



STAFF REPORT

SAUSALITO CITY COUNCIL

AGENDA TITLE

Review of Housing Element Horizontal Mixed-Use (HMU) and Vertical Mixed-Use (VMU) Programs

RECOMMENDED ACTIONS

- 1- Direct staff to modify the VMU program (Program 8a in the Housing Element) to allow upper floor commercial (**VMU Action**); proceed with public hearings before the Planning Commission and City Council on the modified VMU program; and
- 2- Direct staff to initiate an amendment to the 2009-2014 Housing Element to remove the HMU program (Program 8b in the Housing Element) and add 330 Ebbtide Avenue to the sites inventory, and proceed with a Focused Review of the draft Housing Element amendment with the State Department of Housing and Community Development (HCD). Proceed with a public hearing before the Planning Commission and upon receipt of HCD's compliance letter on the amendment, proceed with a public hearing before the City Council, and upon adoption, submit the adopted Housing Element to HCD (**HMU Action: Preferred Option**).

SUMMARY

The City is currently in the process of implementing several programs called for in the adopted 2009-2014 Housing Element. City staff and consultants have collaborated with the Housing Element Sub-Committee and have developed the following five draft ordinances:

- Updated Density Bonus Ordinance (Program 19)
- Reasonable Accommodation Ordinance (Program 25)
- Special Needs Housing Text Amendments (Program 21)
- HMU Zoning Overlay Ordinance (Program 8b)
- VMU zoning text changes for the CN-1, C-C and C-R zoning districts (Program 8a)

The updated Density Bonus, Reasonable Accommodation and Special Needs Housing ordinances are required by state law. The HMU and VMU ordinances are specifically designed to fulfill the requirement of Housing Element Law that the City provide opportunities for a variety of housing types - the HMU and VMU are designed to provide multi-family rental housing. See **Attachment F** – Draft HMU Zoning Overlay Ordinance and **Attachment G** – Draft VMU Zoning Text Changes. All of the above programs must be implemented to retain Housing Element certification by the State of California and to maintain eligibility for streamline review of the 2015-2023 Housing Element.

Significant community concerns have been raised regarding the HMU Program and its application to two CN-1 zoned parcels on Bridgeway in the Spring Valley neighborhood. The primary concern stated is that allowing residential on the ground floor of these properties coupled with the potential for additional units allowed under the State Density Bonus law would impede views and negatively impact traffic and parking in the neighborhood.

There have been a series of public meetings and on-going communications between City staff and the Housing Element Sub-Committee and interested parties. Staff is recommending a Preferred Option (outlined in the review of actions related to the VMU/HMU programs below).

As suggested by a member of the public at the June 13, 2014 Subcommittee meeting, a Guide to Acronyms has been included to facilitate understanding of the many housing related terms encountered during this process (**Attachment A**).

BACKGROUND

- At the **April 22, 2014** City Council meeting the Council received an update on the work of the Subcommittee on the draft five ordinance amendments listed in the Summary section. At the meeting, 21 community members expressed concerns about the HMU and VMU as outlined in the Housing Element and carried forward into the draft ordinances. Among the comments received were concerns about:
 - Loss of primary views
 - Impacts to available street parking
 - Increase in traffic
 - Decrease in property values
 - Loss of neighborhood businesses
 - Change in character of the neighborhood
 - Density bonus provisions allowing taller, view blocking developments
 - Loss of second floor commercial uses, over time, due to VMU requirements

The City Council directed that the Density Bonus, Reasonable Accommodation and Special Housing Needs ordinances be forwarded to the Planning Commission for review. Staff and consultants were also directed to receive additional input from the public, communicate with the State Department of Housing and Community Development (HCD) about options and to look at all alternatives to the current HMU and VMU programs and bring back more options for consideration.

- Subsequently, the Subcommittee held a public meeting on **May 13, 2014** where 13 public speakers offered additional testimony and voiced concerns similar to the April 22, 2014 City Council meeting. Melinda Coy, Housing Specialist with HCD was in attendance to answer questions. A video recording of the meeting is available here: http://sausalito.granicus.com/MediaPlayer.php?view_id=2&clip_id=142
- At the **May 20, 2014** City Council meeting the Council considered a number of options for modifying the HMU and VMU programs. At the meeting 18 community members expressed concerns about the HMU and VMU as outlined in the Housing Element and carried forward into the draft ordinances. Comments received were similar to those expressed at the April 22, 2014 City Council meeting. At the conclusion of the meeting, Staff was directed by the City Council to continue to explore options that would address community concerns, specifically:
 - **Pursue a VMU option on CN-2 sites.** It has been determined that this alternative is not viable (see **Option 1 in Attachment D**). The 35% FAR limitation within CN-2 zones translates to a maximum building square footage of 14,830 square feet on the largest of the CN-2 parcels at 3001 Bridgeway. Developing 21 units would require a minimum of 11,500 square feet, leaving just over 3,000 square feet remaining for ground floor commercial uses and thus requiring 8,500 square feet of second-story residential to extend over the parking area. The resulting project design would necessitate a costly support structure for the second story residential overhang, and would result in an odd housing over

- parking design with poor residential livability. Other CN-2 sites have also been deemed not viable as they are even smaller than the parcel at 3001 Bridgeway.
- **If a VMU option on CN-2 sites not viable, pursue an HMU option on CN-2 sites.** This item is addressed in the memorandum to the Subcommittee (see **Attachment D**) section as Options 2a and 2b.
 - **Consider removing one or both of the existing HMU sites.** This item is addressed in the memorandum to the Subcommittee (see **Attachment D**) section as Options 2a, 2b, 3a, and 3b.
 - **Explore the option of removing the requirement in the VMU program that any upper level uses in the CN-1, CC and CR zones be residential.** This item is addressed in the section below in the VMU Action section regarding modifying the VMU regulations to allow small commercial on upper levels.
- Subsequently, the Subcommittee held a public meeting on **June 13, 2014** where eight public speakers offered additional testimony and voiced concerns.
 - A video recording of the meeting is available here: http://sausalito.granicus.com/MediaPlayer.php?view_id=2&clip_id=151. The Subcommittee made the following recommendation at their June 13, 2014 public meeting:
 - Limited commercial uses be allowed in the upper levels in the commercial zones through a modified VMU program and ordinance (**Option 4 in Attachment D**)
 - The HMU program should be modified in the following manner (listed in order of preference):
 - 1- Review R-3 parcels 12,000 s.f. or greater that could potentially provide viable multi-family housing opportunities as an alternative to the adopted HMU program (**Preferred Option** in this staff report)
 - 2- If the R-3 analysis is fruitless, and a HMU program or a similar program is necessary:
 - a. Reduce the requirement for a minimum of 30% 3-bedroom units to 25% 2-bedroom units (see a discussion in the “Other Options” section).
 - b. Consider one or more CN-2 sites for inclusion in the HMU program (**Options 2a and 2b in Attachment D**)
 - c. Consider the creation of a Residential Overlay for the CN-2 zoning district (**Options 3a and 3b in Attachment D**)
 - On **June 13, 2014** Staff sent a courtesy notice to all property owners and occupants within 500 feet of each site in the CN-2 Zoning District notifying them about the June 24, 2014 Council meeting and a discussion regarding housing on the commercial sites in the CN-2 district. The notice was also sent to all business owners in the CN-2 Zoning District.

REVIEW AND DISCUSSION OF R-3 ANALYSIS

Pursuant to Council discussion at the May 20, 2014 meeting and Housing Subcommittee direction at the June 13, 2014 meeting the City’s housing consultants have revisited the analysis of the R-3¹ Zoning District (Multiple Family Residential) parcels conducted in the 2011- 2012 time period. The analysis included a review of the original data files from the county wide property records system (Marin Maps GIS). This information was compared with the consultant’s database that was created in order to sort and filter the parcels.

¹ Sites that allow a minimum of 20 dwelling units per acre meet the State’s “default density” and may contribute to the lower income category of the Regional Housing Needs Assessment (RHNA). R-3 Parcels have a maximum density of 29 dwelling units per acre, which is above HCD’s “default density” of 20 units per acre.

Criteria, or filters, were developed to aid in the selection process for the sites inventory conducted in the 2011-2012 time period. Parcels with the following features were removed from consideration:

- Parcels of 40% average slope
- Landlocked parcels
- Parcels with existing homes built after 1980
- Parcels less than 3,000 s.f.
- Parcels on City's List of Noteworthy Structures
- Parcels that had approved or constructed projects
- Parcels that could not reasonably be expected to be redeveloped with at least one additional unit
- Parcels that had obvious parking constraints

With the goal of developing alternatives to the adopted HMU program, the consultants specifically researched R-3 parcels 12,000 s.f. or greater that could potentially provide viable multi-family housing opportunities. A viable site would be considered a vacant or underutilized site that could provide at least eight units and could be reasonably considered to be developed with new housing within the Housing Element planning period.

There are a total of 589 parcels that are zoned R-3. Of that total, only 17 of the R-3 sites are 12,000 s.f. or greater. This means that of all the R-3 zoned properties in the City, less than 3% are 12,000 s.f. or greater in size.

The disposition of the 17 sites can be summarized as follows.

- Sites developed as Multi-Family Properties (11)
- Alta Mira Recovery Programs Property (2)
- Single-Family Property (1)
- Sites on adopted Housing Element Sites Inventory (1)
- Church (1)
- Underwater Parcel (1)

For more details on the R-3 Parcel analysis see **Attachment B**.

The additional review revealed one site that is both developed with existing units and has potential as an opportunity site. This property is located at 330 Ebbtide Avenue, is 32,477 s.f. and has two existing homes on it. The average slope is 40.77% (which is slightly larger than the 2011-2012 inventory filter of 40%). As the property is zoned R-3 (Multiple Family) under the current zoning the property size could support a maximum of 21 units. The property has street frontage on both Ebbtide Avenue and Bridgeway. This is beneficial for vehicular access and would assist in overcoming the constraint of the slope on the site. Adjacent to the site is another smaller vacant parcel (301 Ebbtide) with 47% slope which is under the same ownership. The 301 Ebbtide parcel was not included in the analysis of the site potential but could conceivably be utilized to support some aspect of a future residential development on the 330 Ebbtide Ave. parcel. See **Attachment C** for a data sheet on 330 Ebbtide Avenue.

Due to the age, condition and size of the structures on the 330 Ebbtide parcel and the parcel slope being just slightly over the 40% threshold, staff and consultants found that the site could reasonably be considered a candidate site for redevelopment within the planning period.

Staff has reviewed the 330 Ebbtide Avenue site with Melinda Coy at HCD, and she concurred that it appears to be a suitable replacement site for both HMU sites at 1901 and 2015 Bridgeway. As the 330 Ebbtide Avenue parcel is already zoned R-3, it may be counted towards the RHNA as providing units for lower income households and may be added to the sites inventory, which is a listing of residential sites in the City that are suitable for residential development. A site inventory of land suitable for residential development is a required component in a City's Housing Element. This site inventory includes vacant sites and sites that have the potential for redevelopment, plus an analysis of the relationship of zoning and public facilities and services to these sites. Adding the 330 Ebbtide Avenue site **does not require any zoning map or zoning ordinance modification.** Furthermore, adding the 330 Ebbtide Avenue site **does not** increase the density or modify the allowable development standards on the site in any way.

The addition of 330 Ebbtide to the residential sites inventory and the elimination of the HMU program **will** require an amendment to the City's 2009-2014 Housing Element. The steps involved in the amendment process are outlined in the discussion of the **Preferred Option**, below in the **HMU Action** section.

REVIEW OF ACTIONS RELATED TO THE VMU/HMU PROGRAMS

VMU ACTION: MODIFY VMU REGULATIONS TO ALLOW SMALL COMMERCIAL ON UPPER LEVELS

Program 8a in the 2009-2014 Housing Element provides that all new construction of 2nd and 3rd stories in the CN-1, CR and CC zoning districts would be limited to residential use and a minimum of one unit must be affordable.

This option would modify the requirement that any upper level uses in the CN-1, CC and C-R zones be residential by allowing a limited amount of commercial space. This option should be considered first as it affects the other actions presented in this staff report which follow.

This change in Housing Element policy would provide an accommodation of offices and other small businesses up to 1,000 s.f. on the upper floors as traditionally found in the commercial areas. This would result in a reduction in total housing capacity for the VMU program that should be considered as the following options are evaluated.

This change would require modification of the existing draft VMU Ordinance. Staff concurs with the Housing Element Subcommittee recommendation that the City Council direct staff to make the modification and proceed with a Planning Commission hearing on the VMU Ordinance.

HMU ACTION: MODIFY PROGRAM 8B OF THE ADOPTED HOUSING ELEMENT RELATED TO THE HMU PROGRAM

Program 8b in the 2009-2014 Housing Element provides an overlay on two properties in the CN-1 Zoning District that allows for ground floor residential use under certain conditions related to affordability and unit type.

Staff has identified two options, presented below.

1- Preferred Option: Add 330 Ebbtide to Residential Sites Inventory in the Adopted 2012 Housing Element and Eliminate the HMU Program

This option will involve focused changes to the City's adopted 2009-2014 Housing Element to both modify the residential sites inventory to add 330 Ebbtide and eliminate the HMU program. **It should be stressed that to add the 330 Ebbtide property to the residential sites inventory there is no rezoning, Zoning Ordinance amendment or municipal code amendment required.** The 330 Ebbtide property is currently zoned R-3 (Multiple Family) and under the current zoning the property size could support a maximum of 21 units. Adding the 330 Ebbtide Avenue site **does not require any zoning map or zoning ordinance modification.** Furthermore, adding the 330 Ebbtide Avenue site **does not** increase the density or modify the allowable development standards on the site in any way.

More specifically, changes will be required in the following sections of the Element and Appendices:

Chapter II - Housing Plan

- ✓ Rewrite Program 8, Mixed-Use in Commercial Districts, to integrate 8a (VMU) with proposed changes to allow small 2nd story commercial, and update timeframe for adoption. Eliminate Program 8b (HMU)
- ✓ Update Program 10, Accessory Dwelling Units, to reflect adoption of ordinance and progress towards new and amnesty ADUs
- ✓ Update Program 11, Liveaboards, to reflect current status of local and BCDC marina permitting during planning period
- ✓ Eliminate cross-references to Program 8b (HMU) in policies and programs, and remove from Implementation Table

Chapter IV - Housing Resources

- ✓ Update Residential Sites Inventory and narrative to add 330 Ebbtide Avenue, eliminate HMU, reflect ADU progress during planning period and current status of liveaboard permitting

Appendix B - Housing Constraints

- ✓ Revise analysis under Land Use Controls to eliminate HMU and reflect revisions to VMU for 2nd story commercial

Appendix C - Vacant and Underutilized Sites Analysis

- ✓ Add 330 Ebbtide Avenue
- ✓ Eliminate reference to HMU

Appendix G - Vacant and Underutilized Sites Inventory Chart

- ✓ Update chart to eliminate HMU references
- ✓ Add 330 Ebbtide Avenue to chart

These changes to the 2009-2014 Housing Element are considered a Focused Amendment by HCD, and can be reviewed in an expedited period of approximately two weeks. During this review period, staff will coordinate with HCD to make any necessary refinements to the Amendment text. At the completion of their review, HCD will issue a compliance letter on the Draft Amendment. Demonstration of the City's progress in implementation of the ADU and liveaboard programs in the amendment will eliminate the prior finding of "conditional compliance".

Upon receipt of HCD's compliance letter on the amendment, the City will proceed with a public hearing before the Planning Commission and public hearing before the City Council for adoption. The adopted amendment to the 2009-2014 Housing Element will

then be submitted to HCD and a compliance letter will be issued. The City will proceed with the update of its 5th cycle 2015-2023 Housing Element, and with a compliant 4th cycle Housing element, will maintain eligibility for streamlined review.

It should be noted that action on the VMU program (see **VMU Action** above) may be directed to run concurrent with this option.

2- Other Options

Consider other options 2a, 2b, 3a and 3b to modify the HMU program by either removing the HMU overlay from one of the Spring Valley sites and placing it on a CN-2 site or creating a Residential Overlay on the 3001 Bridgeway site (as presented in the June 13, 2014 Memorandum to the Housing Element Subcommittee, see **Attachment D**). All of the options presented in the memorandum have been discussed with State HCD staff and are considered viable with one caveat. Selection of an "off menu" option that would result in allowing upper floor residential through the VMU program (Action A) and the substitution of both of the Spring Valley CN-1 sites for an equal or near equal unit capacity within the CN-2 zoning district would most likely trigger a full HCD review of the Housing Element's overall site capacity. If the Council considers one of these "other options," the Council could consider a modification of the HMU program to reduce the requirement for a minimum of 30% 3-bedroom units to 25% 2-bedroom unit (which would reduce the overall square footage of any future buildings proposed, with a corresponding lessening of any primary view impact from nearby residences for the Spring Valley sites).

STAFF RECOMMENDATION

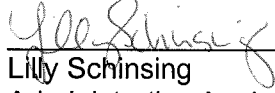
1. Direct staff to modify the VMU program (Program 8a in the Housing Element) to allow upper floor commercial (**VMU Action**); proceed with public hearings before the Planning Commission and City Council on the modified VMU program; and
2. Direct staff to initiate an amendment to the 2009-2014 Housing Element to remove the HMU program (Program 8b in the Housing Element) and add 330 Ebbtide Avenue to the sites inventory, and proceed with a Focused Review of the draft Housing Element amendment with the State Department of Housing and Community Development (HCD). Proceed with a public hearing before the Planning Commission and upon receipt of HCD's compliance letter on the amendment, proceed with a public hearing before the City Council, and upon adoption, submit the adopted Housing Element to HCD (**Preferred Option**).

ATTACHMENTS:

- A. Guide to Acronyms
- B. R-3 Parcels Analysis
- C. 330 Ebbtide Avenue Data Sheet
- D. June 13, 2104 Memorandum to the Housing Element Subcommittee
- E. Correspondence-Letter from Mr. Needlman and Mr. Niles, received June 3, 2014
- F. Draft HMU Zoning Overlay Ordinance, April 22, 2014
- G. Draft VMU Zoning text changes for the CN-1, C-C and C-R Zoning Districts, April 22, 2014


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REVIEWED BY:



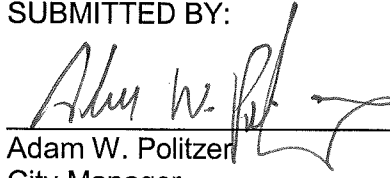
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Guide to Acronyms

AB/SB	Assembly Bill/Senate Bill
ADA	Americans with Disabilities Act
ADU	Accessory Dwelling Unit
AHOZ	Affordable Housing Overlay Zone
ABAG	Association of Bay Area Governments
AMI	Area Median Income
BMR	Below Market Rate
CAP	Climate Action Plan
CC	City Council
CDD	Community Development Director
CEQA	California Environmental Quality Act
CUP	Conditional Use Permit
DOF	California Department of Finance
EIR	Environmental Impact Report
EPA	Environmental Protection Agency
HCD	California Department of Housing and Community Development
HE	Housing Element
HUD	U.S. Department of Housing and Urban Development
HMU/VMU	Horizontal Mixed Use/Vertical Mixed Use
IS	Initial Study
MCC	Mortgage Credit Certificate
MTC	Metropolitan Transportation Commission
NOAA	National Oceanic and Atmospheric Administration
PC	Planning Commission
PDA	Priority Development Area
RDA	Redevelopment Agency
RHNA (Pronounced <i>rhee-na</i>)	Regional Housing Needs Allocation
BCDC	San Francisco Bay Conservation and Development Commission
SCS	Sustainable Community Strategy
Zoning	<ul style="list-style-type: none"> • CC – Central Commercial • CR – Mixed-Use Commercial and Residential • CN-1 and CN-2 – Neighborhood Commercial

ATTACHMENT B (4 PAGES)

R-3 Parcels Greater than 12,000 SF

	APN	Address	Vacant (Y/N)	Underutilized (Y/N)	AVG Slope (%)	Gross Land Area (SF)	Construction Date	Notes	Filtered by:
1	064-133-04	5 RODEO AVE	N	N	28.1	188,179	1962	Sausalito Towers. Large, built-out apartment complex (90 units)	7
2	██████████	██████████ BULKLEY AVE	N	N	81.2	33,300	1946	Single-family home (10,783 SF living area. Valued at \$5,049,836), Steep Slope	1, 7
3	052-322-02	330 EBBTIDE AVE	N	N	40.8	32,477	1900	Multiple residences (3 units). Adjacent to vacant R-3 parcel: APN 052-322-01, 7,770 SF, 47.62% average slope. Separated by right-of-way.	1, 7
4	065-071-23	120 BULKLEY AVE	N	N	24.4	28,527	1959	Apartment complex (28 units)	7
5	065-124-04	77 BULKLEY AVE	N	N	59.8	27,978	1963	Apartment complex, steep average slope (20 units)	1, 7
6	065-271-12	215 MAIN STREET	N	N	10.9	26,400	1960	Portofino Apartments (22 units)	7
7	064-104-01	501 OLIMA ST	N	N	8.7	24,000	2003	Sausalito Village (22 units), Rotary Housing	7
8	064-151-02	1757 BRIDGEWAY	Y	Y	22.4	17,932	1917	Blighted property with deteriorated vacant homes (On Sites Inventory)	N/A
9	065-072-05	112 BULKLEY	N	N	26.4	14,500	1909	Sausalito Presbyterian Church, Historic Building	5, 7
10	052-322-05	1 EBBTIDE AVE	N	N	55.8	13,548	?	Apartment complex (9 units)	1, 7
11	065-171-36	46 BULKLEY	N	N	44.2	13,486	?	Apartment Complex (4 units)	7
12	065-272-27	SOUTH ST	Y	Y	UNKNOW N	13,122	-	Underwater parcel	2, 7
13	065-071-22	30 EXCELSIOR LN	N	N	21.7	13,030	?	Multiple residences (5 units)	7
14	065-093-16	125 BULKLEY AVE	N	N	32.7	12,703	?	Portion of Alta Mira Recovery Programs. Steep slope.	7
15	065-052-11	428 TURNEY STREET	N	N	14.0	12,636	?	Large, Victorian-style home, multiple residences (8 units)	7
16	065-093-18	125 BULKLEY	N	N	30.4	12,262	?	Portion of Alta Mira Recovery Programs. Steep slope.	7
17	064-151-09	1721 BRIDGEWAY	N	N	49.9	12,000	?	Apartment complex setback from Bridgeway and accessed by Filbert Court (4 units). Steep average slope.	1, 7

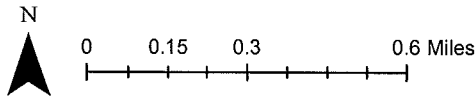
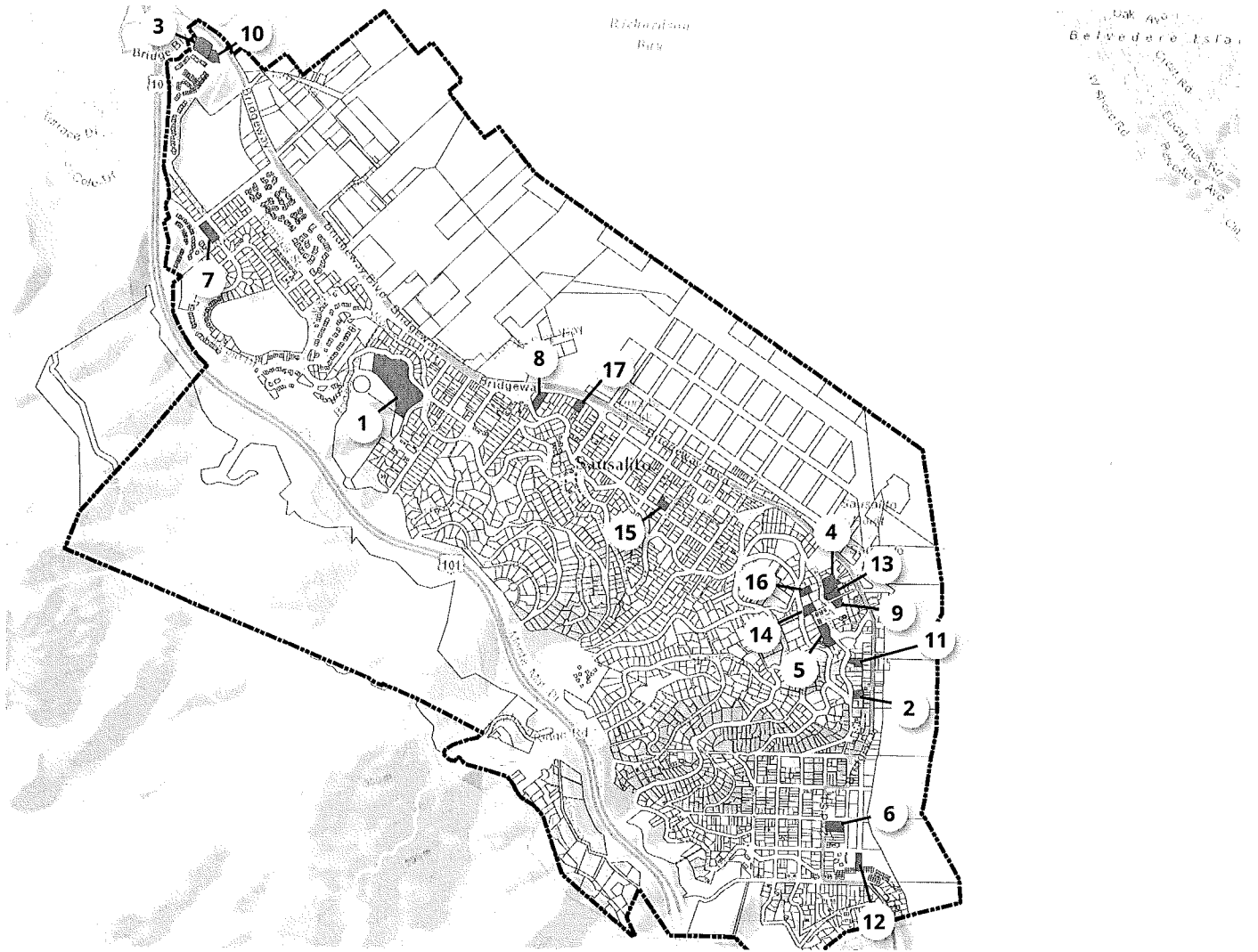
Multi-Family Properties				
Parcel	Address	Notes	Max Potential	
1	064-133-04	5 Rodeo Ave	90 units	125
2	065-271-12	215 Main St	22 units	17
3	064-104-01	501 Olima St	22 units	16
4	065-171-36	46 Bulkley Ave	4 units	8
5	064-151-09	1721 Bridgeway	4 units	8
6	065-071-22	30 Excelsior Ln	5 units	8
7	065-071-23	120 Bulkley Ave	28 units	19
8	065-052-11	77 Bulkley Ave	20 units	18
9	065-052-11	428 Turney St	8 units	8
10	052-322-02	330 Ebbtide Ave	3 units. Three small houses, improvement value \$70,388 (assessed).	21
11	052-322-05	1 Ebbtide Ave	9 units	9

Single-Family Properties				
Parcel	Address	Notes	Max Potential	
12	██████████	██████████ Bulkley Ave	Single-family home (10,783 SF living area. Valued at \$5,049,836), Steep Slope	

Other				
Parcel	Address	Notes	Max Potential	
13	064-151-02	1757 Bridgeway	Property with blighted buildings (considered vacant)	
14	065-072-05	112 Bulkley Ave	Sausalito Presbyterian Church	
15	065-093-16	125 Bulkley Ave	Alta Mira Recovery Programs	
16	065-093-18	125 Bulkley Ave	Alta Mira Recovery Programs	
17	065-272-27	South St	Underwater parcel	

- | Filters for removal |
|--|
| 1. Parcels of 40% average slope |
| 2. Landlocked parcels |
| 3. Parcels with existing homes built after 1980 |
| 4. Parcels less than 3,000 s.f. |
| 5. Parcels on City's List of Noteworthy Structures |
| 6. Parcels that had approved or constructed projects |
| 7. Parcels that could not reasonably be expected to be redeveloped with at least one additional unit |
| 8. Parcels that had obvious parking constraints |

R-3 Parcels Greater than 12,000 Gross Square Feet



Legend
 R-3 Parcels greater than 12,000 SF

R-3 Parcels Greater than 12,000 SF									
	APN	Address	Vacant (Y/N)	Underutilized (Y/N)	AVG Slope (%)	Gross Land Area (SF)	Construction Date	Notes	Filtered by:
1	064-133-04	5 RODEO AVE	N	N	28.1	188,179	1962	Sausalito Towers. Large, built-out apartment complex (90 units)	7
2		BULKLEY AVE	N	N	81.2	33,300	1946	Single-family home (10,783 SF living area. Valued at \$5,049,836). Steep Slope	1, 7
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1	064-133-04	5 RODEO AVE	N	N	28.1	188,179	1962	Sausalito Towers. Large, built-out apartment complex (90 units)	7
2	██████████	██████████ BULKLEY AVE	N	N	81.2	33,300	1946	Single-family home (10,783 SF living area. Valued at \$5,049,836), Steep Slope	1, 7
3	052-322-02	330 EBBTIDE AVE	N	N	40.8	32,477	1900	Multiple residences (3 units). Adjacent to vacant R-3 parcel: APN 052-322-01, 7,770 SF, 47.62% average slope. Separated by right-of-way.	1, 7
4	065-071-23	120 BULKLEY AVE	N	N	24.4	28,527	1959	Apartment complex (28 units)	7
5	065-124-04	77 BULKLEY AVE	N	N	59.8	27,978	1963	Apartment complex, steep average slope (20 units)	1, 7
6	065-271-12	215 MAIN STREET	N	N	10.9	26,400	1960	Portofino Apartments (22 units)	7
7	064-104-01	501 OLIMA ST	N	N	8.7	24,000	2003	Sausalito Village (22 units), Rotary Housing	7
8	064-151-02	1757 BRIDGEWAY	Y	Y	22.4	17,932	1917	Blighted property with deteriorated vacant homes (On Sites Inventory)	N/A
9	065-072-05	112 BULKLEY	N	N	26.4	14,500	1909	Sausalito Presbyterian Church, Historic Building	5, 7
10	052-322-05	1 EBBTIDE AVE	N	N	55.8	13,548	?	Apartment complex (9 units)	1, 7
11	065-171-36	46 BULKLEY	N	N	44.2	13,486	?	Apartment Complex (4 units)	7
12	065-272-27	SOUTH ST	Y	Y	UNKNOW N	13,122	-	Underwater parcel	2, 7
13	065-071-22	30 EXCELSIOR LN	N	N	21.7	13,030	?	Multiple residences (5 units)	7
14	065-093-16	125 BULKLEY AVE	N	N	32.7	12,703	?	Portion of Alta Mira Recovery Programs. Steep slope.	7
15	065-052-11	428 TURNEY STREET	N	N	14.0	12,636	?	Large, Victorian-style home, multiple residences (8 units)	7
16	065-093-18	125 BULKLEY	N	N	30.4	12,262	?	Portion of Alta Mira Recovery Programs. Steep slope.	7
17	064-151-09	1721 BRIDGEWAY	N	N	49.9	12,000	?	Apartment complex setback from Bridgeway and accessed by Filbert Court (4 units). Steep average slope.	1, 7

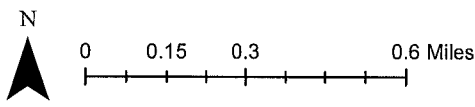
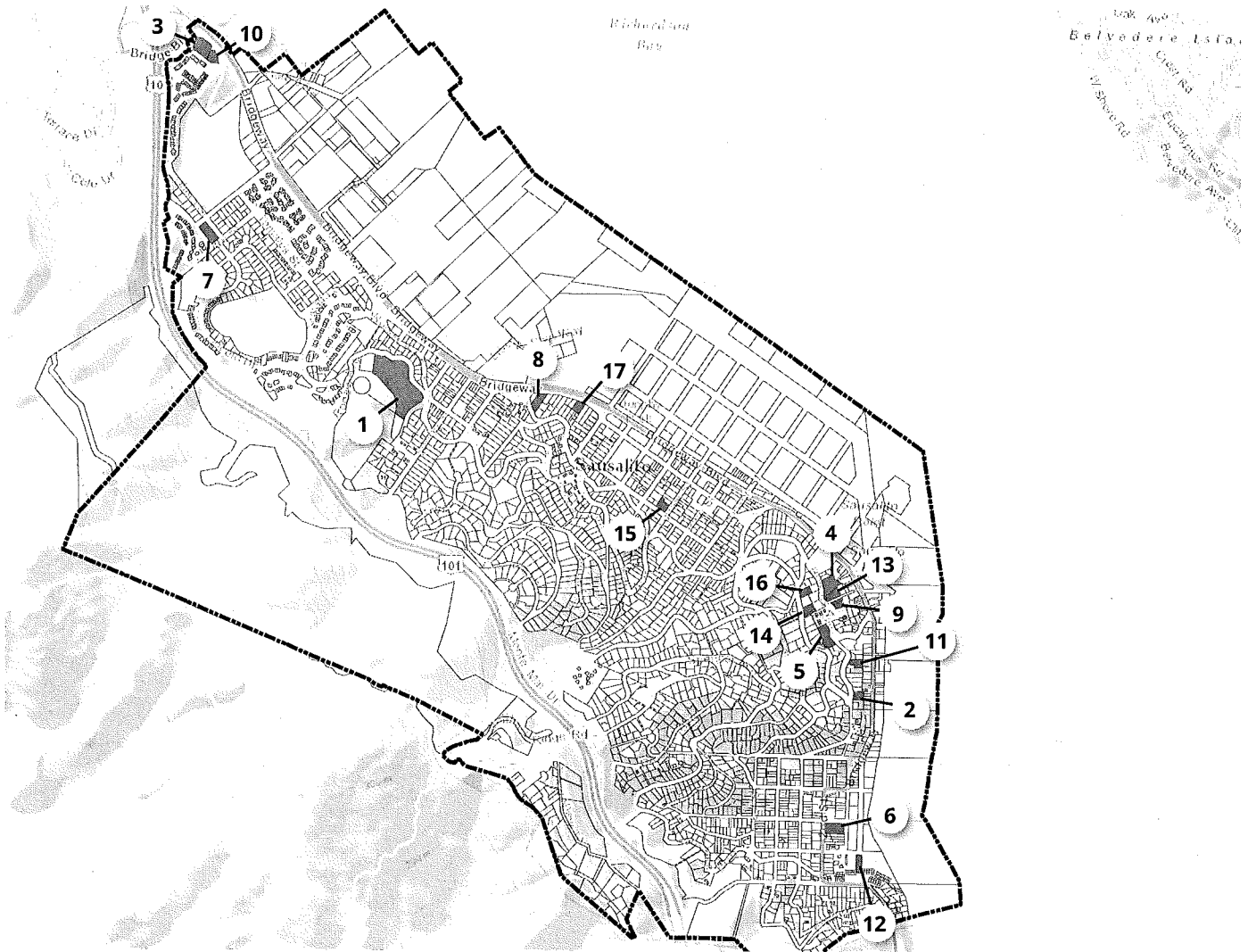
Multi-Family Properties				
Parcel	Address	Notes	Max Potential	
1	064-133-04	5 Rodeo Ave	90 units	125
2	065-271-12	215 Main St	22 units	17
3	064-104-01	501 Olima St	22 units	16
4	065-171-36	46 Bulkley Ave	4 units	8
5	064-151-09	1721 Bridgeway	4 units	8
6	065-071-22	30 Excelsior Ln	5 units	8
7	065-071-23	120 Bulkley Ave	28 units	19
8	065-052-11	77 Bulkley Ave	20 units	18
9	065-052-11	428 Turney St	8 units	8
10	052-322-02	330 Ebbtide Ave	3 units. Three small houses, improvement value \$70,388 (assessed).	21
11	052-322-05	1 Ebbtide Ave	9 units	9

Other				
Parcel	Address	Notes	Max Potential	
13	064-151-02	1757 Bridgeway	Property with blighted buildings (considered vacant)	
14	065-072-05	112 Bulkley Ave	Sausalito Presbyterian Church	
15	065-093-16	125 Bulkley Ave	Alta Mira Recovery Programs	
16	065-093-18	125 Bulkley Ave	Alta Mira Recovery Programs	
17	065-272-27	South St	Underwater parcel	

Single-Family Properties				
Parcel	Address	Notes	Max Potential	
12	██████████	██████████ Bulkley Ave	Single-family home (10,783 SF living area. Valued at \$5,049,836), Steep Slope	

- | Filters for removal |
|--|
| 1. Parcels of 40% average slope |
| 2. Landlocked parcels |
| 3. Parcels with existing homes built after 1980 |
| 4. Parcels less than 3,000 s.f. |
| 5. Parcels on City's List of Noteworthy Structures |
| 6. Parcels that had approved or constructed projects |
| 7. Parcels that could not reasonably be expected to be redeveloped with at least one additional unit |
| 8. Parcels that had obvious parking constraints |

R-3 Parcels Greater than 12,000 Gross Square Feet



Legend
 R-3 Parcels greater than 12,000 SF

R-3 Parcels Greater than 12,000 SF								Filtered by:	
APN	Address	Vacant (Y/N)	Underutilized (Y/N)	AVG Slope (%)	Gross Land Area (SF)	Construction Date	Notes		
1	064-133-04	5 RODEO AVE	N	N	28.1	188,179	1962	Sausalito Towers. Large, built-out apartment complex (90 units)	7
2	██████████	BULKLEY AVE	N	N	81.2	33,300	1946	Single-family home (10,783 SF living area. Valued at \$5,049,836), Steep Slope	1, 7
3	052-322-02	330 EBBTIDE AVE	N	N	40.8	32,477	1900	Multiple residences (3 units). Adjacent to vacant R-3 parcel; APN 052-322-01, 7,770 SF, 47.62% average slope. Separated by right-of-way.	1, 7
4	065-071-23	120 BULKLEY AVE	N	N	24.4	28,527	1959	Apartment complex (28 units)	7
5	065-124-04	77 BULKLEY AVE	N	N	59.8	27,978	1963	Apartment complex, steep average slope (20 units)	1, 7
6	065-271-12	215 MAIN STREET	N	N	10.9	26,400	1960	Portofino Apartments (22 units)	7
7	064-104-01	501 OLIMA ST	N	N	8.7	24,000	2003	Sausalito Village (22 units), Rotary Housing	7
8	064-151-02	1757 BRIDGEWAY	Y	Y	22.4	17,932	1917	Blighted property with deteriorated vacant homes (On Sites Inventory)	N/A
9	065-072-05	112 BULKLEY	N	N	26.4	14,500	1909	Sausalito Presbyterian Church, Historic Building	5, 7
10	052-322-05	1 EBBTIDE AVE	N	N	55.8	13,548	?	Apartment complex (9 units)	1, 7
11	065-171-36	46 BULKLEY	N	N	44.2	13,486	?	Apartment Complex (4 units)	7
12	065-272-27	SOUTH ST	Y	Y	UNKNOWN	13,122	-	Underwater parcel	2, 7
13	065-071-22	30 EXCELSIOR LN	N	N	21.7	13,030	?	Multiple residences (5 units)	7
14	065-093-16	125 BULKLEY AVE	N	N	32.7	12,703	?	Portion of Alta Mira Recovery Programs. Steep slope.	7
15	065-052-11	428 TURNER STREET	N	N	14.0	12,636	?	Large, Victorian-style home, multiple residences (8 units)	7
16	065-093-18	125 BULKLEY	N	N	30.4	12,262	?	Portion of Alta Mira Recovery Programs. Steep slope.	7
17	064-151-09	1721 BRIDGEWAY	N	N	49.9	12,000	?	Apartment complex setback from Bridgeway and accessed by Filbert Court (4 units). Steep average slope.	1, 7

ATTACHMENT C

(2 PAGES)

Housing Element Update - R-3 Analysis
June 17, 2014

Site Analysis: 330 Ebbtide Ave

Site Information

Address/Street: 330 Ebbtide Ave

Assessor Parcel Numbers:

Site 1: 052-322-01
Site 2: 052-322-02

Site Area:

Site 1: 7,770 SF
Site 2: 32,477 SF
Total: 40,247 SF

Owner: [REDACTED] Living Trust

Existing Buildings:

- Site 1: Vacant
Site 2: As follows:
- 2 story, 1,660 SF single-family unit
 - 1 story 1,100 SF single-family unit
 - 525 SF cottage/wheelhouse
 - Constructed in 1900 (per County Assessor)

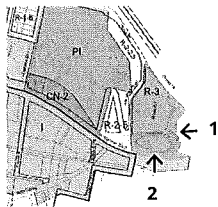
Constraints: Steep topography/slopes, trees, easement separating sites. Average slope is approx. 47% on Site 1 and 40% on Site 2.

General Plan Designation: High-Density Residential (up to 29 units per acre)

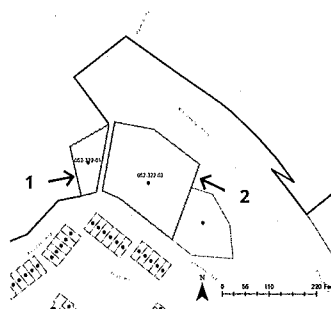
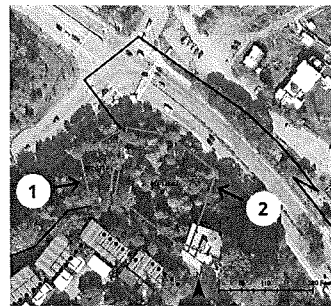
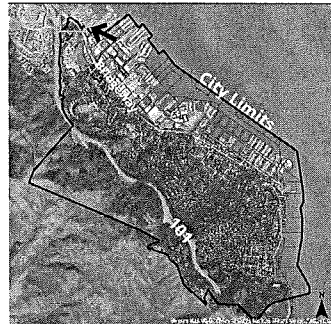
Zoning Designation: R-3 (Multiple Family)

Context: Multi-family land uses on two sides (zoned R-2-5 and R-2-2.5). Industrial uses (I) are located across Bridgeway from the sites.

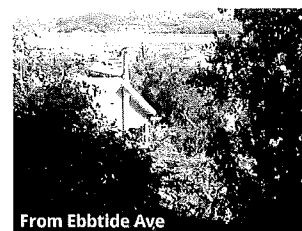
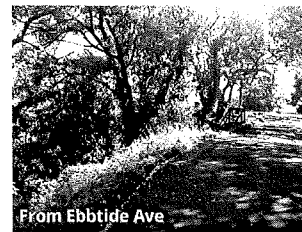
Zoning Map



Site Location



Site Photos



Assessment

Site 1: 052-322-01

Current Units	Max Units per City R-3 Zoning
0	5

Site 2: 052-322-02

Current Units	Max Units per City R-3 Zoning
2 single-family units, 1 cottage/wheelhouse*	21

*Improvement value assessed at \$70,388 (Marin County Assessor)

Site Analysis: 330 Ebbtide Ave

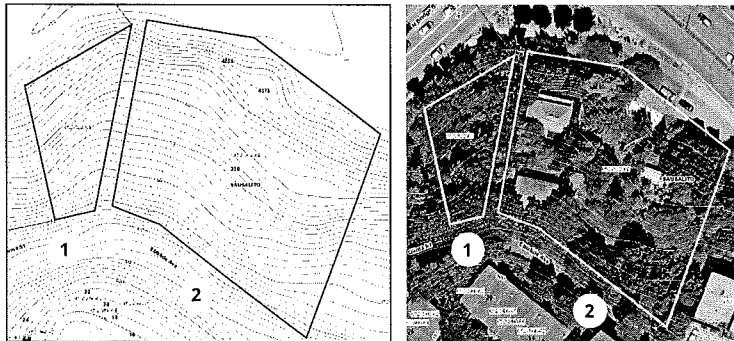
Options Summary

Options	Density/% of Max.	Max. SF per 80% FAR	SF per Unit
16 units	21.5 du/ac (74%)	25,986	1,624
18 units	24.1 du/ac (83%)	25,986	1,443
21 units	28 du/ac (97%)	25,986	1,237

Assessed Values

	Site 1	Site 2
Land Value	\$1,406	\$408,253
Improvements	-	\$70,388
Total	\$1,406	\$478,641

Topographic Maps



Summary

The parcels (052-322-01 and 052-322-02) are addressed at 330 Ebbtide Ave in Sausalito. They are situated within the northernmost point of the City, in an area annexed into Sausalito in the 1970s. The parcels overlook Bridgeway as it enters the City.

The two houses and small cottage on Site 2 are well screened from both Ebbtide and Bridgeway due to extensive tree coverage. A dilapidated garage is located on the flat portion of the site and the garage is visible from Bridgeway.

The homes are accessed by a staircase that runs through the parcel. An utility right-of-way separates the two parcels.

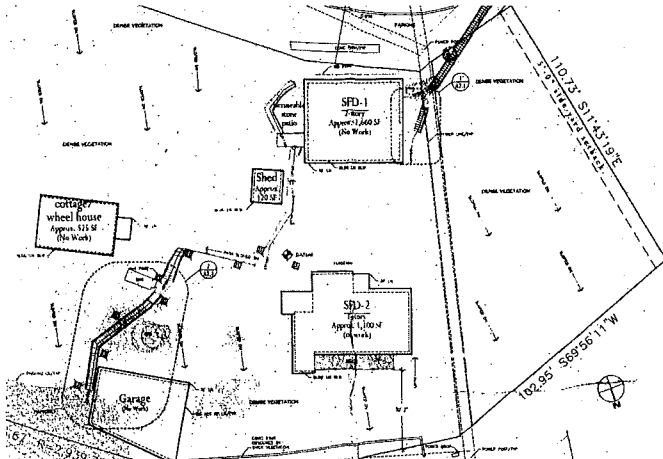
It appears that some of the flat portion of the site at the bottom is part of the Bridgeway right-of-way. The remaining area is shallow and likely only big enough for parking.

The site then slopes up about 77 feet over a 190 foot horizontal distance. This appears to be a relatively constant 40% slope. Any development would have to step down the hillside in a terraced fashion.

There would be an opportunity for parking at the Ebbtide side of the property but it would be limited by the slope factor unless major grading was undertaken.

The R-3 zone permits an FAR of .80, allowing up to 25,986 SF of building area on the site. Depending on the number of units constructed, this building area would accommodate average multi-family unit sizes of 1,237 SF (if 21 units were built), on up to 1,624 SF (if 16 units were built).

Site Plan from Archives



ATTACHMENT D

(13 PAGES)

Memorandum

June 13, 2014

TO: Sausalito Housing Element Subcommittee

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

SUBJECT: **HMU and VMU Options**
Sausalito 2009-2014 Housing Element Programs #8a and 8b

The following outlines alternatives for accommodating residential development in commercial zones following the direction of the City Council on May 20, 2014 to explore alternatives to the existing HMU/VMU programs. These alternatives were developed to help to ensure that the City's Housing Element Update complies with State law. An option for modifying the draft VMU ordinance is also outlined and presented in this memo.

All six alternatives have been assessed to determine whether or not they may be viable alternatives for compliance while working within existing development constraints. Six alternatives in total are presented and are as follows:

HMU Alternatives:

1. Substitute HMU on both sites in CN-1 for VMU on one site in CN-2
- 2a. Substitute HMU on one site in CN-1 for HMU on site in CN-2
- 2b. Substitute HMU on both sites in CN-1 for HMU on a site in the CN-2 zoning district
- 3a. Substitute HMU on one site in CN-1 for new residential overlay on site in CN-2
- 3b. Substitute HMU on both sites in CN-1 for new residential overlay on site in CN-2

VMU Option:

4. Allow small upper-level commercial in VMU regulations

See **Attachment 1** for a matrix describing the options and **Attachment 2** for the CN-1 and CN-2 Maps.

HMU ALTERNATIVES

1. SUBSTITUTE HMU ON BOTH SITES IN CN-1 FOR VMU ON ONE SITE IN CN-2

Alternative #1 would eliminate the 1901 and 2015 Bridgeway sites from the HMU entirely while also extending the VMU overlay's applicability to the CN-2 zoning district. This would permit second-story residential uses, pursuant to VMU standards, on the site containing "Tommy's Wok" and "Pal's Liquor and Wine" at 3001 Bridgeway.

It has been determined that this alternative is not viable. The 35% FAR limitation within CN-2 zones translates to a maximum building square footage of 14,830 square feet on this site. Developing 21 units would require a minimum of 11,500 square feet, leaving just over 3,000 square feet remaining for ground floor commercial uses and thus requiring 8,500 square feet of second-story residential to extend over the parking area. The resulting project design would necessitate a costly support structure for the second story residential overhang, and would result in an odd carport-style project design with poor commercial visibility. See **Figure 1**. Other CN-2 sites have also been deemed not viable as they are even smaller than the parcel at 3001 Bridgeway.

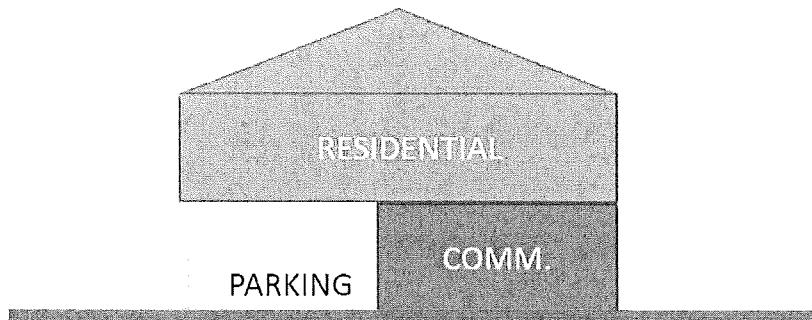
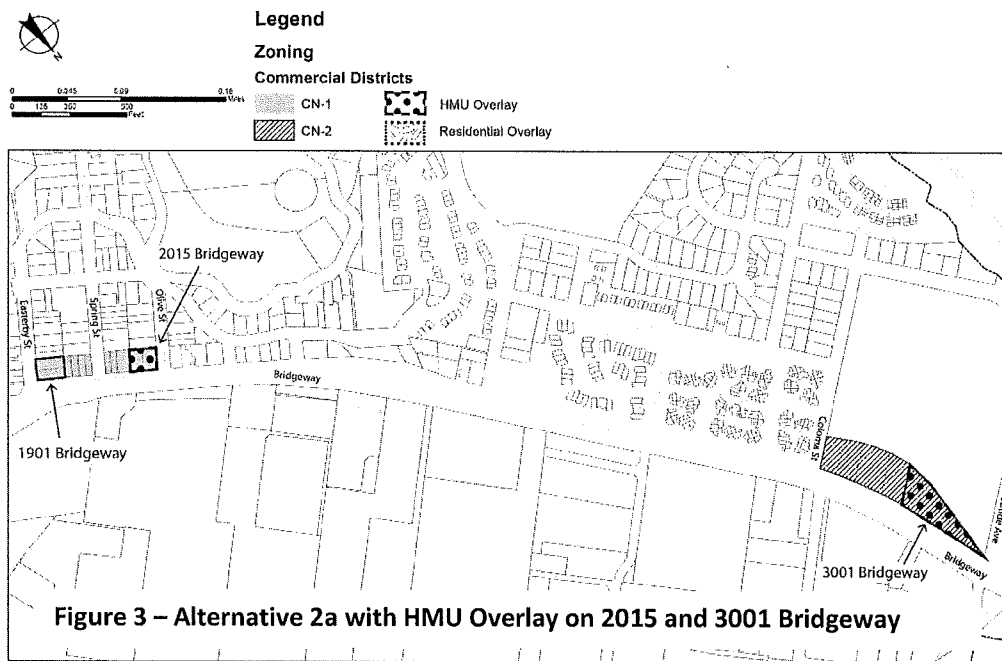
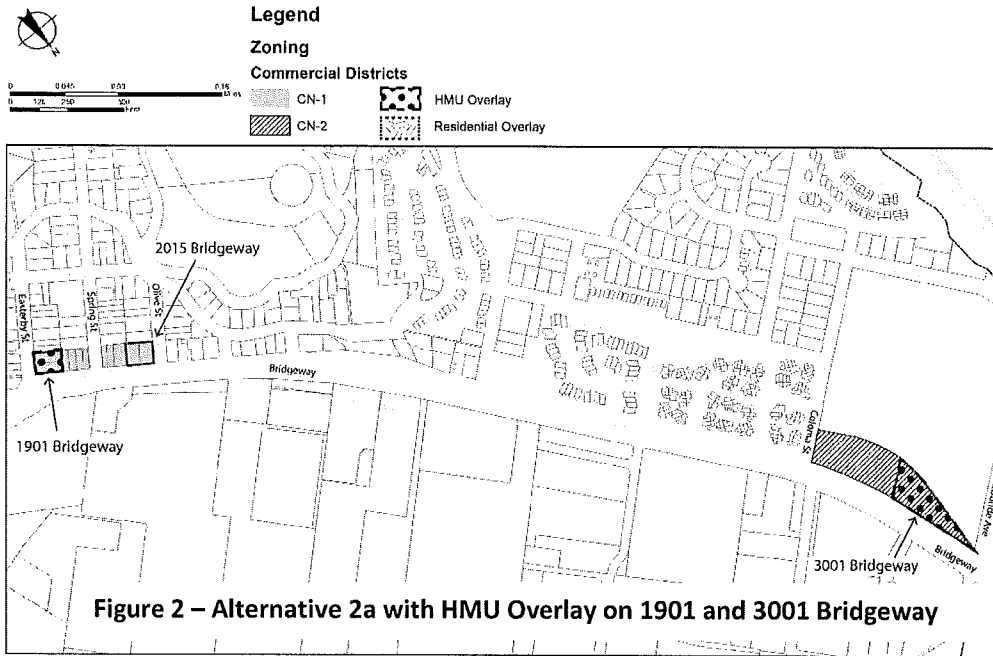


Figure 1 – VMU on CN-2 Cross-Section

2a. SUBSTITUTE HMU ON ONE SITE IN CN-1 FOR HMU ON SITE IN CN-2

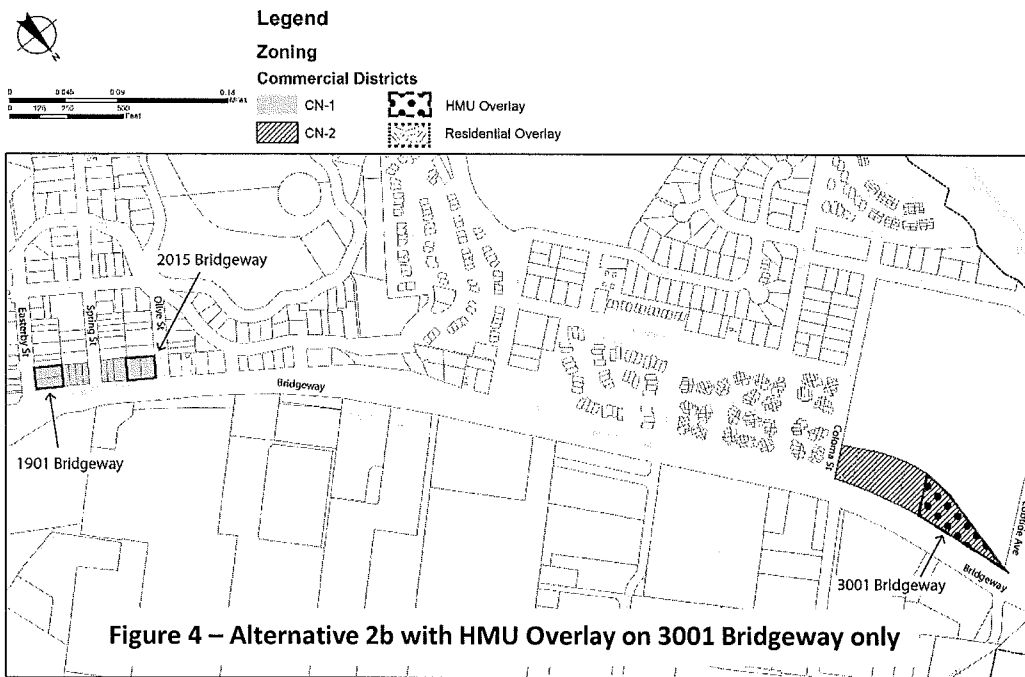
Alternative #2a would remove the HMU overlay from either 1901 Bridgeway or 2015 Bridgeway sites and apply the overlay and its provisions to the site of 3001 Bridgeway, containing the "Tommy's Wok" business to the "Pal's Liquor and Wine" business (see **Figures 2 and 3**). VMU regulations would continue to apply to the 1901 and 2015 Bridgeway sites as they would to all sites in the CN-1, CR and CC Zoning Districts. **It has been determined that this option is viable to achieve 21 units within the 35% FAR limitation of the CN-2 district.** The 30%, 3-bedroom requirement and the 50% affordability requirement would remain as provisions of the HMU overlay. Potential benefits of maintaining HMU on 1901 or 2015 Bridgeway in addition to adding to 3001 Bridgeway include the geographic distribution of future potential multi-family housing development between two different Sausalito neighborhoods, as well as the provision of an added RHNA buffer for very low income units.



2b. SUBSTITUTE HMU ON BOTH SITES IN CN-1 FOR HMU ON A SITE IN THE CN-2 ZONING DISTRICT.

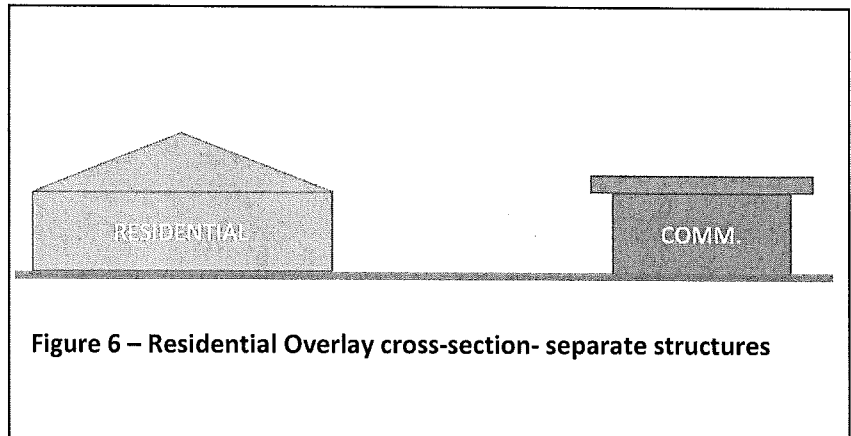
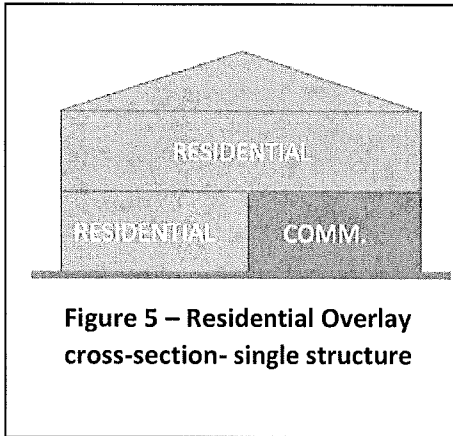
Alternative #2b would remove both the existing HMU sites (1901 and 2015 Bridgeway) from the HMU overlay while permitting ground- and upper-floor residential uses on the site containing the “Tommy’s Wok” business to the “Pal’s Liquor and Wine” business at 3001 Bridgeway (See **Figure 4**). HMU standards would apply to the new location at 3001 Bridgeway while VMU standards would still be applicable to the existing HMU sites at 1901 and 2015 Bridgeway.

It has been determined that this option is viable, able to accommodate 21 units within the FAR constraints when ground-floor residential uses are permitted. The 30%, 3-bedroom requirement and the 50% affordability requirement would remain as provisions of the HMU overlay. One potential benefit of eliminating HMU from both 1901 and 2015 Bridgeway is conservation of the existing commercial uses in the Spring Valley neighborhood.



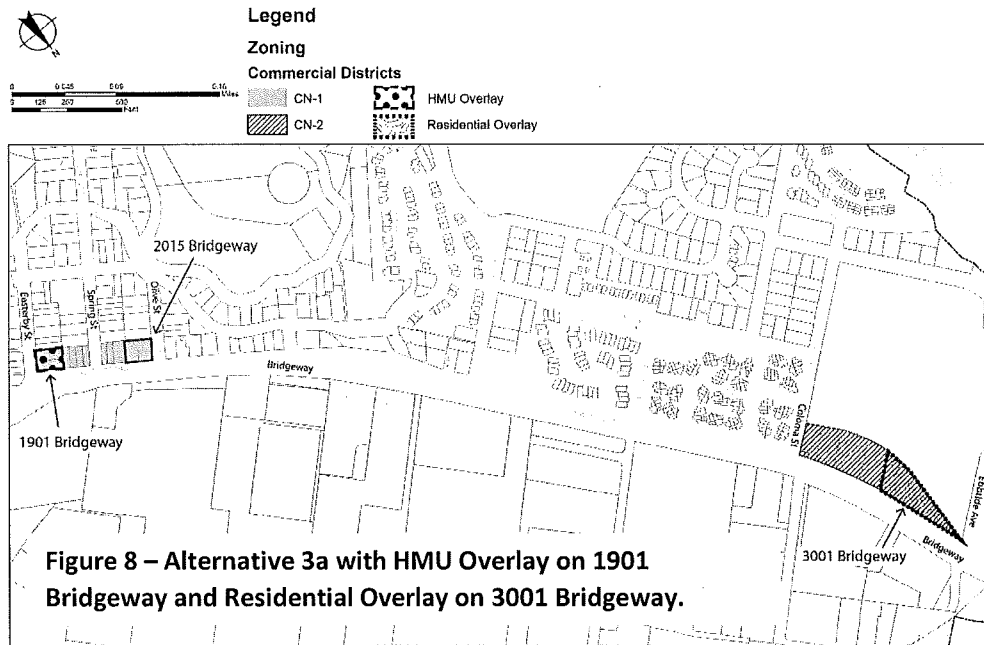
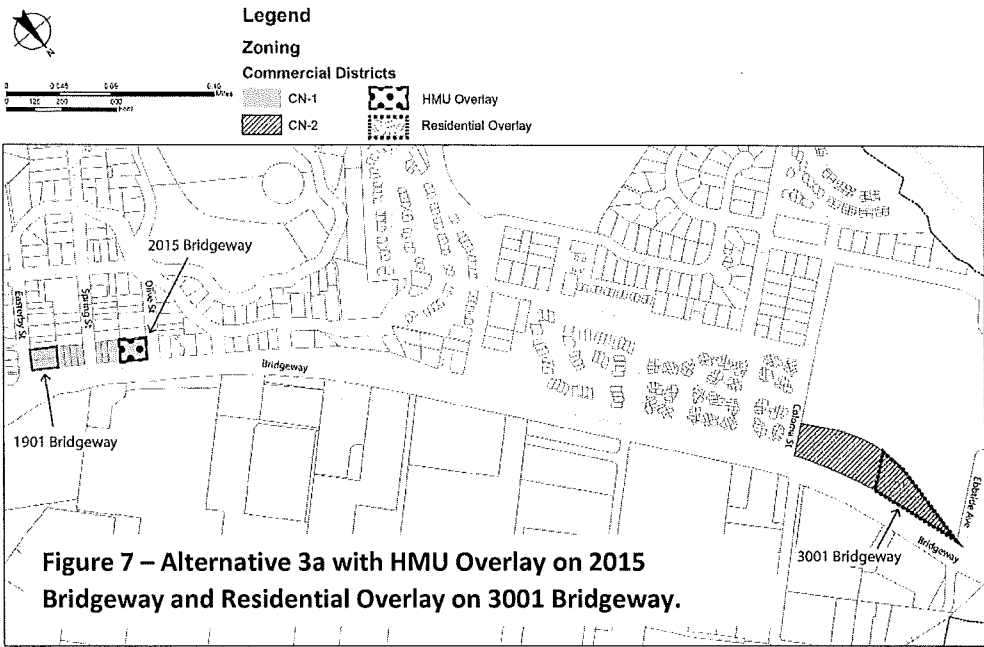
3a. SUBSTITUTE HMU ON ONE SITE IN CN-1 FOR NEW RESIDENTIAL OVERLAY ON SITE IN CN-2

Alternative #3a proposes to eliminate one HMU site from the overlay and apply a Residential Overlay to the site at 3001 Bridgeway, encompassing the site containing the “Tommy’s Wok” business to the “Pal’s Liquor and Wine” business (see **Figures 7 and 8**) The Residential Overlay would act as a hybrid of the VMU and HMU overlays. This allows residential on both ground and upper floors while maintaining a requirement that a minimum 20% of lineal feet of the site that fronts on Bridgeway be used as ground-floor commercial. For the 3001 Bridgeway site, 20% of the 330 feet of frontage on Bridgeway results in about 66 feet, and with a commercial depth of 50 feet, translates to 3,300 square feet of commercial use. See **Figures 5 and 6** for example cross sections.



The 30%, 3-bedroom requirement of the HMU overlay would be reduced to a 25%, 2-bedroom requirement under the Residential Overlay. The 50% affordability requirement will be retained under the new overlay, which can be applied to other CN-2 sites in the future.

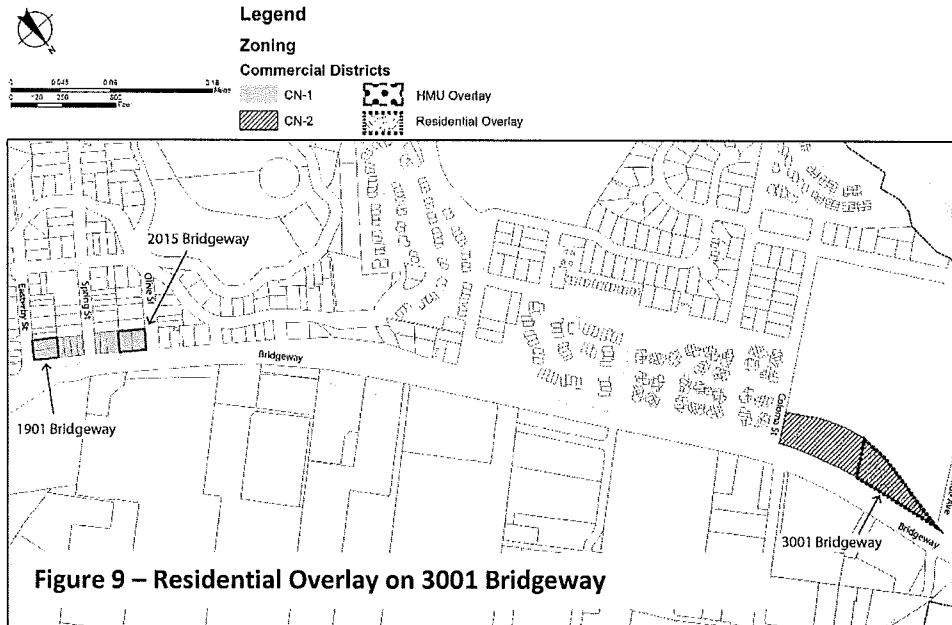
It has been determined that Alternative #3a is a viable alternative to accommodate 21 units within the FAR constraints when ground-floor residential uses are permitted. By requiring a certain amount of ground-floor commercial, but also allowing residential on the ground and upper floors, the residential overlay both achieves the Housing Element program goal of providing an opportunity for residential use on the ground level and upper levels as well as the community’s goal of maintaining neighborhood servicing commercial uses. Potential benefits of maintaining HMU on 1901 or 2015 Bridgeway in addition to adding the Residential Overlay to 3001 Bridgeway include the geographic distribution of future potential multi-family housing development between two different Sausalito neighborhoods, as well as the provision of an added RHNA buffer for very low income units.



3b. SUBSTITUTE HMU ON BOTH SITES IN CN-1 FOR NEW RESIDENTIAL OVERLAY ON SITE IN CN-2

Alternative #3b would propose to eliminate the HMU overlay from both of the existing sites (1901 and 2015 Bridgeway) and apply a Residential Overlay (as described in Alternative 3a) to the site at 3001 Bridgeway. See **Figure 9**. The Residential Overlay would carry the same provisions as the Residential Overlay described in Alternative #4. This includes the provision to maintain 20% of the ground-floor frontage on Bridgeway as commercial uses.

It has been determined that Alternative #3b is a viable alternative to achieve 21 units within the 35% FAR limitation of the CN-2 sites when ground-floor residential uses are permitted. The Residential Overlay would reallocate the 16 units from both existing HMU sites to the 3001 Bridgeway site. One potential benefit of eliminating HMU from both 1901 and 2015 Bridgeway is conservation of the existing commercial uses in the Spring Valley neighborhood.



VMU ALTERNATIVES

4. ALLOW SMALL UPPER-LEVEL COMMERCIAL IN VMU REGULATIONS

The current draft VMU ordinance requires only residential use on upper floors and therefore does not allow new commercial uses. **Alternative #4** would modify the draft VMU ordinance to allow for small commercial spaces on upper floors in districts where VMU is applicable (CC, CR, CN-1). Small commercial uses will be defined as those being up to 1,000 square feet and will be treated as an exception to the VMU regulations subject to Planning Commission review.

As allowing upper floor commercial uses would potentially result in a reduced unit capacity within the VMU overlay, the viability of this option is dependent on the extra cushion of lower income units that the HMU/Residential Overlay would provide on the 3001 Bridgeway site. The HMU or Residential Overlay option on the 3001 Bridgeway site would provide a potential of 5 additional lower income units (21 lower income unit potential on the 3001 Bridgeway site compared to the 16 combined lower income unit potential on the 1901 and 2015 Bridgeway sites). Therefore, staff would only recommend the modification to the VMU regulations as described above if the 3001 Bridgeway site was made available for residential use.

Attachments

- 1 - Alternatives Matrix
- 2 - CN-1 and CN-2 Maps

**6/13/14 HOUSING ELEMENT SUBCOMMITTEE EVALUATION OF ALTERNATIVES
HMU OPTIONS**

	ALTERNATIVE	SUMMARY	VIABILITY	STAFF RECOMMENDATION	
1	Substitute HMU on both sites in CN-1 for VMU on site in CN-2	Eliminate HMU entirely - replace with VMU on 1 acre CN-2 parcel 3001 Bridgeway (Tommy's Wok to Pal's Liquor and Wine)	1901 and 2015 Bridgeway would be removed from HMU and would fall within VMU. 2nd story residential would be permitted on Tommy's Wok to Pal's Liquor and Wine site pursuant to VMU standards.	Site layout shows not viable. 35% FAR limitation in CN-2 limits building sf to max of 14,830 sf. Development of 21 units (required for 20 du/acre default density) requires 11,500 sf, leaving just 3,000 sf for ground floor commercial and requiring second story residential to extend over parking area.	Not viable. Other CN-2 sites also not viable as VMU as smaller than Tommy's Wok Pal's Liquor and Wine site and constrained by .35 FAR.

**6/13/14 HOUSING ELEMENT SUBCOMMITTEE EVALUATION OF ALTERNATIVES
HMU OPTIONS**

ALTERNATIVE		SUMMARY	VIABILITY	STAFF RECOMMENDATION	
2a	Substitute HMU on one site in CN-1 for HMU on site in CN-2	Remove HMU on one sites in CN-1, replace with HMU on 1-acre CN-2 parcel at 3001 Bridgeway (Tommy's Wok to Pal's Liquor and Wine)	1901 or 2015 Bridgeway would be removed from HMU overlay (but would still be under VMU regulations). Ground floor and upper level residential would be permitted on Tommy's Wok to Pal's Liquor and Wine site pursuant to HMU standards.	Site layout shows Tommy's Wok to Pal's Liquor and Wine site viable to achieve 21 units within 0.35 FAR when ground floor residential permitted. 30% 3 bedroom requirement and 50% affordability requirement would remain in place for HMU. HMU could also be applied as needed in the future to additional CN-2 sites via an overlay.	21 HMU units on Tommy's Wok to Pal's Liquor and Wine site viable replacement for 8 HMU units at 1901 Bridgeway and/or 8 HMU units at 2015 Bridgeway. HCD has confirmed modification would not jeopardize Housing Element compliance.
2b	Substitute HMU on both sites in CN-1 for HMU on site in CN-2	Remove HMU on both sites in CN-1, replace with HMU on 1-acre CN-2 parcel at 3001 Bridgeway (Tommy's Wok to Pal's Liquor and Wine)	1901 Bridgeway and 2015 Bridgeway would be removed from HMU overlay (but would still be under VMU regulations). Ground floor and upper level residential would be permitted on Tommy's Wok to Pal's Liquor and Wine site pursuant to HMU standards.	Site layout shows Tommy's Wok to Pal's Liquor and Wine site viable to achieve 21 units within 0.35 FAR when ground floor residential permitted. 30% 3 bedroom requirement and 50% affordability requirement would remain in place for HMU. HMU could also be applied as needed in the future to additional CN-2 sites via an overlay.	21 HMU units on Tommy's Wok to Pal's Liquor and Wine site viable replacement for 8 HMU units at 1901 Bridgeway and/or 8 HMU units at 2015 Bridgeway. HCD has confirmed modification would not jeopardize Housing Element compliance.

**6/13/14 HOUSING ELEMENT SUBCOMMITTEE EVALUATION OF ALTERNATIVES
HMU OPTIONS**

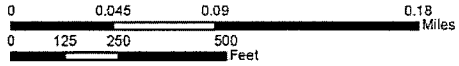
	ALTERNATIVE	SUMMARY	VIABILITY	STAFF RECOMMENDATION	
3a	Substitute HMU on one site in CN-1 for new Residential Overlay on site in CN-2	Remove HMU on one site in CN-1, replace with new Residential Overlay at 3001 Bridgeway (Tommy's Wok to Pal's Liquor and Wine)	New Residential Overlay would be a hybrid of VMU and HMU. Residential would be allowed on the ground level and upper levels, but in order to retain neighborhood serving commercial uses, there would be a requirement for a minimum 20% ground floor commercial frontage on Bridgeway.	Site layout shows viable to achieve 21 units within 0.35 FAR with ground floor residential and commercial. 30% 3 bedroom requirement would be reduced to 25% 2 bedrooms. 50% affordability requirement would be retained. Overlay could also be applied as needed in the future to additional CN-2 sites.	Residential Overlay with 21 units on Tommy's Wok site viable replacement for 8 HMU units at 1901 Bridgeway and/or 8 HMU units at 2015 Bridgeway. HCD has confirmed modification would not jeopardize Housing Element compliance.
3b	Substitute HMU on both sites in CN-1 for new Residential Overlay on site in CN-2	Remove HMU on both sites in CN-1, replace with new Residential Overlay at 3001 Bridgeway (Tommy's Wok to Pal's Liquor and Wine)	New Residential Overlay would be a hybrid of VMU and HMU. Residential would be allowed on the ground level and upper levels, but in order to retain neighborhood serving commercial uses, there would be a requirement for minimum 20% ground floor commercial frontage on Bridgeway.	Site layout shows viable to achieve 21 units within 0.35 FAR with ground floor residential and commercial. 30% 3 bedroom requirement would be reduced to 25% 2 bedrooms. 50% affordability requirement would be retained. Overlay could also be applied as needed in the future to additional CN-2 sites.	Residential Overlay with 21 units on Tommy's Wok site viable replacement for 8 HMU units at 1901 Bridgeway and/or 8 HMU units at 2015 Bridgeway. HCD has confirmed modification would not jeopardize Housing Element compliance.



VMU OPTIONS

	ALTERNATIVE	SUMMARY	VIABILITY	STAFF RECOMMENDATION
4	Allow small upper level commercial in VMU regulations	Modify draft VMU ordinance to allow for small commercial spaces on upper floors	Provides an exception subject to Planning Commission approval to allow small commercial uses (up to 1,000 sf) to encourage a healthy mix of uses	Potential reduction in unit capacity on VMU sites since 2nd story residential no longer required. Potential extra cushion from HMU/ Residential Overlay on Tommy's Wok will help to offset. Staff would only recommend the modification to the VMU regulations as described above if the 3001 Bridgeway site was made available for residential use. Allowance for limited 2nd story commercial viable in VMU. HCD has confirmed modification would not jeopardize Housing Element compliance.



Legend
Zoning
Commercial Districts



-  CN-1
-  CN-2



Attachment 2

ATTACHMENT E

(1 PAGE)

RECEIVED

JUN 03 2014

CITY OF SAUSALITO

Jerry Needleman
Ken Niles
667 Sausalito Blvd.
Sausalito, CA 94965

June 1, 2014

Sausalito City Council
420 Litho Street
Sausalito, CA 94965

Re: 1905-1907 Bridgeway
Sausalito, CA

Der City Council,

We respectfully request that you remove our property from being considered to receive a zoning overlay (HNV) that would allow for a residential use. We do not believe that the residential usage in our commercial area, on the ground floor is appropriate.

Certainly there must be other property owners who would be more receptive for this zoning and there are likely other property locations that would be more desirable for people in which to live other than ours.

Sincerely,



Jerry Needleman
Ken Niles

Draft HMU Regulations (Amend Chapter 10.28)
Updated: April 22, 2014

Amendment to Chapter 10.28 – Overlay Districts: New Section 10.28.080 Horizontal Mixed Use (HMU)

A. Purpose. To encourage residential uses on the ground floor of buildings that accommodate a mix of housing opportunities and reduce the need for increased building heights that pose potential adverse impact on views from surrounding properties.

B. Applicability. These regulations apply to Horizontal Mixed Use (HMU) Overlay sites situated within the Neighborhood Commercial 1 (CN-1) zoning district. An applicant may elect to comply with the provisions of this Section 10.28.080 in which case the requirements of MSC 10.44.190 shall not apply. In the event an applicant does not elect to comply with the provisions of this Section 10.28.080 then the requirements of SMC 10.44.090 shall apply.

C. Zoning Map Indicator. Each HMU overlay district shall be shown on the zoning map by adding an “—HMU” designator to the base district designation.

D. Permit Applications for Residential Units.

1. Location. Residential dwelling units within HMU projects may be permitted on all levels of existing and new buildings.

2. Development Standards. Development standards shall be those of the base zoning district for residential projects per Table 10.24-2 (Site Development Standards – Commercial Zoning Districts). For Residential Density Bonus and Incentives see Section 10.40.130.

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

- a. Thirty percent of residential units within HMU projects shall provide a minimum of three (3) bedrooms in order to accommodate “large households” (i.e., households with five or more persons, typically consisting of families with children). If the number of units is calculated to a fractional number, any fraction of less than 0.5 shall be rounded down to the next whole number; any fraction of 0.5 or greater shall be rounded up to the next whole number.
- b. A minimum of 25 percent of the units in an HMU project must be provided at an affordable rents 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. If the affordable number of units is calculated to a fractional number, any fraction of less than 0.5 shall be rounded down to the next whole number; any fraction of 0.5 or greater shall be rounded up to the next whole number.
- c. Affordable Units shall be deed-restricted for a period of not less than forty years.

4. Incentives. The following incentives shall be granted to HMU projects compliant with the development standards and requirements in these regulations.

- 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 interior amenities in Affordable Units should generally be the same as those of the market rate units in the project. Appliances need not be the same make, model, or type of

such item as long as they are of good and new quality and are consistent with current standards for housing. Deviations between market rate and Affordable Units shall be described in writing by the applicant and shall require approval by the Director.

- b. Development and application fees, including plan check and building permit fees, shall be reduced to a rate of 50 percent of the adopted development fees for the affordable portions of the project. The fee reduction shall be calculated on pro-rata basis by the Director.

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

6. Exceptions to HMU Requirements. The Planning Commission may waive the requirement in Section 10.28.080.C.3.a, which requires that 30% of the units provide a minimum of units of three (3) or more bedrooms in order to accommodate larger households in special situations when it is demonstrated that there are physical site constraints which make infeasible units of three or more bedrooms. In order to waive this requirement, the following findings shall be made:

- a. Based on the unique project characteristics and location, the requirement in Section 10.28.080.C.3.a is not necessary to meet the goals and policies of the General Plan and specific programs in the Housing Element.
- b. There is an adequate mix of units in the proposed development for larger households.

Draft Amendments for VMU Regulations (Amend Section 10.44.190)
Updated: April 22, 2014

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 provide valuable opportunities for affordable housing while locating residential land uses adjacent to active commercial areas, to implement the goals and policies of the General Plan and specific programs in the Housing Element.
3. To encourage the retention of existing residential uses in the Central Commercial (CC), Mixed Commercial and Residential (CR), and Neighborhood Commercial (CN-1) Zoning Districts, by prohibiting the conversion of existing upper story residential units to commercial uses.
4. To encourage a mix of residential and commercial uses in the Central Commercial (CC), Mixed Commercial and Residential (CR) and Neighborhood Commercial (CN-1) Zoning Districts, by retaining commercial use on the first (ground or street) levels and requiring that residential use is the only allowed use on all levels above the ground level in the mixed use commercial districts, as specified in this section.

B. Location.

1. Residential uses in the Central Commercial (CC), Mixed Commercial and Residential (CR), and Neighborhood Commercial (CN-1 and CN-2) Zoning Districts are allowed as follows:

- a. Central Commercial (CC) Zoning District. All uses located above the first (street or ground) level of all existing and new structures shall be residential. Existing residential uses located in the 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).
 - b. Mixed Commercial and Residential (CR) Zoning District. All uses located above the first (street or ground) level of all existing and new structures shall be residential. Existing residential uses located in the CR Zoning District are to be preserved.
 - c. Neighborhood Commercial (CN-1) Zoning District. All uses located above the first (street or ground) level of all existing and new structures shall be residential in the CN-1 Zoning Districts located in the Second and Main Street area and the Bridgeway and Spring Street area.
 - d. Neighborhood Commercial (CN-2) Zoning District: Residential uses are not permitted in the CN-2 Zoning District located along Bridgeway between Coloma Street and Ebbside Avenue.
2. Existing residential uses located on the first (street or ground) level of a structure are permitted to remain in their current location.

3. Commercial uses are an allowed use on the first (street or ground) level pursuant to Section 10.24.030.

C. Permit Applications for Residential Units.

1. **Development Standards.** Development standards shall be those of the base zoning district for residential projects per Table 10.24-2 (Site Development Standards – Commercial Zoning Districts). For Residential Density Bonus and Incentives see Section 10.40.130.
2. **Requirements.** Each of the following requirements shall be met as a part of any residential project, including new construction and/or conversion of existing building space:
 - a. Developments of 1 (one) to 5 (five) units must provide a minimum of one (1) Affordable Unit. Developments with six (6) or more units shall require at least twenty (20) percent of the units as affordable. When the number of Affordable Units is calculated to a fractional number, any fraction of less than 0.5 shall rounded down to the next whole number; any fraction of 0.5 or greater shall be rounded up to the next whole number. In the event that the Affordable Unit(s) are rental unit(s) the applicant shall enter into an agreement with the City regarding such unit(s). The agreement shall meet the requirements of California Civil Code Section 1954.52(b).
 - b. Affordable Units made available as rentals shall be provided to low income (80% AMI) households at an affordable rent.
 - c. Affordable Units made available as ownership units shall be sold to moderate income (120% AMI) households at an Affordable Ownership Housing Cost. Purchasers of Affordable Units must remain as owner-occupants, and may not rent or lease the unit, unless written approval is first obtained from the Director. The Director may approve the renting or leasing only if all of the following conditions are met: (1) the term is not greater than twelve (12) months and cannot be extended without the Director's written approval; (2) the owner demonstrates to the Director's reasonable satisfaction that the owner will incur substantial hardship if he or she is not permitted to rent or lease the Property or any part thereof to a third party; and (3) the rent does not exceed the lesser of: (i) thirty percent (30%) of the income of the tenant household that is renting the Property, or (ii) the owner's monthly cost of principal and interest on the First Mortgage Loan and any Second Mortgage Loan, and property insurance and property taxes associated with Property. Affordable Units shall be constructed to include a minimum of two (2) bedrooms in order to accommodate families. Affordable Units shall be constructed to include a minimum of two (2) bedrooms in order to accommodate families.
 - d. Affordable Units must be deed-restricted for a period of not less than forty (40) years.
- 3.. **Incentives.** The following incentives and conditions shall be granted to developers of residential projects under this Section 10.44.190:

- a. Development may permit commercial and residential tenants to share parking, and for tandem and off-site parking leases with a Minor Use Permit. In order to approve a Minor Use Permit for joint use, the Applicant shall demonstrate the following:
 - i. There is no substantial conflict in the principal operating hours of the building or uses for which the joint use of off-street parking facilities is proposed; and
 - ii. The proposed joint use parking area is conveniently located to the uses to be served.
 - 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. The interior amenities in Affordable Units should generally be the same as those of the market rate units in the project. Appliances need not be the same make, model, or type of such item as long as they are of good and new quality and are consistent with current standards for housing. Deviations between market rate and Affordable Units shall be described in writing by the applicant and shall require written approval by the Director.
 - c. Development and application fees, including plan check and building permit fees, shall be reduced to a rate of 50 percent of the adopted development fees for the affordable portions of the project. The fee reduction shall be calculated on pro-rata basis by the Director.
4. Access and Facilities. Both market rate and Affordable Units shall maintain separate entrances from commercial and/or office uses. A Minor Use Permit shall be required to deviate from the separate entrance requirement. In order to approve a Minor Use Permit for joint entrance, the Applicant shall demonstrate that the addition of a separate entrance is infeasible due to physical constraints. All residential units shall contain a separate kitchen and bathroom facility.
5. Exceptions to Requirements. Waiver of specific use requirements in this Section 10.44.190 pursuant to Section 10.44.010.E shall only be considered in the following two instances:
- a. To allow for an exception to Section 10.44.190.B.1, which requires that all uses located above the first (street or ground) level of all existing and new structures shall be residential. The expansion of an existing business

within the same or adjacent site may be a special situation considered by the Planning Commission when evaluating an exception to Section 10.44.190.B.1.

- b. To allow for an exception to Section 10.44.010.E, which requires that Affordable Units provide a minimum of two (2) bedrooms. To receive an exception from Section 10.44.010.E, it must be demonstrated that there are physical site constraints which make infeasible units with two or more bedrooms whether affordable or market rate.

Section 10.44.010.E shall not be used to grant any other exceptions from this Chapter 10.44.190 except for the two instances listed above.

Draft Amendment to Tables 10.24-1

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) dwelling units six 6	P	P or CUP	P ^{*4*}					10.44.190 (Residential Use in Com. Dist.)
Seven Four (7) 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 (Applies to all forms of retail trade.)	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 ^{*6}	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						