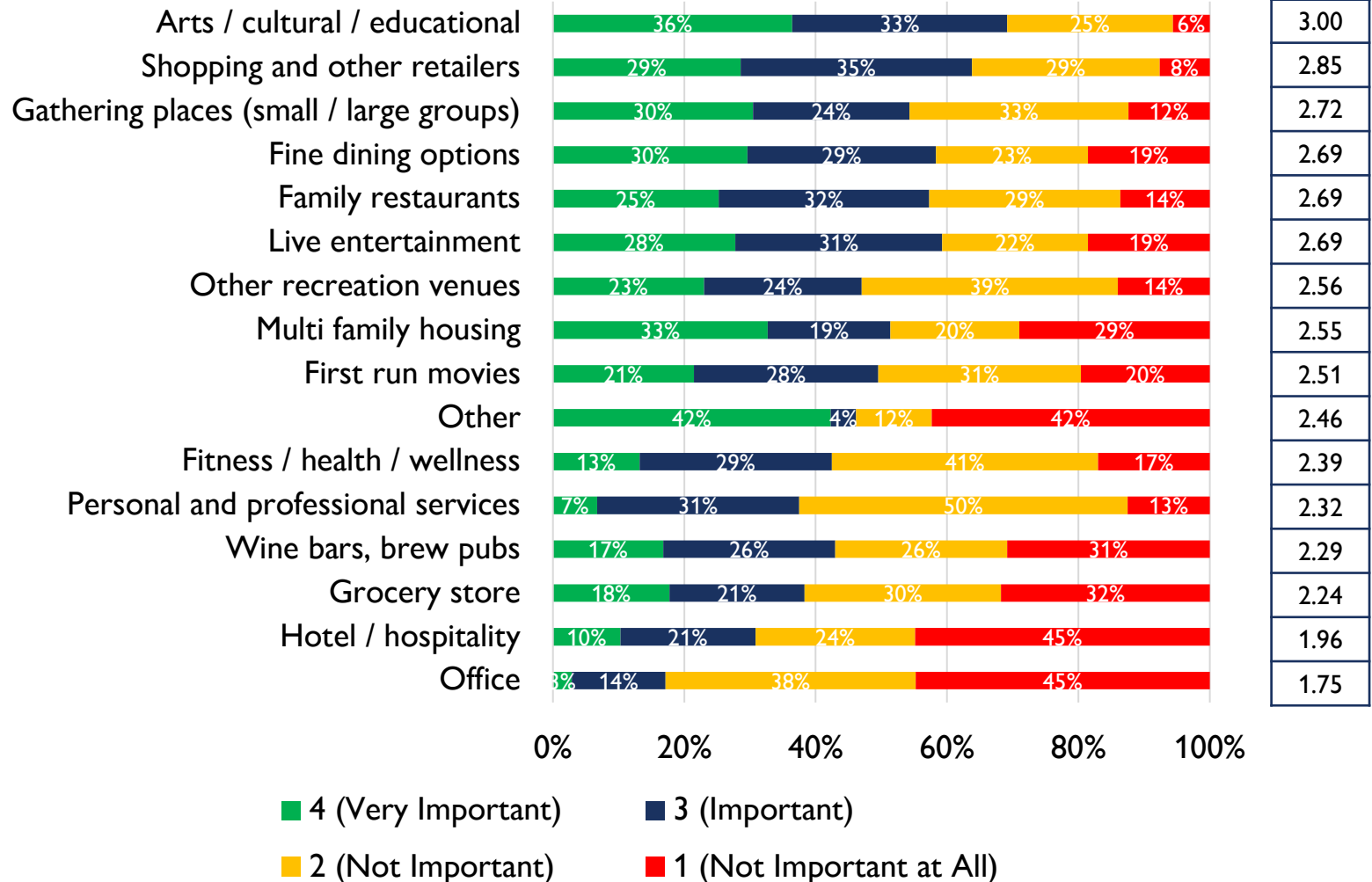


SURVEY RESULTS NEW BUSINESSES DOWNTOWN

Survey responses show that greater than 50% of respondents chose “Important” or “Very Important” for a wide variety of new business types in the Downtown area:

- Arts / Cultural / Educational (69%)
- Shopping / Other Retail (64%)
- Live Entertainment (59%)
- Fine Dining (58%)
- Family Restaurants (57%)
- Gathering Places (54%)
- Multifamily Housing (51%)
- First Run Movies (50%)

What types of new additional businesses would you like to see in Downtown San Rafael

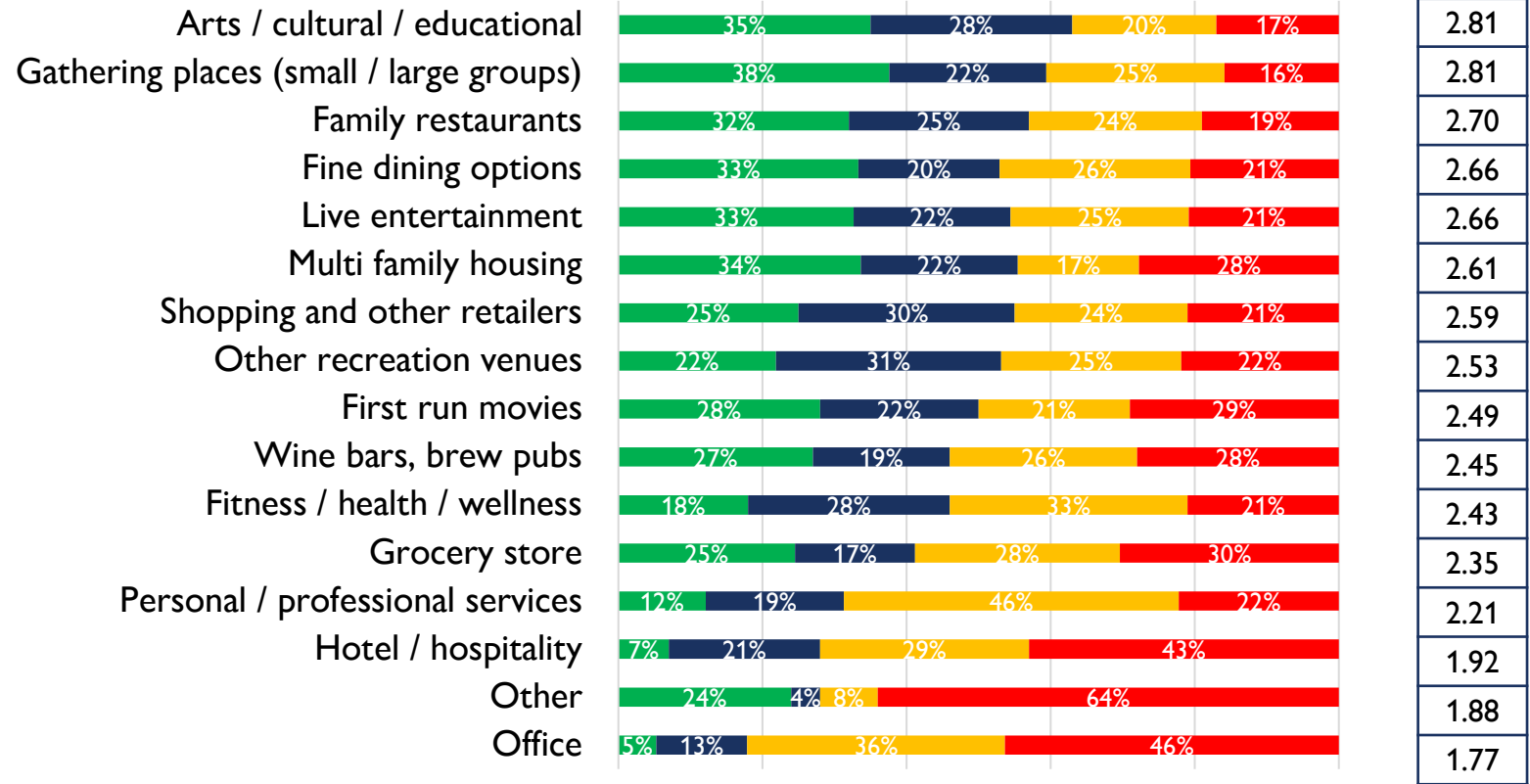


SURVEY RESULTS NEW BUSINESSES NORTH SAN RAFAEL

Survey responses show that greater than 50% of respondents chose “Important” or “Very Important” for a wide variety of new business types in the North San Rafael area:

- Arts / Cultural / Educational (63%)
- Gathering Places (59%)
- Family Restaurants (57%)
- Multifamily Housing (55%)
- Shopping / Other Retail (55%)
- Live Entertainment (54%)
- Other Recreation (53%)
- Fine Dining (53%)
- First Run Movies (50%)

What types of new additional businesses would you like to see in North San Rafael

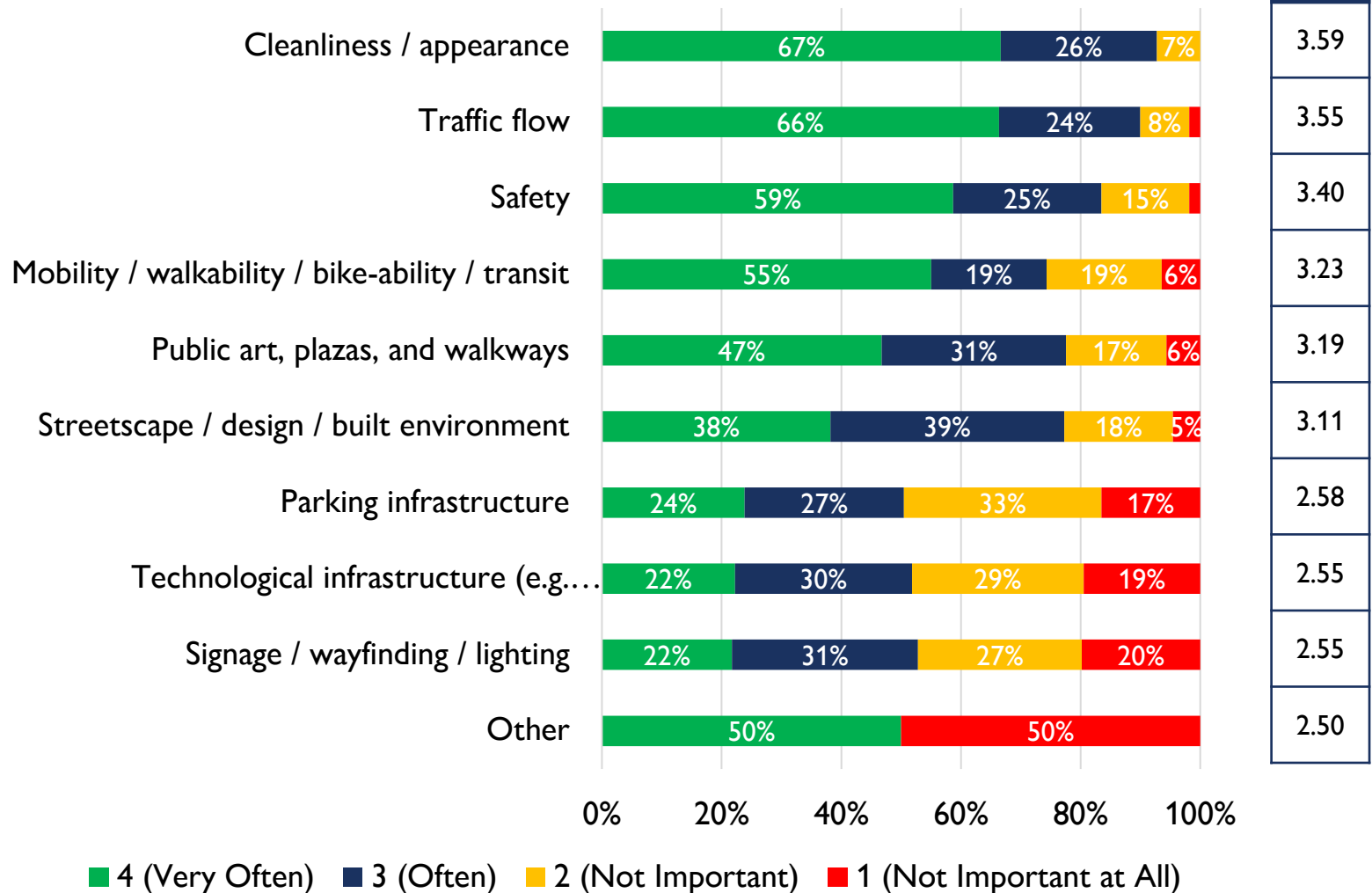


■ 4 (Very Important) ■ 3 (Important)
■ 2 (Not Important) ■ 1 (Not Important at All)

SURVEY RESULTS CIVIC IMPROVEMENTS

Survey responses show support for a wide variety of civic improvements / amenities, with the top ranking choices including Cleanliness / Appearance, Traffic Flow, Safety, Mobility / Walkability / Bikeability / Transit, Public Art / Plazas / Walkways, and Streetscape / Design / Built Environment.

Which of the following civic improvements / amenities should the City invest in for San Rafael



CITY OF SAN RAFAEL

ECONOMIC DEVELOPMENT STRATEGIC PLAN BUSINESS & COMMUNITY SURVEY RESULTS APPENDIX

January 2023



El Segundo, CA
TEL: 424-297-1070 | URL: www.kosmont.com

CITY OF SAN RAFAEL

ECONOMIC DEVELOPMENT STRATEGIC PLAN DATA APPENDIX

May 15, 2023



El Segundo, CA
TEL: 424-297-1070 | URL: www.kosmont.com

TABLE OF CONTENTS

Section		Pages
A	Demographic & Economic Data	3 - 13
B	Fiscal Data	14 - 20
C	Real Estate Market Data	21 - 32
D	Business District Data	33 - 71
E	Review of Key Plans / Studies	72 - 79
F	Summary of Stakeholder Outreach & Business / Community Surveys	80 - 87

ECONOMIC DEVELOPMENT STRATEGIC PLAN



A. DEMOGRAPHIC & EMPLOYMENT DATA

San Rafael Economic Development Strategic Plan

DEMOGRAPHIC SUMMARY

- San Rafael has a population of ~61,500, with ~8% growth over the past 20 years
- **Average Household Size** is 2.6 persons, and the **Median Age** is 42.3 years; residents are **well educated**, with ~57% achieving at least a bachelors degree
- City **Average Household Income** is \$164,800, approx. ~14% less than County and 27% higher than statewide levels
- San Rafael sees ~34,000 people coming into City to work with ~19,700 commuting outside for **Net Inflow** of ~14,300 jobs, with most workers coming from Novato, San Francisco, and Petaluma
- **Jobs in the City** are primarily in the Healthcare / Social Assistance, Retail Trade, Construction, and Professional / Scientific / Technical Services sectors
- **Residents of the City** are primarily employed in the Health Care / Social Assistance, Professional / Scientific / Technical Services, Accommodation / Food Services, and Retail Trade sectors.

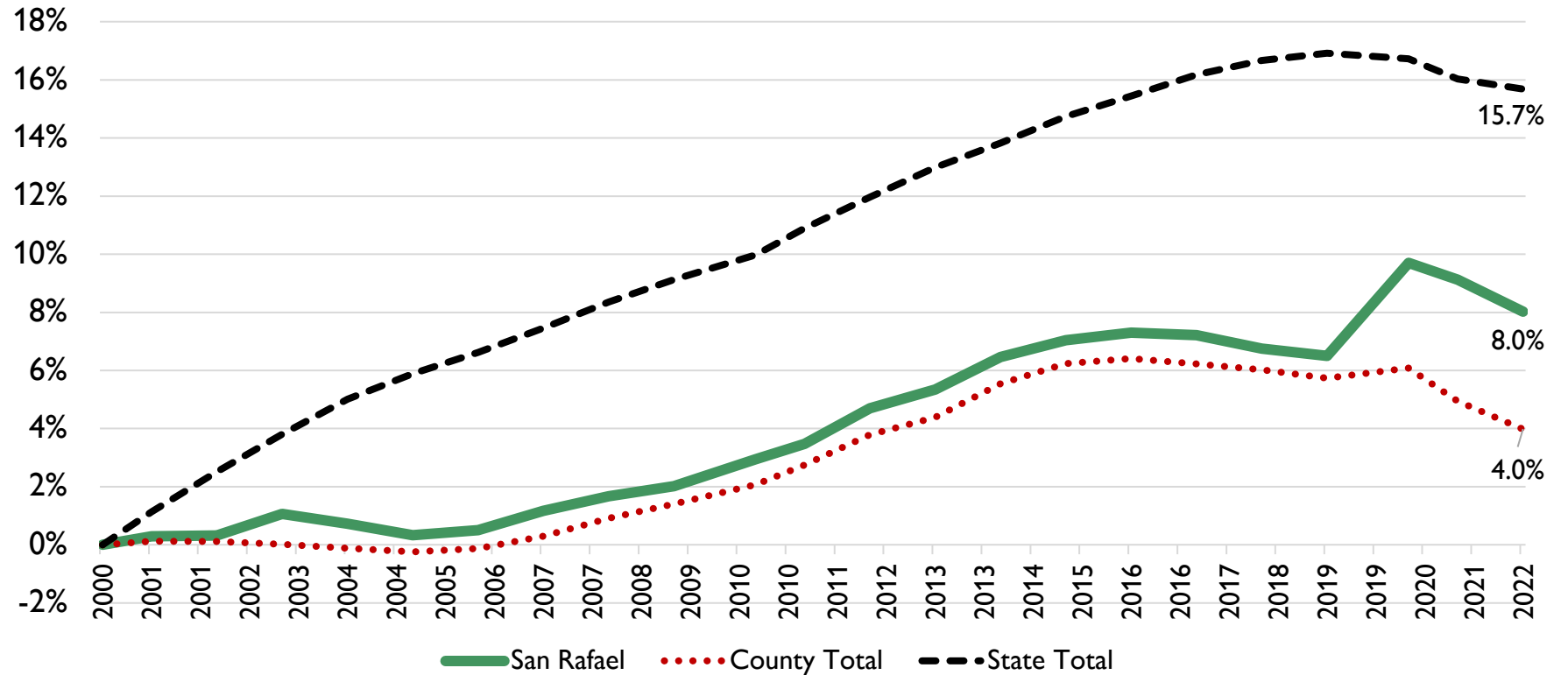
POPULATION & INCOME CITY, COUNTY, AND STATE

	San Rafael City	Marin County	California State
Population	61,453	262,403	39,770,476
Households	23,288	103,804	13,570,050
Average HH Size	2.6	2.5	2.9
Median Age	42.3	47	36.7
% Bachelor's Degree or Higher	57.1%	63.7%	37.8%
Per Capita Income	\$62,790	\$75,995	\$44,265
Median HH Income	\$108,095	\$126,960	\$88,930
Average HH Income	\$164,766	\$191,736	\$129,367
Median Home Value	\$969,494	\$1,113,044	\$629,224

CUMULATIVE POPULATION GROWTH, 2000 – 2022

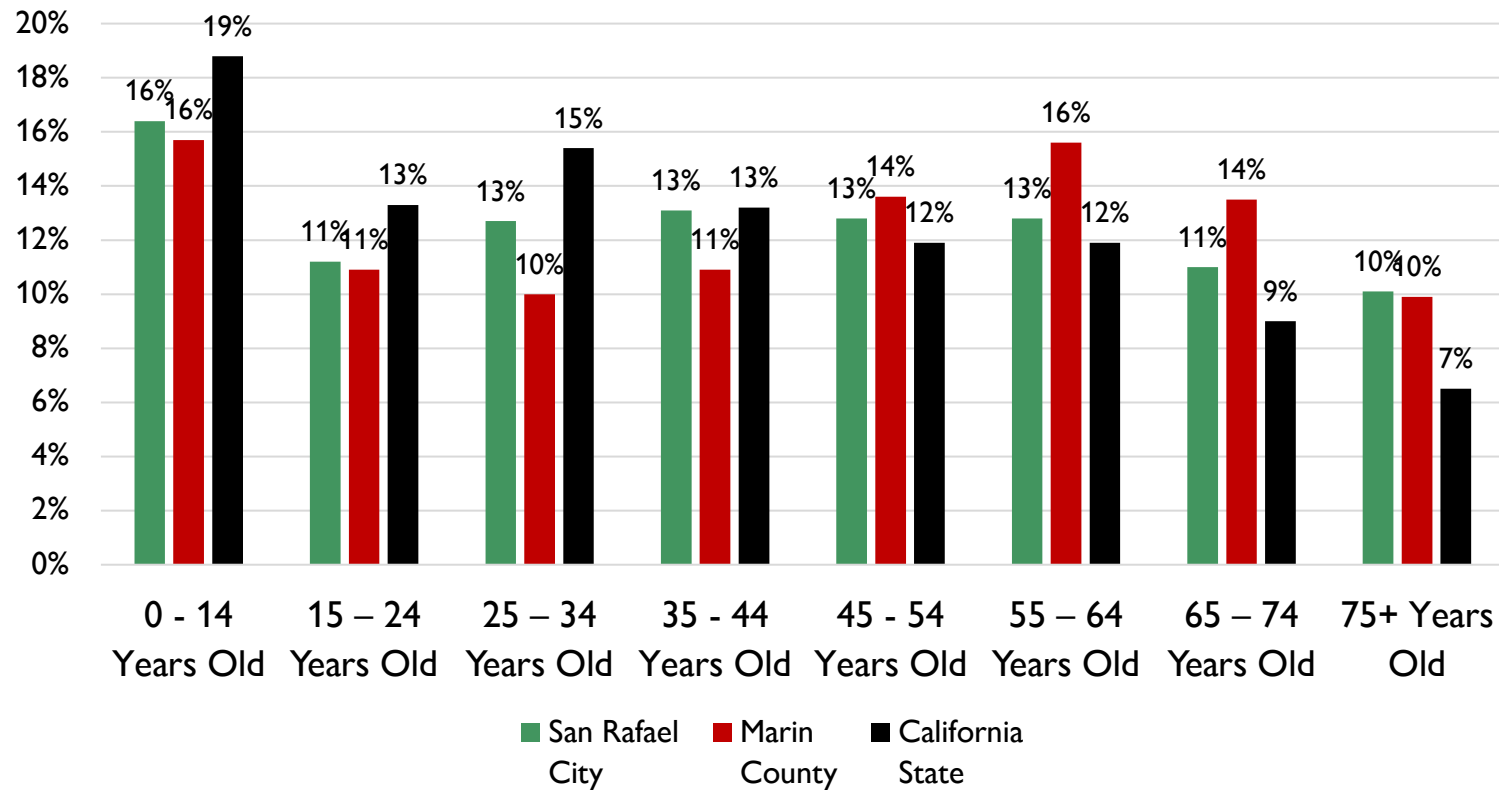
San Rafael has seen population growth of ~8% since 2000, higher than Marin County at 4% but lower than California's growth of 15.7%.

Population Growth, 2000 - 2022



POPULATION BY AGE COHORT

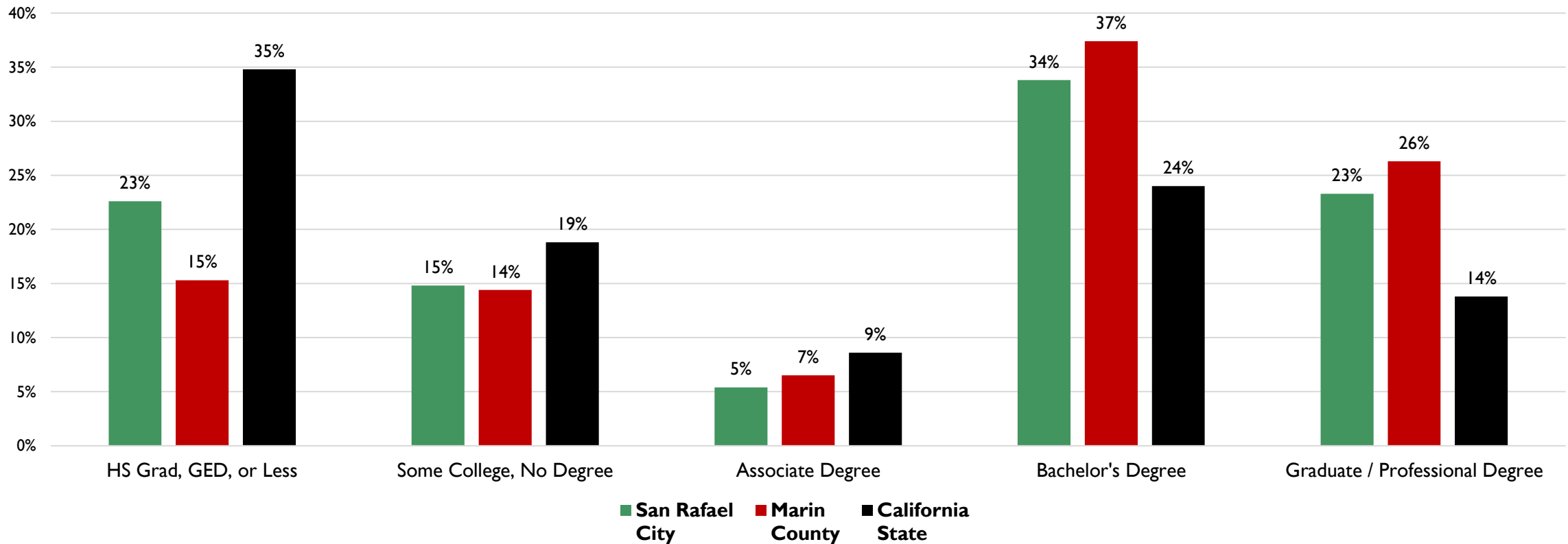
Population by Age Cohort



Age Cohort	Population (2022)
0 - 14 Years Old	10,100
15 - 24 Years Old	6,900
25 - 34 Years Old	7,800
35 - 44 Years Old	8,100
45 - 54 Years Old	7,900
55 - 64 Years Old	7,900
65 - 74 Years Old	6,800
75+ Years Old	6,200

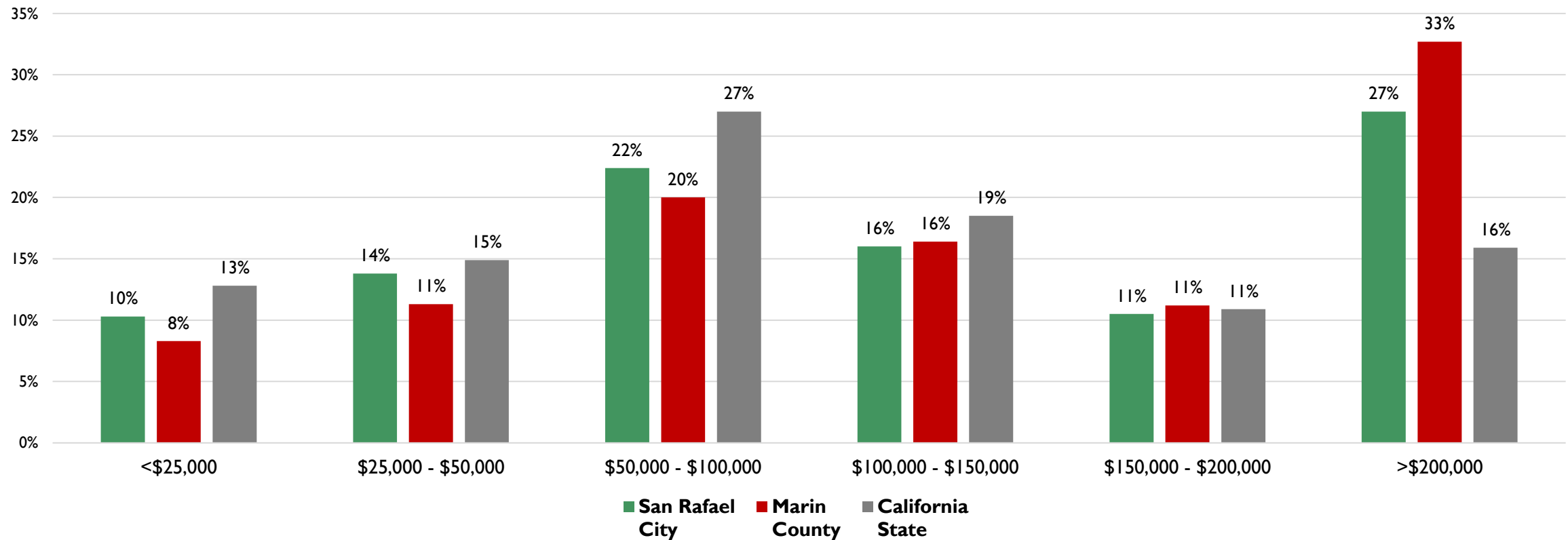
POPULATION BY EDUCATIONAL ATTAINMENT

2022 Population by Educational Attainment



POPULATION BY INCOME

2022 Households by Income Level

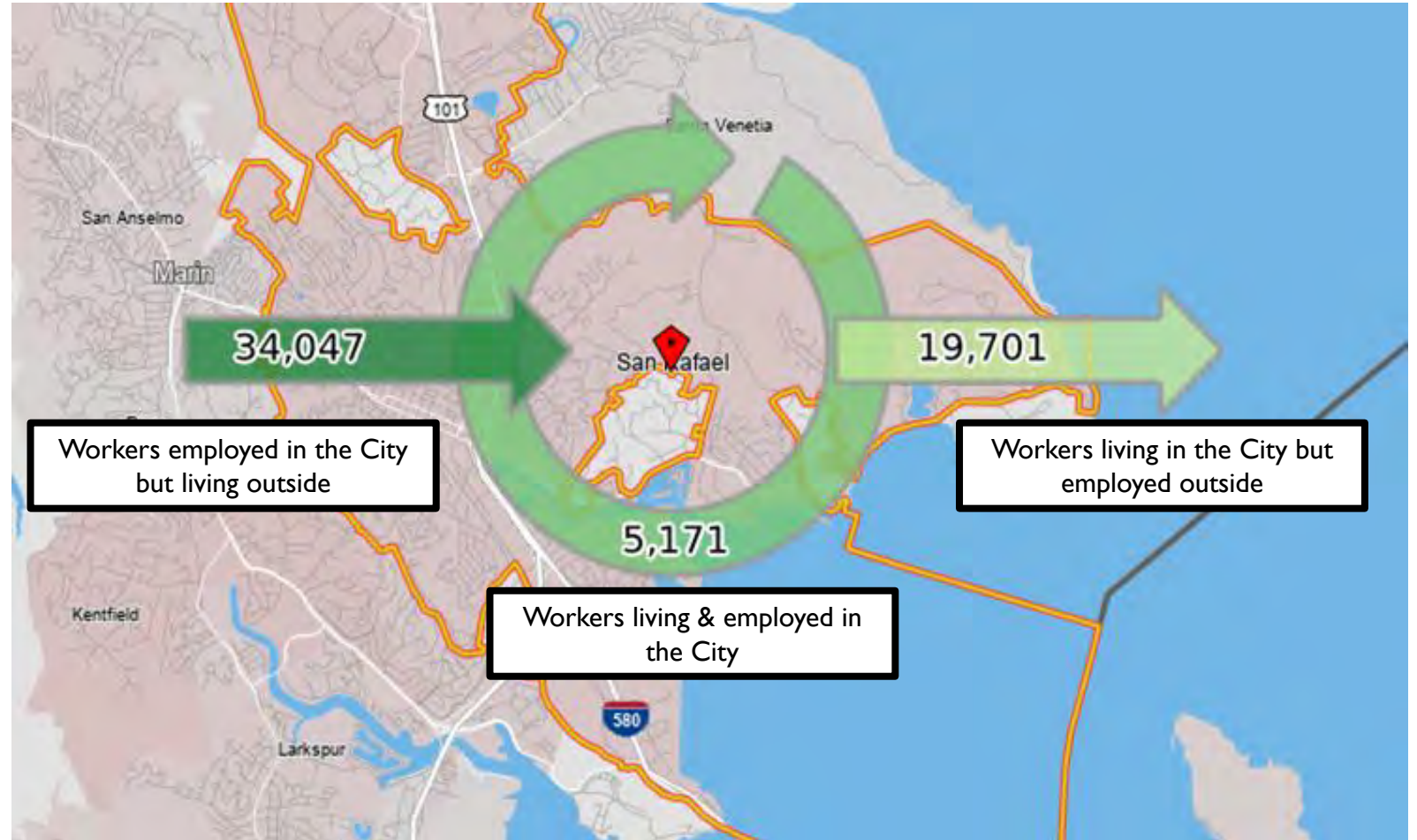


MAJOR EMPLOYERS IN SAN RAFAEL

2021 Data		
<i>Major Employer</i>	<i>Type</i>	<i>Employees</i>
Kaiser Permanente	Healthcare	2,339
BioMarin Pharmaceutical Inc.	Pharmaceutical	950
San Rafael Elementary / High School Dist(s)	Education	700
City of San Rafael	Government	412
Dominican University of California	Education	394
Buckelew Programs	Health Services	103*
Lifehouse	Non-profit Organization	100*
EO Products	Health Products	108**
Toyota Marin	Auto Dealer	141*
Ghilotti Bros., Inc.	Construction / Contractor	298
Community Action Marin	Non-profit Organization	200
Equator Coffees, LLC	Retail	95

WORKER INFLOW / OUTFLOW

Worker Inflow/Outflow (2019)	
Workers Living & Working	5,171
Workers Coming (Inflow)	34,047
Workers Going (Outflow)	19,701
Net Inflow/Outflow	14,346
Employment Ratio*	1.58



Source: U.S. Census Bureau Center for Economic Studies (2019, Accessed August 2022)

Notes: ***Employment Ratio** = People employed within City (living and working in City + those who come into the City for work) / Employed population of City (living and working in City + workers who live in the City, but work outside of the City)

ECONOMIC DEVELOPMENT STRATEGIC PLAN

WORKER DESTINATIONS & ORIGINS CITY OF SAN RAFAEL

- Workers who live in San Rafael primarily work in San Francisco, San Rafael, Novato, Oakland, and Larkspur.
- Employees who work in primarily come from San Rafael, Novato, San Francisco, Petaluma, and Richmond.

Outflow: Where San Rafael Residents Commute To		
City	Count	Percentage
San Francisco	5,582	22.4%
San Rafael	5,171	20.8%
Novato	1,301	5.2%
Oakland	698	2.8%
Larkspur	591	2.4%
Corte Madera	501	2.0%
Mill Valley	478	1.9%
Kentfield	433	1.7%
San Anselmo	362	1.5%
Sausalito	337	1.4%
Petaluma	329	1.3%
Richmond	327	1.3%
Berkeley	287	1.2%
Santa Rosa	285	1.1%
San Jose	260	1.0%
Emeryville	221	0.9%
South San Francisco	219	0.9%
Fairfax	192	0.8%
Santa Venetia	183	0.7%
Tiburon	181	0.7%
Sacramento	177	0.7%
San Mateo	174	0.7%
Palo Alto	171	0.7%
Tamalpais-Homestead Valley	169	0.7%
Strawberry	160	0.6%
Other	6,083	24.5%

Inflow: Where San Rafael Workers Come From		
City	Count	Percentage
San Rafael	5,171	13.2%
Novato	3,411	8.7%
San Francisco	2,501	6.4%
Petaluma	1,489	3.8%
Richmond	1,414	3.6%
Vallejo	1,158	3.0%
Santa Rosa	1,026	2.6%
Oakland	1,002	2.6%
Rohnert Park	801	2.0%
San Anselmo	692	1.8%
San Jose	590	1.5%
Larkspur	535	1.4%
Fairfax	433	1.1%
Lucas Valley-Marinwood	429	1.1%
San Pablo	422	1.1%
Santa Venetia	391	1.0%
Fairfield	356	0.9%
Mill Valley	336	0.9%
Daly City	334	0.9%
Berkeley	329	0.8%
Sacramento	323	0.8%
Corte Madera	322	0.8%
Los Angeles	314	0.8%
Napa	303	0.8%
Tamalpais-Homestead Valley	295	0.8%
Other	14,841	37.8%

EMPLOYMENT BY INDUSTRY

City Resident Employed Population	
Sector	Share
Health Care and Social Assistance	14.3%
Professional, Scientific, and Technical Services	11.8%
Accommodation and Food Services	9.9%
Retail Trade	9.7%
Educational Services	8.7%
Administration & Support, Waste Management and Remediation	5.7%
Construction	5.6%
Other Services (excluding Public Administration)	4.7%
Manufacturing	4.4%
Information	4.3%
Finance and Insurance	3.9%
Public Administration	3.6%
Other Industries	13.4%

“Industries in which City residents work”

Workers Employed Within City	
Sector	Share
Health Care and Social Assistance	18.2%
Retail Trade	13.0%
Construction	9.1%
Professional, Scientific, and Technical Services	8.0%
Educational Services	8.0%
Accommodation and Food Services	7.6%
Public Administration	6.7%
Other Services (excluding Public Administration)	5.5%
Administration & Support, Waste Management and Remediation	4.6%
Management of Companies and Enterprises	3.8%
Transportation and Warehousing	2.9%
Wholesale Trade	2.5%
Other Industries	10.1%

“Jobs in the City”

ECONOMIC DEVELOPMENT STRATEGIC PLAN



B. FISCAL DATA

San Rafael Economic Development Strategic Plan

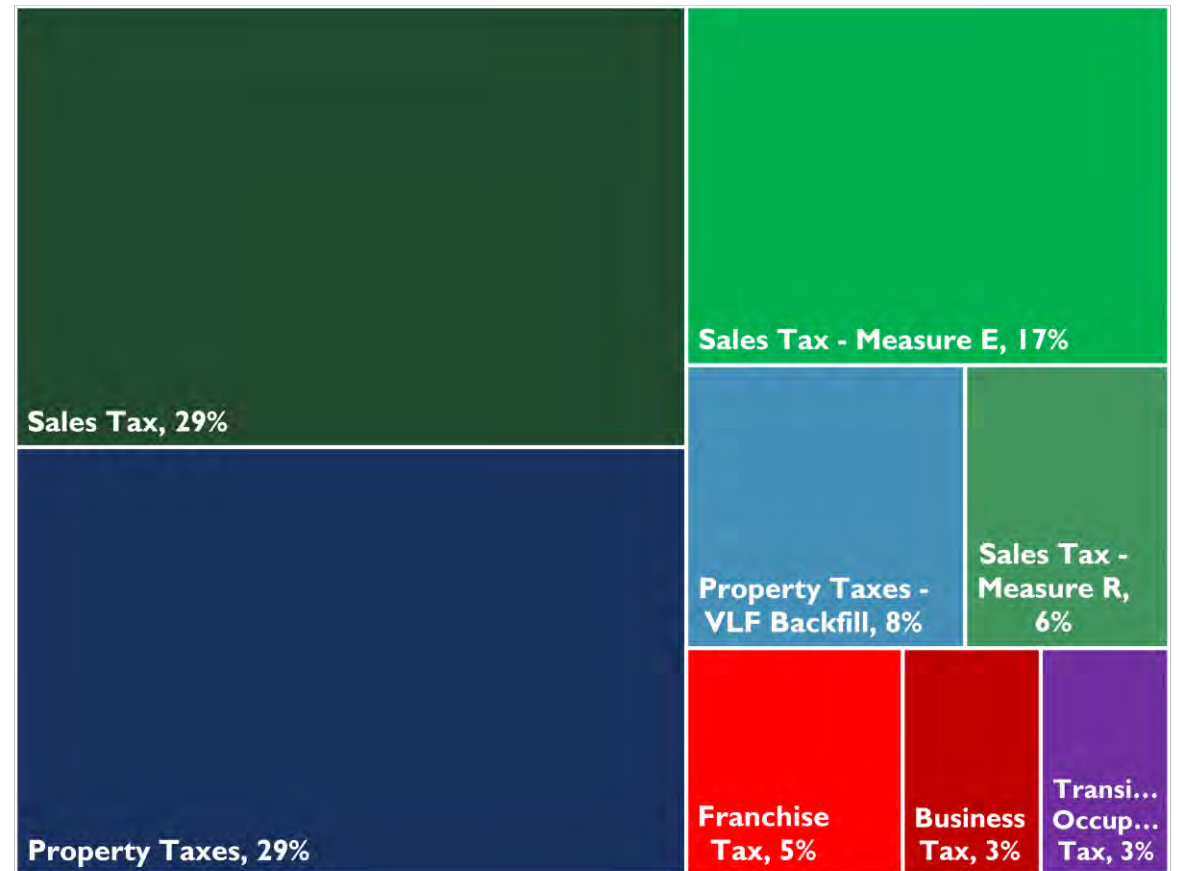
FISCAL SUMMARY

- **San Rafael** receives ~89% of its General Fund revenue from taxes, of which 37% are property taxes and VLF, ~52% of its tax revenue from various sales taxes, and the remainder from franchise, business, and transient occupancy taxes
- **Sales Tax** revenues have grown ~82% since 2013, or approx. 6.9% per year;
 - Actual retail sales grew approximately 2.2% annually since 2016
 - Measure E (0.75% TUT exp 2034) and Measure R (0.25% exp 2030) increased the tax rate, creating greater growth in total tax revenues
 - County Pool revenues increased dramatically in past 10 years
- **Property Tax** revenues have grown ~86.7% since 2013, or approx. 7.2% per year; Assessed Value growth driven by high real estate values and mark-to-market reassessments for sale of long-held properties

TAX REVENUE OVERVIEW FY2022-23 BUDGET

FY2022-23 Budget	
Property Taxes	\$ 24,409,721
Property Tax - VLF Backfill	6,700,000
Sales Tax	25,085,742
Sales Tax - Measure E	14,694,975
Sales Tax - Measure R	4,898,325
Franchise Tax	4,182,016
Business Tax	2,669,567
Transient Occupancy Tax	2,483,067
Taxes Subtotal	85,123,413
Revenues from Other Agencies	
CSA #19 Fire Service	2,442,513
Other Agencies	1,903,252
Other	
Permits & Licenses	3,010,159
Fine & Forfeiture	186,732
Interest & Rents	47,500
Charges for Services	2,568,965
Other Revenue	588,196
Total	95,870,730

FY 2022-23 Budget: Tax Revenues



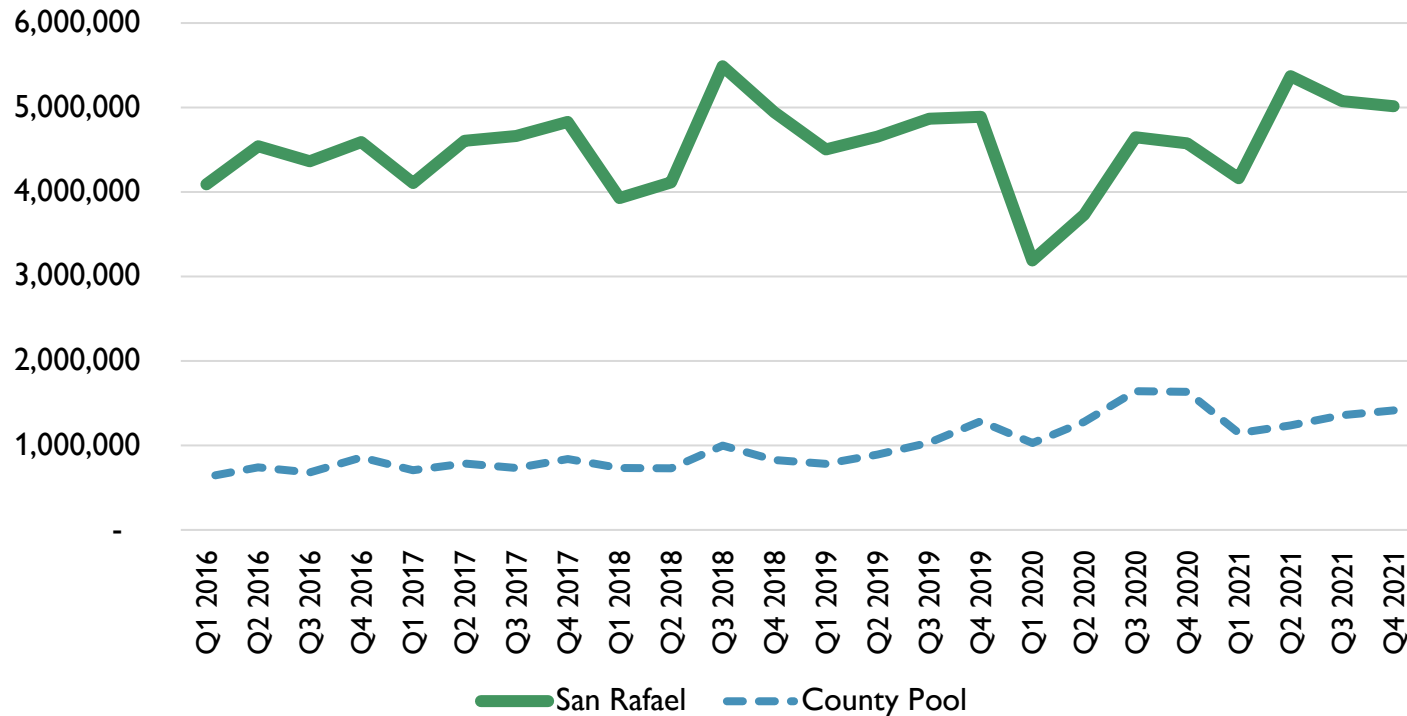
ECONOMIC DEVELOPMENT STRATEGIC PLAN

FISCAL SUMMARY HISTORIC TAX REVENUE COLLECTIONS

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2013 - 2022 Growth	CAGR
Property Taxes	20,107,637	17,317,772	18,439,619	19,039,443	19,998,567	23,343,140	24,627,373	25,903,240	26,491,505	30,993,516	32,324,129	86.7%	7.2%
Sales Taxes	22,355,749	24,262,282	27,758,971	32,269,915	34,348,089	31,819,259	34,119,502	35,626,646	33,784,770	39,599,113	44,110,471	81.8%	6.9%
Paramedic	3,807,545	3,804,985	3,816,070	3,820,240	4,226,020	5,485,637	4,923,148	4,934,584	4,923,092	5,153,448	5,109,836	34.3%	3.3%
Transient Occupancy	1,866,575	2,185,287	2,332,277	2,661,878	3,063,263	2,984,758	3,115,151	3,203,499	2,410,745	1,797,578	2,976,234	36.2%	3.5%
Franchise	3,076,094	3,331,160	3,260,958	3,272,390	3,418,277	3,610,824	3,726,841	3,627,254	4,029,050	3,973,806	4,209,979	26.4%	2.6%
Business License	2,332,146	2,507,785	2,588,728	2,670,071	2,824,664	2,774,803	2,790,212	2,788,496	2,824,722	2,575,341	2,645,636	5.5%	0.6%
Other	3,574,918	2,929,915	3,452,171	3,295,751	3,465,193	1,824,830	2,245,882	1,783,170	2,152,617	2,996,950	3,108,543	6.1%	0.7%
TOTAL	57,120,664	56,339,186	61,648,794	67,029,688	71,344,073	71,843,251	75,548,109	77,866,889	76,616,501	87,089,752	94,484,828	67.7%	5.9%

SALES TAX HISTORY

City and County Sales Tax Revenue by Quarter,
Q1 2016 – Q4 2021



In FY2022, the top 25 sales tax producers provide 52% of overall sales tax revenues; the top sales tax categories were:

- Autos and Transportation: 30%
- Building and Construction: 22%
- State / County Pools (e-commerce): 16%

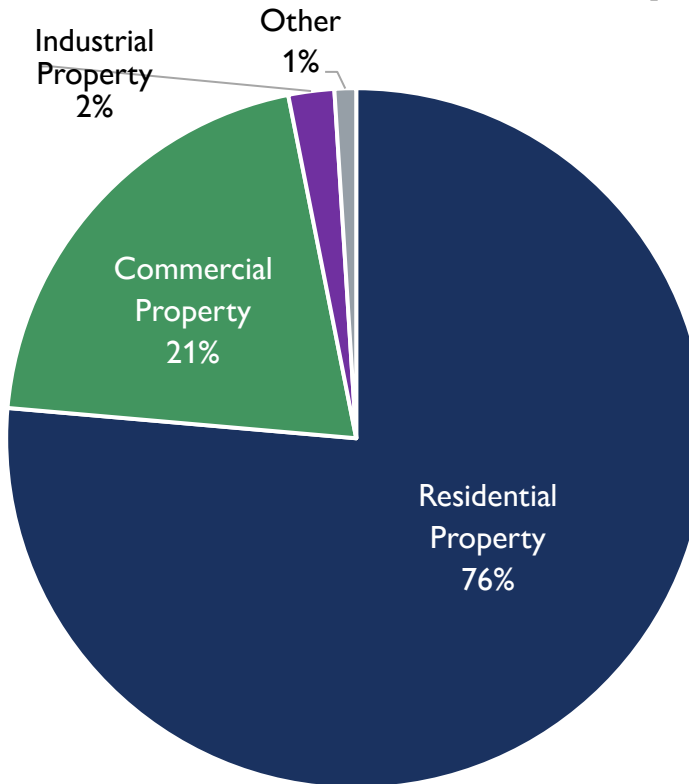
Year	San Rafael	County Pool	Pool Share
2016	17,592,000	2,914,000	16.6%
2017	18,213,000	3,072,000	16.9%
2018	18,479,000	3,296,000	17.8%
2019	18,918,000	3,999,000	21.1%
2020	16,149,000	5,585,000	34.6%
2021	19,633,000	5,162,000	26.3%
5-Year Growth	12%	77%	
COVID-19 Effect (2019-2020)	14.6%	-39.7%	
CAGR	2.2%	12.1%	

Source: CA DOF; San Rafael FY 2022 ACFR

ASSESSED VALUE – REAL SECURED PROPERTY

San Rafael's Real Secured Property Tax is overwhelming from residential property (76%), with 21% coming from commercial property and 2% industrial property

Assessed Value: Real Secured Property



ILLUSTRATIVE FISCAL REVENUE OF NEW DEVELOPMENT

To evaluate economic opportunities, here is an illustration of incremental tax revenues generated from various types of development on **a typical 1-acre parcel**:

	10,000 SF Commercial Services	10,000 SF Retail	10,000 SF Restaurant	50-unit Multifamily Housing	60-room Upscale Hotel
Property Taxes + VLF	\$10,000	\$10,000	\$15,000	\$65,000	\$50,000
Direct Sales Taxes	\$30,000	\$70,000	\$100,000		
Indirect Sales Taxes				\$20,000	\$50,000
Hotel TOT					\$300,000
Annual General Fund Revenues	\$40,000	\$80,000	\$115,000	\$85,000	\$400,000

ECONOMIC DEVELOPMENT STRATEGIC PLAN



C. REAL ESTATE MARKET DATA

San Rafael Economic Development Strategic Plan

MARKET SUMMARY

- San Rafael saw almost no growth in commercial, industrial, and apartment markets over the past decade
- With less than 25% of the population, San Rafael represents a much more significant share of Marin County Economic Activity:
 - Retail: 38% of inventory, rents are 12% lower and vacancy is 0.2% lower
 - Office: 43% of inventory, rents are 3% lower and vacancy is 3.4% lower
 - Industrial: 62% of inventory, rents are 2% higher and vacancy is 2.9% lower
 - Flex / R&D: 32% of inventory, rents are 5% lower and vacancy is 1.1% lower
 - Multifamily: 40% of inventory, rents are 16% lower and vacancy is 0.3% lower

COMMERCIAL PROPERTY OVERVIEW

RETAIL

Major Properties	Type	GLA	Major Tenants
Northgate Mall	Regional Mall	786,965	Macy's Backstage, Restoration Hardware, Kohl's, Cinemark, HomeGoods
Montecito Plaza	Neighborhood Center	213,483	Trader Joe's, Petco, Rite Aid
Northgate Shopping Center	Neighborhood Center	117,331	Safeway, Walgreens, Big 5 Sporting Goods
580-620 Francisco Blvd	Neighborhood Center	85,458	TJ Maxx, Scandinavian Designs
Marin Square	Neighborhood Center	82,000	Grocery Outlet, Ross Dress For Less
Shamrock Center	Neighborhood Center	79,401	Sprouts, Staples, Sleep City
Northgate Shopping center III	Neighborhood Center	71,805	Michaels, CVS
111 Shoreline		235,987	Target, Home Depot
Other			
Auto dealership properties clustered along Francisco Blvd near US-101, Shoreline Pkwy			
Downtown Retail / restaurant district, west of US-101, south of Fifth Ave, east of H Street, north of Second St -- includes older mixed-use storefront retail buildings			

COMMERCIAL PROPERTY OVERVIEW OFFICE

Major Properties	Name	GLA	Available SF	Major Tenants
3501 Civic Center Dr	Marin County Civic Center	413,748		
1600-1650 Los Gamos Dr	Marin Commons	461,831	50,583	Marin County, One Tam, Kaiser Permanente
4000 Civic Center Dr	Marin Executive Center / Medical Office	142,364	68,915	Marin General Hospital, Sutter Ambulatory Care
4040 Civic Center Dr		130,828	14,251	Pasha Group, Regus
100-200 Smith Ranch Road	Regency Center	259,000	117,021	Kaiser Permanente, XiO, Strategic Energy Innovations, Putney Financial
111 McInnis Pky	Autodesk	115,514	115,514	Autodesk
1000 4th St	Courthouse Square	104,577	26,406	Keegin Harrison LLP, Carlin & Associates, Shared Hr
750-790 Lindaro St (and Lincoln St)	San Raphael Corporate Center	399,424		BioMarin Pharmaceutical, Morgan Stanley
Other				

Downtown area includes a couple of older buildings from the 1930s with ~130k SF

COMMERCIAL PROPERTY OVERVIEW INDUSTRIAL

Major Properties	Name	GLA	Major Tenants
PROPOSED: 999 3rd St	R&D	140,000	Biomarin Pharmaceutical
1080 Andersen Dr	Warehouse	108,925	Marin Sanitary Services
1011 Andersen Dr	Light Distribution	61,582	Golden Gate Bridge Transportation
1050 Andersen Dr	Warehouse	57,682	Marin Sanitary Service LLC
Other			
Inventory concentrated in areas along US-101			
Inventory is predominantly smaller buildings -- only 4 buildings over 50kSF, they total ~280k SF			
Flex area concentrated near Mitchell Blvd / Paul Dr east of US_101, tenants vary -- including construction / contracting, tech firms, fitness			
Flex / R&D area along Kerner Blvd east of I-580 - tenants include construction/contracting, tech/aerospace,			

COMMERCIAL PROPERTY OVERVIEW

HOTEL

Property Name	Property Address	Rooms	Constr Status	Building Class	Scale		Hotel Open Date
Embassy Suites by Hilton San Rafael Marin	101 McInnis Pky	236	Existing	B	Upper Upscale		10/01/1990
Four Points by Sheraton San Rafael Marin County	1010 Northgate	235	Existing	B	Upscale		06/01/1970
Villa Inn	1600 Lincoln Ave	60	Existing	C	Independent		06/01/1955
Panama Hotel	4 Bayview St	14	Existing	B	Independent		
North Bay Inn	855 E Francisco Blvd	19	Existing	C	Independent		01/01/2005
Extended Stay America - Francisco Blvd East	1775 Francisco Blvd E	112	Existing	C	Economy		04/01/2007
Motel 6 San Rafael	737 E Francisco Blvd	68	Existing	C	Economy		06/01/1958
SureStay by Best Western San Rafael	865 Francisco Blvd E	32	Existing	C	Economy		06/01/1978
Marin Lodge	1735 Lincoln Ave	17	Existing	C	Independent		01/01/1947
	34-50 Grove St	9	Existing	C	Independent		
AC Hotels by Marriott San Rafael	1201 5th Ave	140	Under Construction	B	Upscale		
Hampton Inn and Suites by Hilton San Rafael	1075 Francisco Blvd E	99	Proposed	B	Upper Midscale		
Home2 Suites by Hilton San Rafael	1075 Francisco Blvd E	86	Proposed	B	Upper Midscale		

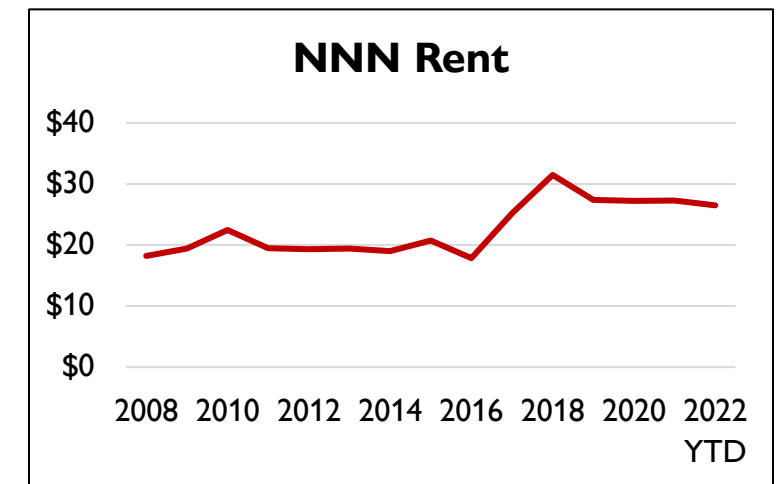
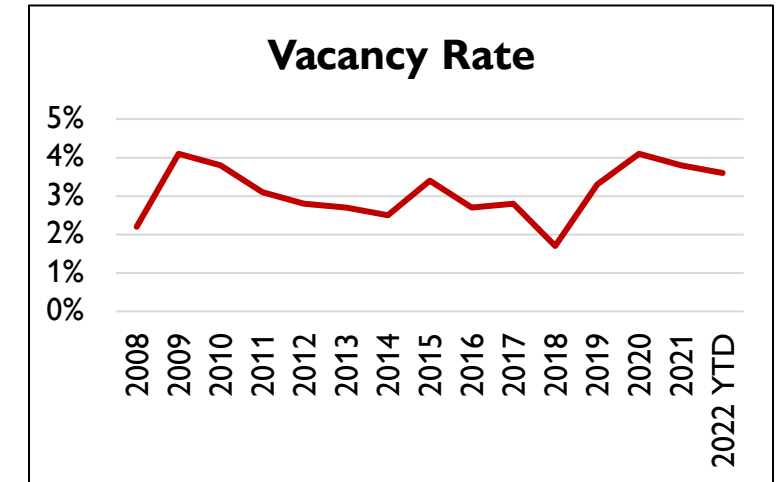
MARIN COUNTY VS SAN RAFAEL

2022 Q4	Inventory			Vacancy		Market Rent	
	County	City	City Share of County	County	City	County	City
Retail	13,407,000 SF	5,034,400 SF	38%	3.4%	3.2%	\$33.58	\$29.48
Office	12,737,600 SF	5,505,700 SF	43%	18.2%	14.8%	\$39.58	\$38.23
Industrial	5,336,500 SF	3,314,700 SF	62%	3.5%	0.6%	\$21.11	\$21.48
Flex	2,967,800 SF	958,600 SF	32%	4.3%	3.2%	\$24.59	\$23.38
Multifamily	21,550 Units	8,674 Units	40%	3.6%	3.3%	\$2,611	\$2,205

ECONOMIC DEVELOPMENT STRATEGIC PLAN

CITY RETAIL MARKET HISTORY

Year	Inventory SF	Vacant SF Total	Vacant Percent % Total	Net Absorption SF Total	NNN Rent Overall
2022 YTD	5,032,725	181,151	3.6%	10,670	\$26.49
2021	5,029,487	191,298	3.8%	13,080	\$27.29
2020	5,029,487	204,378	4.1%	(37,841)	\$27.25
2019	5,029,487	166,537	3.3%	(65,117)	\$27.39
2018	5,012,396	84,329	1.7%	55,405	\$31.49
2017	5,012,396	139,734	2.8%	(6,905)	\$25.21
2016	5,012,396	132,829	2.7%	37,277	\$17.87
2015	5,012,396	170,106	3.4%	(44,151)	\$20.74
2014	5,012,396	125,955	2.5%	9,201	\$18.99
2013	5,014,696	137,456	2.7%	1,411	\$19.44
2012	5,014,696	138,867	2.8%	18,496	\$19.31
2011	5,014,696	157,363	3.1%	4,110	\$19.45
2010	5,044,696	191,473	3.8%	43,793	\$22.47
2009	5,015,158	205,728	4.1%	(100,074)	\$19.40
2008	5,022,506	113,002	2.2%	22,378	\$18.24



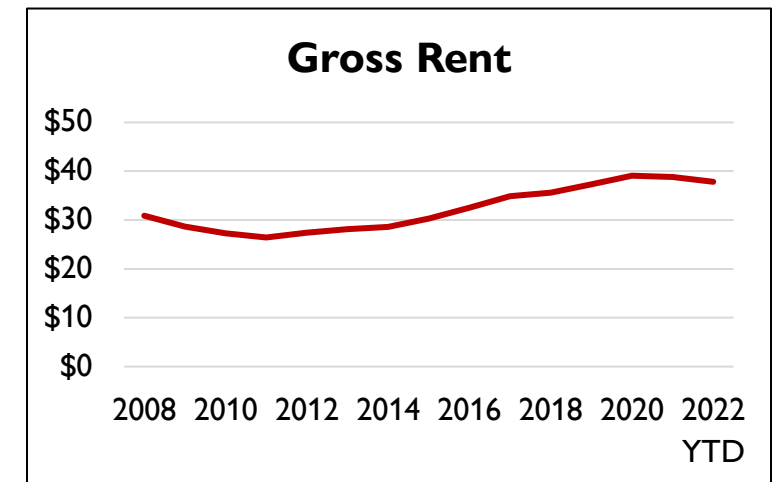
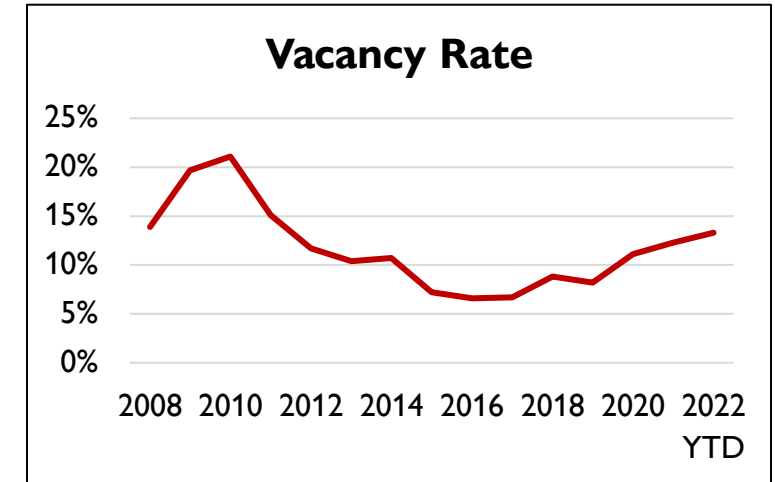
Source: CoStar (Accessed August 2022)

Note: Costar defines Triple Net (NNN) as “a lease where the tenant is responsible for all expenses associated with their proportional share of occupancy of the building, except long-lived structural components and management charges.”

ECONOMIC DEVELOPMENT STRATEGIC PLAN

CITY OFFICE MARKET HISTORY

Year	Inventory SF	Vacant SF Total	Vacant Percent % Total	Net Absorption SF Total	Gross Rent Overall
2022 YTD	5,496,234	732,009	13.3%	(53,393)	\$37.79
2021	5,496,234	678,616	12.3%	(76,753)	\$38.81
2020	5,505,445	611,074	11.1%	(138,906)	\$39.09
2019	5,485,445	452,168	8.2%	29,487	\$37.27
2018	5,485,445	481,655	8.8%	(45,087)	\$35.62
2017	5,409,557	360,680	6.7%	(6,231)	\$34.89
2016	5,409,557	354,449	6.6%	115,240	\$32.52
2015	5,324,557	384,689	7.2%	193,981	\$30.28
2014	5,313,905	568,018	10.7%	(22,256)	\$28.60
2013	5,322,334	554,191	10.4%	70,991	\$28.11
2012	5,322,334	625,182	11.7%	171,873	\$27.41
2011	5,332,894	807,615	15.1%	316,406	\$26.42
2010	5,332,894	1,124,021	21.1%	(75,658)	\$27.26
2009	5,332,894	1,048,363	19.7%	(187,917)	\$28.66
2008	5,192,382	719,934	13.9%	60,983	\$30.86



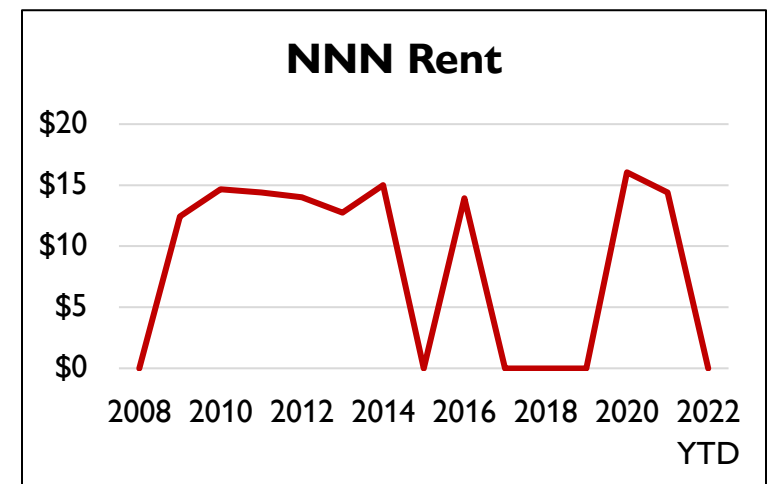
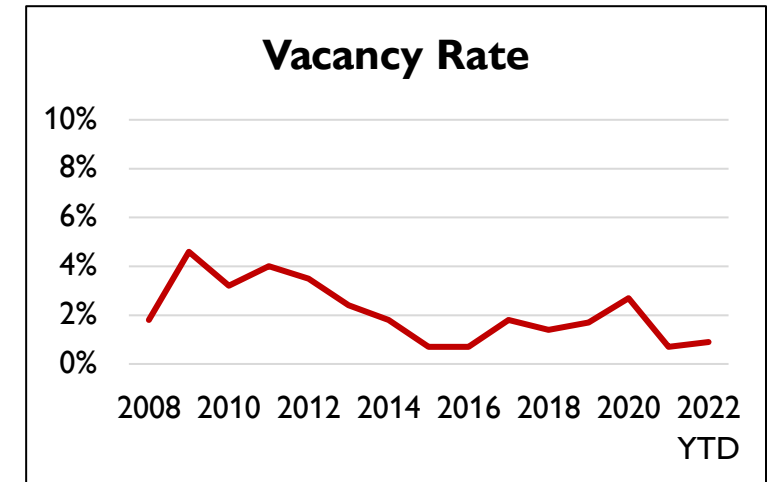
Source: CoStar (Accessed August 2022)

Note: Costar defines Full Service / Gross Rent as “a rental rate that includes normal building standard services which are provided and paid by the landlord.”

ECONOMIC DEVELOPMENT STRATEGIC PLAN

CITY INDUSTRIAL MARKET HISTORY

Year	Inventory SF	Vacant SF Total	Vacant Percent % Total	Net Absorption SF Total	NNN Rent Overall
2022 YTD	3,314,700	30,966	0.9%	(9,301)	-
2021	3,314,700	21,665	0.7%	68,211	\$14.40
2020	3,314,700	89,876	2.7%	(33,148)	\$16.04
2019	3,314,700	56,728	1.7%	(9,235)	-
2018	3,314,700	47,493	1.4%	12,190	-
2017	3,314,700	59,683	1.8%	(37,772)	-
2016	3,314,700	21,911	0.7%	2,746	\$13.92
2015	3,314,700	24,657	0.7%	34,690	-
2014	3,314,700	59,347	1.8%	21,550	\$15.00
2013	3,314,700	80,897	2.4%	36,223	\$12.74
2012	3,314,700	117,120	3.5%	16,307	\$14.00
2011	3,314,700	133,427	4.0%	(26,238)	\$14.40
2010	3,314,700	107,189	3.2%	53,213	\$14.65
2009	3,306,375	152,077	4.6%	(91,537)	\$12.44
2008	3,306,375	60,540	1.8%	30,693	-



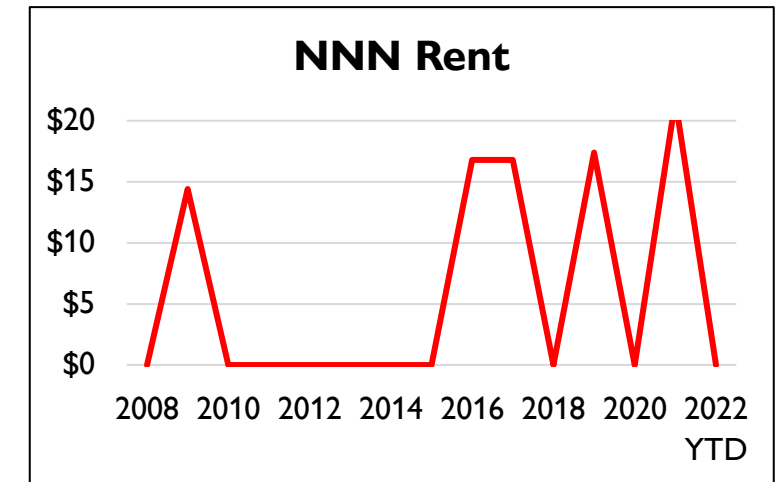
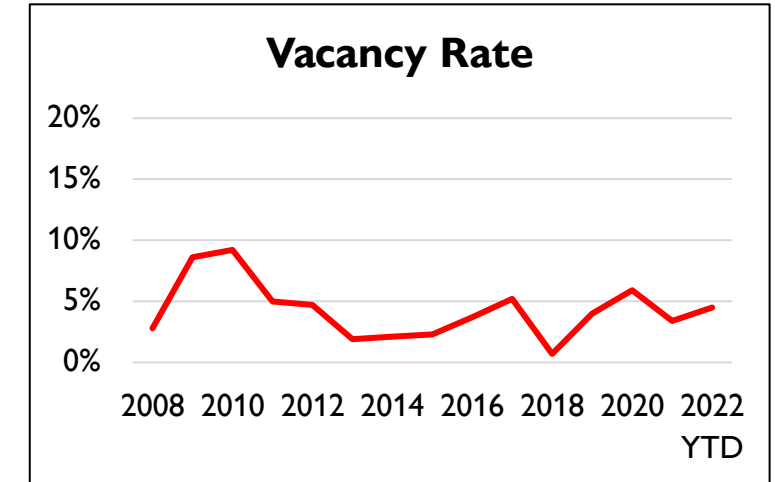
Source: CoStar (Accessed August 2022)

Note: Costar defines Triple Net (NNN) as “a lease where the tenant is responsible for all expenses associated with their proportional share of occupancy of the building, except long-lived structural components and management charges.”

ECONOMIC DEVELOPMENT STRATEGIC PLAN

CITY FLEX MARKET HISTORY

Year	Inventory SF	Vacant SF Total	Vacant Percent % Total	Net Absorption SF Total	NNN Rent Overall
2022 YTD	968,034	43,231	4.5%	(47,240)	-
2021	1,006,034	33,991	3.4%	25,055	\$21.66
2020	1,006,034	59,046	5.9%	(18,867)	-
2019	1,006,034	40,179	4.0%	(32,773)	\$17.40
2018	1,006,034	7,406	0.7%	45,230	-
2017	1,006,034	52,636	5.2%	(15,879)	\$16.80
2016	1,006,034	36,757	3.7%	(13,685)	\$16.80
2015	1,006,034	23,072	2.3%	(1,834)	-
2014	1,006,034	21,238	2.1%	(1,849)	-
2013	1,006,034	19,389	1.9%	27,809	-
2012	1,006,034	47,198	4.7%	2,797	-
2011	1,006,034	49,995	5.0%	42,840	-
2010	1,006,034	92,835	9.2%	(6,094)	-
2009	1,006,034	86,741	8.6%	(58,813)	\$14.40
2008	1,006,034	27,928	2.8%	1,012	-



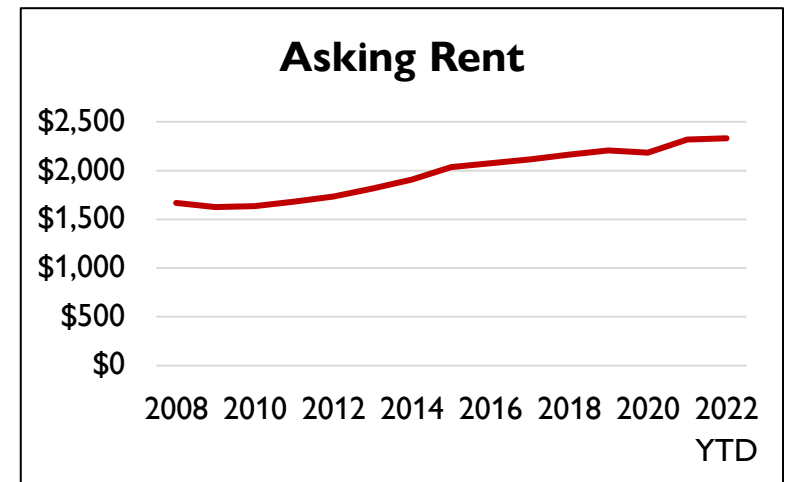
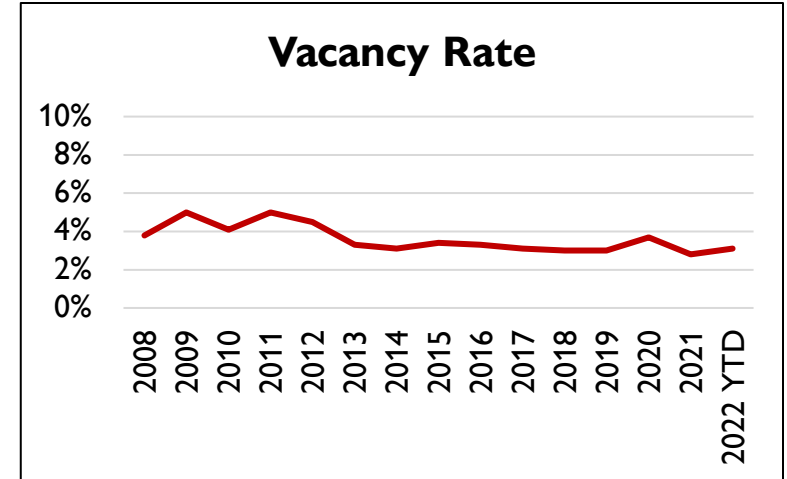
Source: CoStar (Accessed August 2022)

Note: Costar defines Triple Net (NNN) as “a lease where the tenant is responsible for all expenses associated with their proportional share of occupancy of the building, except long-lived structural components and management charges.”

ECONOMIC DEVELOPMENT STRATEGIC PLAN

CITY MULTIFAMILY MARKET HISTORY

Year	Inventory Units	Vacant Units	Vacancy Percent	Net Absorption (Units)	Asking Rent (Unit/Mo.)
2022 YTD	6,269	194	3.1%	(19)	\$2,331
2021	6,269	176	2.8%	97	\$2,318
2020	6,228	232	3.7%	(46)	\$2,185
2019	6,228	187	3.0%	2	\$2,206
2018	6,228	189	3.0%	8	\$2,165
2017	6,228	196	3.1%	33	\$2,117
2016	6,203	204	3.3%	5	\$2,076
2015	6,203	208	3.4%	(1)	\$2,036
2014	6,187	191	3.1%	13	\$1,910
2013	6,187	204	3.3%	73	\$1,818
2012	6,187	277	4.5%	31	\$1,735
2011	6,187	307	5.0%	27	\$1,683
2010	6,105	252	4.1%	(44)	\$1,637
2009	6,209	312	5.0%	(97)	\$1,626
2008	6,234	240	3.8%	(60)	\$1,668



Source: CoStar (Accessed August 2022)

Note: Costar defines Asking Rent as “average monthly amount the lessor is asking for in order to lease their building/space/land.”

Analytic filters exclude senior / student / military / corporation / vacation housing / co-ops; limit search to buildings with 5+ units; and Market / Market Affordable rent types.

ECONOMIC DEVELOPMENT STRATEGIC PLAN



D. BUSINESS DISTRICT DATA

San Rafael Economic Development Strategic Plan

SAN RAFAEL DISTRICTS

Five business areas were identified for analysis, based on Neighborhood Group boundaries from the City's website:

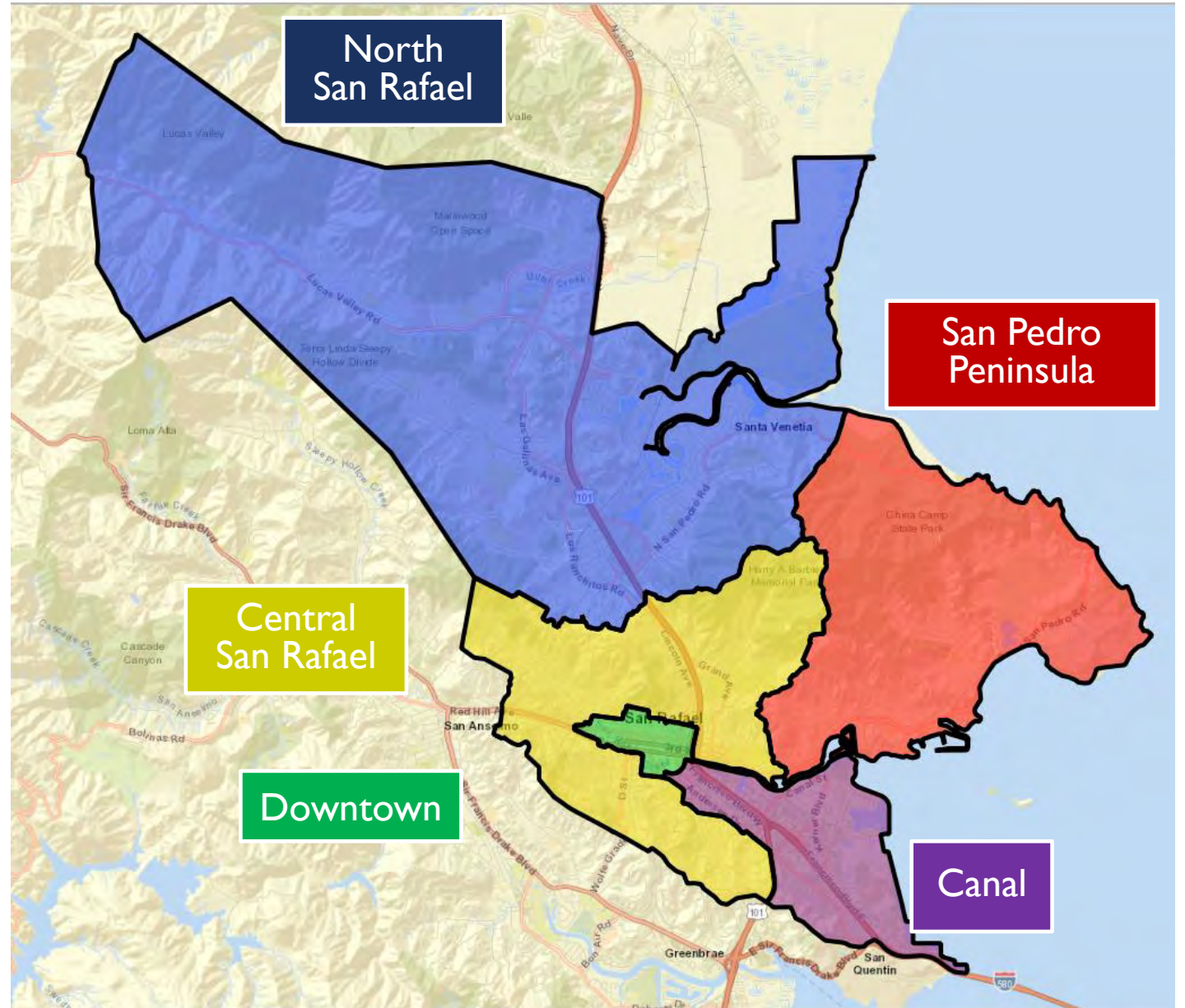
- North San Rafael
- San Pedro Peninsula
- Central San Rafael
- Downtown
- Canal

Boundaries are provided for illustrative purposes only.

Boundaries based on San Rafael Neighborhood Group boundaries, and include Sphere of Influence areas

Sources:

ESRI BAO Online, City of San Rafael



DISTRICT DEMOGRAPHIC SUMMARY

	Downtown San Rafael	Canal	North San Rafael	Central San Rafael	San Pedro Peninsula
Population	2,300	12,600	30,800	21,800	6,600
Households	1,100	3,190	12,210	9,010	2,640
Avg HH Size	1.92	3.92	2.44	2.35	2.46
Median Age	40.3	31.5	49.7	43.9	54.6
Education: Bach Degree +	54%	19%	64%	64%	73%
Median Household Income	\$77,700	\$62,000	\$118,700	\$115,100	\$194,300
Average Household Income	\$96,600	\$99,600	\$173,900	\$173,100	\$248,300
Median Home Value	\$706,300	\$799,000	\$904,600	\$1,058,300	\$1,308,100
Owner Occupied Housing Units	9%	20%	67%	46%	80%
Median Year Housing Unit Built	1961	1972	1967	1958	1968
Median Year Moved into Unit	2010	2010	2008	2011	2005

BUSINESS SUMMARY - ESTIMATED ~\$6 BILLION IN ECONOMIC ACTIVITY

District	Business Tax Gearea	Est. % of City Gross Receipts	# Firms	Estimated Gross Receipts
Canal	Canal	30.8%	760	\$1,778,532,000
Downtown	Downtown	17.9%	1,510	1,035,615,000
North San Rafael	Northgate Ind Pk	16.0%	626	927,024,000
North San Rafael	Terra Linda	13.4%	645	776,269,000
Central	Br Harte	13.6%	350	783,209,000
Central	Linc/SV	1.2%	445	70,483,000
Central / San Pedro Peninsula	SP Ridge	1.2%	315	67,715,000
Outside San Rafael	-	5.9%	1,168	338,530,000
TOTAL			5,819	\$5,777,381,000

ECONOMIC DEVELOPMENT STRATEGIC PLAN

SAN RAFAEL BUSINESS TAX DATA

- The business categories with the largest gross receipts in the City include Motor Vehicle Dealers, Administrative Offices, Building Supply/Materials, and Manufacturing.
- The top 25 business categories by gross receipts are listed at the right; these categories account for ~75% of the City's gross receipts.

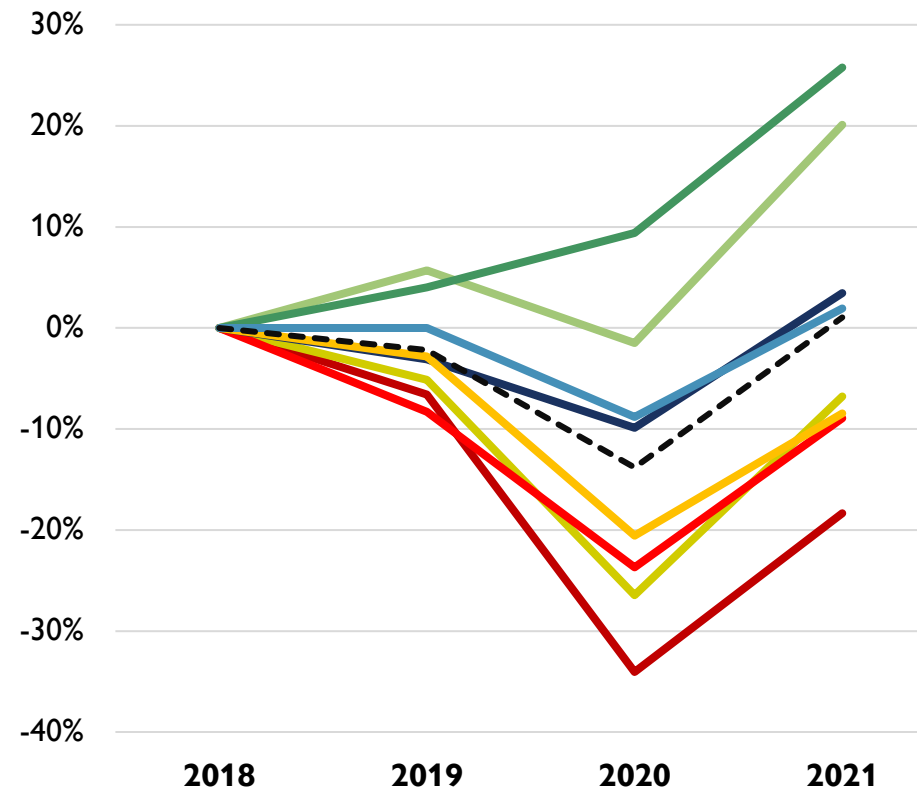
Business Type	Est. Gross Receipts	% Total City Gross Receipts
Motor Vehicle Dealer	\$ 679,400,000	11.8%
Administrative Offices	\$ 434,600,000	7.5%
Building Supply/Materials	\$ 376,000,000	6.5%
Manufacturing	\$ 297,000,000	5.1%
Medical Clinic	\$ 268,100,000	4.6%
Grocery	\$ 262,100,000	4.5%
Contractor Out Of Town	\$ 194,200,000	3.4%
Wholesale Merchant	\$ 192,000,000	3.3%
Apartment House	\$ 156,700,000	2.7%
Contractor In Town	\$ 143,000,000	2.5%
Attorney	\$ 141,000,000	2.4%
Misc. Services	\$ 136,900,000	2.4%
Motor Vehicle Repair	\$ 115,900,000	2.0%
Restaurant	\$ 114,700,000	2.0%
Department Store	\$ 110,100,000	1.9%
Consulting	\$ 95,100,000	1.6%
Service Station	\$ 75,000,000	1.3%
Financial Services	\$ 65,400,000	1.1%
Engineering	\$ 60,900,000	1.1%
Import Exports	\$ 55,500,000	1.0%
Accountant	\$ 55,100,000	1.0%
Drug Store	\$ 52,800,000	0.9%
Furniture Sales	\$ 42,500,000	0.7%
Investment Advice	\$ 40,800,000	0.7%
Real Estate Broker/Agent	\$ 34,500,000	0.6%

ECONOMIC DEVELOPMENT STRATEGIC PLAN

SALES TAX BY GEOGRAPHIC AREA

	2018	2019	2020	2021
Terra Linda	2,317,000	2,164,000	1,528,000	1,892,000
Downtown Business District	975,000	925,000	717,000	909,000
West Francisco	3,631,000	3,330,000	2,771,000	3,307,000
East Francisco	3,162,000	3,342,000	3,115,000	3,798,000
Shoreline	2,765,000	2,679,000	2,492,000	2,860,000
Andersen	2,119,000	2,204,000	2,318,000	2,665,000
North Canal / East 101	851,000	827,000	676,000	779,000
West 101	1,035,000	1,035,000	944,000	1,055,000
Other	1,184,000	1,166,000	1,096,000	1,018,000
Total - All Outlets	18,872,000	18,458,000	16,263,000	19,072,000

Sales Tax By Area:
Comparison to 2018 Baseline



2021 vs 2018	
Andersen	+25.8%
East Francisco	+20.1%
Shoreline	+3.4%
West 101	+1.9%
All Outlets	+1.1%
Downtown	-6.8%
North Canal / East 101	-8.5%
West Francisco	-8.9%
Terra Linda	-18.3%

REAL ESTATE DATA SUMMARY

	Downtown San Rafael	Canal	North San Rafael	Central San Rafael	San Pedro Peninsula
Population	2,300	12,600	30,800	21,800	6,600
Households	1,100	3,190	12,210	9,010	2,640
Retail SF	1,442,000	1,632,000	1,031,000	530,000	55,000
Office SF	1,345,000	851,000	2,168,000	429,000	
Flex SF	1,000	516,000	424,000	17,000	
Industrial SF	37,000	2,801,000	306,000	170,000	
Multifamily Units	750	1,480	2,760	2,610	4
Hotel Rooms	-	230	470	100	

NORTH SAN RAFAEL AREA

NORTHGATE OVERVIEW

Northgate Mall has been a major commercial center for the City for the past 50 years. The closure of Sears and loss of in line shops resulted in the 2017 sale of the Mall to Merlone Geier Partners, who has submitted a proposed Specific Plan to redevelop the 45-acre site with a reduced commercial center and up to 1,300 townhomes and apartment units.

NORTHGATE AERIAL



NORTHGATE AREA MARKET DATA

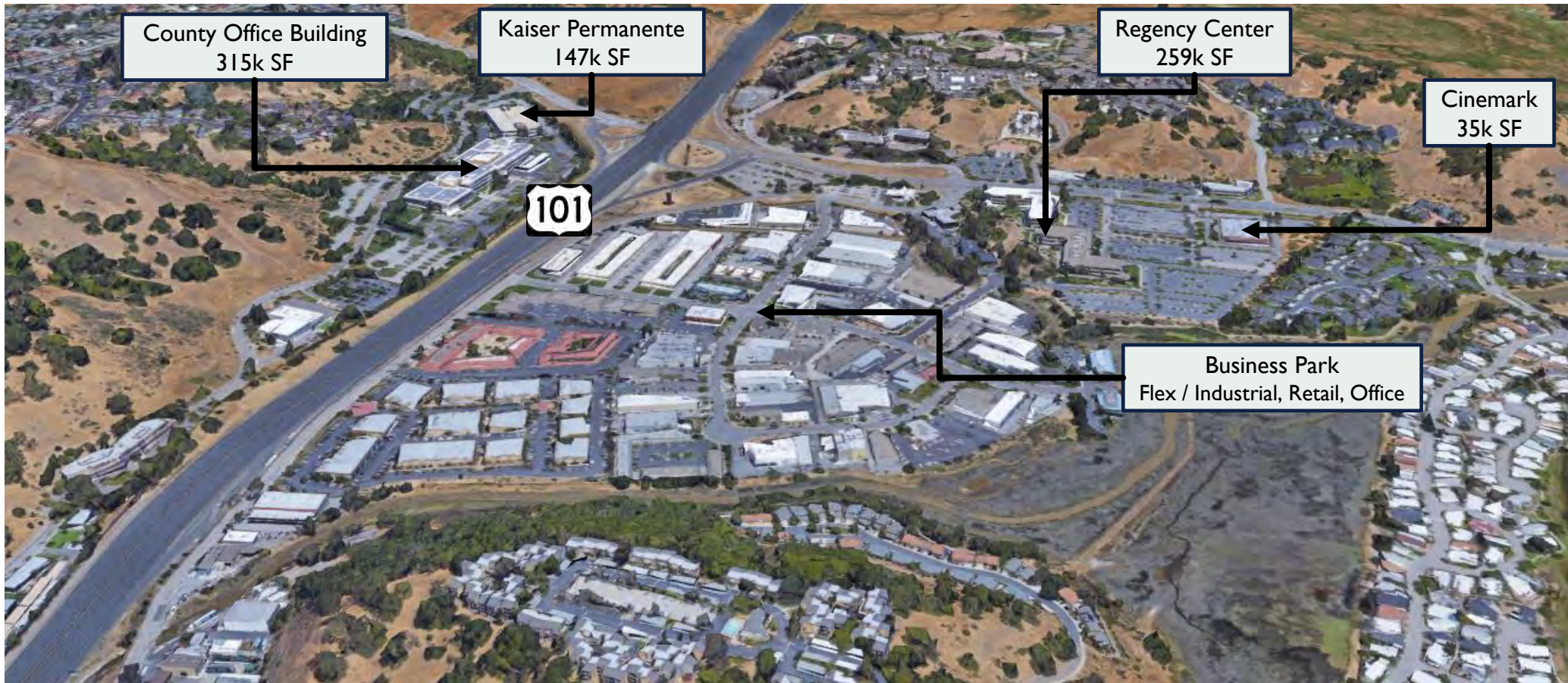
	Inventory		Vacancy	Market Rent	Market Rent Growth, 10-yr
Retail	1,184,000 SF		4.7%	\$31.84	17.7%
Office	1,015,000 SF		34.1%	\$40.34	38.2%
Multifamily	1,484 units		3.0%	\$2,476	33.9%
Industrial / Flex	46,000 SF		-	\$22.69	66.0%
Hotel	471 Units				

NORTHGATE INDUSTRIAL PARK / SMITH RANCH OVERVIEW

Located northeast of the Northgate area on the east side of the 101 Freeway, the Northgate Industrial Park / Smith Ranch area of North San Rafael is home to business parks with flex industrial, office, and retail spaces and a variety of businesses.

While the area is generally built out, it could be an area of opportunity to bring revitalized infrastructure to better serve these commercial uses, as well as potentially incorporating new uses.

NORTHGATE INDUSTRIAL PARK / SMITH RANCH AERIAL



NORTHGATE INDUSTRIAL PARK / SMITH RANCH MARKET DATA

	Inventory	Vacancy	Market Rent	Market Rent Growth, 10-yr
Retail	60,700 SF	-	\$27.33	20.0%
Office	1,231,000 SF	15.4%	\$35.48	28.0%
Industrial / Flex	677,000 SF	1.5%	\$21.61	62.8%
Multifamily	812 Units	3.9%	\$3,115	40.8%

DOWNTOWN AREA

DOWNTOWN OVERVIEW

- Downtown San Rafael is a historic downtown that has served a central role for Marin County, home to office buildings and main street retail along the 4th Street corridor and the surrounding area.
- Downtown San Rafael:
 - Retail: Represents 30% of citywide, small shops and restaurants, with vacancy levels slightly higher than overall city averages.
 - Office: Represents 20% of citywide, small local-serving offices as well as professional office buildings and the BioMarin complex.
 - Multifamily: Less than 10% of citywide, new large apartment buildings, with rents steadily increasing.

DOWNTOWN AERIAL

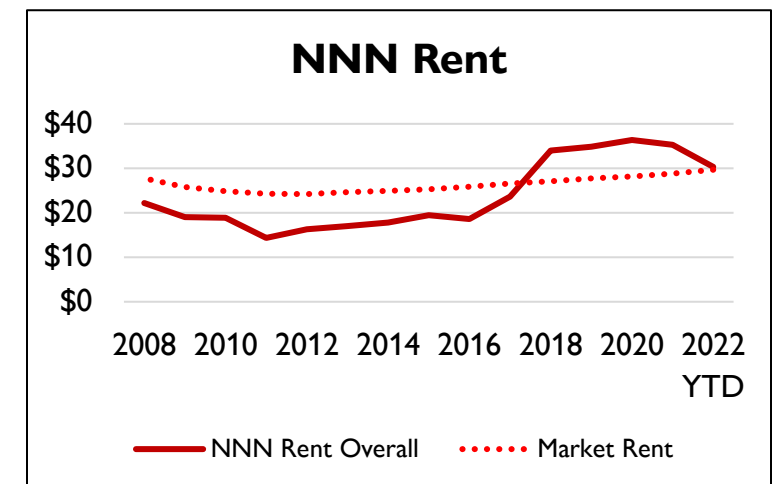
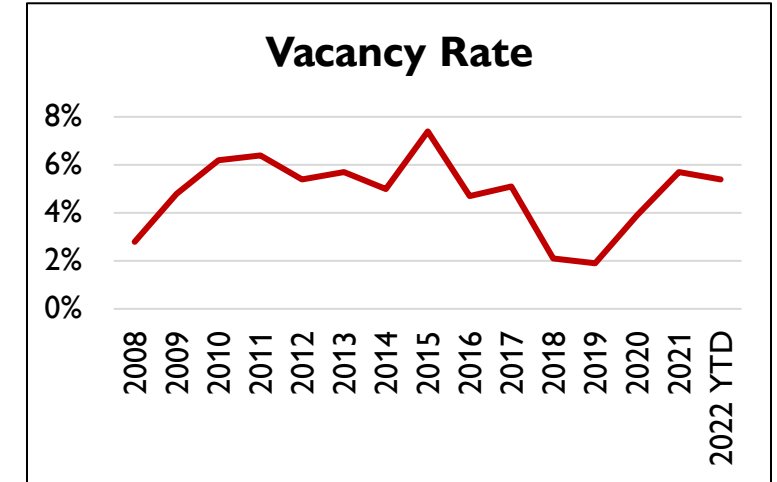


Source: CoStar, Google Earth

ECONOMIC DEVELOPMENT STRATEGIC PLAN

DOWNTOWN RETAIL MARKET DATA

Year	Inventory SF	Vacant SF Total	Vacant Percent % Total	Net Absorption SF Total	NNN Rent Overall	Market Rent
2022 YTD	1,441,991	78,141	5.4%	3,489	\$30.33	\$29.65
2021	1,441,991	81,630	5.7%	(25,124)	\$35.30	\$28.84
2020	1,441,991	56,506	3.9%	(29,052)	\$36.38	\$28.20
2019	1,441,991	27,454	1.9%	2,932	\$34.87	\$27.76
2018	1,441,991	30,386	2.1%	43,531	\$34.00	\$27.07
2017	1,441,991	73,917	5.1%	(5,898)	\$23.64	\$26.57
2016	1,441,991	68,019	4.7%	38,024	\$18.61	\$25.86
2015	1,441,991	106,043	7.4%	(34,227)	\$19.48	\$25.32
2014	1,441,991	71,816	5.0%	10,067	\$17.82	\$24.92
2013	1,441,991	81,883	5.7%	(4,663)	\$16.98	\$24.62
2012	1,441,991	77,220	5.4%	14,377	\$16.29	\$24.23
2011	1,441,991	91,597	6.4%	(1,836)	\$14.34	\$24.30
2010	1,441,991	89,761	6.2%	(20,450)	\$18.86	\$24.85
2009	1,441,991	69,311	4.8%	(36,331)	\$19.00	\$25.82
2008	1,449,339	40,328	2.8%	6,258	\$22.17	\$27.71

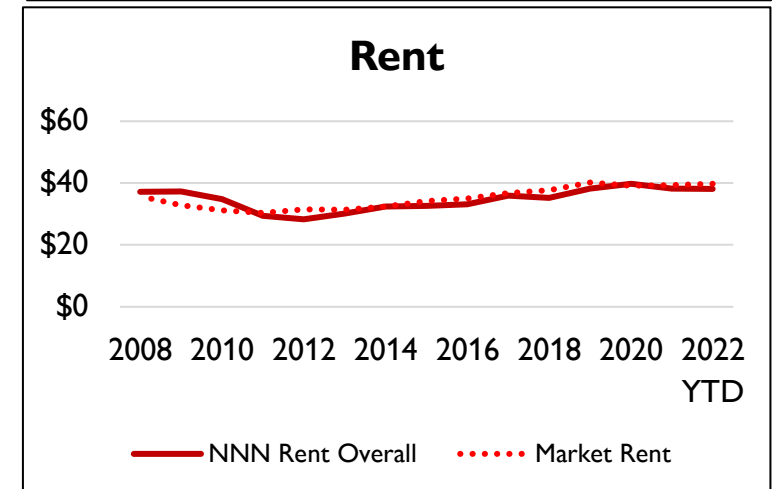
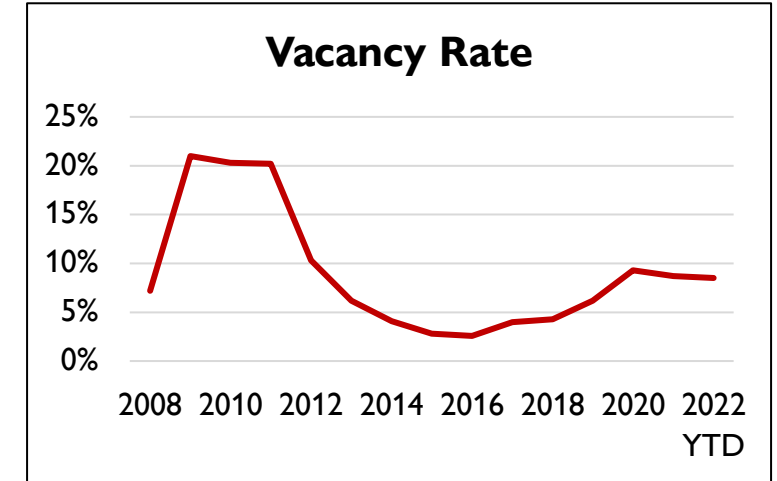


Source: CoStar; Costar defines Triple Net (NNN) as “a lease where the tenant is responsible for all expenses associated with their proportional share of occupancy of the building, except long-lived structural components and management charges,” and these rent figures are based on what is available on the market at any given point in time (and so are weighted by actual available SF). The “market” rent figures are modeled values representing an aggregated time series for all properties within a market.

ECONOMIC DEVELOPMENT STRATEGIC PLAN

DOWNTOWN OFFICE MARKET DATA

Year	Inventory SF	Vacant SF Total	Vacant Percent % Total	Net Absorption SF Total	Gross Rent Overall	Market Rent
2022 YTD	1,344,639	113,958	8.5%	2,450	\$38.06	\$39.76
2021	1,344,639	116,408	8.7%	721	\$38.23	\$39.36
2020	1,353,850	126,340	9.3%	(23,314)	\$39.74	\$39.11
2019	1,333,850	83,026	6.2%	(25,347)	\$38.19	\$40.16
2018	1,333,850	57,679	4.3%	(3,986)	\$35.15	\$37.69
2017	1,333,850	53,693	4.0%	(19,178)	\$35.92	\$36.79
2016	1,333,850	34,515	2.6%	85,187	\$33.10	\$34.94
2015	1,248,850	34,702	2.8%	26,486	\$32.63	\$34.16
2014	1,238,198	50,536	4.1%	18,528	\$32.37	\$32.38
2013	1,246,627	77,493	6.2%	50,900	\$30.11	\$31.41
2012	1,246,627	128,393	10.3%	115,459	\$28.23	\$31.44
2011	1,257,187	254,412	20.2%	425	\$29.45	\$30.35
2010	1,257,187	254,837	20.3%	8,986	\$34.80	\$31.13
2009	1,257,187	263,823	21.0%	(27,491)	\$37.24	\$32.84
2008	1,099,779	78,924	7.2%	11,713	\$37.11	\$35.73

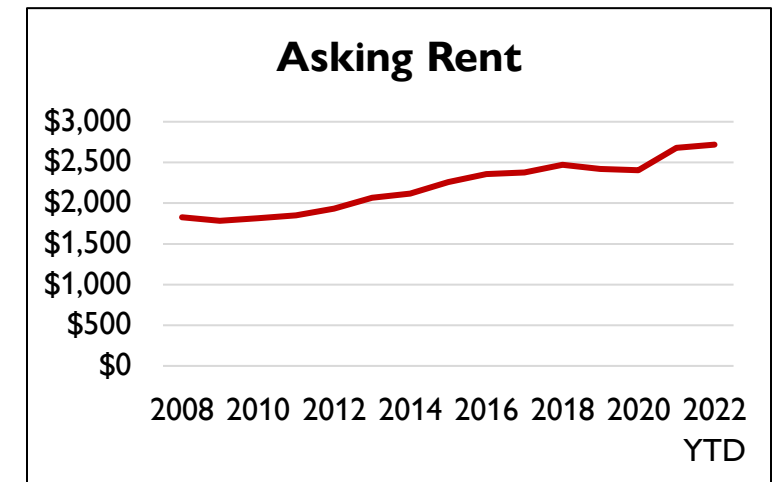
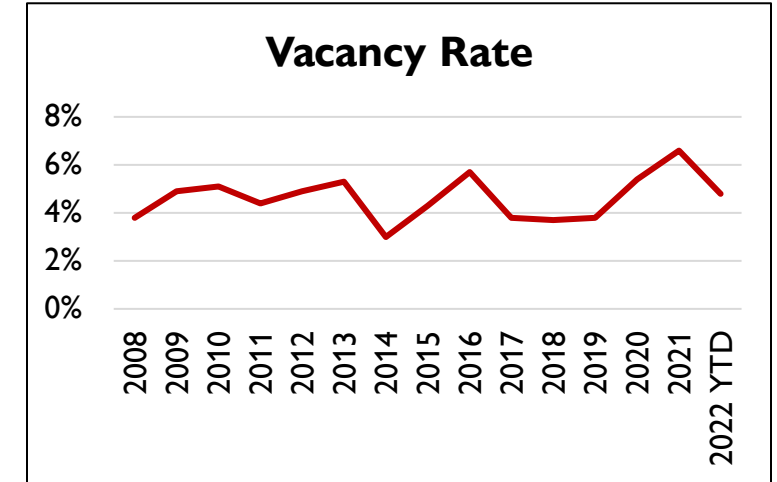


Note: Costar defines Full Service / Gross Rent as “a rental rate that includes normal building standard services which are provided and paid by the landlord,” and these rent figures are based on what is available on the market at any given point in time (and so are weighted by actual available SF). The “market” rent figures are modeled values representing an aggregated time series for all properties within a market.

ECONOMIC DEVELOPMENT STRATEGIC PLAN

DOWNTOWN APARTMENT MARKET DATA

Year	Inventory Units	Vacant Units	Vacancy Percent	Net Absorption (Units)	Asking Rent (Unit/Mo.)	Asking Rent (SF/Mo.)
2022 YTD	623	30	4.8%	11	\$2,718.00	\$3.82
2021	623	41	6.6%	32	\$2,681.00	\$3.77
2020	582	31	5.4%	(9)	\$2,406.00	\$3.38
2019	582	22	3.8%	-	\$2,419.00	\$3.40
2018	582	22	3.7%	-	\$2,470.00	\$3.47
2017	582	22	3.8%	19	\$2,376.00	\$3.34
2016	572	32	5.7%	(7)	\$2,357.00	\$3.31
2015	572	25	4.3%	(7)	\$2,257.00	\$3.17
2014	572	17	3.0%	13	\$2,116.00	\$2.97
2013	572	30	5.3%	(3)	\$2,066.00	\$2.90
2012	572	28	4.9%	(3)	\$1,933.00	\$2.71
2011	572	25	4.4%	5	\$1,851.00	\$2.60
2010	572	29	5.1%	(2)	\$1,813.00	\$2.54
2009	572	28	4.9%	(31)	\$1,785.00	\$2.50
2008	597	23	3.8%	(5)	\$1,827.00	\$2.56



Source: CoStar

Note: Costar defines Asking Rent as “average monthly amount the lessor is asking for in order to lease their building/space/land.” Analytic filters exclude senior / student / military / corporation / vacation housing / co-ops; limit search to buildings with 5+ units; and Market / Market Affordable rent types.

ECONOMIC DEVELOPMENT STRATEGIC PLAN

DOWNTOWN SALE COMPS

Address	Sale Date	Size	Sales Price	\$/PSF	Lot AC	Use
Retail						
1017 4th St	9/28/2022	2,292 SF	\$1,350,000	\$589	0.09	Class C Storefront, built 1925
899 Lincoln Ave	5/6/2022	11,957 SF	\$500,000	\$42	0.37	Class C Freestanding, built 1915
1007-1011 C St	4/22/2022	4,100 SF	\$1,275,000	\$311	0.11	Class C Storefront, built 1942
1430 4th St	2/3/2022	2,126 SF	\$1,500,000	\$706	0.22	Class C Storefront, built 1959
1444-1446 4th St	6/30/2021	5,280 SF	\$2,100,000	\$398	0.13	Class C Storefront, built 1920
Office						
1531 5th Ave	4/28/2022	2,062 SF	\$750,000	\$364	0.17	Class C medical office, built 1910
747 B St	1/31/2022	5,500 SF	\$1,700,000	\$309	0.34	Class C, St Vincent de Paul Society, built 1970
638 5th Ave	10/22/2021	2,382 SF	\$1,037,500	\$436	0.06	Class C, built 1910
813 D St	10/20/2021	1,600 SF	\$889,000	\$556	0.11	Class C, built 1882
1099 D St	8/30/2019	26,690 SF	\$11,000,000	\$412	0.54	The American Building, medical office, built 1981
Multifamily						
155 Andersen Dr	8/8/2022	91,195 SF / 126 units	\$58,600,000	\$643	1.73	One55 Lofts, Class B built in 2001
815 B St	11/16/2021	58,088 SF / 41 units	\$32,130,000	\$553	0.54	Class A built in 2021
5 F St	2/7/2021	4,329 SF / 8 units	\$2,550,000	\$589	0.14	Class C, built in 1961
1533 4th St	12/28/2018	6,792 SF / 5 units	\$3,640,000	\$536	0.17	Class C, storefront bar, built 1925

ECONOMIC DEVELOPMENT STRATEGIC PLAN

DOWNTOWN RECENT PROJECTS



815 B St (built 2021)

41 Units and retail on 0.5 AC lot

Rent: \$4,216 / mo (\$4.75 / sf)

AV: \$11,558,890 (\$282k / unit) (partial assessment)

Sold Nov 2021 for \$32.1m (\$784k / unit)



1700 4th St – G Square (built 2017)

10 Units and retail on 0.2 AC lot

Rent: \$3,868 / mo (\$3.71 / sf)

AV: \$6,395,731 (\$639.6k / unit)



1415 3rd St (built 2015)

10,652 SF Medical Office

Est Rent: \$31 - 38/fs
Comp: 1.5k SF Signed August 2015 for \$67.27

AV: \$13,906,303 (\$1,306k / unit)

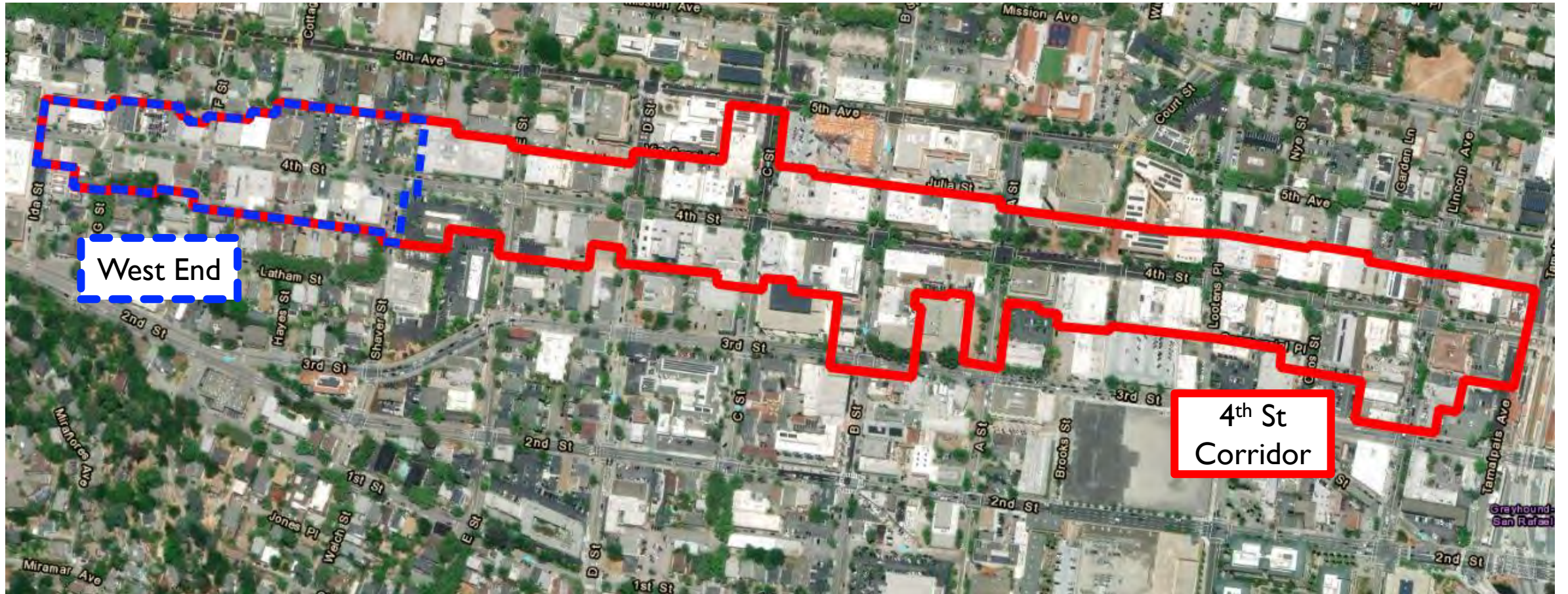
Sold Apr 2016 for \$12.97m (\$1,218 / SF)

MOBILE ANALYTICS - 4TH STREET CORRIDOR

PRELIMINARY PLACER.AI VISITOR DATA BACKGROUND & SUMMARY

- Kosmont conducted a preliminary, high-level analysis of visits to key areas of Downtown San Rafael using mobile visitor data provided by Placer.ai.
- An initial review of this data shows that the 4th Street Corridor area draw visitors from San Rafael and other nearby surrounding communities; visits to the 4th Street Corridor area are still generally below pre-COVID levels, with the West End area of 4th Street recovering at a slightly greater level.
- Kosmont also used Placer.ai data to collect information about visits to areas of 4th Street during the Friday Night Block Party events in summer 2022 that occurred in the West End area. The Placer.ai sample size of visitors during these key events is fairly small, presenting some challenges to generalizing results.
- This preliminary data shows that Fridays throughout the past year generally have a larger number of visits to the West End than average, and visits on Fridays tend to peak around 7pm, with ~27% of the day's visits occurring between 7-10pm. A modest percentage of Friday visitors to the West End either come from or go to a dining or leisure location before / after visiting the West End area, with popular locations being bars and restaurants in the downtown San Rafael area. Summer Fridays follow a similar pattern.

MAP OF DOWNTOWN SAN RAFAEL STUDY AREAS

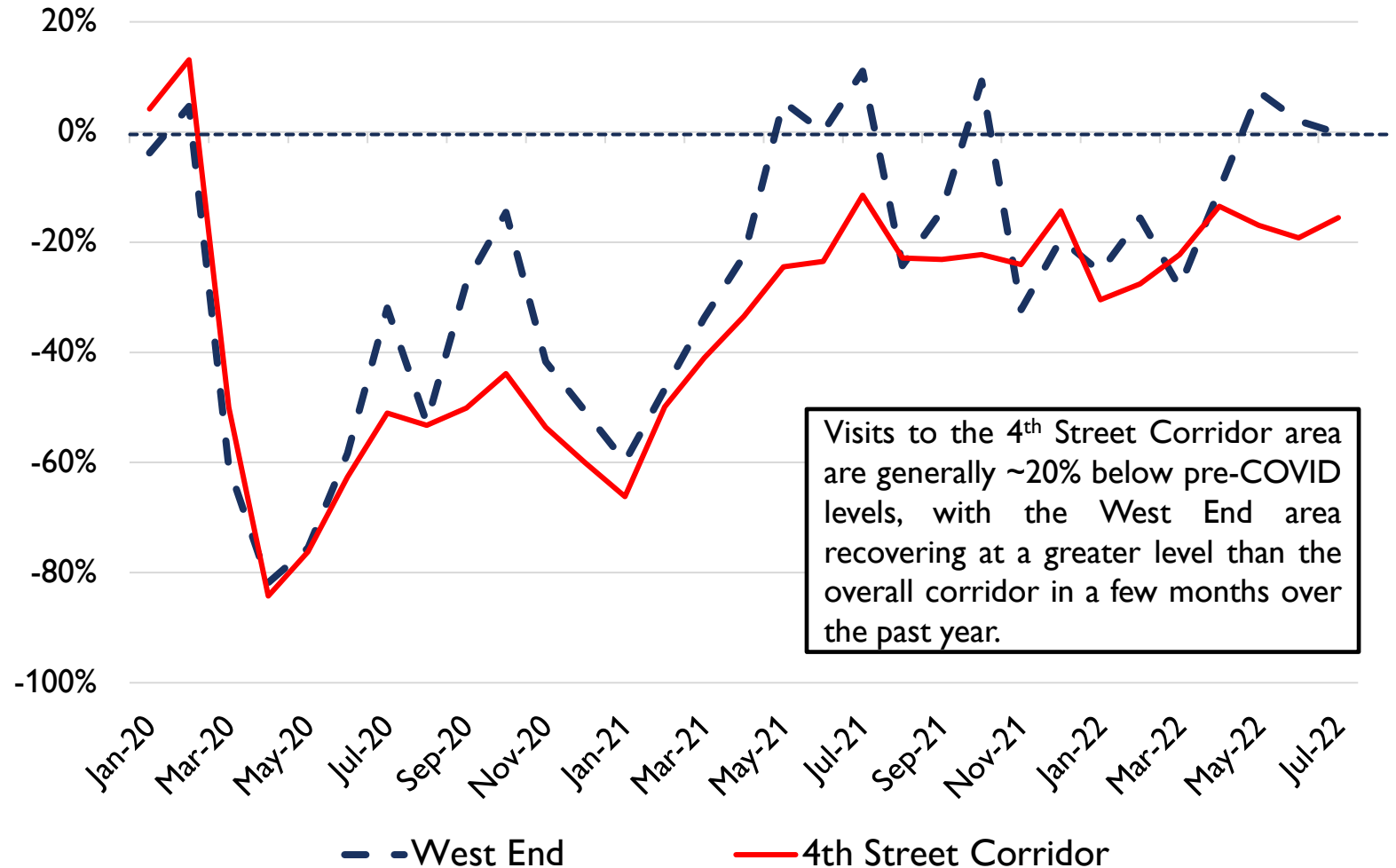


ECONOMIC DEVELOPMENT STRATEGIC PLAN

SAN RAFAEL AREA VISITOR PERFORMANCE SUMMARY

Visits: 8/21 – 7/22	4 th Street – West End	4 th Street Corridor
Est. Annual Visits	360,400	2,759,300
Median Weekly Visits	6,800	53,400
Visitor Avg. HH Income	\$154,000	\$148,000
Median Length of Visit	60 min.	58 min.
% of Visits: Home < 3 Miles	39.8%	42.2%

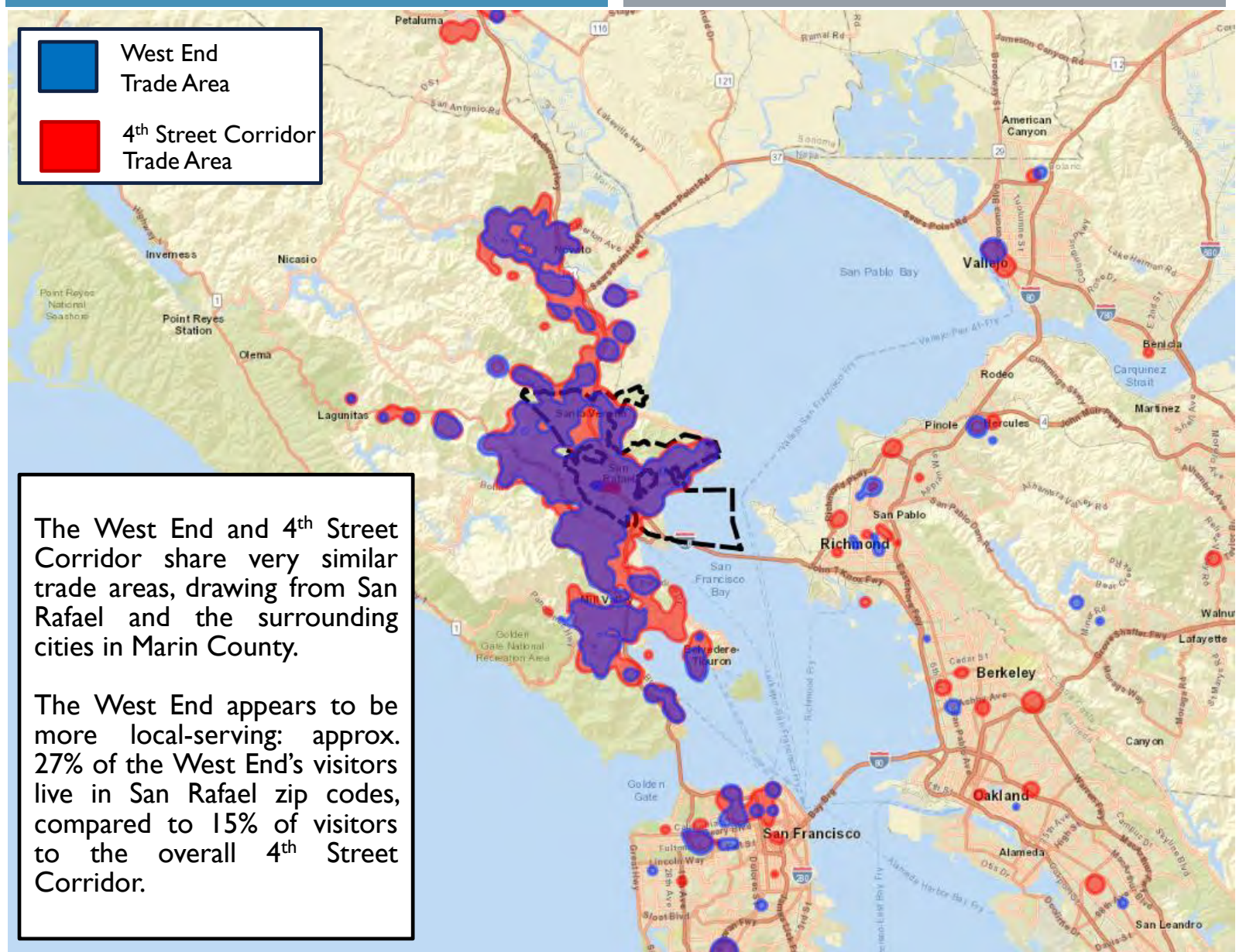
Monthly Visits Compared to Pre-COVID Baseline



ECONOMIC DEVELOPMENT STRATEGIC PLAN

SAN RAFAEL VISITOR TRADE AREAS

Trade Area Demographics	4 th Street – West End	4 th Street Corridor
Population	332,100	464,900
Millennial & Younger	48%	49%
Bach. Degree +	58%	58%
Avg. HH Income	\$166.2k	\$162.2k



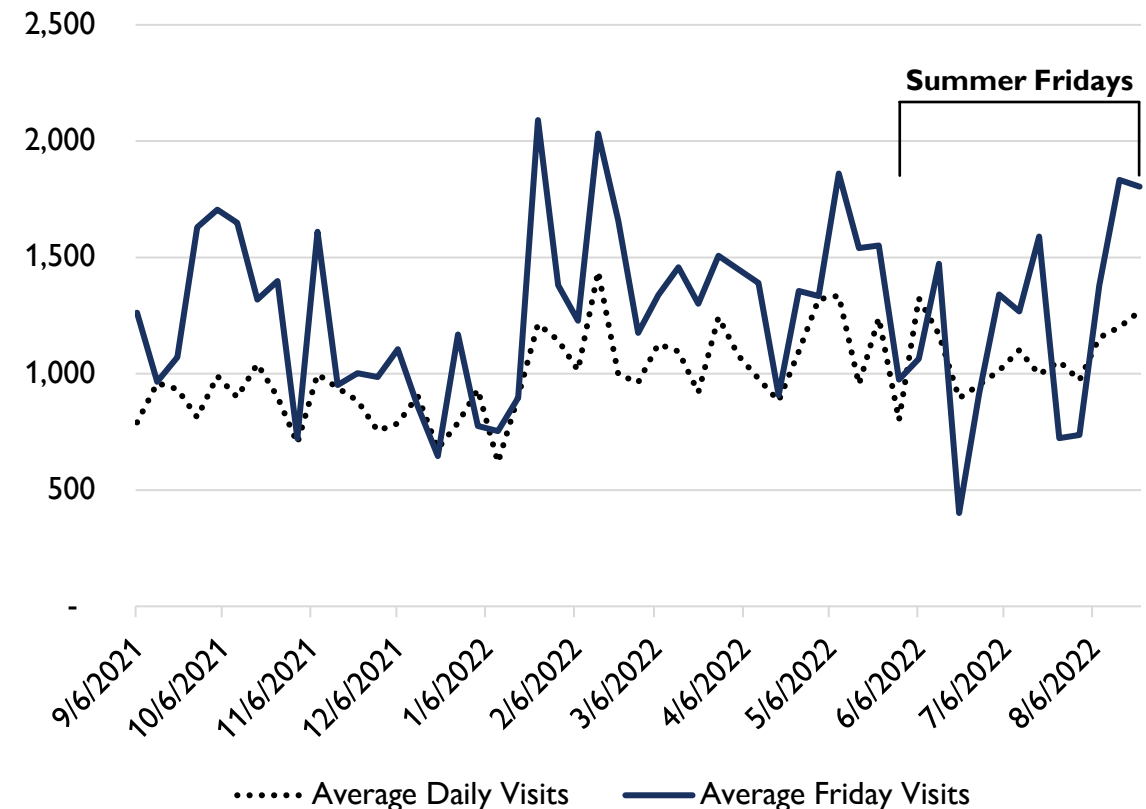
Sources:

Placer.ai, data for 8/21-7/22, 80% True Trade Area represents the home locations of the top 80% of visits to the Study Areas (Accessed August 2022)

WEST END 4TH STREET – FRIDAY BLOCK PARTIES EVENT ANALYSIS

- Kosmont pulled daily visit data for the West End and overall 4th Street Corridor areas for the past year, as well as data for Friday visits to the West End and Thursday visits to the 4th Street Corridor areas.
- It is important to note that the small Placer.ai sample size presents a challenge for individual day analysis – for example, Placer.ai has a sample size of 210 visits for all of the Friday visitors to the West End area between May 26th and August 29th, 2022 (or ~15 visits per day), making it difficult to draw strong, generalizable findings about event performance.

4th Street West End Daily Visitors, 9/21 – 8/22



WEST END 4TH STREET – FRIDAY BLOCK PARTIES PLACER.AI VISIT DATA

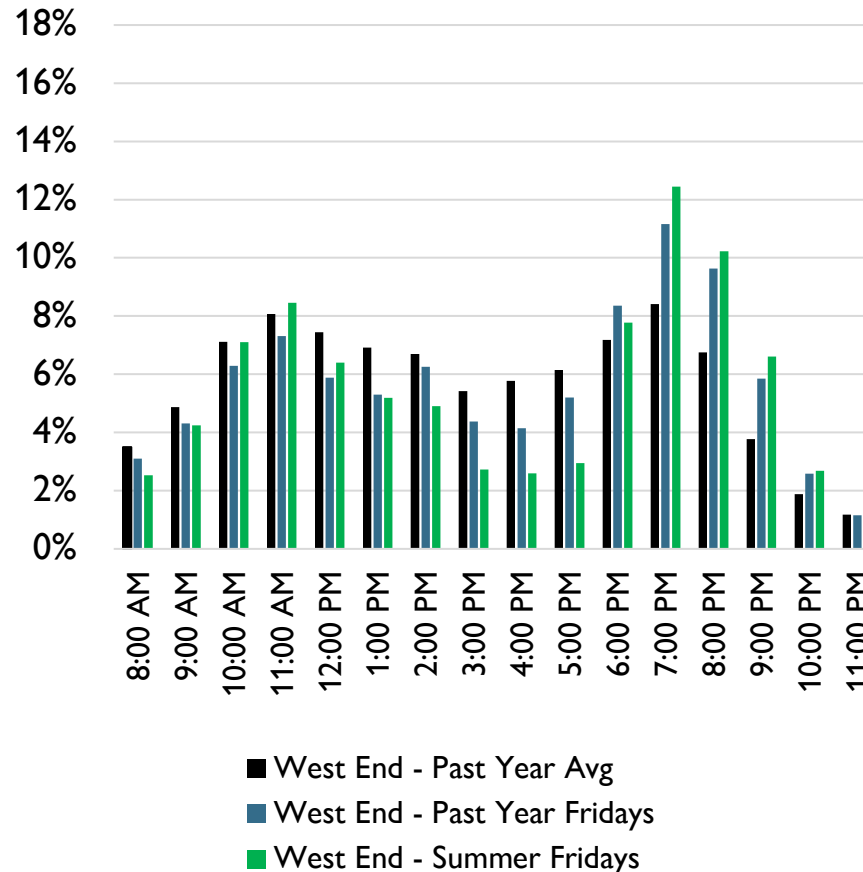
Time of Day analysis shows that visits to the West End area tend to peak around lunchtime, and peak again around 7pm.

Fridays tend to have a larger number of visitors, with a greater percentage of visits occurring between 7-10pm (27%).

The summer Fridays have a similar pattern, with a slightly higher percentage of visitors coming between 7-10pm (29%).

A modest percentage of Friday visitors to the West End either come from or go to a dining or leisure location before / after visiting the West End area, with popular locations being bars and restaurants in the downtown San Rafael area.

Percentage of Visits by Time of Day



	West End Area Past Year Overall	West End Area Past Year Fridays	West End Area Since 5/26 Fridays
Est. Daily Visits	1,000	1,270	1,190
Median Length of Stay	59 min	63 min	58 min
% of Visits: Home < 3 Miles Away	39%	40%	38%
Visitor Avg. HH Income	\$154k	\$147k	\$145k
Prior / Post Location: Dining & Leisure	~14%	~15%	~18%

CANAL AREA

CANAL AREA OVERVIEW

- The Canal Area serves as an economic engine for the City and Marin County, home to retailers / auto dealerships, construction / industrial spaces, and a large workforce population that provides the employment backbone for the region.
 - Retail: Represents 32% of citywide, Auto dealerships and big box retailers are major drivers, with low vacancy.
 - Office: Represents 15% of citywide, small local-serving office buildings as well as larger office / flex / R&D complexes (such as Bayview Landing)
 - Multifamily: Represents 24% of citywide, clustered along San Rafael Creek, primarily in structures built before 1975; ~2% vacancy
 - Industrial / Flex: Represents 77% of citywide, service / warehouse properties, as well as Flex / R&D / Light Distribution / Light Manufacturing properties.

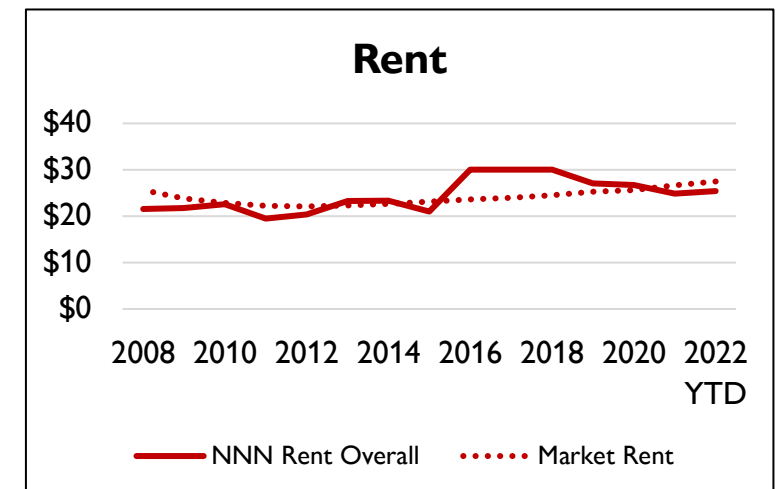
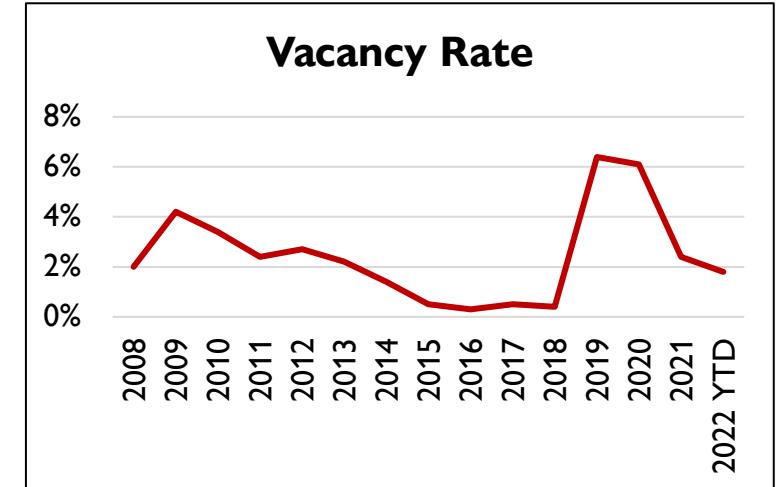
CANAL AERIAL



ECONOMIC DEVELOPMENT STRATEGIC PLAN

CANAL MARKET DATA RETAIL

Year	Inventory SF	Vacant SF Total	Vacant Percent % Total	Net Absorption SF Total	NNN Rent Overall	Market Rent
2022 YTD	1,632,293	28,718	1.8%	9,986	\$25.37	\$27.49
2021	1,632,293	38,704	2.4%	60,791	\$24.84	\$26.61
2020	1,632,293	99,495	6.1%	4,515	\$26.71	\$25.61
2019	1,632,293	104,010	6.4%	(97,313)	\$27.04	\$25.28
2018	1,632,293	6,697	0.4%	991	\$30.00	\$24.52
2017	1,632,293	7,688	0.5%	(2,888)	\$30.00	\$23.94
2016	1,632,293	4,800	0.3%	4,125	\$30.00	\$23.60
2015	1,632,293	8,925	0.5%	13,284	\$21.00	\$23.12
2014	1,632,293	22,209	1.4%	13,122	\$23.35	\$22.66
2013	1,632,293	35,331	2.2%	8,476	\$23.24	\$22.31
2012	1,632,293	43,807	2.7%	(5,447)	\$20.38	\$22.10
2011	1,632,293	38,360	2.4%	16,778	\$19.47	\$22.22
2010	1,632,293	55,138	3.4%	14,106	\$22.55	\$22.87
2009	1,632,293	69,244	4.2%	(36,198)	\$21.74	\$23.79
2008	1,632,293	33,046	2.0%	9,401	\$21.52	\$25.57
2007	1,632,293	42,447	2.6%	20,788	\$15.51	\$26.00

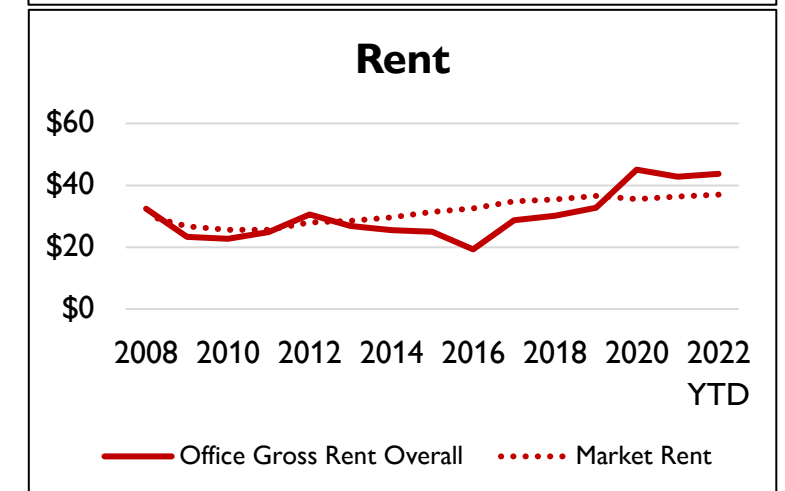
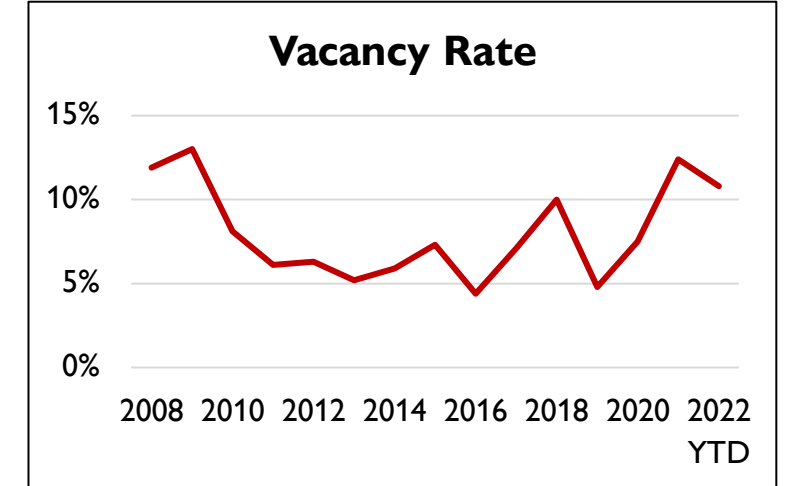


Source: CoStar; CoStar defines Triple Net (NNN) as “a lease where the tenant is responsible for all expenses associated with their proportional share of occupancy of the building, except long-lived structural components and management charges,” and these rent figures are based on what is available on the market at any given point in time (and so are weighted by actual available SF). The “market” rent figures are modeled values representing an aggregated time series for all properties within a market.

ECONOMIC DEVELOPMENT STRATEGIC PLAN

CANAL MARKET DATA OFFICE

Year	Inventory SF	Vacant SF Total	Vacant Percent % Total	Net Absorption SF Total	Gross Rent Overall	Market Rent
2022 YTD	850,854	92,114	10.8%	13,295	\$43.79	\$37.03
2021	850,854	105,409	12.4%	(41,512)	\$42.84	\$36.37
2020	850,854	63,897	7.5%	(22,789)	\$45.08	\$35.57
2019	850,854	41,108	4.8%	44,229	\$32.77	\$36.57
2018	850,854	85,337	10.0%	(24,545)	\$30.15	\$35.46
2017	850,854	60,792	7.1%	(23,576)	\$28.79	\$34.87
2016	850,854	37,216	4.4%	25,005	\$19.36	\$32.53
2015	850,854	62,221	7.3%	(11,906)	\$25.03	\$31.40
2014	850,854	50,315	5.9%	(6,415)	\$25.55	\$29.64
2013	850,854	43,900	5.2%	9,412	\$26.92	\$28.53
2012	850,854	53,312	6.3%	(1,490)	\$30.64	\$28.01
2011	850,854	51,822	6.1%	17,469	\$24.94	\$25.65
2010	850,854	69,291	8.1%	41,368	\$22.71	\$25.62
2009	850,854	110,659	13.0%	(9,603)	\$23.35	\$26.79
2008	850,854	101,056	11.9%	129,965	\$32.52	\$30.25
2007	708,445	88,612	12.5%	(4,121)	\$32.20	\$29.39

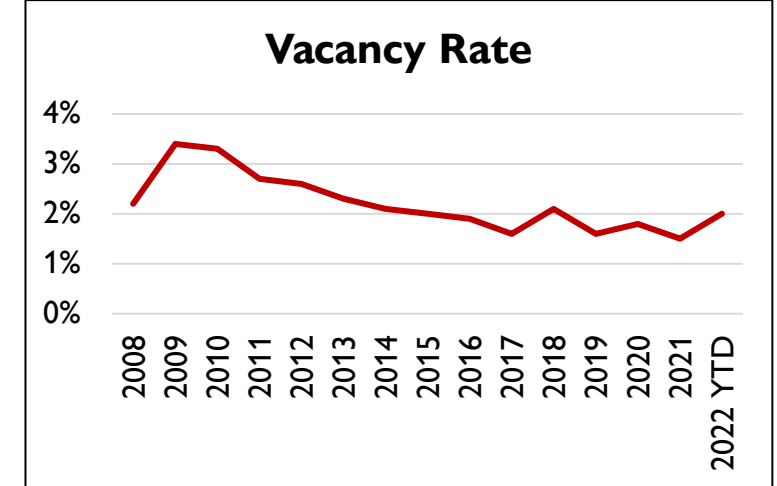


Note: Costar defines Full Service / Gross Rent as “a rental rate that includes normal building standard services which are provided and paid by the landlord,” and these rent figures are based on what is available on the market at any given point in time (and so are weighted by actual available SF). The “market” rent figures are modeled values representing an aggregated time series for all properties within a market.

ECONOMIC DEVELOPMENT STRATEGIC PLAN

CANAL MARKET DATA MULTIFAMILY

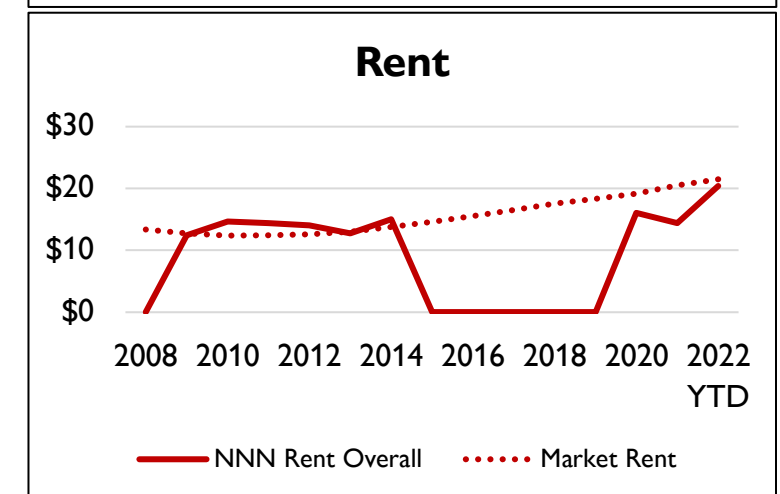
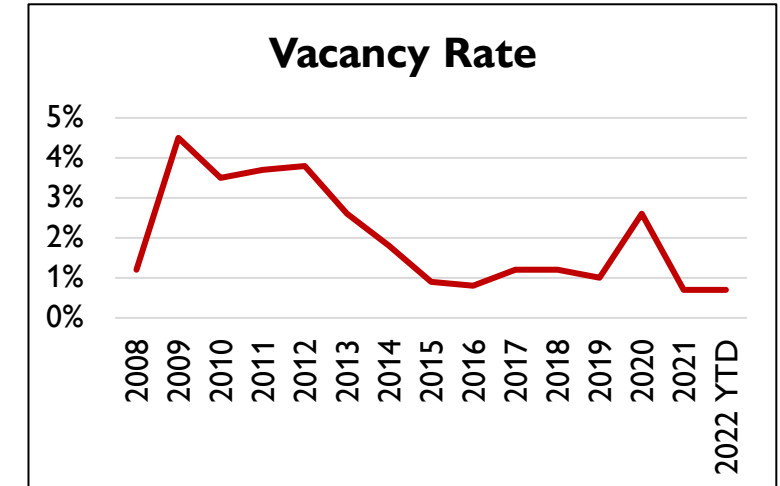
Year	Inventory Units	Vacant Units	Vacancy Percent	Net Absorption (Units)	Asking Rent (Unit/Mo.)	Asking Rent (SF/Mo.)
2022 YTD	1,482	30	2.0%	(8)	\$1,942.00	\$2.44
2021	1,482	22	1.5%	5	\$1,921.00	\$2.41
2020	1,482	27	1.8%	(2)	\$1,909.00	\$2.40
2019	1,482	24	1.6%	6	\$1,886.00	\$2.37
2018	1,482	31	2.1%	(6)	\$1,831.00	\$2.29
2017	1,482	24	1.6%	4	\$1,767.00	\$2.21
2016	1,482	29	1.9%	2	\$1,720.00	\$2.15
2015	1,482	30	2.0%	2	\$1,611.00	\$2.00
2014	1,482	32	2.1%	2	\$1,533.00	\$1.90
2013	1,482	33	2.3%	4	\$1,489.00	\$1.85
2012	1,482	38	2.6%	2	\$1,434.00	\$1.78
2011	1,482	39	2.7%	10	\$1,395.00	\$1.73
2010	1,482	49	3.3%	2	\$1,382.00	\$1.71
2009	1,482	50	3.4%	(17)	\$1,376.00	\$1.71
2008	1,482	33	2.2%	(6)	\$1,390.00	\$1.72
2007	1,482	27	1.8%	5	\$1,379.00	\$1.71



ECONOMIC DEVELOPMENT STRATEGIC PLAN

CANAL MARKET DATA INDUSTRIAL

Year	Inventory SF	Vacant SF Total	Vacant Percent % Total	Net Absorption SF Total	NNN Rent Overall	Market Rent
2022 YTD	2,801,472	20,897	0.7%	(1,232)	\$20.40	\$21.46
2021	2,801,472	19,665	0.7%	53,521	\$14.40	\$20.47
2020	2,801,472	73,186	2.6%	(46,200)	\$16.04	\$19.14
2019	2,801,472	26,986	1.0%	6,936		\$18.34
2018	2,801,472	33,922	1.2%	(44)		\$17.53
2017	2,801,472	33,878	1.2%	(11,967)		\$16.52
2016	2,801,472	21,911	0.8%	2,746		\$15.52
2015	2,801,472	24,657	0.9%	24,985		\$14.60
2014	2,801,472	49,642	1.8%	23,900	\$15.00	\$13.75
2013	2,801,472	73,542	2.6%	31,523	\$12.74	\$12.99
2012	2,801,472	105,065	3.8%	(786)	\$14.00	\$12.55
2011	2,801,472	104,279	3.7%	(6,740)	\$14.40	\$12.40
2010	2,801,472	97,539	3.5%	36,056	\$14.65	\$12.38
2009	2,793,147	125,270	4.5%	(91,320)	\$12.44	\$12.71
2008	2,793,147	33,950	1.2%	45,778		\$13.37
2007	2,793,147	79,728	2.9%	27,557	\$13.80	\$13.40

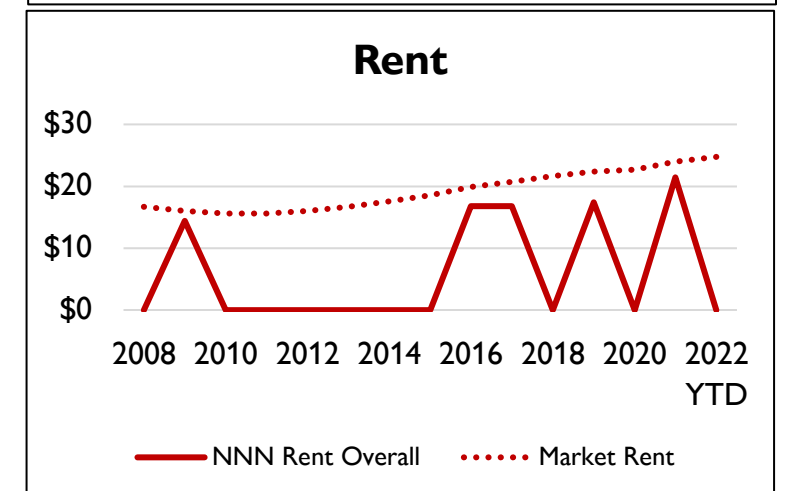
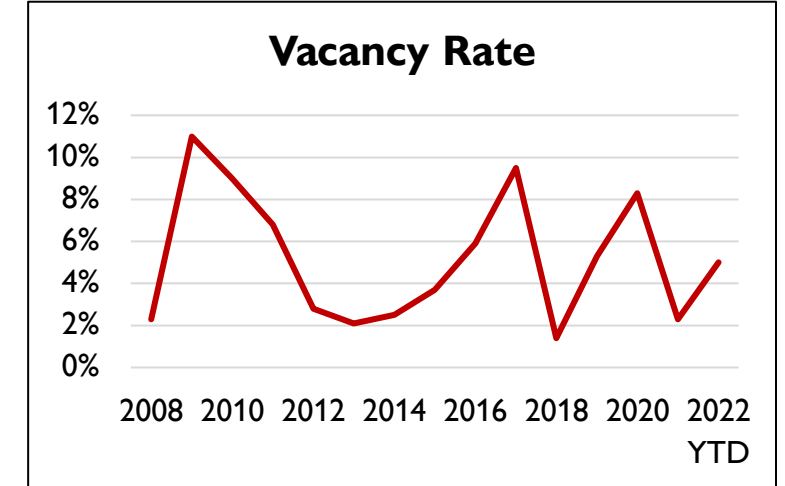


Source: CoStar; CoStar defines Triple Net (NNN) as “a lease where the tenant is responsible for all expenses associated with their proportional share of occupancy of the building, except long-lived structural components and management charges,” and these rent figures are based on what is available on the market at any given point in time (and so are weighted by actual available SF). The “market” rent figures are modeled values representing an aggregated time series for all properties within a market.

ECONOMIC DEVELOPMENT STRATEGIC PLAN

CANAL MARKET DATA FLEX

Year	Inventory SF	Vacant SF Total	Vacant Percent % Total	Net Absorption SF Total	NNN Rent Overall	Market Rent
2022 YTD	515,775	25,636	5.0%	(13,951) -		\$24.76
2021	515,775	11,685	2.3%	30,899	\$21.48	\$23.98
2020	515,775	42,584	8.3%	(15,344) -		\$22.71
2019	515,775	27,240	5.3%	(19,834)	\$17.40	\$22.37
2018	515,775	7,406	1.4%	41,774 -		\$21.68
2017	515,775	49,180	9.5%	(18,636)	\$16.80	\$20.75
2016	515,775	30,544	5.9%	(11,603)	\$16.80	\$19.92
2015	515,775	18,941	3.7%	(6,266) -		\$18.57
2014	515,775	12,675	2.5%	(1,687) -		\$17.58
2013	515,775	10,988	2.1%	3,508 -		\$16.72
2012	515,775	14,496	2.8%	20,562 -		\$16.02
2011	515,775	35,058	6.8%	11,466 -		\$15.63
2010	515,775	46,524	9.0%	10,250 -		\$15.60
2009	515,775	56,774	11.0%	(44,861)	\$14.40	\$16.03
2008	515,775	11,913	2.3%	15,104 -		\$16.71
2007	515,775	27,017	5.2%	33,672 -		\$17.02



Source: CoStar; CoStar defines Triple Net (NNN) as “a lease where the tenant is responsible for all expenses associated with their proportional share of occupancy of the building, except long-lived structural components and management charges,” and these rent figures are based on what is available on the market at any given point in time (and so are weighted by actual available SF). The “market” rent figures are modeled values representing an aggregated time series for all properties within a market.

ECONOMIC DEVELOPMENT STRATEGIC PLAN

CANAL SALE COMPS

Address	Sale Date	Size SF	Sales Price	\$/PSF	Lot AC	Use / Notes
Retail / Specialty						
540 W Francisco Blvd	1/3/2022	21,688	\$33,781,711	\$1,557.62	3.68	Auto Dealership; Portfolio sale
24 Bellam Blvd	10/19/2022	22,230	\$6,519,000	\$293.25	0.87	Self Storage, built 1960
990-1010 Andersen Dr	5/27/2022	72,249	\$24,000,000	\$332.18	3.29	Self Storage
Industrial						
1945 E Francisco Blvd	8/25/2022	965	\$510,000	\$528.50		Rafael Business Center, service, 1980
1945 E Francisco Blvd	4/8/2022	990	\$1,100,000	\$1,111.11		Rafael Business Center
1101-1105 E Francisco Blvd	2/7/2022	16,254	\$5,400,000	\$332.23		Warehouse, built 1971
3125 Kerner Blvd	2/1/2022	6,538	\$2,150,000	\$328.85		Warehouse, built 1978
Multifamily						
3737 Kerner Blvd	8/11/2022	6,596 SF / 5 Units	\$2,225,000	\$337.33		Apartments, built 1979
400 Canal St	7/22/2022	100,391 SF / 99 Units	\$32,250,000	\$321.24		Apartments, built 1963
90 Louise St	7/20/2022	4,700 SF / 7 Units	\$1,300,000	\$276.60		Apartments, built 1960
355 Canal St	1/28/2022	32,664 SF / 42 Units	\$14,650,000	\$448.51		Westwind Apartments, built 1962

ECONOMIC DEVELOPMENT STRATEGIC PLAN

CANAL LEASE COMPS

Address	Sign Date	Space	SF	Rent	Rent Type
Retail					
869 W Francisco Blvd	Oct 2022	1 st Floor, Graham Center	20,838	\$22.80	NNN Asking
815-825 W Francisco Blvd	Aug 2022	1 st Floor, Graham Center	3,200	\$23.40	MG Starting
1121 E Francisco Blvd	Dec 2021	1 st Floor, freestanding	4,230	\$19.80	MG Asking
Office					
41 Simms St	May 2022	1 st Floor	1,210	\$19.80	MG Asking
101 Glacier Point Rd	July 2022	2 nd Floor, Bay View Bus. Park	16,873	\$23.40	NNN Asking
2173 E Francisco Blvd	Feb 2022	1 st Floor, Bay Park Office. Compl.	430	\$31.80	MG Asking
Industrial					
987-999 Francisco Blvd	Oct 2022	Showroom built 1978	4,465	\$22.20	IG Asking
47 Louise St	Oct 2022	Warehouse, built 1968 renov 2005	6,050	\$20.40	NNN Asking
24 Woodland Ave	May 2022	Service, tenant is Velazquez Title, Inc.	4,900	\$18.00	IG Asking
1925 E Francisco Blvd	Mar 2022	Light manufacturing, built 1981	1,342	\$24.00	MG Asking
3095 Kerner Blvd	Jan 2022	Warehouse, built 1976	1,200	\$21.60	IG Asking

ECONOMIC DEVELOPMENT STRATEGIC PLAN



E. REVIEW OF KEY PLANS / STUDIES

San Rafael Economic Development Strategic Plan

CITY PLANNING STUDIES

Kosmont has reviewed several key planning studies from the City:

Downtown Parking Study – July 2017

The study found that Downtown has more than enough parking (7,800 spaces) to meet peak demand (5,000 spaces). The only threat to parking sufficiency occurs if most surface parking lot are developed with no new parking spaces.

Downtown Precise Plan – August 2021

The Precise Plan is result of extensive two-year planning effort for a vision and roadmap to increase housing production, improve walkability and transportation utilization and advance resiliency to climate change. It has a strong emphasis on creating neighborhoods in Downtown by protecting its historic character and local businesses, while inviting new mixed-use development that helps economic vitality

Climate Action Plans (CAP)

The City has a rich history of environmental protection with first CAP adopted in 2009. The 2020 plan adopted more stringent GHG reduction than the State target with six areas of focus including 100% renewable energy, energy conservation, low carbon transit, increased building energy efficiency, food waste reuse, green building codes.

DOWNTOWN PRECISE PLAN **GOALS, GUIDING PRINCIPLES, AND VISION**

The goal of the precise plan is to transform downtown into a “vibrant, mixed-use destination with a strong sense of place and history, and one that provides varied and rich experiences for visitors and residents alike.” The Precise Plan takes a detailed look at the downtown area, assessing existing conditions and establishing goals, principles, and a vision for the Downtown area.

Challenges & Opportunities

Challenges

1. Limited infill opportunities and inhibited housing diversity as a result of development constraints,
2. Inadequate active transportation facilities and barriers to connectivity,
3. Unclear historic status of many older downtown properties,
4. Potential impact of climate change and sea-level rise in parts of downtown,
5. Evolving retail trends potentially impacting downtown,
6. Rising homeless and displacement.

Opportunities

1. Downtown’s identity as a central location / established regional center with diverse jobs & strong economic base,
2. Unique cultural legacy of the authentic walkable, historic downtown along with a mild climate and access to nature
3. Downtown is a major transportation hub with great potential for mixed-use development.

Design Principles & Guiding Policies

1. Strengthen Downtown's identity and sense of arrival by focusing development at key nodes and gateways;
2. Coordinate placemaking improvements to make Downtown interesting, safe, and inviting for everyone;
3. Provide a safe, well-connected transportation network for all modes, supported by a progressive parking strategy;
4. Establish a network of attractive and welcoming streets and civic spaces
5. Enable mixed-use development in Downtown to increase housing, strengthen local businesses, and diversify the economy
6. Reinforce downtown’s eclectic character with historic preservation and new context-sensitive development.”
7. Develop growth and adaptation strategies to increase Downtown’s resilience to climate change
8. Promote housing access to all income levels and establish strategies to prevent homelessness, gentrification, and displacement

Design Vision

1. Compact, mixed-use development on infill sites including a variety of building types;
2. Focused development at the Downtown gateways from the east, west and the SMART station to create a sense of arrival;
3. New development is compatible in scale and form with the existing built fabric;
4. Development on larger sites (typically achieved through lot consolidation) is composed of well-scaled buildings, not large, monolithic structures, to create appropriate height and form transitions to the existing built fabric; and
5. A cohesive network of bicycle and pedestrian-priority streets link key destinations and open spaces, enhancing the public realm

DOWNTOWN PRECISE PLAN APPROACH AND KEY AREAS

The Precise Plan aims to set clear development standards that can create a more cohesive downtown environment and streamline the review and development process for prospective developers.

The Plan takes a Form Based Approach which focuses on the form of the building and its relationship to the adjacent street / civic space, rather than the specific use of the space. – providing flexibility to allow a wide variety of activities and mixed uses that are inherent to a downtown area.

The plan also takes a multimodal approach to transportation, supporting all modes (walking, biking, driving, transit, micro-mobility) and a layered network approach that aims for a “complete streets” road experience and “park once” strategy to encourage parking at off-street facilities and walking through downtown.

Downtown Subareas		Residential	Commercial
Downtown Gateway	Regional transportation hub, plans for mixed-use development, amenities, civic space. Entrance to downtown, provide housing and employment in transit-rich area, draw visitors and residents into downtown	830 Units 1,410 pop. (830,000 SF)	640 Jobs (210,000 SF)
Downtown Core	Heart of retail, dining, culture, and entertainment. Plans for active / growing regional retail and cultural center, mixed use developments, public realm / streetscape improvements to support businesses / enliven area / improve safety / multimodal transportation	620 units 1,050 pop. (620,000 SF)	1,040 Jobs (373,000 SF)
West End Village	Residential and historic character, plans to maintain this feeling and provide expanded variety of housing types	360 Units 610 pop. (360,000 SF)	200 Jobs (70,000 SF)
Montecito Commercial	High concentration of pedestrians / cyclists, plans to be a vibrant residential neighborhood with connection to downtown, canal, and waterfront, incremental infill with mixed-use buildings	390 Units 670 pop. (390,000 SF)	140 Jobs (45,000 SF)

DOWNTOWN PRECISE PLAN IMPLEMENTATION

Goal: Increase employment opportunities, solidify reputation as regional economic center, and maintain downtown culture and character.

The Precise plan strives for implementation flexibility to allow for new innovative solutions, strategies, and development opportunities. The plan facilitates incremental infill to blend growth with existing fabric. “Placemaking” is emphasized to prioritize key improvements to stimulate private investment. “Tactical urbanism” is encouraged to provide short-term, low-cost improvements to test design concepts and build community support. Finally, the plan aims to promote local businesses and institutions via placemaking and preventing displacement to protect uniqueness and authentic character.

<p>Support existing businesses and attract new businesses to downtown</p>	<p>Promote a business-friendly environment, monitor / update development standards, offer businesses technical assistance and information, enhance social media presence.</p>
<p>Maintain / enhance downtown’s fiscal vitality</p>	<p>Monitor leasing activity and support tenant recruitment and permitting, identify joint business support and promotion (small business training and area-wide joint advertising), support local maker and craft businesses, support existing and new co-working spaces, retain existing retailers, etc.</p>
<p>Support new infill and transit-oriented development</p>	<p>Encourage parcel assembly through height bonuses, consider setting a minimum parcel or development size, offer a wide range of affordable and market rate housing, preserve downtown’s historic resources, strengthen ties to SMART station and east and west sides of downtown across US-101, explore partnerships with local health care providers and major employers</p>
<p>Strengthen downtown as a community and regional destination</p>	<p>Build upon the California Arts and Cultural District, establish downtown as the lifestyle and entertainment center of San Rafael, provide high quality public services and amenities; enhance downtown’s reputation in travel, restaurant, and event guides online and in printed media; and encourage public art as a placemaking strategy through incentivizing private developers to sponsor the art.</p>

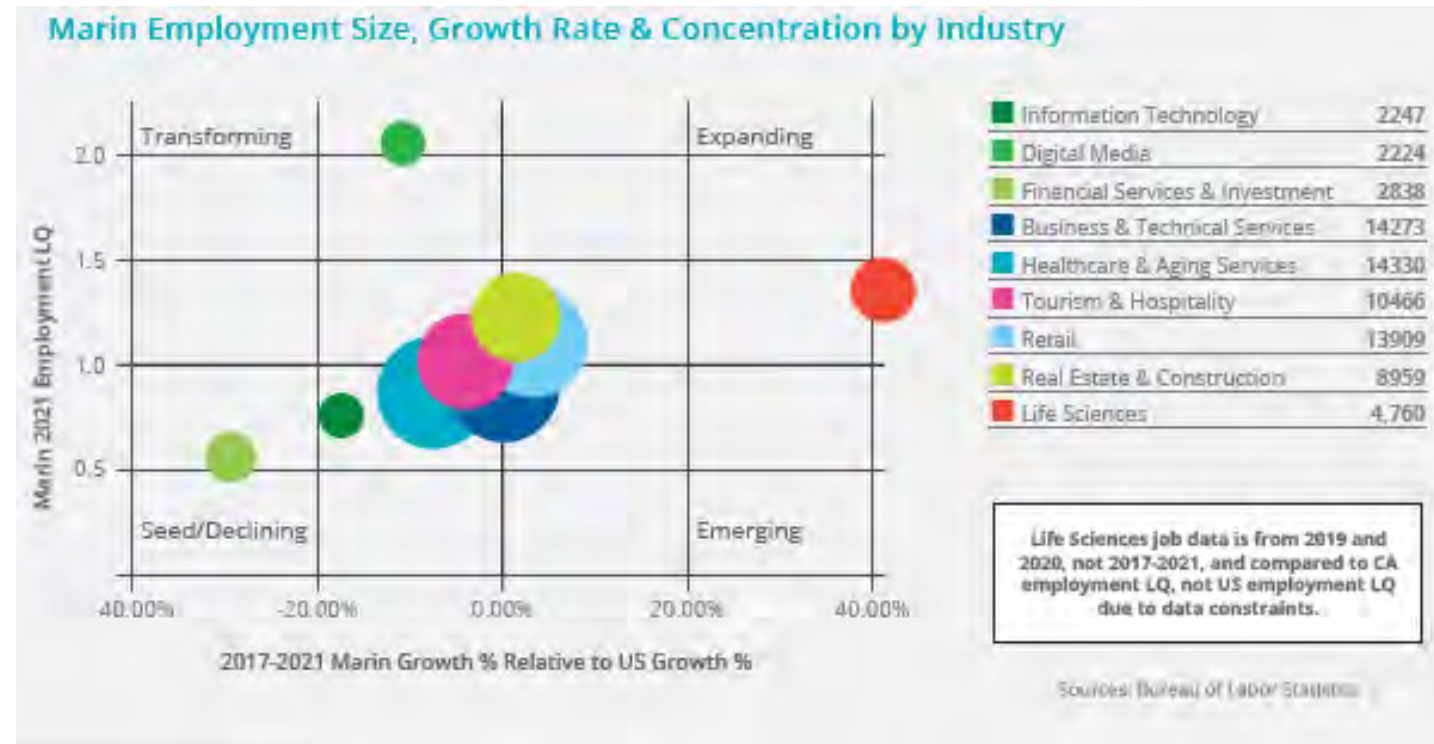
MARIN COUNTY ECONOMIC VITALITY STRATEGIC PLAN

In August 2022, Marin County, with participation by San Rafael officials, adopted an Economic Vitality Strategic Plan with numerous strategies that San Rafael and other communities could try to implement. Key strategies are listed below:

- Increase tourism
- Encourage entrepreneurship
- Support enterprise formation
- Support access to capital
- Cities should work together on common objectives
- Provide warehouse/workspace for new business growth
- Provide low-cost high-speed internet to facilitate work from home and entrepreneurs
- Provide reliable transit
- Attract State and Federal grant funds for Economic Development and climate action plan
- Identify and attract high growth/value industries

MARIN COUNTY ECONOMIC VITALITY STRATEGIC PLAN

- The EVSP provides an assessment of Marin County's industries based on size, growth, and specialization:
 - Expanding (Strongest): Life Sciences leads, with Retail and Real Estate just barely expanding
 - Transforming (Specialization): Digital Media, Tourism / Hospitality, Healthcare / Aging Services
 - Emerging (Demand Driven): Business & Technical Services
 - Declining (Weak): Financial Services / Investment, Information Technology
- Compared to other Bay Area counties, Marin's Life Sciences / Biotech industry is small / specialized / growing quickly, and the Tourism / Hospitality industry is also expanding – suggesting that these areas offer key opportunities for future growth.



MARIN ECONOMIC FORUM BUSINESS RETENTION & EXPANSION PROJECT

- The Marin Economic Forum collected input from businesses regarding challenges and opportunities for operating a business in Marin County. The purpose of the project is to develop solutions and programs that can assist with business retention and expansion. The Phase 1 Report summarizes the information gathered during the data collection and business outreach efforts.
- The report notes that the Marin economy is strong and has experienced significant economic growth over the past 15 years, but faces challenges in five key areas: workforce, transportation / mobility, regulatory environment, built environment / infrastructure, and business ecosystem.

ECONOMIC DEVELOPMENT STRATEGIC PLAN



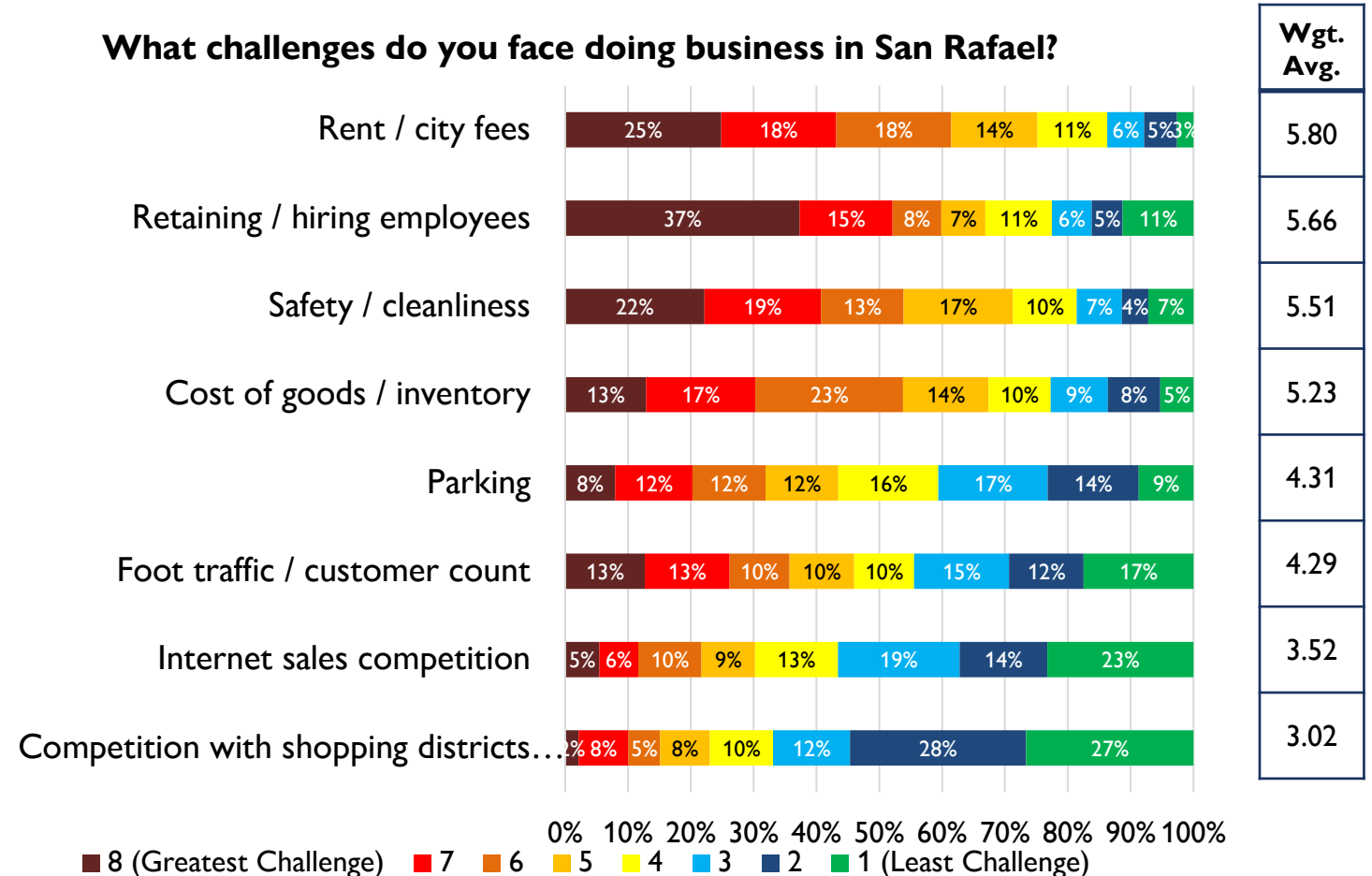
F. STAKEHOLDER OUTREACH & COMMUNITY / BUSINESS SURVEY SUMMARY

San Rafael Economic Development Strategic Plan

BUSINESS SURVEY OVERVIEW

- The online business survey conducted in December 2022 provided feedback from businesses to help plan for San Rafael's future. 228 surveys were submitted; ~29% were from members of the San Rafael Chamber of Commerce, and ~15% of responses were from members of the San Rafael Downtown Business Improvement District.
- Results show that the top challenges facing businesses in San Rafael includes High Rent / City Fees, Retaining / Hiring Employees, Safety / Cleanliness.

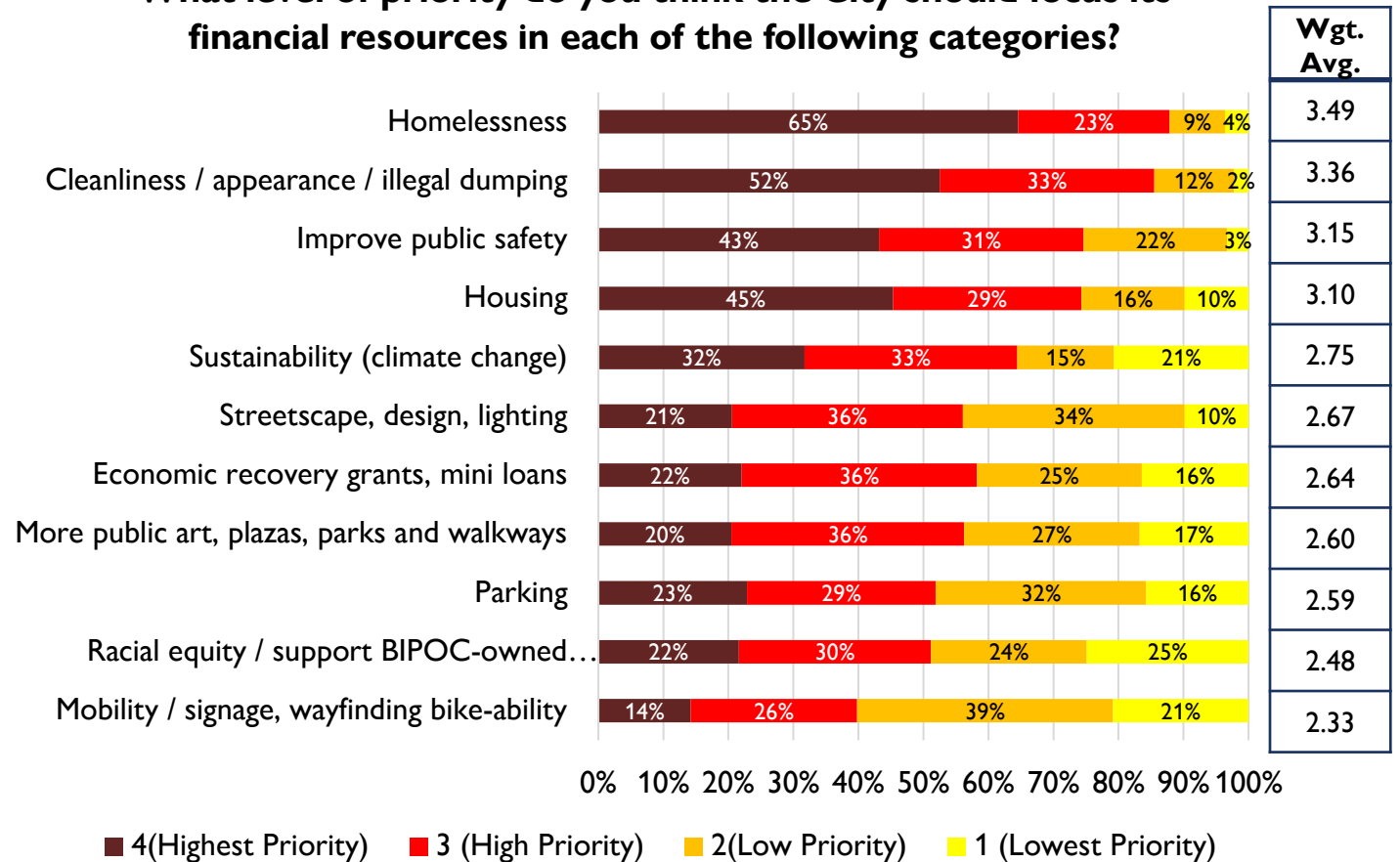
What challenges do you face doing business in San Rafael?



BUSINESS SURVEY OVERVIEW

- The top City priorities identified in the business survey include Homelessness, Cleanliness / Appearance / Illegal Dumping, Improving Public Safety, Housing, and Sustainability / Climate Change.
- Businesses were also asked to what extent they would support two ideas to fund BID operations / provide resources to the business community:
 - Increase transient occupancy taxes on overnight hotel stays (current rate is 12%) – supported by 52% of survey respondents
 - Increase parking fees (street meters and parking structure) – supported by 25% of survey respondents

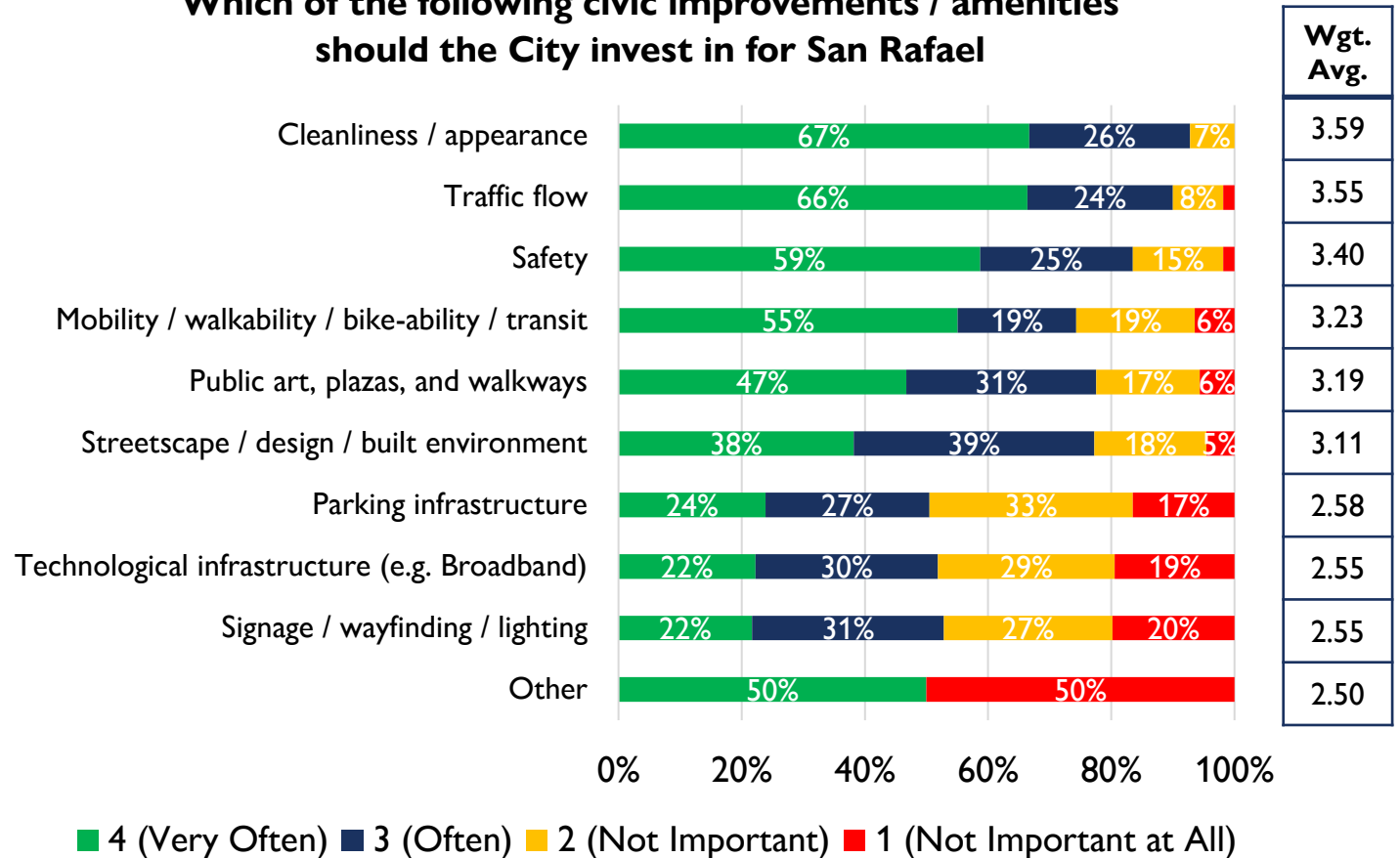
What level of priority do you think the City should focus its financial resources in each of the following categories?



COMMUNITY SURVEY OVERVIEW

- An online community survey was conducted in December 2022 providing feedback from residents to help plan for San Rafael's future. 112 surveys were submitted, with around ~94% of responses coming from San Rafael residents. 60% live in Council District 2, 53% of respondents have lived in San Rafael for over 20 years, and 73% of respondents were at least 55 years old.
- Results show that respondents highly value a wide variety of new developments in the Downtown and North San Rafael areas, including Arts / Cultural / Educational options, Shopping / Other Retail, Fine Dining, Family Restaurants, Gathering Places, and Multifamily Housing.
- Results also show support for City investment in civic improvements / amenities, with the top-ranking choices including Cleanliness / Appearance, Traffic Flow, Safety, Mobility / Walkability / Bike-ability / Transit, Public Art / Plazas / Walkways, and Streetscape / Design.

Which of the following civic improvements / amenities should the City invest in for San Rafael



OVERVIEW STAKEHOLDER OUTREACH

City Staff / Council	Business Owners / Groups	Community Groups
<p>Jim Schutz, City Manager Bernadette Sullivan, Sr. Mgmt Analyst Victoria Lim, Economic Development Christine Alilovich, Assist. City Manager April Miller, Public Works Director Cory Bytof, Sustainability Manager Vedika Ahuja, Product Manager Ali Giudice, Community Development Director Kati Miller, Econ Dev Advisory Board Jon Haveman, Planning Commissioner</p> <p>Kate Colin – Mayor Maika Llorens Gulati – Councilmember Dist 1 Eli Hill – Councilmember Dist 2 Rachel Kertz – Councilmember Dist 4</p> <p>Shingai Samudzi – Planning Commission Chairman</p>	<p>Chamber of Commerce Downtown San Rafael Business Improvement District</p> <p>HL Commercial Real Estate Merlone Geier Partners Monahan Pacific Developers Newmark Group Seagull Prime Real Estate Volvo Dealership (Diana Kennedy)</p>	<p>Age Friendly Initiative Arts Work Downtown Canal Alliance Dominican University Federation of San Rafael Neighborhoods Lorenzo Jones Point San Pedro Road Coalition Resilient Shore San Rafael Tree People Youth in Arts</p>

STAKEHOLDER OUTREACH STRENGTHS

East San Rafael	East San Rafael / the Canal area is a major economic engine for the City and Marin County – auto sales, contractors / construction; need to ensure companies have resources they need (parking / space issues, etc)
Precise Plan	Downtown Precise Plan provides better certainty for development approvals Downtown, focuses on sense of place
Arts Community	Cultural Arts District designation, arts orgs (Youth in Arts, Art Works Downtown), Rafael theater; but need to attract State funding and drive events activity
“Green” Community	Outdoor activities, parks, and trees are an important amenity; parklets have created good public spaces downtown
Historic Character	Historic neighborhoods can attract new residents, entrepreneurs
Older Adults	Large population of older adults can be a resource (employment, mentorship, etc) but also need stronger connections to services
Essential Workers	Southeast San Rafael / Canal area houses many essential workers, provides employment backbone for the County; could use improvements for workforce development programs for residents
Entrepreneurial Spirit	Wide variety of entrepreneurs in the City, from small businesses to tech entrepreneurs
Events	Existing events are successful, bring liveliness / activity / character; Dining Under the Lights popular with many local businesses, finding balance

STAKEHOLDER OUTREACH CHALLENGES

Need a Plan	City needs a feasible visionary roadmap that prioritizes strategies to maximize impact and coordinates with Marin Economic Vitality Plan
Organization Capacity	Chamber and BID are good organizations with good relationships with the City, but have limited funding which impacts capacity
City Processes & Development Costs	City has made some improvements, but entitlement timeline can take time / expense (appeals, design review board, historic review, project shrinkage, utility upgrades, fees, etc.), need more predictability
Beautification	Many commercial areas could use beautification / streetscape / façade improvements (Downtown, Las Gallinas, Canal), improved cleanliness, showcase art (displays, murals, installations, etc.)
Flood Risk	Valley floor represents a large percentage of the city's economic activity, but flooding could create a serious problem in the future
Vacancy	Retail vacancy is a problem downtown, lowers activity level; some potential risk from office vacancies and changes occurring in the office market
Parking / Circulation	Parking is a perceived problem downtown; free parking could help drive visits to area; other shopping districts nearby may have free parking; limited employee parking; parking structures offer capacity / flexibility; downtown may benefit from prioritizing cycling / walking
Homelessness	Perception of homelessness is sometimes a problem for downtown businesses / visitors

STAKEHOLDER OUTREACH OPPORTUNITIES

Waterfront	Waterfront area is an underutilized asset, could be leveraged for new activities – needs a more curated feel
Events	More events centered around food / music can help attract visitors, serve diverse demographics, create experiences
Tourism	Need to leverage partnerships to build tourism base (Visit Marin / Visitors Bureau); need better tourist-oriented services downtown (visitor offices to orient biking tourists, BID/Chamber office to orient travelers, better gateway area, bikeshare / bike racks)
Dominican University	Underutilized asset, students / faculty can bring activity downtown and provide services to community, neighborhood issues constrain growth
Cannabis	There could be an opportunity to expand cannabis manufacturing, testing, and research

DISCLAIMER

The analyses, projections, assumptions, rates of return, and any examples presented herein are for illustrative purposes and are not a guarantee of actual and/or future results. Project pro forma and tax analyses are projections only. Actual results may differ from those expressed in this analysis, as results are difficult to predict as a function of market conditions, natural disasters, pandemics, significant economic impacts, legislation and administrative actions.

CITY OF SAN RAFAEL

ECONOMIC DEVELOPMENT STRATEGIC PLAN DATA APPENDIX

May 15, 2023



El Segundo, CA
TEL: 424-297-1070 | URL: www.kosmont.com

ECONOMIC DEVELOPMENT STRATEGIC PLAN

ACTION ITEM RESOURCES

1: Support Business / Development					2: Downtown Reimagination					3: Analyze Implementation of EIFD				
#	Action Item	Cost	Workload	Timeframe	#	Action Item	Cost	Workload	Timeframe	#	Action Item	Cost	Workload	Timeframe
1.1	BEAR Program	\$	👤👤	Year 1	2.1	Business Programs	\$\$\$	👤👤	Year 3 - 4	3.1	Feasibility analysis / plan	\$	👤👤	Q1-Q3
1.2	Technical Assistance Programs	\$	👤	Year 2	2.2*	Explore conversion of the BBID to a PBID	\$	👤👤	Year 1	3.2*	Explore County Partnership	\$	👤	Year 1-2
1.3	Business / Development Data	\$	👤	Ongoing	2.3	Evaluate publicly-owned sites for reuse	\$	👤	Year 2-3	3.3*	Pursue Grants	\$	👤	Ongoing
1.4	Bi-lingual Staff	\$\$\$\$	👤👤👤👤	Ongoing	2.4	Placemaking physical improvements	\$\$\$\$	👤👤	Year 3-5					
1.5	Entrepreneurial Events	\$\$	👤👤	Year 1	2.5	Other physical enhancements	\$\$\$	👤👤	Year 3-5					
					2.6	Marketing / social media	\$	👤	Ongoing					

Star (*) - items that generate revenue / funding capacity

Estimated Cost thru Year 5	
\$	<\$50,000
\$ \$	\$50,000 to \$150,000
\$ \$ \$	\$150,000 to \$300,000
\$ \$ \$ \$	>\$300,000
Cost does not include allocation of current Econ Dev staff salaries	

Estimated Workload During Timeframe	
👤	10-20% of employee workload
👤👤	20-40% of employee workload
👤👤👤	40-60% of employee workload
👤👤👤👤	60-100% of employee workload

ECONOMIC DEVELOPMENT STRATEGIC PLAN

ACTION ITEM RESOURCES

4: Strengthen Local Partnerships					5: Attract High-tech Industrial Uses					6: Outreach for Private / Business Development Opportunities				
#	Action Item	Cost	Workload	Timeframe	#	Action Item	Cost	Workload	Timeframe	#	Action Item	Cost	Workload	Timeframe
4.1*	Explore tourism funding models	\$	1	Year 1-2	5.1	Revise zoning / processes for industrial uses	\$\$	3	Year 3-5	6.1	Identify / analyze sites for reuse	\$	1	Year 1-2
4.2	Explore / expand events and programming	\$\$\$	2	Year 1-3	5.2	Pursue new industrial sectors	\$	1	Year 1-2	6.2	Outreach / collaborate with property owners	\$	1	Year 1-2
4.3	Marketing partnerships	\$	2	Year 1	5.3	Evaluate tech industrial overlay zoning	\$\$	2	Year 2	6.3	Pursue businesses / developers	\$	2	Year 2
4.4	Tourism marketing	\$	2	Year 1	5.4	Conduct outreach businesses, industry grps	\$	2	Year 1-2	6.4*	Cannabis business opportunities	\$\$	2	Year 2-3
4.5	Arts programming	\$	2	Year 1						6.5	Update Mobile Vender Ordinance	\$\$	2	Year 2-3
4.6	Collaborate with service organizations	\$	2	Year 2	7: Workforce Development Programs									
					#	Action Item	Cost	Workload	Timeframe					
					7.1	Coordinate with orgs. for workforce development	\$	2	Year 3-5	Estimated Workload During Timeframe				
					7.2	Conduct outreach to local businesses / orgs.	\$	2	Year 3-5	1	10-20% of employee workload			
										2	20-40% of employee workload			
										3	40-60% of employee workload			
										4	60-100% of employee workload			

Star (*) - items that generate revenue / funding capacity

Estimated Cost thru Year 5	
\$	<\$50,000
\$\$	\$50,000 to \$150,000
\$\$\$	\$150,000 to \$300,000
\$\$\$\$	>\$300,000

Cost does not include allocation of current Econ Dev staff salaries