

Memorandum

February 7, 2014

TO: Sausalito Housing Element Subcommittee

FROM: Geoff I. Bradley, AICP Principal, Metropolitan Planning Group
Dave Javid, AICP, LEED AP, Principal Planner, Metropolitan Planning Group
Karen Warner, AICP, Principal, Karen Warner Associates

SUBJECT: **Vertical Mixed Use and Horizontal Mixed Use Regulations**
Sausalito 2009-2014 Housing Element Programs #8a and 8b

The following documents were prepared to address the input received from the Housing Element Subcommittee on January 30, 2014. The attachments include:

- VMU Regulations proposed to be folded into Section 10.44.190 Residential Use in Commercial Districts of the code by amending the existing section to include the draft vertical mixed use regulations that were prepared. A redlined copy of Section 10.44.190 with the necessary amendments to incorporate VMU regulations is provided as **Attachment 1**.
- Section 10.44.190 as it exists in the Zoning Ordinance is provided in **Attachment 2** for your reference.
- **Attachment 3** is the edits to the HMU Overlay regulations.
- **Attachment 4** is the proposed edits to the Zoning Maps to include the HMU designations (note that the addresses and APN's are provided as reference at this stage only, this information would not be included on the final map edits).
- **Attachment 5** is edits to Table 10.24-1, which increases the threshold for the Conditional Use Permit requirement for residential uses in commercial districts.
- **Attachment 6** is a summary of the definitions that will be integrated into the code by amending Section 10.88.040.

RECOMMENDATION

Provide staff and the consultants with comments on Attachments 1, 3, 4, 5 and 6 for consideration by the Planning Commission in their review of the regulations.

Attachments

- 1 Draft VMU Regulations – *Amend Section 10.44.190*
- 2 Existing Zoning Ordinance Section 10.44.190 (for reference)
- 3 Draft HMU Overlay - *New Section 10.28.080*
- 4 HMU Overlay – *Zoning Map edits*
- 5 CUP Threshold-- *Amendments to Table 10.24-1*
- 6 Definitions – *Amend Section 10.88.040*

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February 7, 2014
Housing Element Subcommittee Review

VMU and HMU Regulations - Memo
Page 1 of 1

1 **Vertical Mixed Use Regulations**

2 *Amendments to Section 10.44.190: Residential Use in Commercial Districts*

3 *Draft: 02.07.14*

4
5 **10.44.190 Residential Use in Commercial Districts**

6 **A. Purpose and Applicability.** Residential uses located in CC, CR and CN zoning districts
7 are subject to the requirements of this section, as provided by Section 10.24.030
8 (Allowable Land Uses, Commercial Zoning Districts). In addition to the general purposes
9 of this Chapter, the specific purposes of regulating residential uses in commercial zones
10 are as follows:

- 11
- 12 1. To further the objectives of the 1985 Traffic Initiative by prohibiting conversion of
- 13 existing residential uses to commercial uses; and
- 14 2. To encourage the retention of existing residential uses in the Neighborhood
- 15 Commercial (CN-1), Mixed Commercial and Residential (CR) and Central
- 16 Commercial (CC) Zoning Districts.~~CR zoning district~~, by prohibiting the
- 17 conversion of existing upper story residential units to commercial uses.~~requiring~~
- 18 ~~a Conditional Use Permit for any commercial uses above street level.~~
- 19 3. To provide valuable opportunities for affordable housing while locating residential
- 20 land uses adjacent to active commercial areas. The proximity of residential uses
- 21 to commercial uses is mutually beneficial to business owners and residents by
- 22 supporting a dynamic environment all hours of the day. This efficient land use
- 23 pattern increases accessibility to daily needs for residents and promotes
- 24 pedestrian and bicycle modes of travel.
- 25 4. Encouraging a mix of residential and commercial uses in the Neighborhood
- 26 Commercial (CN-1), Mixed Commercial and Residential (CR) and Central
- 27 Commercial (CC) Zoning Districts.
- 28 5. To require that residential use is the only allowed use on all levels above the
- 29 ground level in the mixed use commercial districts.
- 30

31
32 **B. Location.**

33 1. All residential uses shall be located above the first (street or ground) level of all
34 existing and new structures shall be residential, except as noted below.
35 ~~Existing residential uses located on the first (street or ground) level of a structure are~~
36 ~~permitted to remain in their current location.~~

37
38 ~~C. a.~~ CC zoning district. Existing residential uses located in the Central
39 Commercial (CC) zoning district may be converted to commercial uses
40 with the issuance of a Minor Use Permit pursuant to Chapter 10.58 (Minor
41 Use Permits).

42
43 ~~D. b.~~ CR zoning district. Existing residential uses located in the Mixed
44 Commercial and Residential (CR) zoning district are to be preserved.
45 Only new residential uses are allowed on levels above the street level.
46 ~~Commercial use on levels above the street shall require a Conditional~~
47 ~~Use Permit.~~

48
49 ~~E. c.~~ CN zoning districts. Only residential uses are allowed on levels

1 above the street level. Residential uses are permitted above the ground
2 floor in the CN-1 Zoning Districts located in the Second and Main Street
3 area and the Bridgeway and Spring Street area. Residential uses are not
4 permitted in the CN-2 Zoning District located along Bridgeway between
5 Coloma Street and Ebbtide Avenue.
6

7 2. Existing residential uses located on the first (street or ground) level of a
8 structure are permitted to remain in their current location.
9

10 **C. Permit Applications for Residential Units.**

11 1. Development Standards. Development standards shall those of the base zoning
12 district, including Floor Area Ratio, lot coverage, setbacks and building height.
13 See Table 10.24-2 of Section 10.24.050 of the Sausalito Municipal Code for
14 development standards applicable for residential projects in CN-1, CR, and CC,
15 zoning districts. For Residential Density Bonus and Incentives see Section
16 10.40.130.
17

18 2. Requirements. Each of the following requirements shall be met as a part of any
19 residential project, including new construction and/or conversion of existing
20 building space:

21 a. A minimum of one (1) unit within the development must be provided at an
22 affordable rent or ownership housing cost. Developments with six (6) or
23 more units shall require 20% of the units as affordable. The event that the
24 affordable unit(s) is/are rental unit(s) the applicant shall enter into an
25 agreement with the City regarding such unit. The agreement shall meet
26 the requirements of California Civil Code Section 1954.52(b).

27 b. Affordable units made available as rentals shall be provided to low
28 income (80% AMI) households at an affordable rent.

29 c. Affordable units made available as ownership units shall be sold to
30 moderate income (120% AMI) households at an affordable ownership
31 cost. Purchasers of affordable units must remain as owner-occupants,
32 and may not rent out the unit.

33 d. Affordable units shall be constructed to include a minimum of two (2)
34 bedrooms in order to accommodate families.

35 e. Affordable units must be deed-restricted for a period of not less than forty
36 years.
37

38 3.. Incentives. The following incentives and conditions shall be granted to
39 developers of residential projects under this Section 10.44.190:

40 a. Development may permit commercial and residential tenants to share
41 parking, and for tandem and off-site parking leases with a Minor Use
42 Permit. In order to approve a Minor Use Permit for joint use, the Applicant
43 shall demonstrate the following:

44 i. There is no substantial conflict in the principal operating hours of the
45 building or uses for which the joint use of off-street parking facilities is
46 proposed; and
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48 ii. The proposed joint use parking area is conveniently located to the
49 uses to be served.
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iii. If the area to be used for parking and the parcel on which the subject land use is located are not the same, then the Zoning Administrator shall consider whether a deed restriction is warranted as a condition of approval. Said deed restriction would stipulate that the shared parking agreement shall remain in effect for the life of the subject land use.

b. Affordable units may be permitted to be smaller in aggregate size and have different interior finishes and features within reason from market-rate units. Deviations between market rate and affordable units shall be described in writing by the applicant and shall require approval by the Community Development Director.

4- c. Development and application fees shall be reduced to a rate of 50% of the development fee schedule for the affordable portions of the project. The fee reduction shall be calculated on pro-rata basis as determined by the Community Development Director.

4. Access and Facilities. Residential units of both market rate and affordable varieties shall maintain separate entrances from commercial and/or office uses. All residential units shall contain a separate kitchen and bathroom facility. A Minor Use Permit shall be required to deviate from the separate entrance requirement. In order to approve a Minor Use Permit for joint use, the Applicant shall demonstrate that the addition of a private entrance is infeasible in a physical or financial manner.

5. Exceptions to Requirements. In addition to the provisions of Section 10.44.010.E, the expansion of an existing business may be grounds for an exception to Section 10.44.190.C.1, subject to approval by the Planning Commission.

- H. **Low and Moderate Income Housing.** As vacancies occur, marina operators shall give preference to qualified Low and Moderate income tenants until such tenants constitute at least 50% of the liveaboard vessels in the marina.

10.44.180 Veterinary Clinics

When allowed by Chapters 10.20 through 10.28 (Zoning District Regulations) in the zoning districts that are subject to the Marinship (-M) overlay district, veterinary clinics are subject to the requirements of this section:

- A. **Boarding.** Veterinary clinics may offer short-term boarding of animals to serve the primary purpose of providing health care for animals.
- B. **Noise.** All areas where animals have access or are kept shall be soundproofed to contain all sounds on-site prior to the issuance of a Zoning Permit.

10.44.190 Residential Use in Commercial Districts

- A. **Purpose and Applicability.** Residential uses located in CC, CR and CN zoning districts are subject to the requirements of this section, as provided by Section 10.24.030 (Allowable Land Uses, Commercial Zoning Districts). In addition to the general purposes of this Chapter, the specific purposes of regulating residential uses in commercial zones are as follows:
1. To further the objectives of the 1985 Traffic Initiative by prohibiting conversion of existing residential uses to commercial uses; and
 2. To encourage the retention of existing residential uses in the CR zoning district, by requiring a Conditional Use Permit for any commercial uses above street level.
- B. **Location.** All residential uses shall be located above the first (street or ground) level of all existing and new structures. Existing residential uses located on the first (street or ground) level of a structure are permitted to remain in their current location.
- C. **CC zoning district.** Existing residential uses located in the Central Commercial (CC) zoning district may be converted to commercial uses with the issuance of a Minor Use Permit pursuant to Chapter 10.58 (Minor Use Permits).
- D. **CR zoning district.** Existing residential uses located in the Mixed Commercial and Residential (CR) zoning district are to be preserved. Only new residential uses are allowed on levels above the street level. Commercial use on levels above the street shall require a Conditional Use Permit.
- E. **CN zoning district.** Residential uses are permitted above the ground floor in the CN Zoning Districts located in the Second and Main Street area and the Bridgeway and Spring Street area. Residential uses are not permitted in the CN Zoning District located along Bridgeway between Coloma Street and Ebbtide Avenue.

Attachment 2

Chapter 10.28 – Overlay Districts

(New Section 10.28.080)

Horizontal Mixed Use (HMU)

A. Applicability. The provisions of these regulations shall apply to HMU Overlay sites situated only within the Neighborhood Commercial 1 (CN-1) zoning district. HMU projects are not subject to Sausalito Municipal Code Section 10.44.190.B.1 regulations.

~~A.B.~~ Zoning Map Indicator. Each ~~–HMU overlay district shall be shown on the zoning map by adding an “-HMU” designator to the base district designation.~~

B.C. Permit Applications for Residential Units in HMU.

~~1. Number of Dwelling Units per Parcel. A maximum number of permitted dwelling units shall not be pre-established and shall be determined by the density standards set in Table 2 of these regulations.~~

~~2.1.~~ Location. Residential dwelling units within HMU developments may be permitted on the ground floor of existing and new buildings.

~~3.2.~~ Development Standards. Development standards shall be consistent with those of the base zoning district including FAR, lot coverage, setbacks and building height. See Table 10.24-2 of Section 10.24.050 and Section 10.40.130 of the Sausalito Municipal Code for development and bonus density standards applicable for HMU projects ~~in the CN-1 zoning district.~~

~~4.3.~~ Public Services. All applicable sewer connection fees shall be paid to the Sausalito-Marín City Sanitary District and all water connections fees shall be paid to the Marin Municipal Water District.

~~5.4.~~ Requirements. HMU projects shall comply with each of the following provisions:

- a. 30% of residential units within HMU developments shall provide a minimum of three (3) bedrooms in order to accommodate ~~larger~~ families.
- b. A minimum of 25% of the units in an HMU development must be provided at an affordable rent or sales price to very low income (50% AMI) households, and an additional 25% must be provided as affordable to low income (80% AMI) households.
- c. Affordable units must be deed-restricted for a period of not less than forty years.
- d. All existing development standards ~~set~~ in the Zoning Ordinance and ~~existing~~ findings for Design Review must be met.

~~6.5.~~ Incentives. The following incentives shall be granted to HMU developments compliant with development standards and requirements stated in these regulations.

~~a. HMU developments may be eligible for up to a maximum density bonus of 35%, subject to the provisions of State density bonus law.~~

~~b.a.~~ Affordable units may be permitted to be smaller in aggregate size and have different interior finishes and features within reason from market-rate units. The number of bedrooms must at a minimum be the same as those in the market rate units. Deviations between market rate and affordable units shall be described in writing by the applicant and shall require approval by the Community Development Director.

b. Development and application fees, including plan check and building permit fees, shall be reduced to a rate of 50% of the adopted development fee schedule. The fee reduction shall be calculated on pro-rata basis as determined by the Community Development

1 ~~Director. Deviations between market rate and affordable units shall be described in writing~~
2 ~~by the applicant and shall require approval by the Community Development Director.~~

3 ~~€~~

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5 ~~6. Exceptions to HMU Requirements. The following exceptions to HMU requirements may be~~
6 ~~approved by the City Council:~~

7 ~~a. To allow the expansion of an existing business;~~

8 ~~b. If the property owner can demonstrate a financial hardship; and,~~

9 ~~c. If project applications for non-residential uses are deemed complete prior to March 31,~~

10 ~~2014,~~

11 ~~[TBD].~~

12
13 ~~7-6.~~ Access and Facilities. Residential units of both market rate and affordable varieties shall
14 maintain separate entrances from commercial and/or office uses. An appeal for a Minor Use Permit
15 may be filed to the Zoning Administrator should the addition of a private entrance be proven
16 infeasible in a physical or financial manner. All residential units shall contain a separate kitchen and
17 bathroom facility.

Draft Amendments to Zoning Map to Incorporate HMU Overlay Zone

Draft date: 2/7/14



City of Sausalito

ZONING MAP

1 inch equals 400 feet

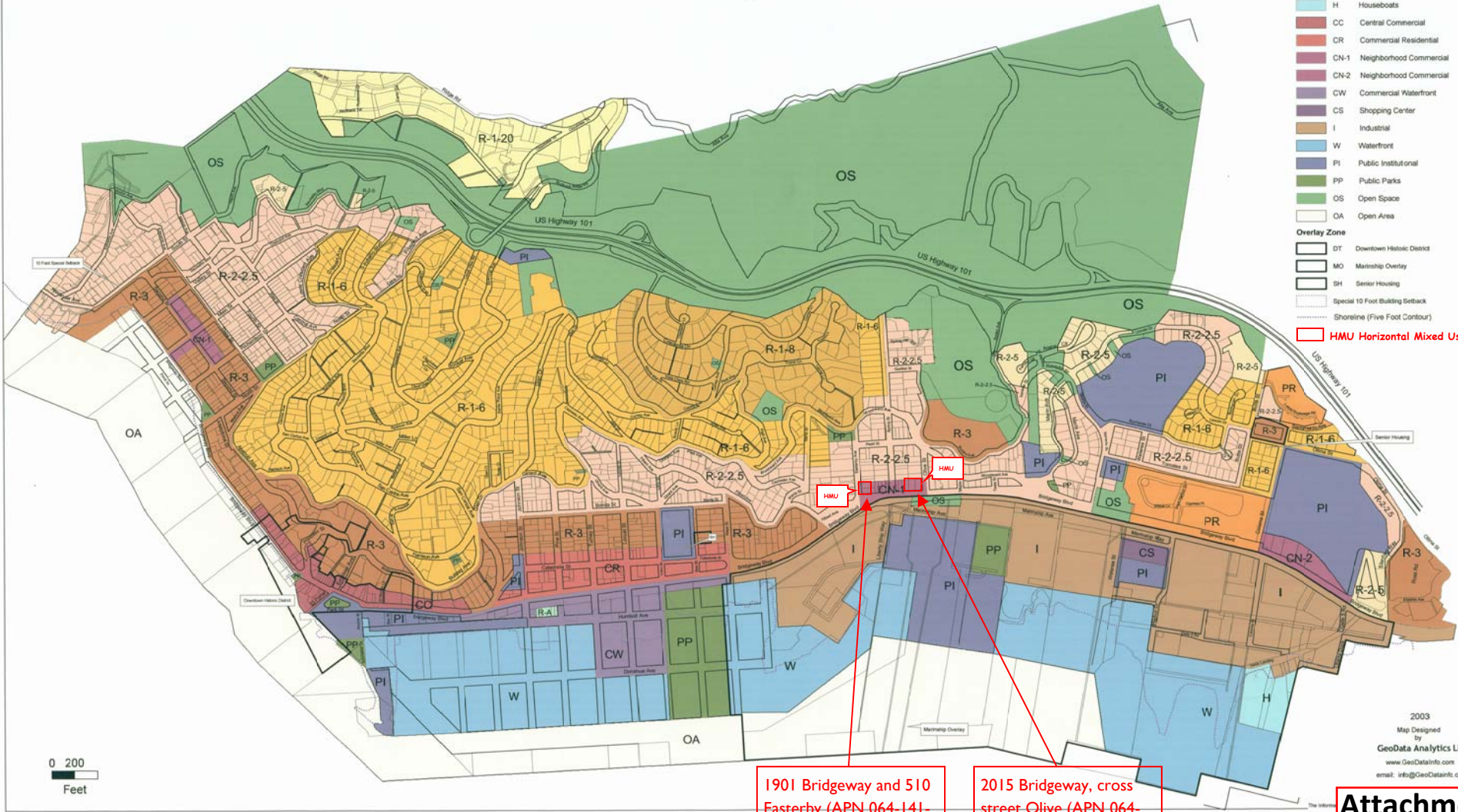
Legend

ZONING

- R-3 Multiple Family
- PR Planned Development Residential
- R-2-2.5 Two Family
- R-2-5 Two Family
- R-1-6 Single Family
- R-1-8 Single Family
- R-1-20 Single Family
- R-A Arks
- H Houseboats
- CC Central Commercial
- CR Commercial Residential
- CN-1 Neighborhood Commercial
- CN-2 Neighborhood Commercial
- CW Commercial Waterfront
- CS Shopping Center
- I Industrial
- W Waterfront
- PI Public Institutional
- PP Public Parks
- OS Open Space
- OA Open Area

Overlay Zone

- DT Downtown Historic District
- MO Maritimes Overlay
- SH Senior Housing
- Special 10 Foot Building Setback
- Shoreline (Five Foot Contour)
- HMU Horizontal Mixed Use



1901 Bridgeway and 510 Easterby (APN 064-141-05 and 064-141-06)

2015 Bridgeway, cross street Olive (APN 064-135-24 and 064-135-28)

Attachment 4

Table 10.24-1 (continued)
LAND USES ALLOWED IN COMMERCIAL DISTRICTS*1*

LAND USE	CC	CR	CN	SC	CW	W	W-M	SEE SECTION
Residential accessory uses	P	P	P					10.44.020 (Accessory Uses and Structures)
Senior housing projects	CUP	CUP	CUP ^{*4*}					10.44.120 (Senior Housing Projects)
Upper floor residential								
One to three (1- 3) six 6 dwelling units	P	P or CUP	P ^{*4*}					10.44.190 (Residential Use in Com. Dist.)
Seven Four (+) or more dwelling units	CUP	CUP	CUP ^{*4*}					
Retail Trade								
Art galleries dealing in original art	P	CUP						Sec. 10.44.230 (Visitor Serving Stores and Art Galleries)
Drinking Establishments	CUP	CUP	CUP		CUP ^{*5}			
Building material stores	P	P	P		P			
Formula Retail (<i>Applies to all forms of retail trade.</i>)	CUP		CUP	CUP				Sec. 10.44.240 (Formula Retail)
Full service supermarket				P				
Furniture, furnishings and equipment stores	P	P	P		P			
Grocery stores	P	P	P		P			
Jewelry stores – precious metals & gems	P	P						
Liquor stores	P	CUP	CUP					
Lumberyard				CUP				
Plant nurseries	CUP		CUP		CUP			
Recreational equipment sales and rentals	P	P			P	P		
Restaurants	P	CUP	CUP		P		CUP ^{*5}	10.44.210 (Restaurants) and 10.44.220 (– Outdoor Eating Areas)
Outdoor dining (on public right-of-way or private property)	MUP	MUP	MUP		MUP		MUP	
Retail stores, general merchandise (non-visitor-serving)	P	P	P					
Secondhand or thrift stores	P	P	P					
Visitor serving stores	CUP							10.44.230 (Visitor Stores)
Wholesale and retail fish sales	P	P	P		P	P	CUP	
Wine shops	P	P						

VMU/HMU Definitions

Amendments to Section 10.44.040: Definitions

Horizontal Mixed Use (HMU). A development with commercial and residential land uses occupying the ground floor space, or exclusively a residential development located within a commercial zone. HMU developments typically feature residential uses adjacent to commercial uses on the ground floor rather than arranged in one building on separate floors.

Affordable Ownership Housing Cost. The Total Housing Costs paid by a qualifying household, which shall not exceed a specified fraction of their gross income as specified in California Health and Safety Code Section 50052.5.

Affordable Rent. The Total Housing Costs, including a reasonable utility allowance, paid by a qualifying household, which shall not exceed a specified fraction of their gross income as specified in California Health and Safety Code Section 50053.

AMI. [tbd]

Household Income Levels: Very Low, Low and Moderate. Households whose gross incomes do not exceed the qualifying very low, low and moderate income limits established in Section 6932 of the California Code of Regulations, and amended periodically based on the U.S. Department of Housing and Urban Development (HUD) estimate of median income in Marin County, and as adjusted by the State Department of Housing and Community Development (HCD). Pursuant to Code Sections 6926, 6928 and 6930, these income limits are equivalent to the following:

- Very low income household: 50 percent of area median income, adjusted for household size appropriate for the unit and other factors determined by HUD
- Low income household: 80 percent of area median income, adjusted for household size appropriate for the unit and other factors determined by HUD
- Moderate income households: 120 percent of area median income adjusted for household size appropriate for the unit and other factors determined by HUD