



Memorandum

April 30, 2012

TO: Sausalito Housing Element Task Force

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

SUBJECT: Analysis of HCD Review Letter on Draft Sausalito Housing Element

Summary of HCD Review Process

City staff sent the Draft Housing Element to the California Department of Housing and Community Development (HCD) for review on February 3, 2012. City staff and consultants held conference calls with reviewer Melinda Coy for clarification purposes. To facilitate the review, HCD requested factual revisions to the Housing Element. These revisions were sent on March 27, 2012 and are explained in the next paragraph. The official review letter from HCD was then released on April 3, 2012. The letter acknowledges the revisions received on March 27, 2012.

Factual and State Mandated Revisions made to the Draft Housing Element

On March 27, 2012, City staff and consultants sent a number of factual revisions to HCD to facilitate the review ([see Attachment](#)). These revisions included:

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Reason / Requirement from HCD	Revisions to Element
Additional required contextual analysis	
Additional analysis was required on developmental disabilities.	- Chapter III, Section 6b. - Appendix A – Section B, 5a.
Additional data was required on extremely low income (ELI) households (<30% AMI).	- Chapter II, B. - Chapter III B, Table 3.2.
A clearer explanation was requested regarding how a higher density could be achieved on existing substandard parcels.	- Appendix C – note under Table C.2. - Appendix C – slight modification to Table C.3 and its preceding note to clarify.

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Reason / Requirement from HCD	Revisions to Element
Due to the reliance on very small sites to address a large portion of Sausalito's RHNA, the Element needs to clearly demonstrate the viability of small-scale infill projects of one to two units.	Appendix C – added Table C.4 and its preceding note to document development trends and substantiate the feasibility of development on small parcels.
Different Method in Analyzing Meeting the RHNA for two planning periods	
HCD considers Sausalito to have fully addressed its prior 1999-2006 RHNA for 207 units through a combination of developed projects and existing residential zoning. Hence, there is no carry-over into the current 2007-2014 planning period. <i>(Consultants will explain this in more detail at the April 30, 2012 Task Force meeting.)</i>	The Element was revised to show how the RHNA for the first planning period was met without any carry-over into the current planning period: - Chapter II Table 2.2 (Quantified Objectives) and accompanying text. - Chapter III Tables 3.3, 3.4, and 3.5 were removed. - Modified analysis in Chapter IV Intro - Chapter IV – new Section A - Chapter IV – former Section A renamed as Section B, B as C, etc. - Chapter IV – former Table 4.1 and 4.2 removed to avoid confusion between the former 1999-2006 planning period and the current 2007-2014 planning period.
Edits made to planned units for priorformer (1999-2006) and current (2007-2014) planning periods	

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Reason / Requirement from HCD	Revisions to Element
As mentioned above, the prior planning period is considered to have been fully addressed through a combination of developed projects and existing residential zoning. Galilee Harbor can be credited as a completed, deed-restricted affordable housing project for the prior planning period. It therefore contributed to the provision of adequate sites for the 1999-2006 Housing Element, and the elimination of any carry over RHNA units to the current Housing Element cycle.	- Chapter IV - edits made to Table 4.1, 4.2, 4.3. - Chapter IV - Minor numerical and factual edits throughout Section B.
Other Required Changes	
HCD requested a distinction between extremely low income and very low income restricted liveaboard berths at Galilee Harbor.	Chapter II – Program 6: Preservation of Existing Affordable Rental Housing
In order to bring liveaboards into Sausalito's official housing stock, the City needs to begin reporting liveaboards with BCDC and City permits to the State Department of Finance.	Chapter II – Program 11: Liveaboards and Houseboats.
Sausalito is required by State Mandate to specifically encourage the provision of housing for extremely low income (ELI) households. HCD suggested the city could address this requirement by waiving the application processing fees for projects with a minimum of percentage of ELI units.	Chapter II – Program 18: Fee Deferrals and/or Waivers for Affordable Housing.

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Next Steps toward Revision and Certification

The following table provides a point-by-point summary of HCD's [April 3, 2012 4/3/12](#) comment letter on Sausalito's Draft Housing Element, the work required going ahead, and any outstanding policy decisions.



HCD Comment	Work required for clarification purposes	Decisions required to meet HCD standards for certification
A. Housing Needs, Resources, and Constraints		
1a, i. Liveboard Vessels, Uncounted Existing Berths: Element must demonstrate liveboard berths counted to meet a portion of RHNA never previously included in the City's housing stock.	Compare City records of new housing units built against annual unit data reported to State Department of Finance for years subsequent to 2000 Census.	
1a, ii. Projected Future Berths: The element must demonstrate that the projected new berths for liveboards are available within the planning period.	Define the step-by-step process necessary to obtain BCD and City permits for liveboards and approximate time frame. Evaluate any disincentives, such as the City's CUP requirement, and determine if acts as a constraint.	Include a specific program to make berths available within the planning period.
1a, iii. Affordability of Liveboards: The element should support the affordability assumptions for liveboard units.	Modify affordability methodology to assume a portion of new liveboards to include moderate or above-moderate income households.	
1b, i. Second Units: Account for timeframe for development and adoption of ordinance and amnesty program, actual second unit development and implementation of amnesty program.	Refine ADU assumptions downward for this planning period (ending April <u>June</u> 2014) in consideration of trend data from nearby jurisdictions and length of time to bring illegal structures in compliance with current building code requirements.	Consultants recommend reducing goals for new ADUs (through 2014) <u>from 48</u> to <u>8-12</u> new units and goals for amnesty ADUs <u>from 26</u> to 12, with anticipation of receiving majority of ADU RHNA credit in next Housing Element cycle.
1b, ii. Demonstrate how		Describe and analyze amnesty

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HCD Comment	Work required for clarification purposes	Decisions required to meet HCD standards for certification
proposed amnesty program and standards for new ADUs will encourage and facilitate production.		program and draft ADU development standards, and demonstrate through incentives how the program will encourage and facilitate housing for lower-income households.
1c. Realistic Capacity: account for potential development of non-residential uses and performance standards.	Describe existing regulatory incentives and standards to facilitate housing in mixed-use zones and non-vacant sites.	Describe proposed regulatory incentives and standards to facilitate housing in mixed-use zones and non-vacant sites.
1d, i. Suitability of Underutilized Sites: demonstrate the potential for redevelopment of identified sites, evaluate impediment of existing uses.	Consider development trends, market conditions, regulatory and other incentives to encourage additional residential development.	
1d, ii. Affordability of Small Sites: Demonstrate feasibility of developing affordable multi-family rental on small sites in inventory.		Given difficulty to demonstrating affordability of very small projects, consultants recommend treating small sites, with less than 8 unit capacity, to fulfill the RHNA at the moderate income level. Evaluate incentives for lot consolidation and development on mixed use sites.
1e. Map of Sites: required.	Prepare map of sites.	
1f. Lack of higher density housing: Element relies on liveaboards and ADUs to meet		Consider adding programs to increase capacity in multifamily zones to address



HCD Comment	Work required for clarification purposes	Decisions required to meet HCD standards for certification
majority of lower income RHNA. Inadequate multi-family sites to address housing needs of families.		current and future planning period.
2a. Government Constraints – Land-Use Controls: Analyze impacts of zoning and development standards.	Include cumulative impact on cost and supply of housing and ability to achieve maximum densities. Specifically analyze 30-foot height restriction in R-3 zone and impact on cost and housing supply.	
2b. Government Constraints – Local Processing and Permit Procedures: Describe design review process.	Describe and analyze design review guidelines findings , and	May need to include action to refine certain qualitative standards to provide greater certainty.
B. Housing Programs		
1a. Inadequate site inventory analysis: If the Element relies on small underutilized residential and mixed use sites, it must contain strong program actions to facilitate affordable development. Otherwise, the City must identify an additional multi-family site through rezoning.	Evaluate potential “Mixed Use Opportunity” (MUO) sites and define incentives. Evaluate sites inventory for potential lot consolidation opportunities.	Specific program actions required to promote re-use redevelopment of underutilized sites and lot consolidation. Examples of incentives provided in HCD letter.
1b. Program 10a – Adoption of Zoning Regulations to Encourage New ADUs: Evaluation of proposed ADU standards and specific timeframe for adoption requested.		Demonstrate how proposed standards for new ADUs will encourage and facilitate production. Adopt specific timeframe for Program 10a.

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HCD Comment	Work required for clarification purposes	Decisions required to meet HCD standards for certification
1c. Program 10b – ADU registration and Amnesty Program: Evaluation of proposed amnesty program standards. Remove burden of proof from applicant.		Demonstrate how proposed amnesty program standards will encourage participation. Remove potential deterrents (burden of proof), and include additional incentives such as access to County rehabilitation funding to address building code violations.
1d. Program 11 – Liveboards and Houseboats: Requirements to validate reporting.	All counted units must be reported by a specific date within planning period. Commitment to complete City permit processes by end of 2012, bring BCDC permitted liveboards into City's official housing stock, and begin reporting to Department of Finance in Feb 2013.	
1e. Program 21 – Zoning Text Amendments for Special Needs Housing: Timeline for amending zoning ordinance.	Amend zoning ordinance text within one year of adoption of Housing Element, to allow emergency shelters by right in a particular zone. Clarify Program text in Element.	
2. Complete analysis of potential governmental constraints.	Complete analysis of potential governmental constraints as stated in A2 a and b.	Depending on completed analysis, revise or add programs to address constraints.

Attachments: Affected Pages of Draft Housing Element due to Factual Revisions

Calendar of Critical Dates:

Task	Date
Staff update to City Council on Housing Element status	April 17, 2012
Task Force meetings to review strategy/revisions to Element	April 30, 2012 May 7, 2012

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Special Planning Commission meeting to review revisions to Element	May 16, 2012
Special City Council meeting to review revisions to Element, authorize resubmittal to HCD	May 22, 2012
Staff submits revised Element to HCD	May 25, 2012
HCD Review (request expedited 30 day review)	May 25 — June 25, 2012
Planning Public Hearings	June 13 and 27, 2012
City Council Public Hearings	July 10 and 31, 2012
Adopted Element sent to HCD for certification	August 3, 2012

- A. Chapter 2
- B. Chapter 3
- C. Chapter 4
- D. Appendix A
- E. Appendix C

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