

## APPENDIX B

### 1995 SAUSALITO GENERAL PLAN ADDITIONAL INFORMATION REQUIRED FOR THE HOUSING ELEMENT

#### ■ Potential Non-Governmental Constraints

##### *Construction Costs*

The cost of constructing housing has risen significantly in recent years. In Marin County, the typical current cost to build an average quality wood frame single family detached home can go up to \$200 or more per square foot. Construction costs for an average multiple family unit are generally about 20-25% less per square foot.

Table B-1

#### Construction Costs

<u>ITEM</u>	<u>PERCENT OF COST</u>	<u>AMOUNT</u>
Fees and Plan Check	3%	\$4,500
Foundation	5%	\$7,500
Lumber	10%	\$15,000
Labor (rough)	10%	\$15,000
Labor (finish)	3%	\$4,500
Cabinets and Counters	6%	\$9,000
Insulation	3%	\$4,500
Roof	7%	\$10,500
Doors	4%	\$6,000
Windows, Sliding Doors	3%	\$4,500
Siding	9%	\$13,500
Sheet Rock	5%	\$7,500
Painting	5%	\$7,500
Carpeting	4%	\$6,000
Appliances	3%	\$4,500
Heating and Plumbing	14%	\$21,000
Electric Wiring	6%	\$9,000
Total	100%	\$150,000

Source: Marin Builders Exchange, 1988

The Marin Builders Exchange calculated the following figures for a typical three-bedroom, two bath house in a small subdivision in Marin County in 1988. Assumptions for these costs include: (1) Land cost for level parcel, approximately one acre in size, located near existing roads, \$150,000; (2) infrastructure installation (storm drain, sewer and water lines, electric lines), \$10,000; (3) labor and materials for construction (2,000 square foot unit), \$150,000; (4) total, \$310,000. The Builders Exchange further subdivided the \$150,000 cost of constructing the house into the percentage components summarized above.

Increases in construction costs are not the only factors in increasing housing costs in the Bay Area. Local government has control over some factors affecting construction costs such as permit processing, building code requirements, construction standards, pre-development studies and design review. But local government has little control over the costs of labor and materials. The Marin Property Owners Association indicates that while labor contracts are the same in Sonoma County, workers can get the job done faster because there are less overall site constraints on the land that is available. In addition, Sonoma County land prices are significantly less overall.

### *Land Costs*

The cost of land throughout Marin County and in Sausalito is very high. Vacant land within the City of Sausalito is very limited. Since the demand for housing in the City is very high, as evidenced by high housing prices, the value of potential residential land is increasing and has become a substantial factor in the cost of providing housing. Land costs can entail from 40% to 45% of the costs of a home in the Bay Area, compared to about 25% nationally. In general, the major contributors to the cost of land are the amount of land available, the density of residential use allowed, availability of community services, attractiveness of the neighborhood and any restrictions on development. In Sausalito, the cost is also affected by location, views, and lot buildability.

### *Financing Costs*

In the late 1970's and early 1980's home buyers were also confronted with high mortgage interest rates, which were at about 14% to 15% for a 30-year fixed rate loan. Adjustable Rate Mortgages (ARM) were at about 11.5%. In late 1994, 30-year fixed rate mortgages are at about 9.25%. Even though interest rates have come down, qualifying for the amount of loan required to purchase a home in Sausalito is still difficult.

Table B-2 shows what these interest rates mean in terms of monthly payment and qualifying for a loan for a Below Market Rate Unit (\$100,000) and median priced single family home (\$175,000) with a 20% down payment (\$20,000 and \$35,000 respectively), using the rule of thumb that the housing payment should not exceed 33% of a household's gross income. Tables B-3 and B-4 show housing ownership and rental affordability.

In October, 1989, Marin County Planning staff interviewed representatives from a number of banks in Marin as well as community leaders to assess whether or not the requirements of lending institutions are an actual or potential constraint to the development of housing. It was found that mortgage loans and rehabilitation loans are generally available, and if there are mortgage deficient areas in the county, it is not due to discriminatory practices by mortgage lenders, but rather the financial capabilities of individuals. Households qualifying for mortgages are generally able to obtain them. In response to high housing costs, some lenders were providing mortgages of 95% of the value of the house in 1989, a significantly higher percentage than normally allowed (80%).

Table B-2  
Effects of Interest Rate Changes

<u>LOAN RATE</u>	<u>\$100,000</u>		<u>\$300,000</u>	
	<u>MONTHLY PAYMENT</u>	<u>NEEDED INCOME</u>	<u>MONTHLY PAYMENT</u>	<u>NEEDED INCOME</u>
7%	\$666	\$24,218	\$1,998	\$72,655
8%	\$734	\$26,691	\$2,202	\$80,073
9%	\$805	\$29,273	\$2,415	\$87,818
10%	\$878	\$31,927	\$2,634	\$95,782
11%	\$953	\$34,655	\$2,859	\$103,964
12%	\$1,029	\$37,418	\$3,321	\$112,255
13%	\$1,107	\$40,255	\$3,321	\$120,764
14%	\$1,185	\$43,091	\$3,555	\$129,273

Source: Loan Amortization Tables

Table B-3  
Estimated "For Sale" Housing Costs and Affordability

<u>HOUSEHOLD SIZE/INCOME</u>	<u>MONTHLY INCOME</u>	<u>PAYMENT</u>	<u>DOWN MORTGAGE</u>	<u>HOME PAYMENT</u>	<u>PRICE</u>
<b><u>Two Persons</u></b>					
50% of Median	\$23,235	\$486	\$53,165	\$5,097	\$59,072
65%	\$30,355	\$632	\$69,114	\$7,679	\$76,794
80%	\$37,360	\$778	\$85,064	\$9,452	\$94,515
90%	\$42,030	\$876	\$95,697	\$10,633	\$106,330
100%	\$46,700	\$973	\$106,330	\$11,814	\$118,144
110%	\$51,370	\$1,070	\$116,963	\$12,996	\$129,959
120%	\$56,040	\$1,168	\$127,596	\$14,177	\$141,773
<b><u>Four Persons</u></b>					
50% of Median	\$29,200	\$608	\$66,485	\$7,387	\$73,872
65%	\$37,960	\$791	\$86,430	\$9,603	\$96,033
80%	\$46,720	\$973	\$11,819	\$11,819	\$118,195
90%	\$52,560	\$1,095	\$13,297	\$13,297	\$132,969
100%	\$58,400	\$1,217	\$14,774	\$14,774	\$147,743
110%	\$64,240	\$1,338	\$16,252	\$16,252	\$162,518
120%	\$70,080	\$1,460	\$17,729	\$17,729	\$177,292

Source: Marin County Housing Authority, April 1992

Table B-4

**Estimated "Rental" Housing Costs and Affordability**

<u>HOUSEHOLD SIZE/INCOME</u>	<u>INCOME</u>	<u>RENT AT 30% OF INCOME</u>	<u>EXPECTED UNIT TYPE</u>
<b><u>Two Persons</u></b>			
50% of Median	\$23,350	\$584	1-2 BR
65%	\$30,355	\$759	1-2 BR
80%	\$37,360	\$934	1-2 BR
90%	\$42,030	\$1,051	1-2 BR
100%	\$46,700	\$1,168	1-2 BR
110%	\$51,370	\$1,248	1-2 BR
120%	\$56,040	\$1,401	1-2 BR
<b><u>Four Persons</u></b>			
50% of Median	\$29,200	\$730	2-3 BR
65%	\$37,960	\$949	2-3 BR
80%	\$46,720	\$1,168	2-3 BR
90%	\$52,560	\$1,314	2-3 BR
100%	\$64,240	\$1,460	2-3 BR
110%	\$64,240	\$1,606	2-3 BR
120%	\$70,080	\$1,752	2-3 BR

Source: Marin County Housing Authority, 1992

***Available Land***

Discussion of available land and development potential is described in the Land Use and Growth Management Element Background section and the Housing Background section.

**■ POTENTIAL GOVERNMENTAL CONSTRAINTS*****Land Use Controls***

The City of Sausalito regulates the use of land within the City limits through the General Plan, the Zoning Ordinance, the Subdivision Ordinance, and the Uniform Building Code. The Zoning Ordinance implements the General Plan and provides greater specificity on FAR's, height and yard regulations, etc. On and off-site improvements required by the City are fairly standard when compared with other cities in Marin County. Such improvements can include curb, gutter and sidewalk for an average project. More expensive improvements can be necessary where the site includes special environmental resources, mitigation of slide hazards, inadequate downstream drainage, or other special conditions pertaining to the site. Traffic capacity has become a limiting factor throughout Marin County and in many other parts of the Bay Area. Sausalito participates in Countywide transportation efforts.

As with other cities, Sausalito's development standards and requirements are intended to protect the long-term health, safety and welfare of the community. In general, Sausalito's development standards, design review process and other requirements are comparable to many other communities in the Marin County and, therefore, do not pose an unnecessary constraint to housing or a burden to a developer.

When considering the future land use policies and programs regulating the development of the City, it is important to consider that all development is constrained by the City's existing infrastructure. By requiring all development to address conditions that will impact the roadway network, such as parking, the City can reasonably assure that development will not have an adverse impact on an already over burdened infrastructure.

Development in Sausalito is also constrained by the terrain. The City is built on a hillside with slopes up to 70%. Construction on these hillsides requires expensive foundations and site work to comply with geotechnical engineering practices and protect the adjacent properties.

There are three basic residential zoning classifications in Sausalito. They are the R-1 (single family), R-2 (two family) and R-3 (multiple family) zoning districts. The single family, or R-1, zoning districts are primarily located on the hillsides of the City where the minimum parcel sizes range from 6,000 square feet to 20,000 square feet. Non-residential uses such as churches and nursery schools are allowed after a conditional use permit has been granted. Buildings must maintain a thirty two foot (32') height limit above natural average grade and observe five foot (5') side yard setbacks and a fifteen foot (15') rear yard setback. Additionally, the average maximum floor area ratio for the single family zones is 40% and lot coverage is 30%. These zoning entitlements are maximums and can only be obtained by assuring provision for on-site parking and adequate side and rear yard open spaces as well as preservation of views.

The zoning requirements of the two family (R-2) zoning districts are similar to those of the single family zoning districts. The minimum parcel area for the R-2 zones range from 5,000 square feet to 10,000 square feet. The majority of the two family parcels are located in the zoning district which requires a 5,000 square foot minimum parcel area. The uses allowed in the two family zoning districts are identical to the uses allowed in the single family zones with the exception of allowing two unit dwellings. The zoning entitlements are also the same as the single family zoning districts except the two-family areas allow for greater lot coverage and floor area ratios. As is the case with the single family zones, the zoning entitlements are maximums and can only be obtained by meeting the same criteria. Table B-5 lists the maximum lot coverage and floor area ratio for the R-2-2.5 zoning district.

In the multiple family zone (R-3), the minimum parcel area is 5,000 square feet. Uses that are permitted in the zoning district, with the issuance of a conditional use permit, include churches, private non-commercial clubs, and non-profit schools. This zoning district has the most generous residential zoning entitlements in the City. The maximum height limits and minimum yard setbacks are the same as the single and two family zones. What sets this zone apart from the other zones is the maximum lot coverage and floor area ratio. The maximum lot coverage and floor area ratio is 50% and 80% respectively.

As indicated in the table below, the floor area ratio of Sausalito's main single family zoning district, the R-1-6 zoning district, meets or exceeds the permitted floor area ratios of the two family zones of neighboring jurisdictions. The table also demonstrates that the City's lot coverage and floor area ratios for the two family zoning classification and multiple family zoning classifications far exceed the maximum lot coverages and floor area ratios allowed by neighboring cities.

**Table B-5  
Comparison of Lot Coverage and Floor Area**

<u>COMMUNITY</u>	<u>R-2-2.5 MAXIMUM</u>		<u>R-3 MAXIMUM</u>	
	<u>COVERAGE</u>	<u>FLOOR AREA</u>	<u>COVERAGE</u>	<u>FLOOR AREA</u>
Mill Valley	NMF	35%	NMF	40%
Larkspur	NMF	50%	NMF	60%
Belvedere	40-60%	-	40-60%	-
Tiburon	35%	45%	30%	60%
Corte Madera	35%	30-35%	35%	30-35%
Sausalito	50%	65%	50%	80%

The 1995 General Plan proposes to place greater emphasis on the existing Planned Unit Development (PUD) process. Although the PUD process requires that the area to be developed consist of 20,000 square feet and the approval of a Conditional Use Permit, the process will allow flexibility when considering zoning constraints on any particular site.

***Permit Approval Process***

Like all local jurisdictions, the City of Sausalito has a number of procedures and regulations it requires any developer to follow. A project proposed in Sausalito is typically involved in some combination of the following review processes: environmental review, use permits, building permits, subdivision maps, and rezonings. The costs of processing are the result of State environmental requirements, local procedures, the quality of project submittals, and local resident review. Undue delays in processing project applications increase a developer's costs. In Sausalito, many permits are processed concurrently at the discretion of the applicant. Generally, single family homes and duplexes require design review and take about 60-90 days to process. Smaller multi-family projects may take 4 months. Larger projects with more significant controversy which require environmental impact reports may take up to 12 months.

***Local Permit Fees***

Costs associated with the permit process may act as a constraint to the development of affordable housing. Line item permit costs are related to processing, inspection, and installation services. They are limited by California law to the cost to the various agencies of performing these services. Sausalito's permit fees are estimated by Planning staff to be about the same as fees charged by other cities in Marin County and the Bay Area as a whole. No local traffic impact fee is assessed when new housing is constructed although the Circulation and Parking Element of the General Plan proposes consideration of such a fee.

Fees can vary depending on site conditions, location and the type and design of development, and the need for environmental review. An implementing program of the Housing Element is an evaluation of City fees for affordable housing projects. Tables B-6 and B-7 on the next two pages compare Sausalito planning fees with those of a sampling of jurisdictions.

**Table B-6  
Subdivision Fees Comparison**

<u>Jurisdiction</u>	<u>Fee Amount</u>	<u>Type Of Permit/Project</u>	<u>Comments</u>
<b>Mill Valley</b>	\$1,000+\$50/lot/unit \$300 \$600+\$50/lot/unit \$150 \$300	Tentative Map (5 or more) Extending Tentative Subdivision Map Tentative Map (4 or fewer) Certificate of Compliance Application for Unmerger	
<b>Ross</b>	\$500 Additional \$50/lot \$400 Additional \$25/lot \$300	Tentative map (first 5 lots) for each additional lot over 5 Final Map (first 5 lots) for each additional lot over 5	Review of application by Town hired consultant is billed to the applicant at cost
<b>Larkspur</b>	N/A		
<b>Tiburon</b>	\$750 \$125 \$400+\$100/lot/unit \$500+\$100/lot/unit \$500+\$150/lot/unit \$700+\$150/lot/unit \$400+\$50/lot/unit \$500+\$50/lot/unit Deposit Account	Reversion to Acreage Certificate of Compliance Tentative Map (4 lots or less) Tentative Map (5 lots or more) Vesting Tentative Map (4 lots or less) Vesting Tentative Map (5 lots or more) Parcel/Final Map (4 lots or less) Parcel/Final Map (5 lots or more) Engineer Check of Plans/Drawings	
<b>Sausalito</b>	\$720 \$960 \$340	Minor Subdivision (4 parcels or less) Major Subdivision (5 parcels or more) Certificate of Compliance	
<b>San Rafael</b>	\$980 \$2,370+\$15/lot \$1,160+\$15/lot \$980 \$445	Small Subdivision/Parcel Map Tentative Map (5 or more) Final Map Reversion to Acreage Certificate of Compliance	Hourly rates changes when the processing time required is more than initial cost (@ \$52.80/hour)
<b>Fairfax</b>	\$633 \$633+\$53/lot \$211 Deposit Account	Tentative Map (less than 5 lots) Tentative Map (5 or more) Extension of Tentative Map Final Map	Review by Town Engineer at cost with deposit account  Town Engineer cost
<b>Novato</b>	Deposit Account	All subdivisions	Plan storage fees charged
<b>Foster City</b>	Deposit Account	All subdivisions	
<b>San Mateo</b>	Deposit Account	All subdivisions	
<b>Millbrae</b>	\$815 \$540	Minor Subdivision Parcel Map	Public hearings include additional +\$1/parcel notified

Source: Fee Study conducted in 1992



Table B-7  
**Design Review Fees Comparison**

<u>Jurisdiction</u>	<u>Fee Amount</u>	<u>Type Of Permit/Project</u>	<u>Comments</u>
<b>Benicia</b>	\$500	Staff approval	
	\$500	Design Review Commission	
	\$700	Planning Commission	
	\$100	Minor	
	Consultant + 15%	Design Consultation/Administration	
<b>Mill Valley</b>	\$100-\$1,200	Based on project cost	Sliding scale
<b>Ross</b>	N/A		
<b>Larkspur</b>	Deposit Account	All	
<b>Tiburon</b>	\$100	Minor exterior alteration (existing)	Requires neighbors signatures to confirm as minor project
	\$150	Minor design review (existing)	
	\$300	Design Review (existing 400-800sf)	
	\$500	Design review (existing 800+sf)	
	1/2 Original Fee	Amendment (existing)	
	\$1,500	New Building	
	\$300	Minor amendment	
	\$750	Major amendment	
<b>Sausalito</b>	\$480	Single family Home (additn)	Additional \$120/1,000sf
	\$220/unit	Multi-Family (addition)	
	\$600 + \$240/1,000 sf	Commercial (addition)	
	\$240	Structures, landscaping, signs, etc.	
	\$840	Single Family Home (new)	
	\$900	Two Unit Residential (new)	
	\$960	3+ Unit Residential (new)	
	\$960	Commercial (new)	
<b>San Rafael</b>	\$200	Staff	Hourly rates charged when the processing time required is more than initial cost @ \$52.80/hour
	\$250	Zoning Administrator	
	\$980	Planning Commission	
<b>Fairfax</b>	\$175	Single Family Home/\$20,000 Cost	
	\$290 + \$30/unit	Multi-Family (10 units/units over 10)	
	\$175	Ridgeline Scenic Corridor (home)	
	\$58	Ridgeline Scenic Corridor 9structure)	
<b>Novato</b>	Deposit Account	All except Single Family Home	Plan storage fees charged
	\$170	Single Family Home	
<b>Foster City</b>	Deposit Account	All	

Table B-7  
**Design Review Fees Comparison (Continued)**

<u>Jurisdiction</u>	<u>Fee Amount</u>	<u>Type Of Permit/Project</u>	<u>Comments</u>
San Mateo	Deposit Account	All	
Millbrae	\$110 \$540 \$325 \$110 Consultant + \$325	Preliminary New Construction Exterior Remodel Sign Second Story Addition	Public hearings include additional costs + \$1/parcel notified

Source: Fee Study conducted in 1992

**■ Review Of 1981 Housing Element Program Effectiveness**

As required by State Housing Element Guidelines, this section evaluates special needs and the achievements of City housing programs which were part of the 1981 Housing Element. There are many factors which affect the success or apparent failure of a program. Successful program implementation depends upon what the City has done to implement the program or what other agencies or groups have done to implement the program. Other factors affecting program success include the effects of the economy in general and the decreasing availability of state and federal funding for affordable housing. The City's 1981 Housing Element identified ten program objectives for affordable housing. The status of these program objectives is as follows:

Table B-8  
**Status of 1981 Housing Element Programs**

<u>PROGRAM OBJECTIVE</u>	<u>NUMBER</u>	<u>STATUS</u>
<b>NEW UNITS</b>		
408 Bee Street Project	3-4 Units	Completed 6
Civic Center Parking Lot Site	8-12 Units	Not started
Old City Hall	4-5 Units	All commercial
Mixed Use Projects	5-10 Units	
<b>PROTECTING EXISTING RENTAL UNITS</b>		
Condominium Conversion Ordinance	33 Units	Ordinance passed
<b>FINANCIAL ASSISTANCE TO EXISTING UNITS</b>		
Marin Renters Rebate	56	6 assisted
Section 8 Vouchers	4-5	9 assisted
Rehabilitation Program	5-7	2 assisted
Section 8	7-12	No units assisted
Establishing Funding Source		
Housing Fees on Commercial/Industrial Development	15-20	Fees not imposed
The program objectives proposed in the 1981 Housing Element are incorporated into this		

Housing Element as appropriate. The Civic Center Parking Lot Site and Old City Hall projects are not under consideration at this time.

The following is an analysis of the adopted 1981 Housing Element policies, results achieved by those policies and an assessment of the need to revise or eliminate the policies in the 1995 Housing Element.

#### ■ Policy 1.1

**Amend the Zoning Ordinance to establish condominium conversion standards for projects involving five or more units.** The Zoning Ordinance was amended with the adoption of Ordinance 993 on September 21, 1982 by the City Council. The Zoning Ordinance amendment enacted the proposed condominium conversion standards identified in the 1981 Housing Element. Those standards include: 1) giving lifetime leases to senior citizens, 2) selling 15% of units at prices affordable to low and moderate income home purchasers, and 3) reimbursing tenants for moving expenses. As a part of the new condominium conversion standards, the 1981 Housing Element anticipated that approximately 33 inclusionary units for persons of low and moderate income would be retained if larger apartment complexes applied for conversion. Since September 1982, the City has approved twenty one (21) condominium conversion air space subdivision applications. Of those twenty one approved applications, none of the applications involved five or more units.

Experience in the past 10 years has indicated that condominium conversion has occurred primarily in small projects. It is not possible for the City to predict the number of units that could be made available to low and moderate income home buyers in projects with more than 5 units. However, if there is a reversal of the current trend, the condominium conversion ordinance is in place.

#### ■ Policy 1.2

**Continue to participate in County Rehabilitation Loan Programs.** The 1995 Housing Element proposes that the City continue to participate in the County Rehabilitation Loan Program. The 1981 Housing Element stated that there was available funding to provide loans to rehabilitate seven to twelve units in Sausalito. Since 1981, County records indicate that two units were rehabilitated using the County loan program.

The 1995 Housing Element anticipates that the participation in this program will increase and two additional units will be rehabilitated by 1997. The element provides that greater promotion of the program will be undertaken. With the establishment of a Housing Committee that will deal exclusively with housing issues, the City's outreach to the community will be greatly enhanced.

The 1981 Housing Element committed the City to work with the County Housing Authority to encourage property owner participation in the Section 8 Moderate Rehabilitation Program. It was anticipated that approximately five to seven housing units could be rehabilitated using financing made available through this program. While the moderate rehabilitation program was in effect, no Sausalito property owner took advantage of the program. Because the moderate rehabilitation program is no longer in existence, the 1995 Housing Element does not propose to continue the policy.

The 1981 Housing Element supported the creation of a countywide MARKS/FORAN program

enabling moderate income households to obtain subsidized rehabilitation financing. The City did support the creation of a countywide MARKS/FORAN program for housing rehabilitation. However, the program was never able to generate enough support countywide to facilitate the creation of such a program in Marin County. The 1995 Housing Element does not propose to continue this program.

#### ■ Policy 2.1

**The City will seek to have low and moderate income housing developed on selected sites.** The 1981 Housing Element proposed to develop housing on three (3) City owned sites and one surplus school site.

In 1984, a proposal was presented to the City to develop a portion of the Martin Luther King school site as low and moderate income housing. This proposal was ultimately denied by the City Council in 1986. In reviewing the proposal, the citizens of the City did not desire to lose what has been historically viewed as Sausalito's only recreational area with large athletic fields and amenities. As a result of this experience, the City is currently in a lease purchase agreement with the Sausalito School District in order to maintain the existing recreational facilities.

Of the land owned by the City, the only site to be developed was the Bee Street site across from the Civic Center. Six senior housing units were constructed by Ecumenical Housing Corporation although the Element anticipated 3-4 units.

Two additional City owned sites were identified as potentially suitable for residential use. A local non-profit organization attempted to develop four senior residential housing units behind Old City Hall along Bridgeway, but due to physical site constraints, the project was not pursued. The building has been seismically strengthened and renovated for retail use and is no longer available for residential use.

The air rights over the Civic Center Parking Lot could still be considered an affordable housing site. A local non-profit housing organization is still considering it, but any form of development on this site will be very costly and is not expected to happen by 1997.

Pursuing housing on specific sites was anticipated to develop approximately 45-61 new residential units in Sausalito. As discussed above, the sites identified in the 1981 Housing Element were not developed, with one exception, resulting in 6 units. The policy of pursuing development on city owned sites has been replaced with one which commits the City to support non-profit housing sponsors in a variety of efforts.

#### ■ Policy 2.2

**Encourage the formation of a local, private, non-profit housing development corporation.** Since 1981, the City has supported the Sausalito Rotary Housing Corporation. This organization developed ten senior housing units in 1992. The City has financially supported this organization by waiving development fees and donating staff time. The City also supported a density bonus and variances from zoning requirements to provide incentives for greater affordability. The 1995 Housing Element will continue to support and encourage private non-profit organizations in the development of new low and moderate income housing.

#### ■ Policy 2.3

**Encourage developers to utilize available government programs for the development of new low/moderate income housing units.** Staff will work with Marin County Housing Development Finance Corporation to use State and Federal housing program funds where available. No low/moderate income housing was constructed since 1981 which was sponsored by or assisted by the Marin County Housing Development Finance Corporation. The Corporation has emphasized the use of surplus school sites for housing in the past. Recent budget reductions have limited the expansion of the Corporation's efforts.

The 1995 Housing Element policies will continue to encourage developers to use government funding sources to develop low and moderate income housing in cooperation with any non-profit corporation.

The 1995 Plan proposes to establish a Housing Committee to focus concerned citizens efforts on creating new affordable housing. The Housing Committee, with City staff, will be responsible for directing developers to available funding sources with the help of all existing non-profit housing organizations. The Housing Committee will also continue to provide information on existing programs to the general public.

#### ■ Policy 2.4

**Analyze the implications of an amendment to the zoning ordinance which would allow only residential uses on the 2nd and 3rd floors in commercial and industrial zones.** The City did conduct an analysis of such an amendment and concluded that the amendment should not be made. The City determined that maintaining residential units in the commercial zones was desirable, but not through mandatory zoning regulations. The City determined that providing various incentives for residential uses would maintain existing residential units. One example of the incentives provided by the City is to allow joint parking in mixed use projects.

In 1985, the local community passed a voter referendum entitled the Traffic Initiative. One of the clauses of the initiative was that all residential uses found in the Commercial Residential zoning district were protected and could not be converted to any other use other than residential. As a result, 50 units were protected. Being located in a mixed use zone, these units were generally accepted to be affordable housing units.

In the industrial zones, the City adopted the Marinship Specific Plan in 1988. During the review of that plan, mixed live-work uses were considered as an option in the Marinship area. In the final analysis, the City determined that residential uses in the industrial zones would not be compatible with the desired result of a marine industrial oriented zone.

In the proposed Land Use Element, the Plan encourages the development of new mixed use projects in the commercial zoning districts. The Plan proposes to encourage mixed use development by requiring residential development on all levels above the street unless commercial uses are permitted by a conditional use permit.

■ **Policy 2.5**

Through the CEQA process, request financial contributions from commercial and industrial developers for new low/moderate income housing. This policy was never implemented due to difficulty in establishing a clear impact that proposed development would increase the demand for housing in Sausalito. The 1981 Housing Element anticipated that implementation of the policy would create approximately fifteen to twenty units. No new housing was created with this policy.

■ **Policy 2.6**

Permit the placement of manufactured housing on permanent foundations in all single family zones. In compliance with state law, the 1995 Housing Element will continue this policy. However, due to the high cost of land and the topography of available vacant sites, no new manufactured housing units are anticipated to be located within Sausalito.

■ **Policy 2.7**

Consider amending the General Plan to allow limited residential use along the waterfront north of El Portal. Since 1981, the City found an overriding need to protect and preserve the maritime industrial uses that were being replaced by office uses. As a result, in 1988, the City adopted the Marinship Specific Plan which affects the Sausalito waterfront from Napa Street north to the City limits. Among the many issues discussed and subsequently regulated by this plan, residential uses were specifically prohibited in this waterfront area. New residential development was also viewed as a threat to the historical integrity of the marine industrial uses located along the waterfront. There was only one exception granted to this rule which was to allow liveaboard use of marine service boats and recreational boats in harbors that could demonstrate a need for security reasons. These instances of residential uses were not to exceed 10% of the total berths of an individual harbor and each harbor must obtain a Conditional Use Permit before allowing liveaboard uses.

A time limit to obtain the necessary permits from the City was established and has since expired. As a result, none of the harbors located in the Marinship took advantage of the CUP permit process. Therefore, the General Plan proposes to amend the zoning ordinance to allow the operators of Marinship harbors to permit up to 10% of the boats in the harbor to be occupied as liveaboards. It also proposes to extend this allowance for liveaboards to harbors south of the Marinship area.

### ■ Policy 3.1

**Expand participation in the Rebate for Marin Renters Program, administered by the Marin County Housing Authority.** The 1981 Housing Element anticipated that by expanding the City's annual contribution to the Rebate for Marin Renters Program, and assuming the Buck Trust would continue to match contributed funds, the total funding available in 1985 would reach \$60,000. This anticipated funding rate would assist a total of 56 families in 1985. Since the 1987-88 fiscal year, the City has contributed an average of \$2,633 a year which totals \$15,800. The matching program is no longer available.

Due to budget constraints facing the City, the 1995 Housing Element does not propose to continue the policy of expanding the City's participation in the Rebate for Marin Renters Program, but rather to continue to participate at a level which maintains the average contribution over the past five years.

### ■ Policy 3.2

**Coordinate with the Housing Authority to facilitate property owners and tenant participation in the Section 8 rent subsidy program for existing housing.** The 1995 Housing Element proposes that the City continue to coordinate with the Housing Authority to increase participation of local property owners and renters in the Section 8 rent subsidy program. In 1981 one senior citizen had taken advantage of the program and the 1981 Housing Element anticipated that four to five additional families would be assisted through this program. Since 1981, nine households have taken advantage on the Section 8 rent subsidy program. With the creation of the Housing Committee, a greater emphasis on community outreach to inform the community about the availability of this and other housing programs will facilitate greater participation in the rent assistance programs.

### ■ Policy 4.1

**Prevent discrimination in local housing market.** The 1995 Housing Element will continue to provide information on this Federal and State mandated policy.

### ■ Policy 4.2

**Explore possibility of participating in a Housing Referral Service.** A private Housing Referral Service was never created. The 1995 Housing Element does not propose to continue this policy.

### ■ Policy 5.1

**Planning Commission will hold periodic public hearings concerning housing issues.** This policy was never consistently pursued due to minimal staffing of the Planning Department and high project load of the Planning Commission. The 1995 Housing Element proposes to continue this policy. In order to make this policy successful, the newly established Housing Committee will hold the public hearings. It will be the charge of the Housing Committee to take the lead in identifying and discussing housing issues involving the City of Sausalito.