

Introduction

Purpose of the Housing Element

All California cities and counties are required to have a housing element included in their General Plan which establishes housing objectives, policies and programs in response to community housing conditions and needs. This Housing Element has been prepared to respond to current and near-term future housing needs in Mill Valley. It contains updated information and strategic directions (policies and specific actions) that the City is committed to undertaking to address its housing needs.

Housing affordability in Marin County and in the Bay Area as a whole has become an increasingly important issue. Mill Valley's housing conditions are reflective of many area-wide and even nation-wide trends.

Over the past twenty years housing costs have skyrocketed out of proportion to many people's ability to pay; and interest rates, construction costs and high land costs all increase the ultimate cost of housing. This has a number of implications as it becomes more difficult to fill vacant jobs; roadways are clogged with workers traveling longer distances; and many young families, longtime residents, and other community members relocate because they can no longer afford to live in the community.

There are limitations as to what the City can do about these problems due to the limited availability of developable land. The City is currently at just about total build-out. With the exception of some infill and mixed use sites, most other available residential sites are limited to small or steep sites with limitations due to access problems, soil stability, drainage, parking, etc.

The primary challenge of Mill Valley's Housing Element is to properly address local housing needs while ensuring that new housing will "fit-in" with the character, quality, environmental constraints and resources of the community. Questions include:

- **What Kind of Housing Do We Need?** What kind of housing (size, type, location and price) best fits with our workforce housing needs, household characteristics, and ability to pay for housing?
- **Where Can We Appropriately Put New Housing?** Where in our community can additional residential units be accommodated, especially for very low, low, and moderate income households?



Bridge between Pickelweed and Mill Creek

- **How Can We Effectively Work Together?** What can the City do—in collaboration with community organizations, other agencies, non-profits, and for-profit developers—to encourage the construction of needed workforce and special needs housing?
- **How Can We Effectively Help Special Needs Groups?** What can be done to assist those households with special needs including, but not limited to the elderly, homeless, people living with physical or emotional disabilities?

Housing Element Requirements

The Housing Element responds to Mill Valley’s housing needs by identifying policies and implementing actions for meeting those needs. State law defines the general topics that Mill Valley’s Housing Element must cover. Specifically, the element must: (1) document housing-related conditions and trends; (2) provide an assessment of housing needs; (3) identify resources, opportunities and constraints to meeting those needs; and (4) establish policies, programs and quantified objectives to address housing needs.

Overview of State Law Requirements

State law establishes requirements for all portions of the General Plan. However, for the Housing Element, the State requirements tend to be more specific and extensive than for other elements. The purpose of a Housing Element is described in Government Code §65583.

“The housing element shall consist of an identification and analysis of existing and projected housing needs and a statement of goals, policies, quantified objectives, and scheduled programs for the preservation, improvement, and development of housing. The housing element shall identify adequate sites for housing, including rental housing, factory-built housing, and mobilehomes, and shall make adequate provision for the existing and projected needs of all economic segments of the community.”

While jurisdictions must review and revise all elements of their General Plan on a regular basis to ensure that they remain up to date (approximately every ten years), State law requires that Housing Elements be reviewed and updated at least every five years. The process of updating Housing Elements is to be initiated by the State through the regional housing needs process, as described later in this document. The last time the State initiated the regional housing needs process was in 1988. The City prepared and adopted a Housing Element in 1990 in response to the comments on its Draft Housing Element contained in the October 30, 1989 letter from the California Department of Housing and Community Development. The Element addressed the 1988 ABAG regional housing needs determinations in accordance with State law requirements.

State law is also quite specific in terms of what the Housing Element must contain:

- (1) “An assessment of housing needs and an inventory of resources and constraints relevant to meeting these needs . . .”

- (2) “A statement of the community’s goals, quantified objectives, and policies relative to the maintenance, preservation, improvement, and development of housing . . .” and
- (3) “A program which sets forth a five-year schedule of actions the local government is undertaking or intends to undertake to implement the policies and achieve the goals and objectives of the housing element through the administration of land use and development controls, provision of regulatory incentives, and the utilization of appropriate federal and state financing and subsidy programs when available . . .”

Most importantly, the Housing Element must: (1) identify adequate sites with appropriate zoning densities and infrastructure to meet the community’s need for housing (including its need for very low, low and moderate income households); and (2) address, and where appropriate and legally possible, remove governmental constraints to housing development.

The Five-Year Action Plan

In establishing housing programs, the Housing Element sets forth a “Five Year Action Plan” that details the actions, or “programs,” that will implement the goals and policies. For each program, the Action Plan must identify the agency responsible, the timeframe for implementation, and the number of units that will be constructed, rehabilitated or conserved, or number of households that will be assisted, as a result of the program.

Housing Element Definitions

Senior Housing: Defined by California Housing Element law as projects developed for, and put to use as, housing for senior citizens. Senior citizens are defined as persons at least 62 years of age.

Persons per Household: Average number of persons in each household.

Accessible Housing: Units accessible and adaptable to the needs of the physically disabled.

Housing Affordability: The generally accepted measure for determining whether a person can afford housing means spending no more than 30% of one’s gross household income on housing costs, including utilities, principle, and interest. For example, a school teacher earning \$34,300 per year can afford \$857 per month for housing. A police officer earning \$57,600 can afford monthly payments up to \$1,440. Households paying more than 30% of their income on housing are considered “overpaying households” by the U.S. Census.

Median Household Income: The middle point at which half of the City’s households earn more and half earn less. The current median income for a family of four in Marin is \$80,100/year.

Income Limits: Income limits are updated annually by the U.S. Department of Housing and Urban Development (HUD) for Marin County (the most recent HCD income limits can be accessed online at <http://www.hcd.ca.gov>). For many State and local programs, State Department of Housing and Community Development (HCD) income eligibility limits are used. HCD income limits regulations are similar to those used by HUD. Income limits as defined by California Housing Element law are:

- **Very Low Income Households:** Households earning less than 50% of the median household income—family of four earning less than \$40,050/year
- **Low Income Households:** Households earning 50-80% of the median household income—family of four earning between \$40,050 and \$64,100/year.
- **Lower Income Households:** Defined by California Housing Element law as households earning less than 80% of the median income (less than \$64,100/year).
- **Moderate Income Households:** Households earning 80-120% of the median income—family of four earning between \$64,100 and \$96,100/year.
- **Above Moderate Income Households:** Households earning over 120% of the median household income—family of four earning above \$96,100/year.

The primary areas of housing need that must be addressed in the Action Plan should:

- Ensure adequate sites
- Provide assistance to support affordable housing
- Maintain the quality of the existing affordable housing stock
- Address and remove governmental constraints
- Promote equal housing opportunities
- Preserve the affordability of deed restricted housing

Review by State HCD

State law requires that every updated Housing Element be submitted to the State of California's Department of Housing and Community Development (HCD) to ensure compliance with the State's minimum requirements. This certification process is unique among the General Plan elements.

Housing Elements are submitted twice to HCD for review and comment, once during development of the Housing Element (in draft form) and again after adoption of the Housing Element by the local jurisdiction.

The first review period requires 60 days and must take place prior to adoption by the Mill Valley City Council. During the first review, HCD submitted comments back to the City regarding compliance of the *Draft Housing Element* with State law requirements and HCD guidelines. Modifications to the *draft* Housing Element were made to the *Draft Housing Element* in response to these comments. The City Council must consider HCD's comments prior to adoption of the Housing Element as part of the General Plan. The second review requires 90 days and takes place *after* adoption. It is after the second review that written findings regarding compliance will be sent to the City.



The Redwoods

ABAG Regional Housing Needs Determinations

One unique aspect of State Housing Element law is the idea of "regional fair share." Every city and county in the State of California has a legal obligation to respond to its fair share of the projected future housing needs in the region in which it is located. For Mill Valley and other Bay Area jurisdictions, the regional housing need is determined by the Association of Bay Area Governments (ABAG), based upon an overall regional housing need number established by the State. ABAG's allocations are based on analysis of:

- The vacancy rate in each City and the existing need for housing it implies;
- The projected growth in the number of households;
- The local and regional distribution of income; and
- The need for housing generated by local job growth.

Table 1 below summarizes the Regional Housing Need Determinations for all of the jurisdictions in Marin County. The housing need is divided into the four income categories of housing affordability required by State law. Mill Valley's 'fair share' of the Regional Housing Need is 225 units between January, 1999 and June, 2006, with the following income breakdown: 40 units affordable to *very low income* households (17.8 percent of the total); 21 units affordable to *low income* households (9.3 percent of the total); 56 units affordable to *moderate income* households (24.9 percent of the total); and 108 units affordable to *above moderate income* households (48.0 percent of the total).

Table 1: ABAG Housing Needs Determinations by Jurisdiction (January, 1999 to June, 2006)

Location	Very Low	Percent Need	Low	Percent Need	Moderate	Percent Need	Above Moderate	Percent Need	Total Need	Percent of County
Belvedere	1	10.0%	1	10.0%	2	20.0%	6	60.0%	10	0.2%
Corte Madera	29	16.2%	17	9.5%	46	25.7%	87	48.6%	179	2.7%
Fairfax	12	18.8%	7	10.9%	19	29.7%	26	40.6%	64	1.0%
Larkspur	56	18.5%	29	9.6%	85	28.1%	133	43.9%	303	4.7%
Mill Valley	40	17.8%	21	9.3%	56	24.9%	108	48.0%	225	3.5%
Novato	476	18.4%	242	9.4%	734	28.4%	1,130	43.8%	2,582	39.6%
Ross	3	14.3%	2	9.5%	5	23.8%	11	52.4%	21	0.3%
San Anselmo	32	21.5%	13	8.7%	39	26.2%	65	43.6%	149	2.3%
San Rafael	445	21.3%	207	9.9%	562	26.9%	876	41.9%	2,090	32.1%
Sausalito	36	17.4%	17	8.2%	50	24.2%	104	50.2%	207	3.2%
Tiburon	26	15.9%	14	8.5%	32	19.5%	92	56.1%	164	2.5%
Marin Unincorporated	85	16.3%	48	9.2%	96	18.4%	292	56.0%	521	8.0%
Marin County Total	1,241	19.0%	618	9.5%	1,726	26.5%	2,930	45.0%	6,515	100.0%

Source: Association of Bay Area Governments, "Housing Needs Determinations", 2000

Every Housing Element must demonstrate that the local jurisdiction has made adequate provisions to support the development of housing at various income levels (very low, low, moderate and above moderate) to meet its fair share of the existing and projected regional housing needs. The ABAG Regional Housing Needs Determination figures for all jurisdictions in the Bay Area can be found on the ABAG website at <http://www.abag.ca.gov>. The most recent HCD income limits, by county and size of household, can be accessed online at <http://www.hcd.ca.gov>. Income limits are updated annually by the US Department of Housing and Urban Development (HUD) for each county (see Table 2). For many State and local programs, HCD income eligibility limits are used. HCD income limits are similar to those used by HUD.

In 2000, it was estimated that 39% of Mill Valley households fell into the extremely low, very low and low income categories (Figure 1) as compared to ABAG's 1999-2006 figure of 27%. Information on household income by household size for each county is maintained by HUD.

Table 2: Marin County FY 2001 Median Household Income Schedule

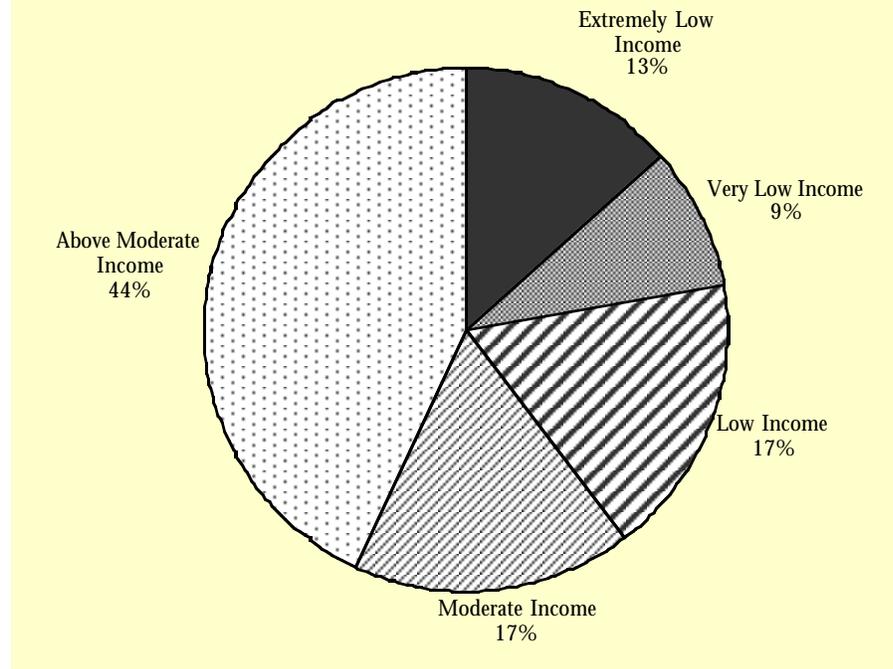
Family Size	Extremely Low 35%	Very Low 50%	Low 80%	Median 100%	Moderate 120%	Above Moderate
1	\$19,650	\$28,050	\$44,850	\$56,050	\$67,300	
2	\$22,450	\$32,050	\$51,250	\$64,100	\$76,900	
3	\$25,250	\$36,050	\$57,650	\$72,100	\$86,500	
4	\$28,050	\$40,050	\$64,100	\$80,100	\$96,100	
5	\$30,300	\$43,250	\$69,200	\$86,500	\$103,800	
6	\$32,500	\$46,450	\$74,350	\$92,900	\$111,500	
7	\$34,750	\$49,650	\$79,450	\$99,300	\$119,200	
8	\$37,000	\$52,850	\$84,600	\$105,750	\$126,900	

Retail Clerk, Full Time, Single, No Children
Police Officer, Married, Stay at Home Spouse, 1 Child
Professionals, Double Income, No Kids
Childcare Instructor, Single Mom, 1 Child
Elementary School Teacher

Source: Department of Housing and Urban Development, effective April 6, 2001

Because local jurisdictions are rarely if ever involved in the actual construction of housing units, the fair share numbers establish goals that should be used to guide Planning and Building and development decision making. Specifically, the numbers establish a gauge to determine whether the City is allocating adequate sites for the development of housing (particularly housing at higher densities to achieve the housing goals for lower income households). Beyond this basic evaluation of sites (which must be serviced by necessary infrastructure facilities), the City must review its land use and development policies, regulations and procedures to determine if any of them are creating unreasonable constraints on housing development to meet its fair share need. Furthermore, the City must demonstrate that it is actively supporting and facilitating the development of housing affordable to lower income households.

Figure 1
Estimated Distribution of Mill Valley Households
by Income Category (2000)



Housing Element Update Process

The Housing Element must identify community involvement and decision-making processes and techniques that are affirmative steps to generate input from low-income persons and their representatives as well as other members of the community. This means that input should be sought, received and considered before the Draft Housing Element is completed. Requirements for public participation are described in Section 65583(6)(B) of the Government Code. The process is also intended to coordinate among various departments and other local agencies and housing groups, community organizations and housing sponsors. Collaboration enhances the effectiveness of Housing Element programs in indicating “the agencies and officials responsible for the implementation” — described in Section 65583(c)(6)(B).

One response to this concern has been a process jointly sponsored by all of the local government jurisdictions in Marin — all eleven cities and the County — to develop “best practices” and participate together, where possible, in developing common strategies to address housing needs. As part of this effort a *Marin Housing Workbook* was prepared that provides an important reference document for Mill Valley’s Housing Element update. The



Pickelweed Housing

process for developing the *Marin Housing Workbook* involved extensive community outreach and participation, which the City can now build upon to craft its own strategies for meeting housing needs.

The City of Mill Valley’s Housing Element update process has been built upon the efforts undertaken to date on the *Marin Housing Workbook**. In an effort to involve all economic segments within Marin, the *Marin Housing Workbook* was developed through an open, inclusive process. The 4,000 persons and organizations on the mailing list included all housing-related non-profits in Marin

County and persons from a mailing list provided by the Marin Housing Authority. In addition, recommendations considered as part of the “best practices”, contained in the document, were made by groups such as the Marin Housing Element Coalition, Greenbelt Alliance and Non-Profit Housing of Northern California.

The Housing Element process in Mill Valley has involved a number of groups and individuals in the process of reviewing current housing conditions and needs and considering potential housing strategies. In an effort to involve all economic segments of the community in Mill Valley, notices were published in both the Mill Valley Herald and Marin Independent Journal and sent to approximately 400 people and organizations on the Housing Element mailing list. The mailing list includes representatives of groups with special housing needs, tenant and low income persons, landlords, developers and neighborhood residents.

* Note: The *Marin Housing Workbook* received the 2002 “Focused Issue Planning Award” from the Northern Section of the American Planning Association (APA)

City of Mill Valley’s Housing Element Update Process

The intent of Mill Valley’s Housing Element process has been to build upon the work effort to date, provide an opportunity for community review of housing strategy options, and identify opportunities tailored to community values and needs. Below are key process milestones:

- **Planning Commission/City Council-Hosted Work Session** to review housing strategy options as presented in the Public Review Draft Housing Element.
- **Preparation and Distribution of the Draft Housing Element** for additional review by the public and State law required review by the California Department of Housing and Community Development (HCD).
- **Response to Comments from HCD and the Public**, with modifications to the Draft Housing Element based on comments.
- **Planning Commission Public Hearings** and recommendations to the City Council for adoption of the updated Housing Element.
- **City Council Public Hearings** to adopt the Planning Commission-Recommended Draft Housing Element.

Relationship of the Housing Element to the Entire Mill Valley General Plan

The Mill Valley General Plan serves as the ‘constitution’ for development in the City of Mill Valley. It is a long-range planning document that describes goals, policies and programs to guide decision-making. Once the General Plan is adopted, all development-related decisions in the City must be consistent with the Plan. If a development proposal is not consistent with the Plan, it must be revised or the Plan itself must be amended. State law requires a community’s General Plan to be internally consistent. This means that the Housing Element, although subject to special requirements and a different schedule of updates, must function as an integral part of the overall General Plan, with consistency between it and the other General Plan elements.

Many housing needs can only be addressed on a comprehensive basis in concert with other community concerns such as infill development or mixed use incentives, for example, which must consider land use, traffic, parking, design and other concerns as well. In the past, major amendments to Mill Valley’s Housing Element were made as the rest of the General Plan was being updated. This resulted in a more comprehensive policy document which is internally consistent statement about the City’s housing needs and future development expectations.



Single family residential

The development projected under the updated Housing Element is consistent with the other elements in the City’s current General Plan. The preparation of the Miller Avenue Precise Plan will provide an opportunity to review land uses and development patterns along this vital transportation corridor with multiple activity areas. Additional housing opportunities are being explored in the Miller Avenue Precise Plan preparation process.

Housing Needs Analysis

Population and Employment

Projections

Marin County currently has a population of 247,289 people (100% count from the 2000 U.S. Census). Over the next 40 years, between 2000 and 2040, the California Department of Finance projects that Marin County as a whole will grow at an average annual rate of 0.5%, which amounts to about 1,220 people and 500 households per year countywide. The projections below are for Marin County and the Mill Valley Planning Area. As a proportion of Mill Valley’s Planning Area, which also includes Almonte, Homestead Valley, Tamalpais

Valley, and Alto, the City comprised about 57 percent of the area's total population in 2000 (13,600 of the 23,900 total).

As can be seen in Table 3, there is projected to be an increase of 570 jobs in the Mill Valley Planning Area over the next 20 years. The ratio of employed residents per job is expected to increase from 1.76:1 in 2000 to 1.98:1 in 2020 (an increase of 2,900 employed residents and 570 local jobs). Countywide, about 71% of the 27,000 new jobs created in the next 20 years are anticipated to be in the relatively lower paying services and retail sectors.

Table 3: Bay Area, Marin County and Mill Valley Planning Area Projections

Location	1995	2000	2005	2010	2015	2020	Change 2000-2020
Bay Area Regional Total							
Population	6,394,300	6,930,600	7,380,100	7,631,400	7,832,600	8,026,900	+1,096,300
Households	2,329,690	2,438,060	2,553,930	2,656,650	2,753,440	2,839,630	+401,570
Average Household Size	2.68	2.78	2.83	2.81	2.79	2.77	-0.01
Employed Residents	3,127,800	3,538,000	3,799,000	4,017,500	4,230,700	4,438,300	+900,300
Jobs	3,227,390	3,688,590	3,966,990	4,227,560	4,460,660	4,687,950	+999,360
Employed Residents/Job	0.97	0.96	0.96	0.95	0.95	0.95	-0.01
Jobs/Household	1.39	1.51	1.55	1.59	1.62	1.65	+0.14
Marin County							
Population	238,500	250,400	259,900	267,900	272,400	275,400	+25,000
Households	97,110	99,500	102,550	106,180	109,300	111,430	+11,930
Average Household Size	2.37	2.43	2.45	2.44	2.41	2.39	-0.04
Employed Residents	128,000	140,400	148,100	156,200	162,400	167,100	+26,700
Jobs	112,290	123,510	132,180	136,800	143,590	150,510	+27,000
Employed Residents/Job	1.14	1.14	1.12	1.15	1.13	1.11	-0.03
Percent of Ba Area Population	3.70%	3.60%	3.50%	3.50%	3.50%	3.40%	-0.20%
Percent of Bay Area Jobs	3.50%	3.30%	3.30%	3.20%	3.20%	3.20%	-0.10%
Jobs/Household	1.16	1.24	1.29	1.28	1.31	1.35	+0.11
Mill Valley Planning Area							
Population	23,000	23,900	24,500	24,800	25,100	25,300	+1,400
Households	10,250	10,380	10,540	10,830	11,100	11,150	+770
Average Household Size	2.22	2.28	2.31	2.27	2.24	2.25	+0.03
Mean Household Income	\$100,500	\$114,500	\$120,800	\$125,100	\$131,600	\$137,600	+\$23,100
Employed Residents	13,400	14,700	15,600	16,400	17,200	17,600	+2,900
Jobs	8,000	8,330	8,490	8,570	8,770	8,900	+570
Jobs/Household	0.78	0.80	0.81	0.79	0.79	0.80	0.00
Employed Residents/Job	1.68	1.76	1.84	1.91	1.96	1.98	+0.21
Percent of County Population	9.64%	9.54%	9.43%	9.26%	9.21%	9.19%	-0.36%
Percent of County Jobs	7.1%	6.7%	6.4%	6.3%	6.1%	5.9%	-0.83%

Source: Association of Bay Area Governments, "Projections 2000"

There are many benefits of having a balance between jobs and employed residents, including a labor supply more closely matched to local employment needs, less congested freeways, reduced fuel consumption and improved air quality, reduced expenditures on major transportation projects, and savings in travel time for both businesses and individuals. However, a 1:1 ratio between jobs and employed residents does not guarantee a reduction in commute trips.

Although Marin County is expanding its jobs base, many residents still commute elsewhere to work, while many of the people who work in Mill Valley are living in other communities due to high housing costs and availability, or other lifestyle choices. So, even with a 1:1 ratio of jobs to housing, cities or counties can continue to exchange workers regardless of a correlation of employed residents to total jobs. Therefore, one focus of the Housing Element is to address the issue of matching housing costs and types to the needs and incomes of the community’s workforce.

Population Trends

The greatest increases in population age groups over the next 40 years are expected to be elderly and young adult households, which tend to have the lowest income levels. According to the 2000 U.S. Census, 23.5% of all households in Marin County are age 65 or older. In Mill Valley, the percentage of households age 65 or older is slightly greater, at 23.9% of all households. The median age in Marin County is 41.3 and median age in Mill Valley is 43.9.

The Marin Commission on Aging (MCA) predicts significant increases in Marin’s elderly population. By the year 2020, according to MCA, one out of every three Marin residents will be 60 years of age or older. MCA predicts this age group will nearly double in size from 40,000 to 74,000 persons by 2020. In addition, three out of four individuals of the “oldest old”, 85 years of age or greater, are expected to be women.

Housing Types and Condition

Detached single family homes are the majority of residential units in Mill Valley, comprising about 64% of the total housing stock. Rental apartments are the next most common housing types, comprising about 27% of the total units, and condominiums and townhomes comprise about 9%. The number of housing units in Mill Valley increased from 4,784 in 1970 to 6,172 in 1988. In 2000 there were 6,259 housing units in Mill Valley. Between 1990 and 2000 a total of 126 units (about 13 per year) were added to the housing stock, with multifamily housing comprising about 9% and single family housing comprising 91% of the total units added. Housing by type in various jurisdictions is shown in Table 4.

Table 4: Number and Percent of Single and Multiple Family Homes in Each Marin Jurisdiction (2000)

Jurisdiction	Single Family	Percent Multi-Family	Percent	Total	
Belvedere	899	86%	150	14%	1,049
Corte Madera	3,113	80%	793	20%	3,906
Fairfax	2,405	74%	860	26%	3,265
Larkspur	2,775	44%	3,530	56%	6,305
Mill Valley	4,565	73%	1,694	27%	6,259
Novato	14,680	73%	5,453	27%	20,133
Ross	775	98%	17	2%	792
San Anselmo	4,127	77%	1,241	23%	5,368
San Rafael	12,525	55%	10,347	45%	22,872
Sausalito	2,009	45%	2,422	55%	4,431
Tiburon	2,561	68%	1,229	32%	3,790
Marin Unincorporated	22,201	82%	4,886	18%	27,087
Marin County Total	72,635	69%	32,622	31%	105,257

Source: California Department of Finance, 2000

Second units also represent an important part of the City’s housing stock. Second units provide flexibility for the owner of the main home (they can be used as a home office, an apartment for elderly parents, or a source of income) and, when rented, they help make

home-ownership affordable for the owner of the primary home. Second units also provide a significant source of lower cost housing because there are no extra land costs. Second units are also easier to “fit in” to existing neighborhoods since they are small and are often part of the main house.

About 68% of the existing homes in Mill Valley were built more than 30 years ago, which is about the same as Marin County as a whole (about two-thirds of the units countywide). In general, the condition of the housing stock in Mill Valley is very good. The City continues to participate in the CDBG Rehabilitation Loan Program, which has served 30 residents up through the year 2001. Specific programs include single family home repair loans, emergency repair and accessibility grants, exterior enhancement rebates, weatherization and home security grants for seniors, and a multi-family rehabilitation loan program. City policies have continued to support and expand these efforts.

Since demand for housing has remained strong, it is expected that the market has accomplished much rehabilitation on its own. A general review of neighborhoods in Mill Valley by the Planning and Building staff indicates that few houses are in need of repair. As stated above, this is due to the high market value of existing housing.

Household Characteristics

Household Types and Size

The Bureau of the Census defines a household as all persons who occupy a housing unit, including families, single people, or unrelated persons. Persons living in licensed facilities or dormitories are not considered households. There were 6,147 households in Mill Valley in 2000, of which about 56 percent were families and 44 percent were non-family households. One third of all households were people living alone (with about 36% of those being individuals age 65 or over -- representing about 12 percent of all households). Households by type are shown in Table 5.

Table 5: Households By Type By Jurisdiction (2000)

Jurisdiction	Family Households	Family Age 65+	Single Person Households	Single Person Age 65+	Non-Family Household (2+)	Non-Family (2+) Age 65+	Total Households	Total HH Age 65+
Belvedere	657	247	258	146	41	16	956	409
Corte Madera	2,472	536	937	296	367	60	3,776	892
Fairfax	1,813	252	1,029	245	464	43	3,306	540
Larkspur	2,901	758	2,650	903	591	71	6,142	1,732
Mill Valley	3,420	699	2,098	761	629	99	6,147	1,559
Novato	12,419	2,379	4,661	1,714	1,444	158	18,524	4,251
Ross	626	146	97	40	38	14	761	200
San Anselmo	3,191	559	1,511	386	565	60	5,267	1,005
San Rafael	12,776	2,785	7,187	2,446	2,408	222	22,371	5,453
Sausalito	1,663	326	1,945	331	646	58	4,254	715
Tiburon	2,408	623	1,026	351	278	43	3,712	1,017
Marin Unincorporated	16,333	3,520	6,642	1,994	2,459	327	25,434	5,841
Marin County Total	60,679	12,830	30,041	9,613	9,930	1,171	100,650	23,614

Source: 2000 U.S. Census

According to the 2000 Census, the average household size in Marin County was 2.40 persons, while the average household size in Mill Valley in 2000 was slightly less at 2.20 persons. The countywide average household size is expected to increase to 2.41 by 2005 before declining to 2.39 by 2020 (see Table 6). Compared to the rest of the Bay Area, Marin County's average household size is significantly lower, averaging 0.3 fewer persons per household. Mill Valley's average household size is projected to increase to 2.31 persons in 2005 and then decrease to 2.25 persons in 2020.

Table 6: Trends in Persons Per Household (1990-2020)

Jurisdiction	Year						Year 2020
	1990	1995	2000	2005	2010	2015	
Belvedere	2.23	2.30	2.22	2.36	2.36	2.38	2.40
Corte Madera	2.31	2.34	2.41	2.43	2.42	2.42	2.37
Fairfax	2.25	2.28	2.20	2.33	2.36	2.35	2.35
Larkspur	2.08	2.07	1.93	2.21	2.24	2.20	2.19
Mill Valley	2.23	2.22	2.20	2.31	2.27	2.24	2.25
Novato	2.60	2.61	2.52	2.76	2.77	2.71	2.67
Ross	2.78	2.92	2.94	2.93	2.99	2.99	2.99
San Anselmo	2.35	2.37	2.30	2.38	2.34	2.34	2.32
San Rafael	2.37	2.44	2.42	2.50	2.46	2.42	2.40
Sausalito	1.81	1.90	1.72	1.95	1.95	1.93	1.94
Tiburon	2.17	2.21	2.31	2.27	2.22	2.20	2.18
Marin Unincorporated	2.44	2.49	2.62	2.54	2.55	2.55	2.54
Marin County Total	2.33	2.37	2.34	2.45	2.44	2.41	2.39

Source: Association of Bay Area Governments, Projections 2000; 2000 U.S. Census

A significant trend toward smaller households occurred between 1970 and 1990. Since 1990 the average household size has remained fairly constant. The average household size in Mill Valley declined from 2.7 in 1970 to 2.20 in 2000. Thus, while the number of housing units in the City increased by 1,502 units (31%) from 4,784 in 1970 to 6,286 in 2000, the population increased by only 658 people (5.1%) from 12,942 in 1970 to 13,600 in 2000. By comparison, Mill Valley's average household size was the fourth smallest of all the cities in the county.

Small households generate less impact on a per unit basis than larger households. Marin County's and Mill Valley's aging population, discussed earlier, also reduces the occupancy rate as children move out and mortality increases. On average, renter households in Marin County (2.21 persons per household in 2000) are slightly smaller than owner households (2.42 persons per household in 2000). In Mill Valley, owner households are quite a bit larger than renter households (2.39 to 1.83 persons per household).

Housing Tenure

Table 7 shows housing occupancy by tenure in 1990 and 2000. Tenure refers to whether a housing unit is rented or owned. According to the 2000 census figures, there were 64,024 owner-occupied units in Marin County (61 percent of all units) and 36,626 renter-occupied units (35 percent of the total) in the year 2000. This is an increase in the percentage of

Table 7: Housing Units by Tenure by Jurisdiction (1990 and 2000)

	----- 1990 -----				----- 2000 -----			
	Renter	Owner	Vacant	Total	Renter	Owner	Vacant	Total
Belvedere	223	741	73	1,037	239	717	103	1,059
Percent	22%	71%	7.0%	100%	23%	68%	9.7%	100%
Corte Madera	1,087	2,490	140	3,717	1,038	2,738	74	3,850
Percent	29%	67%	3.8%	100%	27%	71%	1.9%	100%
Fairfax	1,250	1,842	133	3,225	1,275	2,031	112	3,418
Percent	39%	57%	4.1%	100%	37%	59%	3.3%	100%
Larkspur	2,811	2,911	243	5,965	3,081	3,061	271	6,413
Percent	76%	78%	3.8%	160%	48%	48%	4.2%	167%
Mill Valley	2,072	3,883	178	6,133	2,121	4,026	139	6,286
Percent	34%	63%	2.9%	100%	34%	64%	2.2%	100%
Novato	6,947	11,289	546	18,782	6,009	12,515	470	18,994
Percent	37%	60%	2.9%	100%	32%	66%	2.5%	100%
Ross	45	679	51	775	98	663	44	805
Percent	6%	88%	6.6%	100%	12%	82%	5.5%	100%
San Anselmo	1,766	3,364	195	5,325	1,751	3,516	141	5,408
Percent	33%	63%	3.7%	100%	32%	65%	2.6%	100%
San Rafael	9,240	11,055	846	21,141	10,346	12,025	577	22,948
Percent	44%	52%	4.0%	100%	45%	52%	2.5%	100%
Sausalito	2,103	1,990	285	4,378	2,166	2,088	257	4,511
Percent	48%	45%	6.5%	100%	48%	46%	5.7%	100%
Tiburon	1,107	2,166	170	3,443	1,121	2,591	181	3,893
Percent	32%	63%	4.9%	100%	29%	67%	4.6%	100%
Unincorporated	7,364	16,581	1,891	25,836	7,381	18,053	1,971	27,405
Percent	29%	65%	7.4%	102%	27%	66%	7.2%	100%
Total County	36,015	58,991	4,751	99,757	36,626	64,024	4,340	104,990
Percent	36%	59%	4.8%	100%	35%	61%	4.1%	100%

Source: California Department of Finance; U.S. Census, 2000; Baird + Driskell

owner-occupied units in comparison to 1990 (when 59 percent were owner-occupied and 36 percent were rented), which also reflects that a higher proportion of single family homes were built as compared to multi-family units. In Mill Valley, there is even a higher rate of ownership, with 71% of the units being owner-occupied (67% in 1990), 27% being renter-occupied (29% in 1990) with the remaining units being vacant.

Vacancy Rate Trends

The vacancy rates for housing in Marin County, as indicated by the 1990 and 2000 census reports, have decreased since 1990 when the census recorded a vacancy rate of 4.7 percent. In 2000, the total vacancy rate was recorded at 4.1 percent. However, the effective vacancy rate for rental housing units is 2.2 percent, which excludes units that are unavailable as long term rentals. As shown in Table 8, the effective vacancy rate for rental housing in Mill Valley was 1.7 percent in 2000, which is about the lowest in Marin County. The 1.7 percent figure is indicative of a very tight rental housing market in which demand for units exceeds the available supply. Based on rent level surveys, the rental vacancy rate is most likely much tighter for units affordable to very low, low and even moderate income households.

In general, a higher vacancy rate is considered necessary by housing experts to assure adequate choice in the marketplace and to temper the rise in home prices. A 5.0 percent rental vacancy rate is considered necessary to permit ordinary rental mobility. In a housing

Table 8: Vacancy Status for Vacant Housing Units by Jurisdiction (2000)

	For Rent	<i>Effective Vacancy % for Rentals</i>	For Sale	Rented or Sold/Not Occupied	For Seasonal/ Occasional/ Rec Use	For Mirgrant Workers	Other Vacant	Total Vacant	Vacancy Rate for All Units
Belvedere	10	4.0%	4	11	59	0	19	103	9.7%
Corte Madera	20	1.9%	9	9	14	1	21	74	1.9%
Fairfax	42	3.2%	13	8	27	0	22	112	3.3%
Larkspur	70	2.2%	18	18	94	0	71	271	4.2%
Mill Valley	36	1.7%	24	20	28	0	31	139	2.2%
Novato	151	2.5%	120	75	51	0	73	470	2.5%
Ross	6	5.8%	3	3	11	0	21	44	5.5%
San Anselmo	34	1.9%	9	19	31	0	48	141	2.6%
San Rafael	181	1.7%	108	40	111	0	137	577	2.5%
Sausalito	68	3.0%	12	36	106	0	35	257	5.7%
Tiburon	36	3.1%	18	23	77	0	27	181	4.6%
Unincorporated	152	2.0%	86	138	1,293	5	297	1,971	7.2%
Total County	806	2.2%	424	400	1,902	6	802	4,340	4.1%

Source: U.S. Census, 2000; Baird + Driskell

market with a lower vacancy rate, tenants will have difficulty locating appropriate units and strong market pressure will inflate rents. In addition, the lower the vacancy rate the greater the tendency for landlords to discriminate against potential renters.

Fair Housing of Marin is a civil rights agency that investigates housing discrimination, including discrimination based on race, origin, disability, gender and presence of children. Its caseload consists almost entirely of renters. The organization receives approximately 1,200 inquiries a year, of which about 250 are discrimination complaints that are fully investigated. Fair Housing of Marin also educates landowners on fair housing laws, provides seminars in English, Spanish, and Vietnamese on how to prepare for a housing search and recognize discrimination, and education programs on the importance of community diversity in schools, which includes an annual "Fair Housing" poster contest.

Overcrowding

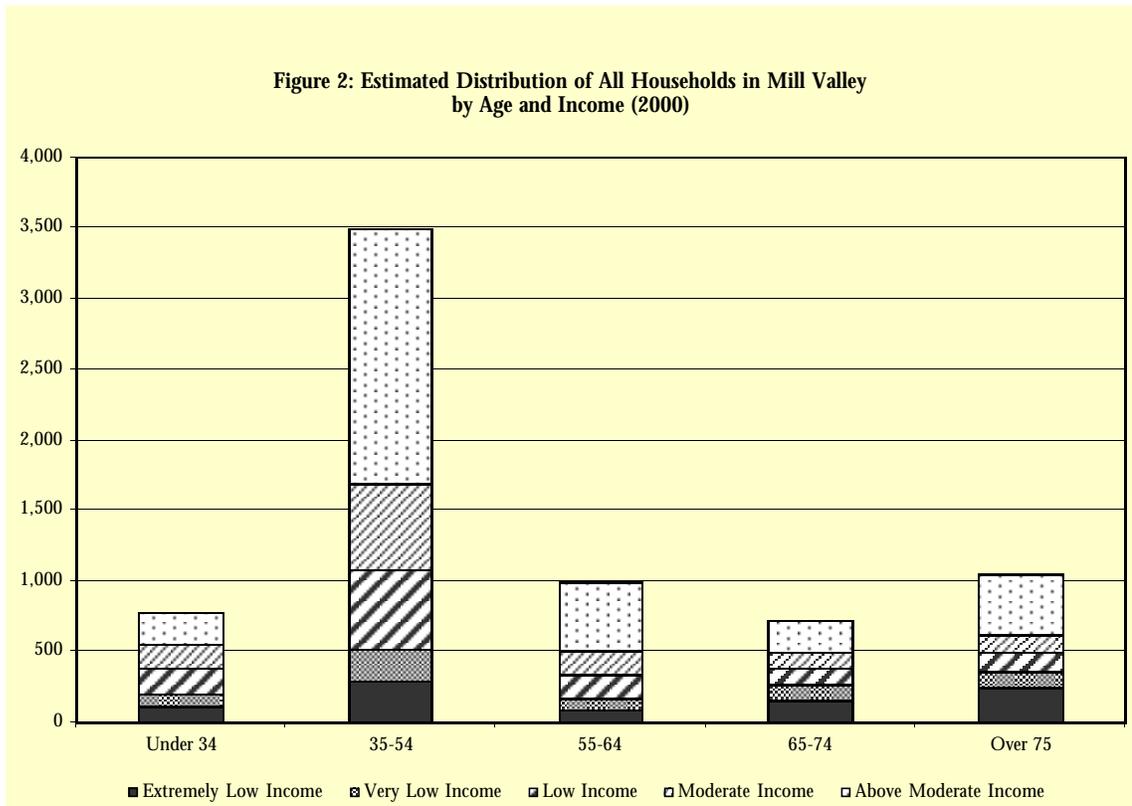
Overcrowded housing is defined by the US Census as units with more than one inhabitant per room, excluding kitchen and bathrooms. According to 2000 census data, there are 6 owner occupied units (.1 percent of owner housing units) and 73 renter households (3.4 percent of renter housing units) with overcrowded conditions. No units are severely overcrowded with 2 or more occupants per room. The incidence of overcrowding has increased slightly since 1990 when there were no overcrowded owner units and 58 (3%) overcrowded renter units. In Marin County, the rate of overcrowding is significantly higher with 1% of owner occupied units and 10% of renter occupied units reported as overcrowded.

Housing Costs, Household Income and the Ability to Pay for Housing

Household Income

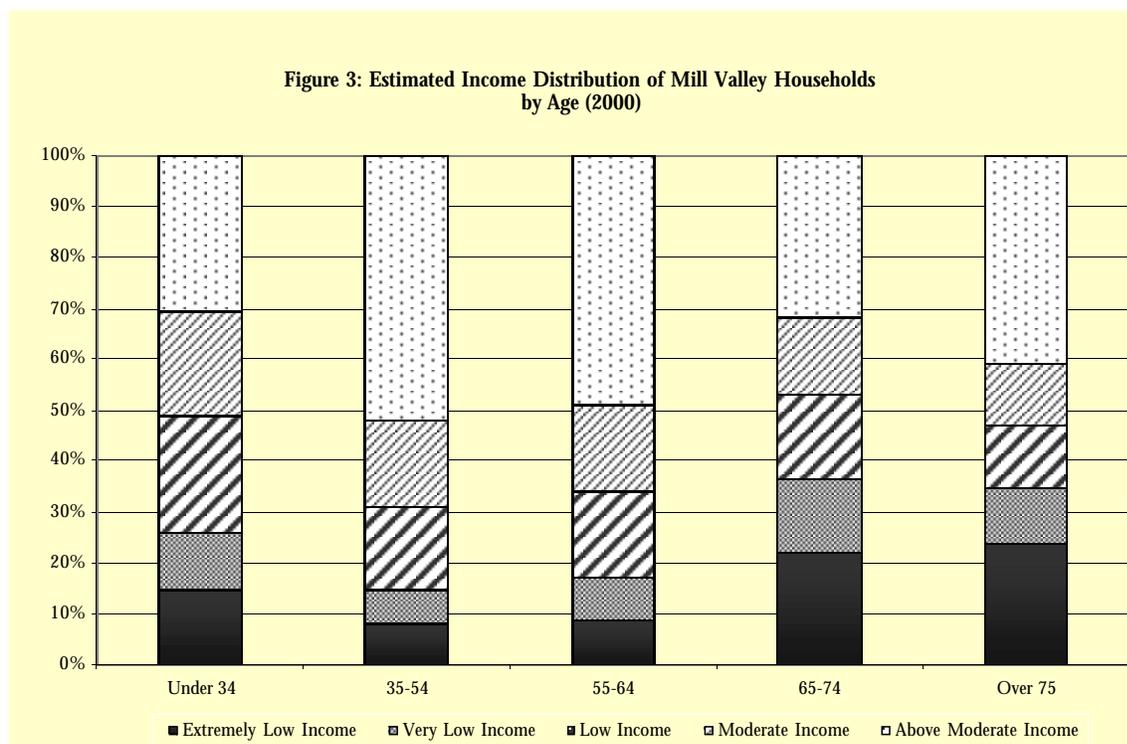
Income is defined as wages, salaries, pensions, social security benefits, and other forms of cash received by a household. Non-cash items, such as Medicare and other medical insurance benefits, are not included as income. It is generally expected that people can afford to pay about a third of their income on housing. Housing cost includes principal, interest, property taxes and insurance. It is therefore critical to understand the relationship between household income and housing costs to determine how affordable—or unaffordable—housing really is.

Figures 2 and 3 show current households in Mill Valley by age of head of household and income category. While middle age households (35-54 years of age) comprise the majority of households in Mill Valley, proportionately the most significant very low income housing need is in younger households (under 34) and seniors (65 years plus).



Sales Prices and Rents

The average sales price for a single family home in Mill Valley rose from \$413,000 in 1988 to \$800,000 in 2000, a 94 percent increase over the twelve-year period. Since single family homes currently comprise about 64 percent of the housing stock, this increase affects a substantial portion of the units available. In the County as a whole, the average price for a single family home was \$318,000 in 1988. At the time of the 1980 census, the median home value in the City was \$183,400, compared to \$151,000 in the County as a whole. In 1988,



the average sales price for a home in Mill Valley was 30% higher than the County average. A home in Mill Valley was 34% higher than the County average in value in 2000.

From 1993 to 2000 the median home sales price in Marin County increased from \$314,250 to \$523,000. As shown in Table 9, the median price for a single family detached home price in Marin County in 2000 was \$599,000, requiring an income over \$150,000 per year to qualify for a loan. In Mill Valley in 2000 the median price for a conventional single family detached home was \$800,000, which would require an income over \$190,000 per year to qualify for a loan. The median price of a townhome or condominium in 2000 was \$425,000, which would require an income over \$105,000 per year to qualify for a loan.

Rents in the south central part of the County increased 23% between 1998 and the third quarter of 2000 for one-bedroom units and 22% for two-bedroom units. The average rent for a one-bedroom unit in Mill Valley increased from \$775 in 1992 to \$1,334 in the third quarter of 2000. The average rent for a two-bedroom unit in Mill Valley increased from \$931 in 1992 to \$1,607 in the third quarter of 2000. Table 10 shows the trends in average rents by unit type in South Central Marin (Mill Valley, Corte Madera and Larkspur).

The Ability to Pay for Housing

Housing that costs 30% or less of a household’s income is referred to as “affordable housing.” Because household incomes and sizes vary, the price which is considered “affordable” for each household also varies. For example, a large family with one small income might afford a different type of housing than a double-income household with no children. Estimates of current overpayment in Mill Valley are based on 1990 Census applied to 2000 data on

Table 9: Marin Real Estate Sales (Year End 2000)

Jurisdiction	Conventional Detached Dwellings			Condominiums/Townhouses		
	# Sales	Mean Price	Median	# Sales	Mean Price	Median
Belvedere	30	\$2,372,707	\$2,000,000	2	\$1,305,000	\$1,305,000
Corte Madera	111	\$661,609	\$625,000	47	\$391,755	\$390,000
Fairfax	95	\$447,680	\$429,000	13	\$298,038	\$283,000
Larkspur	95	\$815,018	\$820,000	64	\$379,799	\$347,500
Mill Valley	167	\$994,050	\$800,000	55	\$455,026	\$425,000
Novato	628	\$526,263	\$478,560	372	\$274,863	\$274,863
Ross	25	\$1,465,800	\$1,325,000			
San Anselmo	166	\$583,111	\$549,000	4	\$306,625	\$289,000
Sausalito	85	\$1,237,091	\$1,025,000	59	\$467,339	\$411,500
San Rafael	480	\$640,239	\$562,500	287	\$325,084	\$270,000
Tiburon	115	\$1,610,295	\$1,300,000	37	\$790,669	\$675,000
Unincorporated	861	\$830,685	\$657,000	101	\$441,667	\$400,000
Marin County Total	2,858	\$772,354	\$599,000	1,041	\$357,781	\$315,000

Total Single Family Homes Sold: 3,899
Mean / Median Home Sale Price: \$661,667 / \$523,000
Mean Home Living Area: 1,772 sq. ft.

Source: Marin County Assessor - Recorder, 2001

Table 10: "Apartment for Rent" Rent Survey (1992-2000)

Location	#BR	1 yr. (+/-)	2 yr. (+/-)	2000	1999	1998	1997	1996	1995	1994	1993	1992
				3rd Qtr	Year Ave.							
Sausalito/Tiburon	1 BR	13%	18%	\$1,670	\$1,477	\$1,416	\$1,181	\$1,106	\$1,036	\$956	\$970	\$957
	2 BR	12%	20%	\$2,231	\$1,984	\$1,852	\$1,664	\$1,405	\$1,400	\$1,330	\$1,250	\$1,270
South Central	1 BR	13%	23%	\$1,334	\$1,182	\$1,081	\$933	\$837	\$811	\$784	\$770	\$775
	2 BR	13%	22%	\$1,607	\$1,425	\$1,321	\$1,191	\$1,074	\$1,003	\$962	\$945	\$931
San Rafael	1 BR	11%	22%	\$1,117	\$1,006	\$919	\$824	\$740	\$704	\$683	\$675	\$671
	2 BR	9%	18%	\$1,403	\$1,288	\$1,189	\$998	\$914	\$860	\$842	\$815	\$818
San Anselmo/Fairfax	1 BR	15%	23%	\$1,175	\$1,026	\$955	\$849	\$779	\$726	\$698	\$701	\$687
	2 BR	9%	24%	\$1,427	\$1,309	\$1,149	\$994	\$874	\$841	\$814	\$833	\$828
Novato	1 BR	13%	22%	\$1,119	\$988	\$916	\$759	\$719	\$705	\$681	\$651	\$670
	2 BR	18%	31%	\$1,420	\$1,205	\$1,083	\$971	\$885	\$823	\$809	\$797	\$788
Marin Count Average	1 BR	7%	17%	\$1,205	\$1,125	\$1,031	\$881	\$807	\$753	\$733	\$736	\$733
	2 BR	10%	17%	\$1,588	\$1,445	\$1,354	\$1,133	\$988	\$943	\$935	\$907	\$922
Ads/week Marin		-61%	-55%	40	103	89	74	92	161	182	221	184

Source: Michael Burke, Realtor with Frank Howard Allen Relators, compiled this data from Sunday Marin Independent Journal

housing tenure. Approximately 54% of renters are estimated to be overpaying for housing (i.e., paying more than 30% of income on housing), while approximately 34% of all owners are overpaying for housing. In total, it is estimated that 41% of all households currently residing in Mill Valley are paying more than 30% of their income on housing.

Tables 11 and 12 indicate the rents and home prices that households at various income levels could be expected to pay if they were to spend 30 percent of their income on housing. The exact amount that they could pay would, of course, depend on the amount of downpayment

Table 11: Estimate of the Ability to Pay for Sales Housing in Mill Valley (2001)

Household Size and Income Category	Monthly Income	Annual Income	"Rule of Thumb" Home Price at Four Times Annual Income	Median Priced Single Family Detached Unit	Gap Between "Rule of Thumb" Price and Median SFD Unit	Median Priced Townhouse and Condo Unit	Gap Between "Rule of Thumb" Price and Median TH/C Unit
Single Person							
Extremely Low Income	\$1,638	\$19,650	\$78,600	\$800,000	-\$520,400	\$425,000	-\$236,400
Very Low Income	\$2,338	\$28,050	\$112,200	\$800,000	-\$486,800	\$425,000	-\$202,800
Low Income	\$3,738	\$44,850	\$179,400	\$800,000	-\$419,600	\$425,000	-\$135,600
Median Income	\$4,671	\$56,050	\$224,200	\$800,000	-\$374,800	\$425,000	-\$90,800
Moderate Income	\$5,608	\$67,300	\$269,200	\$800,000	-\$329,800	\$425,000	-\$45,800
Two Persons							
Extremely Low Income	\$1,871	\$22,450	\$89,800	\$800,000	-\$509,200	\$425,000	-\$225,200
Very Low Income	\$2,671	\$32,050	\$128,200	\$800,000	-\$470,800	\$425,000	-\$186,800
Low Income	\$4,271	\$51,250	\$205,000	\$800,000	-\$394,000	\$425,000	-\$110,000
Median Income	\$5,342	\$64,100	\$256,400	\$800,000	-\$342,600	\$425,000	-\$58,600
Moderate Income	\$6,408	\$76,900	\$307,600	\$800,000	-\$291,400	\$425,000	-\$7,400
Four Persons							
Extremely Low Income	\$2,338	\$28,050	\$112,200	\$800,000	-\$486,800	\$425,000	-\$202,800
Very Low Income	\$3,338	\$40,050	\$160,200	\$800,000	-\$438,800	\$425,000	-\$154,800
Low Income	\$5,342	\$64,100	\$256,400	\$800,000	-\$342,600	\$425,000	-\$58,600
Median Income	\$6,675	\$80,100	\$320,400	\$800,000	-\$278,600	\$425,000	\$5,400
Moderate Income	\$8,008	\$96,100	\$384,400	\$800,000	-\$214,600	\$425,000	\$69,400

Source: Baird + Driskell/Community Planning

Table 12: Estimate of the Ability to Pay for Rental Housing in Mill Valley (2001)

Household Size and Income Category	Monthly Income	Rent @ 30% of Monthly Income	Expected Unit Size	Average Rent (Oct-Dec 2000) for the Smaller Unit	Ability to Pay "Gap" for Smaller Unit	Average Rent (Oct-Dec 2000) for the Larger Unit	Ability to Pay "Gap" for Larger Unit
Single Person							
Extremely Low Income	\$1,638	\$491	0-1 BR	\$1,130	-\$639	\$1,315	-\$824
Very Low Income	\$2,338	\$701	0-1 BR	\$1,130	-\$429	\$1,315	-\$614
Low Income	\$3,738	\$1,121	0-1 BR	\$1,130	-\$9	\$1,315	-\$194
Median Income	\$4,671	\$1,401	0-1 BR	\$1,130	\$271	\$1,315	\$86
Moderate Income	\$5,608	\$1,683	0-1 BR	\$1,130	\$553	\$1,315	\$368
Two Persons							
Extremely Low Income	\$1,871	\$561	1-2 BR	\$1,315	-\$754	\$1,777	-\$1,216
Very Low Income	\$2,671	\$801	1-2 BR	\$1,315	-\$514	\$1,777	-\$976
Low Income	\$4,271	\$1,281	1-2 BR	\$1,315	-\$34	\$1,777	-\$496
Median Income	\$5,342	\$1,603	1-2 BR	\$1,315	\$288	\$1,777	-\$175
Moderate Income	\$6,408	\$1,923	1-2 BR	\$1,315	\$608	\$1,777	\$146
Four Persons							
Extremely Low Income	\$2,338	\$701	2-3 BR	\$1,777	-\$1,076	\$2,417	-\$1,716
Very Low Income	\$3,338	\$1,001	2-3 BR	\$1,777	-\$776	\$2,417	-\$1,416
Low Income	\$5,342	\$1,603	2-3 BR	\$1,777	-\$175	\$2,417	-\$815
Median Income	\$6,675	\$2,003	2-3 BR	\$1,777	\$226	\$2,417	-\$415
Moderate Income	\$8,008	\$2,403	2-3 BR	\$1,777	\$626	\$2,417	-\$15

Source: Baird + Driskell/Community Planning

they could afford and the specific terms of their mortgage. These are rough calculations, meant to demonstrate the "gap" between market prices and affordability at various incomes.

Given the household income trends and housing cost trends discussed previously, it is reasonable to conclude that the incidence of overpayment for very low, low and moderate

income households may increase in the future. It should be noted as well that owners are given tax breaks for mortgage interest payments while renters are not. In fact, by far the largest (and often least recognized) federal housing subsidy is for mortgage deductions.

Already the mismatch between the location of jobs and housing is straining the region's roadways and environment. As the cost for housing near job centers has risen, workers have sought more affordable housing in communities farther and farther away from their jobs, compounding traffic congestion. This trend is common in many of the booming regions in California. In 2000, the public employees union (MAPE/SEIU) conducted a survey of over 1,500 represented employees working for 14 different agencies, including the County of Marin. The survey focused on housing and found the following:

- Over 52% owned a residence, but 57% of those would like to move closer to work.
- Almost 23% of those surveyed failed to identify themselves as eligible for some sort of housing subsidy or support when indeed they would be eligible. This indicates that outreach of information about available programs is beneficial.
- More than half the renters considered owning a home as their top priority, with Marin *down payments* and *monthly mortgage* payments being roughly equal obstacles preventing employees from owning a home.

What Various Jobs Pay (2000)

■ **Examples of Very Low Income Jobs (Maximum of \$28,050/year or \$2,338/month for a single person household)**

- Bookkeeper/Accountant
- Cashier
- Restaurant Cook
- Customer Service Representative
- Emergency Medical Technician
- Pharmacy Aide
- Receptionist
- Recreation Worker
- Retail Salesperson
- Childcare Instructor, City of San Rafael, \$18,432/yr.
- Housing Assistline Worker, Marin Housing, \$25,956/yr.

■ **Examples of Low Income Jobs (Maximum of \$44,850/year or \$3,738/month for a single person household)**

- Park Ranger
- Experienced Carpenter
- Electrician
- Elementary School Teacher
- Financial Manager
- Courtroom Clerk, County Courts, \$39,180/yr.
- Custodian, County of Marin, \$31,848/yr.
- Dispatcher, County of Marin, \$36,432/yr.
- Elections Clerk, County of Marin, \$31,956/yr.
- Family Support Officer, County of Marin, \$32,796/yr.
- Open Space Ranger, County of Marin, \$40,212/yr.
- Small Claims Advisor, County Courts, \$31,284/yr.
- Street Maintenance Worker, Fairfax, \$28,836/yr.
- Children's Librarian, Corte Madera, \$42,828/yr.
- Customer Service Rep, MMWD, \$42,840/yr.
- Account Clerk II, San Rafael, \$34,632/yr.

■ **Examples of Moderate Income Jobs (Maximum of \$67,300/year or \$5,608/month for a single person household)**

- Nurse Practitioner
- Fire Inspector
- Police Supervisor
- Mechanical Engineer
- Pharmacist
- Administrative Analyst, San Rafael, \$53,052/yr.
- Entry Level Firefighter, San Rafael, \$51,192/yr.
- Police Officer, Twin Cities, \$57,600/yr.

- 74% of the respondents were eligible for a subsidized housing program of some sort. By examining County income levels for Union members in a single person household, the Union determined that 94% of those employees qualified for assistance, with 57% qualifying for Section 8 rental subsidies. The difference between 74% and 94% represents the added benefits of spousal income.
- The most frequently reported income was \$35,000 per year, which would qualify for a Section 8 subsidy. Over half the respondents had incomes of less than \$45,700, making them qualified for Section 8 subsidies for a family of four.
- Commutes averaged from 34 to 37 minutes and ranged from five minutes to three hours. Given that this figure represents one direction, members reported spending over an hour per day commuting, which is slightly above federal statistics from the census for Northern California.

Special Housing Needs

In addition to overall housing needs, the City must plan for housing for special needs groups. To meet the community’s special housing needs (including the needs of the local workforce, seniors, people living with disabilities, farmworkers, the homeless, people with HIV/AIDS and other illnesses, people in need of mental health care, single parent families, single persons with no children, and large households), Mill Valley must be creative and look to new ways of increasing the supply, diversity and affordability of this specialized housing stock. Special needs housing stock is 54.7 % of all the established deed-restricted affordable housing units throughout Marin County.

The Marin Housing Authority administers Section 8 Payment Program certificates that house 4,917 people (in 1,859 units). The waiting list for the Section 8 Program can be as long as five years due to the number of individuals and families who are in need of subsidized housing. The

Shelter Plus Care Program provides 65 rental subsidies linked with supportive services to 78 individuals who are homeless with a mental health disability. Lastly, there are 98 rental subsidies for 114 people living with HIV/AIDS that are served through the Housing Opportunities for People With Aids Programs (HOPWA). Table 13 shows the programs administered by the Marin Housing Authority.

Table 13: Programs Administered by Marin Housing (2000)

Type of Housing Program	Mill Valley	Countywide
Section 8 Rental Assistance	103	1,859
Conventional Public Housing	0	496
MHA-Owned Rental Housing	3	83
Rebate for Marin Renters	3	64
Mortgage Credit Certificates	6	268
Residential Rehabilitation Loans	30	533
Shelter Plus Care	0	65
Housing Assistline	175	2,174
Housing Opportunities for People with AIDS (HOPWA)	7	114
Rental Deposit Guarantees	2	91
<i>Note: These figures do not include all subsidized units in Marin County as many projects are owned and/or managed by nonprofit organization</i>		
Source: Marin Housing, 2001		

Table 14 shows the waiting list for Section 8 housing. This provides additional evidence of need. The Marin Housing Authority opened the waiting list in Spring, 2000 with the following results: (1) 2,486 households submitted applications; (2) 1,715 or 68% live or work in Marin County; (3) 126 households or 7.3% were from Mill Valley; (4) in Marin County, half of the applications were from families, one-quarter from disabled/handicapped, one-tenth from elderly households, and one-ninth from single person households; and (5) 60% of the applications were from non-Hispanic /Caucasian families, 26% from African American families, 14% from Hispanic families, 9% from Asian families, and 1% from Native American families.

Table 14: Waiting List for Section 8 Housing Choice Voucher Program (June 2000)

Residence	Applied for Section 8 Rental Assistance	Percent with Marin County Residence	Family Households	Senior Households	Disabled or Handicapped	Single Person Households
Belvedere	1	0.1%				
Corte Madera	43	2.5%				
Fairfax	71	4.1%				
Larkspur	6	0.3%				
Mill Valley	126	7.3%				
Novato	312	18.2%				
Ross	0	0.0%				
San Anselmo	63	3.7%				
San Rafael	775	45.2%				
Sausalito	57	3.3%				
Tiburon	19	1.1%				
Marin Unincorporated (includes Marin City)	242	14.1%				
Marin County Total	1,715	100.0%	861	180	443	231

Note: 2,486 households submitted pre-applications; 775 (32%) do not live or work in Marin County

Source: Marin Housing Authority, 2000

There is a range along a continuum of housing for special needs, beginning with independent living (owning or renting), to assisted living (licensed facilities), to supportive housing, transitional housing, and finally emergency shelter. Further, the vast majority of special needs housing is service enriched. In other words, services are offered to residents to help them maintain independent living as long as possible. Additional programs offer services to specific special needs populations housed through Marin Housing Authority which assist tenants in maintaining their housing. These programs target services to frail seniors, families striving toward self-sufficiency, and at-risk populations with substance abuse and/or mental health disability.

The discussion which follows in this section of the Housing Element analyzes special housing needs. Table 15 below is a summary breakdown of special needs households in Mill Valley based on the 2000 U.S. Census.

Table 15: Summary of Special Needs Households in Mill Valley

	Owner Households	Renter Households	Total Households or Persons
<i>Households</i>			
Overcrowded Households	6	73	79
Senior Households	1,040	431	1,471
Female Headed Households	1,115	1,066	2,181
Large Households	208	68	276
<i>Persons</i>			
Persons Living with Disabilities			1,562
Novato's "Share" of Estimated Countywide Homeless Population			275

Source: U.S. Census, 2000; Marin Continuum of Housing and Services (2001)

Seniors

Senior households can be defined, in part, by the age distribution and demographic projections of a community's population. This identifies the maximum need for senior housing. Particular needs, such as the need for smaller and more efficient housing, for barrier-free and accessible housing, and for a wide variety of housing with health care and/or personal services should be addressed, as should providing a continuum of care as elderly households become less self-reliant. There is a dramatic increase in dementia as people reach 75 years of age, resulting in a significant need in Marin for dementia care facilities or opportunities for seniors to remain with their families in "granny" or "in-law" second units. There is also a need for housing where an "in-home" caregiver can reside.

As shown in Table 16, there are currently 1,471 households in Mill Valley headed by a person age 65 or more. Of those, 71% own their home and 29% are renters. With the overall aging of society, as described earlier, the senior population (persons over 65 years of age) will increase in Mill Valley. Consequently, the need for affordable and specialized housing for older residents will grow. Typical housing to meet the needs of seniors include smaller attached or detached housing for independent living (both market rate and below market rate); second units; shared housing; age-restricted subsidized rental developments; congregate care facilities; licensed facilities; and skilled nursing homes.

Most of the licensed facilities in Marin will no longer take low and very low income seniors. Average basic rent is currently about \$3,500 per month for a single bed (room, bathroom, and three meals/day). For a couple, the costs are greater. Additional personal care is another cost above the basic charge. There are currently about 400 units of senior market rate assisted living facilities in the pipeline in Marin County that have been approved. The Marin County Public Guardian's Office must place very frail and very low income seniors in other counties due to the lack of availability of affordable assisted living in Marin County. Thus, the lack of very low income beds in Marin has also resulted in high cost expenditures by Marin County Department of Health and Human Services for out of county placements.

Many supportive housing developments for the elderly have been built using HUD’s Section 202 and 202/8 programs, which provide direct loan financing. Non-profit organizations have been instrumental in obtaining the resources to construct and operate the developments, but housing authorities and for-profit developers are also potential development project sponsors.

Large Families

Large households, defined as households with five or more persons, tend to have difficulties purchasing housing because large housing units are rarely affordable and rental units with three or more bedrooms are not common. The recently released 2000 Census data (see Table 17) show that 7% of Marin’s households were “large families” (i.e., five people or more). The

Census data show that slightly over half (57.4%) of larger households in the county live in owner-occupied units. In Mill Valley, there are 276 large households, which comprise 4% of all households. Of those, 75% are owner-occupied households and 25% are renters.

For above-moderate income households, Mill Valley’s housing stock offers a choice of housing to large families. It is likely that there is a shortage of larger affordable units, which continues to be a factor throughout Marin today, especially the lack of larger rental units. This assumption is further supported by indicators related to overcrowded housing, since large families typically represent a significant portion of the population living in overcrowded housing conditions. There is a need, therefore, for affordable rental units for large families (units with three bedrooms). Except for Pickleweed and Shelter Hill, the other subsidized rental units in projects in the City are for elderly or handicapped. Other than new projects, the only programs for families are Section 8 and the Rebate for Marin Renters (RMR) programs.

Table 16: Number of Households Headed by Seniors (2000)
(Householder Age 65 or More)

	Renter Households	Owner Households	Total Senior Households
Belvedere	90	297	387
Percent	23%	77%	40%
Corte Madera	63	752	815
Percent	8%	92%	22%
Fairfax	121	379	500
Percent	24%	76%	15%
Larkspur	666	974	1,640
Percent	41%	59%	27%
Mill Valley	431	1,040	1,471
Percent	29%	71%	24%
Novato	751	3,029	3,780
Percent	20%	80%	20%
Ross	6	179	185
Percent	3%	97%	24%
San Anselmo	129	803	932
Percent	14%	86%	18%
San Rafael	1,100	3,892	4,992
Percent	22%	78%	22%
Sausalito	148	509	657
Percent	23%	77%	15%
Tiburon	170	768	938
Percent	18%	82%	25%
Unincorporated	771	4,538	5,309
Percent	15%	85%	21%
Total County	4,446	17,160	21,606
Percent	21%	79%	21%
<i>Total senior households percentage is the percentage of ALL households</i>			
Source: U.S. Census, 2000			

Table 17: Number of Large Households (2000)
(Households with Five or More Persons)

	Renter Households	Owner Households	Total Large Households
Belvedere	10	33	43
Percent	23%	77%	4%
Corte Madera	50	176	226
Percent	22%	78%	6%
Fairfax	32	87	119
Percent	27%	73%	4%
Larkspur	42	144	186
Percent	23%	77%	3%
Mill Valley	68	208	276
Percent	25%	75%	4%
Novato	697	920	1,617
Percent	43%	57%	9%
Ross	14	103	117
Percent	12%	88%	15%
San Anselmo	30	184	214
Percent	14%	86%	4%
San Rafael	1,471	637	2,108
Percent	70%	30%	9%
Sausalito	4	24	28
Percent	14%	86%	1%
Tiburon	43	170	213
Percent	20%	80%	6%
Unincorporated	447	1,231	1,678
Percent	27%	73%	7%
Total County	2,908	3,917	6,825
Percent	43%	57%	7%

Total large households percentage is the percentage of ALL households

Source: U.S. Census, 2000

People Living with Physical and Mental Disabilities

The 2000 U.S. Census reported 960 individuals age 5-64 with a disability, accounting for 9% of the population. Twenty-five percent of people aged 21-64 are not employed. In addition, there are 602 disabled seniors in Mill Valley, comprising 31% of people over age 65. Overall, 1,562 individuals, or 11.5% of Mill Valley's total population, are identified as disabled.

People living with disabilities represent a wide range of different housing needs, depending on the type and severity of their disability as well as personal preference and life-style. The design of housing, accessibility modifications, proximity to services and transit, and group living opportunities represent some of the types of considerations and accommodations that are important in serving this need group. Incorporating barrier-free design in all new multifamily housing is especially important to provide the widest range of choice. Doing so is also required by the California and Federal Fair Housing laws. Special consideration should also be given to the issue of income and affordability, as many people with disabilities may be in fixed income situations.

People living with disabilities who are on fixed incomes may require a wide range of different housing, depending on the type and severity of their disability as well as personal preference and life-style. Housing designed “barrier-free,” with accessibility modifications, on-site services, mixed income diversity, proximity to services and transit and group living opportunities represent some of the types of considerations and accommodations that are important in serving this need group.



Miller Avenue

As the population ages, handicapped-accessible housing will become even more necessary. Consideration can be given to handicapped dwelling conversion (or adaptability) and appropriate site design. Buckelew, Allegria,

and the Marin Center for Independent Living are some of the organizations which serve people living with disabilities. The Marin Center for Independent Living, for example, serves approximately 4,000 people a year throughout Marin County. Most of their clients live under the poverty level, the average client earning about \$7,200 a year.

The City has reviewed all of its zoning laws, policies and practices for compliance with fair housing laws. Mill Valley provides reasonable accommodation for persons with disabilities with respect to zoning, permit processing and building laws, and makes this information available to the public through handouts and through notices published in the planning and city council agendas. The City does not restrict the siting of group homes nor require a minimum distance between group homes. Group homes with under seven occupants are permitted by right in single family homes. New or significantly remodeled group homes are required to go through the design review process, as is any residential development, and obtain approval by the Planning Commission. Administrative review of requirements for exceptions to zoning standards is provided. Mill Valley allows displacement of required on-site parking if it is to accommodate ADA accessibility facilities (ramps, etc.) and offers reduced parking standards for any development, including housing for the disabled, wherever reduced need can be demonstrated. The Building Department administers Title 24 provisions consistently for all disabilities-related construction and responds to complaints regarding any violations.

Single Parent and Female-Headed Households

According to the 2000 U.S. Census there are 2,181 households headed by a female in Mill Valley, accounting for 35% of all households in the City. Nearly half of these households, or 1,066 households are renters, and 1,115 are owners. There are 306 single female parents

with children under the age 18. The Census identified 34 of these households as below the poverty level.

Female-headed households may need affordable housing with day care and recreation programs on-site or nearby, in proximity to schools and access to services. These households, like many large households, may have difficulty in finding appropriately sized housing. Despite fair housing laws, discrimination against children may make it more difficult for this group to find adequate housing. Women in the housing market, including but not limited to, the elderly, low and moderate income earners and single-parents, face significant difficulties finding housing. Both ownership and rental units are extremely expensive relative to the incomes of many people in this population category.

Farmworkers

State law requires that housing elements evaluate the needs of farmworker housing in the local jurisdiction. ABAG did not assess the regional need for additional farmworker housing in the Bay Area. Most, if not all, Mill Valley residents employed in farming occupations are employed in wholesale and horticulture businesses and there are no localized needs for seasonal or other types of farmworker housing. There was no migrant worker housing identified in Mill Valley in the 1990 Census. *(The 1990 Census reported only 17 housing units countywide for migrant farm workers.)*

Individuals and Families Who Are Homeless

Individuals and families who are homeless have perhaps the most immediate housing need of any group. They also have one of the most difficult sets of housing needs to meet, due to both the diversity and complexity of the factors that lead to homelessness, and to community opposition to the siting of housing that serves homeless clients.

Homeless people face the ultimate housing deprivation. The homeless population in California is estimated at approximately one percent of the state's total population. About a third consist of homeless families. Homeless circumstances vary considerably. Homelessness and near-homelessness is an important countywide concern. Based on Continuum of Housing and Services data (the Continuum is a collaboration of over twenty Marin organizations providing housing and related services), one out of five (20%) of very low income households (6 of the City's total very low income need of 29 units) should be for special needs. Findings of a 1999 study conducted under the Marin Continuum of Housing and Services were as follows:

- (1) Approximately 7% of Marin County households live below the poverty level and about one-quarter of the people living below poverty are children.
- (2) Over 6% of Marin's population was either homeless or in imminent risk of becoming homeless at some point in 1999.
- (3) 2,698 households comprising 4,281 people were homeless in Marin at some point in 1999, with 1,104 of those being children (25.7%).

- (4) 4,266 households comprising 11,090 people were at imminent risk of losing their housing during 1999. Nearly half of the at-risk households were families with children.
- (5) Over half of the at-risk households were working families, with incomes averaging \$947 per month (20% of the median income and 31% of a “living wage” in Marin County).
- (6) Over 5,100 Marin children were either homeless or at imminent risk of homelessness in 1999.

While the homeless population has dramatically increased in many communities, there has been no visible homeless group in Mill Valley. The Police Department verifies that there have not been situations of people occupying parks, streets, or other public facility for shelter. Because Mill Valley is not on major public transportation routes and provides no shelters or services for the homeless, persons who become homeless in Mill Valley would go elsewhere. Most homeless people gravitate to San Rafael because of the availability of transportation and services.

The following are possible strategies for the City to participate in addressing the needs of people at risk of homelessness in the county: (1) provide more affordable housing; (2) legalize existing second units; and (3) provide some type of financial support to homeless service providers.

The City of Mill Valley presently has no shelters which serve the homeless, although the Methodist Church on Camino Alto was used as a homeless shelter when there was a rotating church program. Based on the current best estimate of the local homeless population, the County as a whole has unmet need for emergency shelter for the homeless. Whether it would be appropriate to disperse shelters throughout the County to meet this need is an issue for further consideration. It may be more appropriate to concentrate facilities and services to provide easier access for the homeless population in the County.

The Mill Valley Zoning Ordinance does not establish impediments to the construction of homeless shelters, although homeless shelters are not specifically identified in the Zoning Ordinance. Whether it would be appropriate to locate a shelter in Mill Valley is an issue for further consideration. It may be more appropriate to concentrate facilities and social services support in a more central location in the county to provide easier access for the homeless population in the county.

Under current zoning, a shelter could be allowed in areas zoned for office or commercial uses with a Use Permit. Under a Use Permit, the City can apply standards for homeless shelters as conditions of approval addressing a variety of issues related to: (1) exterior design (such as landscaping, lighting and parking); (2) interior features (such as safes, laundry, and shower facilities); and (3) shelter operations (such as house rules or shelter operation).

“At Risk” Housing

Government Code Section 65583 requires each city and county to conduct an analysis and identify programs for preserving assisted housing developments. The analysis is required to identify any low income units which are at risk of losing subsidies over the next 10 years. Based on a study in 2001 conducted by Barbara Collins, Marin County Affordable Housing Strategist, there are 3,226 deed restricted affordable housing units currently in Marin County. There are an additional 1,597 proposed units in various stages of the development process.

For Planning purposes, deed restrictions for 33.1% of the established affordable housing stock will expire in the next 15 years. Countywide, developments which are at risk of expiring through to the year 2006 contain 825 units eligible to convert to market rate units based on funding restrictions, with some exceptions. Of the 825 units, 58 units are designated in the Below Market Rate program managed by Marin Housing Authority, and are generally restricted permanently with a slight cost increase to cover resale or legal expenses. Beginning in the year 2007 through 2012 there will be 266 units at risk of converting to market rate in Marin County. Of these, 91 are BMR units subject to resale controls.

Table 18 shows deed restricted units in Mill Valley. In Mill Valley there are 319 deed restricted housing units located in 12 housing developments. In the pipeline developments include the Mill Creek Apartments, containing 9 deed restricted units for persons living with disabilities, and the proposal to convert the Fireside Motel to 40 very low income family and senior rental housing units. The Fireside is located within the Mill Valley Planning Area. In addition, there is a proposal to build teacher housing at the Alto School site, similar to the successful development undertaken in the City of Santa Clara.

Table 18: Deed Restricted Affordable Developments in Mill Valley

Project	Deed Restricted Units	Type and Population Served	Expiration Date of Subsidy	Deed Restriction Source	Date Built	Tenure of the Units /Ownership /Mgmt.		
						Date of the Units	Ownership /Mgmt.	
<i>Built</i>								
Alto Station Apartments	17	17	By Income	2058	Sec 202, Sec. 8, HOME, CDBG	1995	Rental	Non-profit
Ashford Court	28	8	By Income	2017	BMRHOP	1979	Owner	MHA
Eucalyptus Knoll I	40	6	By Income	2026	City of Mill Valley, BMRHOP	1981	Owner	MHA
Eucalyptus Knoll II-IV	80	5	By Income	2017	City of Mill Valley, BMRHOP	1987	Owner	MHA
Homestead Terrace	28	28	Senior/Disabled	n/a	Public Housing - HUD	1969	Rental	MHA
Jesse Oliver	24	24	Disabled	2003	CDBG, Section 202, Section 8	1983	Rental	Non-profit
Kruger Pines	56	56	Senior/Disabled	n/a	Public Housing - HUD	1971	Rental	MHA
Pickleweed Apartments	32	32	Family	2031	CHFA bond	1987	Rental	Non-profit
Redwoods II, The	150	60	Senior/Disabled	2003	Section 231 elderly	1972	Rental	Non-profit
Shelter Hill	75	75	By Income	2004	Section 236 (j)(1), Section 8	1977	Rental	Non-profit
Strawberry Vista	20	2	By Income	2026	BMRHOP	1996	Owner	MHA
Sunrise Pointe	66	6	By Income	2017	BMRHOP	1987	Owner	MHA
<i>In the Pipeline</i>								
Fireside Motel	40	40	Families/Seniors	n/a		n/a	Rental	
Mill Creek Apartments	9	9	Disabled	2009		n/a	Rental	
Alto School Site	40	40	Teacher Housing	n/a		n/a	Rental	
Total Units	705	408						

Source: City of Mill Valley; Barbara Collins, Marin County Affordable Housing Strategist, 2001; California Housing Partnership Corporation, 2002

Subsidies for 260 Camino Alto (Jesse Oliver) disabled housing, which contains 24 units, expire in 2003. However, this project is managed by EAH and will remain affordable in the long-term. The City's Inclusionary Housing Ordinance provides resale controls to keep the inclusionary units at prices affordable to moderate income households. Ashford Court was constructed in 1979. It includes 8 below market rate owner units out of a total of 40. The Marin



Pickleweed

Housing Authority (MHA) manages the affordable units. MHA reports that the original contracts ensured the affordability of the units without time limitation. As these units resell, a new affordability restriction is established that protects the expiration of the unit's affordability control for 30 years. The earliest expiration is in 2017. MHA also manages 19 below market rate units in Eucalyptus Knoll, Strawberry Vista, and Sunrise Pointe. These units had 30-year affordability restrictions put in place when the units were originally developed, and the units are not at risk for conversion to market rate within the next ten years.

In addition, MHA owns and manages two public housing developments at Homestead Terrace and Kruger Pines, containing 84 affordable units. These developments are dependent on federal subsidies to maintain their operating budgets, but there is no risk that the units will convert to market rate as long as the federal government continues financial support.

Shelter Hill Apartments contain 75 units, 57 of which also include project-based Section 8 certificates to reduce rents even further. The development is owned and operated by Interfaith Housing Foundation (IHF), a non-profit corporation whose sole purpose is to provide affordable housing for lower-income families. IHF reports that their intention is to maintain the long-term affordability of the housing at Shelter Hill and to expand affordable housing opportunities elsewhere in Mill Valley as they have proposed to do at the Old Mill site. Although they are currently eligible to do so, the Foundation does not intend to prepay the HUD Section 236 (j)(1) loan. IHF also intends to renew the Section 8 contracts when they expire in 2004. Based on discussions with IHF, the City has determined that the project is at very low risk for conversion to market rate within the next ten years. The City will continue to work with IHF as needed to assure protection of the units.

The remaining affordable housing developments, Alto Station Apartments, the Jesse Oliver, Pickleweed Apartments, and the Redwoods, are all owned and managed by non-profit corporations that have a public purpose to develop and own affordable housing. The

Pickleweed Apartments are owned and managed by BRIDGE Housing Corporation. This development was rehabilitated and refinanced in June 2001 with a 30-year 501(c)(3) bond from the California Housing Finance Agency (CHFA). At that time a new regulatory agreement was established that provides for affordability of the units for 55 years. Although the Jesse Oliver and the Redwoods have Section 8 contracts that will expire within the next ten years, it is unlikely that the non-profits will terminate their contracts. The Redwoods has confirmed their intention to renew project-based Section 8 contracts when they expire in August 2003. Renewals, however, are subject to annual appropriations by Congress. The City has determined that there is low risk for these projects to convert to market rate within the planning period. The City will continue to work with these developments as needed to assure protection of the units.

Housing Opportunities and Constraints Analysis

Evaluation of the Current Housing Element

Overview

State Housing Element law requires an evaluation of the achievements of the City's housing goals, policies and programs adopted in the 1990 Housing Element. There are many factors which affect the success or apparent failure of a policy or program, including what the City has done and what other agencies or groups have done to implement the program. Other factors affecting program success include the effects of the economy in general, decreasing availability of state and federal funding for new below market rate housing, or lack of available land. Table 19 summarizes accomplishments from 1988-1999 for Marin County jurisdictions.

Summary of Overall Accomplishments and Key Findings

Mill Valley has utilized a large number of techniques to create and preserve affordable housing, including a strong inclusionary policy and a wide range of subsidized housing production and household assistance programs. The City's record of achievement over the past 20 years is one of the best in Marin County. In addition, Mill Valley is the most populous of the communities in southern Marin and has designated a large proportion of its land for residential use. Appendix A contains a detailed evaluation of each program in the current Housing Element. The programs should be viewed in light of the current housing market, limited remaining undeveloped land, and the decreasing availability of state and federal funding programs.

An important aspect of successful Housing Elements is the willingness on the part of local government to take on a more proactive role in implementing housing programs. The 1989 Housing Element continued the City's commitment to achieve low- and moderate-income

housing through such programs as in-lieu housing fees for projects as small as two units. In addition, the notable achievement of several City-sponsored affordable housing developments has been accomplished. Actions to provide sufficient sites in Mill Valley with potential for meeting the City’s housing needs, especially for very low and low income households, is becoming increasingly difficult as the City reaches buildout. Opportunities may be achieved in conjunction with the Miller Avenue Precise Plan, which will include General Plan Amendment and Rezoning actions in addition to possible City involvement in facilitating construction of affordable housing in coordination with non-profit housing sponsors and other agencies.

Table 19: Affordable Housing Units Built or Approved by Jurisdiction (1988-1998)

	Very Low Income	Low Income	Moderate Income	Total Units
Belvedere	3	8	0	11
ABAG 1988-1998 Need	1	1	1	3
Percent of ABAG Need Met	300%	800%	0%	367%
Corte Madera	7	27	15	49
ABAG 1988-1998 Need	74	66	88	228
Percent of ABAG Need Met	9%	41%	17%	21%
Fairfax	19	71	12	102
ABAG 1988-1998 Need	54	41	52	147
Percent of ABAG Need Met	35%	173%	23%	69%
Larkspur	8	49	28	85
ABAG 1988-1998 Need	156	123	164	443
Percent of ABAG Need Met	5%	40%	17%	19%
Mill Valley	8	9	21	38
ABAG 1988-1998 Need	28	22	28	78
Percent of ABAG Need Met	29%	41%	75%	49%
Novato	0	50	856	906
ABAG 1988-1998 Need	777	648	864	2,289
Percent of ABAG Need Met	0%	8%	99%	40%
Ross	0	0	0	0
ABAG 1988-1998 Need	2	2	2	6
Percent of ABAG Need Met	0%	0%	0%	0%
San Anselmo	0	14	1	15
ABAG 1988-1998 Need	9	8	9	26
Percent of ABAG Need Met	0%	175%	11%	58%
San Rafael	56	196	255	507
ABAG 1988-1998 Need	738	527	703	1,968
Percent of ABAG Need Met	8%	37%	36%	26%
Sausalito	3	7	6	16
ABAG 1988-1998 Need	56	41	59	156
Percent of ABAG Need Met	5%	17%	10%	10%
Tiburon	16	3	0	19
ABAG 1988-1998 Need	65	54	65	184
Percent of ABAG Need Met	25%	6%	0%	10%
Unincorporated	153	230	178	561
ABAG 1988-1998 Need	44	34	47	125
Percent of ABAG Need Met	348%	676%	379%	449%
Total County	273	664	1,372	2,309
ABAG 1988-1998 Need	2,004	1,567	2,082	5,653
Percent of ABAG Need Met	14%	42%	66%	41%

Source: Housing Need Determinations, ABAG, September 1988; Local Jurisdictions, 2000

In general, the goals, policies, and programs in the 1989 Housing Element have provided a comprehensive set of actions to meet the City’s affordable housing needs and provide a diversity of housing types. The programs have established implementation dates, responsibilities and targets to provide for monitoring, updating and future evaluation.

The following are the key findings and possible policy changes for consideration based on the evaluation of the current Housing Element:

- (1) *Identify ways to augment the capabilities of City staff in implementing Housing Element programs.* This could include, but would not be limited to, support for establishment of a Countywide Housing Assistance Team (HAT), creation of partnerships with local non-profits and the establishment of a relationship with the Marin County Affordable Housing Strategist.

The *Marin Housing Workbook* recommends the creation of a Housing Assistance Team (HAT), coordinated by the Marin County Affordable Housing Strategist, that would be available to assist the staff in all jurisdictions. The HAT would assist, facilitate and proactively undertake the implementation of many of the local jurisdiction's housing programs. Even more importantly, the HAT could form technical resource teams (architect, an individual with knowledge regarding underwriting housing financing and available funding sources, a local community representative who is knowledgeable about the local issues, etc.) to assist in addressing specific issues and implementation.

- (2) *Participate in Countywide efforts to address housing needs.* With limited land and resource opportunities to provide affordable housing, the City could work with other jurisdictions in the county to implement an inter-jurisdictional strategic action plan for housing and respond to state mandates. Examples are lobbying efforts, creation of the Housing Assistance Team (HAT), data collection and monitoring requirements, etc.
- (3) *Expand the City's residential inclusionary requirements.* The City's existing inclusionary housing requirements apply to developments of two or more units. There are few, if any, sites remaining which can deliver that number of units. The City could consider increasing the requirements when units are built, lowering the threshold for when units are required, and expanding "in-lieu" fee requirements down to single dwellings and even major additions. This would require amendment to the Zoning Ordinance to implement.
- (4) *Expand incentives for mixed use housing.* Transit-oriented or mixed use developments make very efficient use of land and offer opportunities where flexibility in parking or other standards can result in affordable housing development that supports other goals. The development of incentives to encourage more mixed use housing development in Downtown and other appropriate locations would be consistent with other goals of the Mill Valley General Plan. Incentives could include:
 - a. *Parking:* Consider parking provisions associated with mixed use residential infill development and identify possible parking alternatives to support housing(e.g.

credits for proximity to transit, off-site provisions within 300+/- feet, shared parking etc.).

- b. *Other Regulations:* Other incentives include elimination of residential uses as part of the calculations for density or FAR, since development must occur within the building envelope and would be subject to other development standards.
 - c. *Areas Designated:* Consider expanding the Mixed Use land use designation to appropriate commercially designated areas - where residential (and possibly office) is permitted above the ground floor.
- (5) *Expand opportunities for second units.* The City could consider modifying regulations for second units, such as: (a) requiring design review at the Zoning Administrator level rather than a use permit process for units that meet required standards and guidelines; (b) reducing or eliminating per unit fees in recognition of the small size and low impacts of second dwelling units; (c) allowing higher height limits, in limited circumstances, to permit units over detached garages, or under garages in hilly areas; (d) reducing or providing flexibility in the parking standards for second dwelling units depending on the neighborhood setting; and (e) allowing for attractively designed and sited detached second dwelling units.

Potential Non-Governmental Constraints and Opportunities

State law requires an analysis of potential and actual governmental and non-governmental constraints to the maintenance, improvement, and development of housing for all income levels. The Housing Element must identify ways, if any, to reduce or overcome these constraints in order to meet the City's housing needs.

Land Costs

The price of housing has risen since the late 1970's at a much faster rate than household income. Contributing factors are the costs of land, materials, labor, financing, fees and associated development requirements, sales commissions, and profits. Another factor is the increasing perception of housing as a commodity for speculation. The typical cost to build an average quality wood frame single family detached home can range from \$175 to \$200 per square foot and even more for custom-built homes. Construction costs for an average multiple family unit are generally about 20-25% less per square foot.

Development costs in Mill Valley are higher than in comparable communities because most remaining lots have problems with steep slopes, irregular topography, bay mud, or slide-prone areas. The technical and engineering costs of dealing with these factors on remaining sites are likely to be particularly high because those are the sites that have been skipped over in the past precisely because of the difficulty and high cost of development.

Vacant land within the City of Mill Valley is very limited. Costs for vacant land start at roughly \$1,000,000 per acre. Since the demand for housing in the City is very high, the

value of potential residential land is increasing and has become a substantial factor in the cost of providing housing. Major contributors to the cost of land are the amount of land available and the density of residential use allowed. In addition, cost is affected by other factors such as location, buildability, availability of community services, attractiveness of the neighborhood and any restrictions on development. In response to high housing costs, lenders can provide first and second mortgages up to 97% of the value of the house.

Infrastructure Availability

Infrastructure, services and utilities needs for future development are addressed in the City of Mill Valley General Plan. They do not represent a constraint to development as policies and programs are in place to assure that infrastructure and services will adequately serve new in-fill development. Traffic, in particular, continues to be a community-wide concern. Sites closer to services and transit offer opportunities to provide in-fill housing with limited impacts on traffic conditions. The City's General Plan has established infrastructure capacity which requires no major drainage improvements or traffic mitigation fees to be paid by developers. This is especially significant for affordable housing projects.

The Marin Municipal Water District (MMWD) is a special purpose district with the responsibility for providing water services throughout all of Southern Marin County. There have been restrictions placed on new water connections in the past. These restrictions were an interim constraint during drought conditions. Currently, there is no moratorium on new hook-ups. However, to be eligible for water service a property must front on an existing water main and the structure to be served must be within 125 feet of the main. A hook-up fee of about \$5,000 is required for new housing by MMWD. This fee can be a disincentive for the construction of new second units.

Financing

Financing for above moderate or market rate housing is not restrained for those who can qualify. It is difficult, however, for first-time home buyers without capital or equity to qualify for financing without incomes near \$100,000. For example, the income required for a \$400,000 mortgage at 7.5% is about \$100,000, which requires a monthly payment of about \$2,800.

Nationwide, there was a sharp drop in multifamily housing construction during the 1990's which contributed to low vacancy rates and rising rents. According to a study conducted by University of Southern California demographer and planner Dowell Myers, the reason for the drop was due to the loss of federal tax credits, local resistance to apartment construction, litigation and liability issues, and population changes. Until the 1990's single-family and multifamily permits were fairly evenly matched in California, but recently multifamily has represented only 22 percent of the total. Rental construction has become increasingly costly due to the same factors as single family houses. For these reasons many developers prefer to use scarce land to build units for sale in order to realize an early profit and minimize risk. Units for sale are also easier to finance during construction.

Community Concerns

Potential opposition to affordable housing exists in many communities throughout the Bay Area. It is important in this regard to identify sites for special needs and affordable housing that fit with community character and have minimum impacts. Design plays a critical role in creating new developments that blend into the existing neighborhood, especially in higher density developments that might otherwise seem out of place. Good design can help ensure that high density developments are not bulky or out-of-scale. Through sensitive design, a building's perceived bulk can be significantly reduced to create a development that blends with the existing character of the neighborhood. Design strategies which the City can use to minimize the perception of bulk and create a blending with the community do not necessarily increase costs. These include:

- (1) Minimize building heights;
- (2) Break-up the building "mass" in its architecture and detailing (e.g., create several smaller buildings instead of one large building);
- (3) Vary the roofline;
- (4) Create a three-dimensional facade (rather than a massive, flat facade);
- (5) Step-back the building height, with the lowest part of the building towards the street and adjacent properties, locating the highest part of the building towards the center of the property;
- (6) Site the building appropriately in relation to surrounding buildings;
- (7) Use architectural design, landscaping, materials and colors that fit with the area;
- (8) Use landscaping to blend the buildings with the natural setting;
- (9) Provide for open space and pathways throughout the development.

The Marin Consortium for Workforce Housing was established to build public understanding and support for workforce housing. The Consortium focuses public concern on potential environmental impacts, quality of design, and the quality of long-term management of the project. The Housing Element includes a program to work with the Marin Consortium for Workforce Housing to help address this potential constraint. In addition, the City's environmental and design review procedures assist in achieving project acceptability and allow for neighborhood participation.

Working with Non-Profit Housing Developers

The key to the success of non-profit developers lies in three areas: First, in their ability to draw upon a diversity of funding sources and mechanisms to make their developments work financially; second, in their commitment to working cooperatively and constructively with the local community, including local officials as well as neighborhood residents; and third, in their long-term commitment to ensuring excellence in design, construction and management of their developments, creating assets that are valued by the people who live in the developments as well as their neighbors and others in the community.

The Nonprofit Housing Association of Northern California (NPH) serves as a local networking agency, advocacy group and resource organization for affordable housing developers in the Bay Area and elsewhere in California. Some of the affordable housing

developers and housing services providers that have been active in Marin County in recent years include Ecumenical Association for Housing, North Bay Housing, Citizens Housing, and BRIDGE Housing Corporation.

Housing Financing Incentives for Affordable and Special Housing Needs

There are a wide variety of resources provided through federal, state and local programs to support affordable housing development and related programs and services. The single largest (and often least recognized) federal program is mortgage interest tax deduction, estimated at \$54 billion in 1996 for the entire nation. The California Housing Plan (2000) reports that federal assistance for affordable housing was only \$17.2 billion nationwide the same year. This assistance was primarily used to maintain and operate the existing supply of affordable housing. Outlays for new construction were considerably lower.



Single family residence

California localities receive federal subsidies for affordable housing through a number of programs. Like state programs, federal programs often change in terms of program details, application procedures, and amount of

subsidy dollars available. State agencies also play an important role in providing housing assistance by allocating federal housing funds and/or making loans available to affordable housing developments. The three principal agencies involved are the State Treasurer's Office, the California Housing Finance Agency (CHFA), and the California Department of Housing and Community Development (HCD).

Local government resources, which have historically played a less important role in supporting housing development, now play a fairly significant role by making local developments more competitive for federal and state financing. There is considerable competition for the program funds that are available, and any one development will need to draw upon multiple resources to be financially feasible. When developments are able to demonstrate a financial commitment and contribution from local sources—especially if coupled with regulatory support through policies such as fast-track processing, fee waivers, and/or density bonuses—they are better able to *leverage* funding from other 'outside' sources.

Additionally, all funding sources require separate reporting and data collection. When multiple funding sources are used (usually necessary), additional burdens are placed on developers with limited staffing to track the information required and report on a timely basis.

Potential Governmental Constraints and Opportunities

As with other cities, Mill Valley's development standards and requirements are intended to protect the long-term health, safety, and welfare of the community. The City of Mill Valley charges fees and has a number of procedures and regulations it requires any developer to follow. There are many locally imposed land use and building requirements that can affect the type, appearance, and cost of housing built in Mill Valley. These local requirements include zoning standards, development fees, parking requirements, subdivision design standards, and design review. Other building and design requirements imposed by Mill Valley follow State laws, the Uniform Building Code, Subdivision Map Act, energy conservation requirements, etc.

The City's development standards contained in the Municipal Code (Zoning Ordinance and Subdivision regulations) are the minimum necessary to ensure the protection and preservation of the existing housing stock. By Marin County standards, they are not unduly restrictive and, in general, Mill Valley's development standards and requirements are comparable to many other communities in the Bay Area.

Land Use Regulations

There are many locally imposed land use and building requirements that can affect the type, appearance, and cost of housing built in Mill Valley. The Mill Valley General Plan and Zoning Ordinance establish the locations where housing can be built, at what density, lot size, setbacks, and required site improvements. Zoning and land use designations in Mill Valley are largely determined by the City's goals that: (1) the health and well being of people and physical safety of property should be assured; (2) the natural environment should be protected and should visually dominate the character of Mill Valley; and (3) new development should be compatible with Mill Valley's small-town character.

To implement these goals, Mill Valley has zoned major portions of its undeveloped hillside areas at very low densities. The City has also zoned certain areas in the hillsides as permanent open space after public acquisition or as a result of dedication from private interests. Community design objectives, as they relate to undeveloped hillside areas, often coincide with environmental constraints to development identified in other sections of the General Plan.

The City has adopted an objective of protecting its existing residential neighborhoods. The City has generally developed into single-family residential neighborhoods, a pattern reinforced by schools, parks and streets with limited traffic capacity. These residential neighborhoods provide a lifestyle and housing stock which are among Mill Valley's major assets. Policies have therefore been adopted which guarantee that new development in established neighborhoods will be compatible with existing neighborhood character; and development adjacent to established neighborhoods will not generate significant levels of traffic through these neighborhoods.

Development Standards

Mill Valley has traditionally encouraged high architectural standards for new development. Current zoning regulations require Design Review approval for any proposed new single-family homes, additions to single family homes and new multi-family developments. Most of the remaining developable sites have significant design or environmental constraints, which require extensive review and analysis by the City. All City building requirements are consistent with the Uniform Building Code, except the City requires sprinklers in all homes due to the extreme fire danger in the City.

Land-use controls can be viewed as a constraint in that they determine the amount of land to be developed for housing and establish a limit on the number of units that can be built on a given site. General Plan and Zoning Ordinance Amendments are proposed as part of this Housing Element to provide additional sites for multiple family housing, and to allow increased densities to make affordable housing feasible. Table 20 shows current residential zoning standards. A comparison of parking standards in Mill Valley with the generalized standards throughout Marin County is shown in Table 21.

Table 20: City of Mill Valley – Range of Zoning Standards

Zone	Lot Requirements		Lot Coverage	Setbacks			Building Height (ft)	Density (Units/Acre)	Parking Requirements
	Area (sf)	Width (ft)		Front (ft)	Side (ft)	Rear (ft)			
RS Districts (Single Family)	6,000 - 10 acres	60 - 150 feet	4 % to 40%	10 - 15 feet	5 - 15 feet	5 - 15 feet	25 - 35 feet	0.1 - 7 units per acre	2 plus guest parking when on-street parking not available
RM Districts (Multiple Family)	n/a	n/a	40% to 50%	15 feet	15 feet	15 feet	25 - 35 feet	8 - 29 units per acre	2 plus 1/4 space guest parking per unit
R-P Districts (Planned Residential)	Development standards determined through Master Plan and Precise Development Plan process								

Source: City of Mill Valley Zoning Ordinance

Table 21: Comparison of Parking Standards

Residential Use Type	Mill Valley	Most Common* Standard in County
Second Unit	2.0	1.0
Duplex	2.0	2.0
Mixed Use	2.0	n/a
Multi-Family: Studio	2.0	1.0-1.5
Multi-Family: One-Bedroom	2.0	1.5
Multi-Family: Two-Bedroom	2.0	2.0
Multi-Family: Three-Bedroom	2.0	2.0-2.5
Guest Parking (Multiple Family)	0.25	0.20-0.25
Guest Parking (Single Family)	1.0	n/a
Single Family Dwellings	2.0	2.0

Note: Requirements for guest parking consider whether on-street parking is available

Source: City of Mill Valley; Marin County Jurisdictions (2001)

Establishing ways to reasonably apply open space requirements and to allow flexibility when applying other development standards, such as FAR, height limits, density, parking, etc., can be based on the location and design of the development, compatibility with adjacent uses, and the type, size, and income levels of the occupants of the housing. In this regard, it is generally assumed that smaller, more affordable housing located near transit and services will generate fewer trips and will require less parking.



Single family residence

Second Units

A second dwelling unit is a small unit in addition to the main house on a single lot. Second units have the following benefits:

- (1) They provide flexibility for the owner of the main home (they can be used as a home office, an apartment for elderly parents, or a source of income);
- (2) When rented they help make home-ownership affordable for the owner of the home;
- (3) They can provide flexibility for seniors or other homeowners who rent their primary dwelling because they still want to live in the same neighborhood;
- (4) They provide lower cost housing because the units tend to be small and there are no extra land costs (surveys show that half of the units collect \$0 rents);
- (5) They are easier to fit in to existing neighborhoods since they are small and are often part of the main house.

The City adopted a new Second Unit Ordinance in compliance with AB 1866 on June 2, 2003 which allows second units by right subject to criteria included in the Zoning Code. The maximum size of a unit was increased to 1,000 square feet; the parking requirement was reduced from 2.0 parking spaces per unit to 1.0 parking space for units under 700 square feet; 2.0 spaces for units 701 to 1,000 square feet. An amnesty program was also adopted to try and legalize a number of units throughout the City.

Building Code

Mill Valley uses the Uniform Building Code (UBC) which sets minimum standards for residential development and all other structures. The standards may add material and labor costs, but are felt to be necessary minimums for the safety of those occupying the structures. Modification of the code in order to reduce the cost of housing would not be appropriate if it affects safety or adversely impacts neighboring properties.

The City has made one amendment to the Code applicable to residences, requiring non-combustible fire-retardant roofs, a water supply meeting ISO (Insurance Service Office) standards, and minimum driveway widths (12 to 16 feet wide where feasible) in areas with high fire hazards (long response times, hazardous brush, poor access and steep slopes). The City's sewer, storm drain, and other engineering standards conform to Marin County standards, and the City requires only minimum road widths and improvements in new developments.

The City enforces energy conservation standards enacted by the State. The standards may increase initial construction costs, but over time will result in energy savings. Mill Valley's Building Code enforcement practices are complaint-driven, as are those of 70% of the local governments surveyed by the State Department of Housing and Community Development (HCD).

Dedications and Fees

Local fees add to the cost of development; however, particularly after Proposition 13, cities are concerned with the need to recover processing costs. A review of other Marin County cities concludes that Mill Valley's fees are comparable by Marin County standards, with no specific infrastructure development fees since the City's infrastructure is essentially built out. Line item fees related to processing, inspections and installation services are limited by California law to the cost to the agencies of performing these services. Most jurisdictions are tending toward fees which cover the costs of staff time and materials charged on an hourly basis, consistent with California law.

Table 22 below shows typical planning fees. The fees are comparable to those charged by other jurisdictions in Marin and are not considered a barrier to residential development. The City may reduce or waive fees applicable to the affordable housing units in a proposed housing development.

Permit costs can vary substantially from site to site depending on site conditions, location and the type and design of development. Much of the remaining developable land is subject to moderate to severe public health and safety constraints, such as steep slopes, underlying bay muds, drainage problems and fire risk. Detailed soils reports, engineering and design studies and associated permits will be required. Most developable parcels in Mill Valley are large parcels with significant environmental constraints such as steep slopes and limited access. They are only suitable for single family residential units. Because many of these sites were originally subdivided into lot sizes that are inconsistent with current zoning regulations, variances may be required.

Table 22: Planning Fees in Mill Valley

Planning Fees			
General Plan Amendment/Rezoning**	\$1,027.00	Design Review	
Master Plan**	1,232.00 + 50/lot or unit	Project Cost (based on \$250/sf valuation)	
Precise Development Plan*	821.00 + 50/lot or unit	Up to 50,000*	575.00
Subdivision		50,000 -100,000*	740.00
Lot Line Adjustment*	740.00	100,0001 - 250,000**	1,006.00
Tentative Map (4 or less lots)*	842.00	250,001 - 500,000**	1,273.00
Tentative Map (5 or more lots)*	1,252.00	500,001 - 1,000,000**	1,540.00
Extension of Map*	740.00	over 1,000,000**	1,807.00
Certificate of Compliance	103.00	Conditional Use Permit**	945.00
Unmerger*	616.00	Second Unit*	790.00
Variance	945.00	Hourly Rate/Research Fee (per hr.)	62.00
Environmental Review			
Categorical Exemption	\$155.00		
Negative Declaration	513.00		
EIR	513.00 + 15% of contract costs		

*in cludes first five hours of planner time, additional time at hourly rate.
 **includ es first ten hours of planner time, additional time at hourly rate.

Source: City of Mill Valley Planning Department

Mill Valley charges building permit fees according to a sliding scale as detailed in Table 23 below. In addition to these fees, the City charges plan check fees up to 65 percent of the prescribed building permit fee and and general plan maintenance fees of 15% of the applicable building permit fee. The City also charges various fees for drainage, microfilming, and plumbing, mechanical and electrical permits. A seismic tax, as established by SB 1374, is levied for residential projects at 10 cents per thousand of valuation. A planning and development tax is charged at the rate of \$225 for the first bedroom and \$150 for each additional bedroom.

Table 23: City of Mill Valley Building Permit Fees

Valuation	Base Fee	Plus Incremental Fee
Up to \$500	\$24.13	none
\$501 - \$2,000	\$24.13	\$3.13 for each additional 100 over \$501
\$2,001 - \$25,000	\$71.08	\$15.82 for each additional \$1,000 over \$2,001
\$25,001 - \$50,000	\$434.94	\$11.41 for each additional \$1,000 over \$25,001
\$50,001 - \$100,000	\$720.19	\$7.91 for each additional \$1,000 over \$50,001
\$100,001 - \$500,000	\$1,115.69	\$6.33 for each additional \$1,000 over \$100,001
\$500,001 - \$1,000,000	\$3,647.69	\$5.36 for each \$1,000 over \$500,001
\$1,000,0001 and up	\$6,327.69	\$4.12 for each \$1,000 over \$1,000,001

Source: City of Mill Valley Building Department

A comparison of typical fees charged for single family and multifamily projects is shown in Table 24 below. In addition to theses fees, residential projects would pay school district fees and new residential projects would pay for water and sewer hook-ups.

Table 24: Fees for Single Family and Multifamily Dwellings

	Single Family Unit	Multifamily Project
Valuation	\$650,000	\$1,250,000
Square Feet	2,600	5,000
# Bedrooms	4	four 2-BR units
Environmental Review	155	1,250
Design Review	1,540	1,807
Variance	1,890	1,890
Master Plan	n/a	1,432
Building Permit	4,452	7,358
Plan Check	2,894	4,783
Seismic Tax	65	125
Engineering Plan Check	100	100
Plumbing Permit Fee	100	100
Electrical Permit Fee	100	100
Mechanical Permit Fee	100	100
Microfilming	38	38
General Plan Maintenance Fee	668	1,104
Drainage Fee	120	120
Planning and Development Tax	<u>675</u>	<u>1,275</u>
Total Fees and Exactions	\$12,742	\$20,332 per unit \$5,083

Source: City of Mill Valley Building and Planning Department

Environmental Review and Processing

Costs associated with the time it takes to go through development review and building permit processing can be even more significant. These costs are highly variable and are related to developer overhead, financing and start-up costs, as well as the length of the development review and permit processing period. It has been estimated that the time it takes to go through the review process increases construction costs an average of 18 percent per year.

Single-family housing development applications generally take less time to review than multi-family proposals. When proposed single family developments are in conformity with the General Plan and existing zoning, it is possible to process the required applications within several months. New single- and multi-family development proposals are now both subject to Design Review. Major projects may also require EIRs, multiple public hearings and extensive local review. The total review time for multi-family projects, from the initial developer contact with the City to final approval, can take up to a year.

By encouraging developers to meet with neighborhood residents and allowing the combined processing of certain applications, such as design review, variances and conditional use permits, the City has taken actions which reduce processing time and potential delay for residential projects. However, much of the remaining developable land in the City has

significant environmental and land development constraints, such as access problems, visual prominence, steep slopes and geological problems, which require extensive review and analysis of proposed projects to assure appropriate site planning design.

Another option which the City has to reduce the City fees on higher density projects would be to change the current park dedication fee, which is based on the fair market value of the property, to a more equitable fee. The current fee structure results in higher density projects paying significantly more on a per unit basis than lower density projects, because of the higher value of the property. This current fee structure may be a constraint to the development of affordable housing at higher densities and in appropriate locations, such as near downtown.

Policies in the Mill Valley General Plan establish a need for design review for all new or significantly remodelled housing due to lot steepness and the comparative difficulties of developing remaining parcels in the City due to site characteristics. As a result, many sites require variances or other discretionary permits for approval.

The City has assisted affordable housing projects through expedited processing and waiving fees. The City has waived fees for affordable housing projects, such as 260 Camino Alto, and quickly processed the Pickleweed project. It should be noted as well that in-lieu fees are not charged for second units.

According to City staff, a typical single-family home's permits and approvals require six months, depending on the complexity of the project, although some projects are approved in as little as two months. The approval process for housing projects usually includes noticing requirements for a public hearing for Design Review. After Design Review approval, the applicant submits construction drawings for a Building Permit, the final City approval required prior to construction.

With two exceptions discussed in this analysis, a single discretionary permit is required to develop single-family and multi-family housing in Mill Valley – the Design Review Permit. The Zoning Administrator or the Planning Commission grants Design Review Permits after a public hearing. No additional discretionary review is required, unless the Zoning Administrator or Planning Commission's action is appealed to the City Council. The City Council considers appeals from Planning Commission actions at public hearings. The Design Review process has the following elements and timeline:

(1) **Application Filed**

Project sponsor submits completed application forms, plans, supporting documents and fees. Plans consist of architectural drawings at the schematic level, landscape drawings and grading plans. A geotechnical analysis and/or traffic report may be required as supporting documents.

Time: 1 day

- (2) **Completeness Review**
The application is circulated to City departments to determine whether additional information is required, and for recommended conditions of approval
Time: 30 days
- (3) **Completeness Notice**
Notice sent to sponsor advising that project is complete or is incomplete and additional information is required.
Time: 1 day
- (4) **Follow-up Submittal**
If the application has been determined to be incomplete, the sponsor will submit follow-up information as requested. The time to complete this task is determined by the project sponsor. If the application was found to be complete, this task is skipped.
Time: Varies
- (5) **Environmental Review**
The application is reviewed to determine whether the project is exempt from CEQA or if an Initial Study is required. Many projects are found to be exempt. If a Negative Declaration is prepared, environmental review can take the full 6 months allowed by law.
Time: 1 day to 6 months
- (6) **Staff Report**
A detailed evaluation is conducted and a staff report is prepared
Time: 30 days
- (7) **Public Hearing**
A public notice is sent 10 days before the hearing to property owners within 300 feet of the project site. The Planning Commission conducts a hearing and takes action to approve or deny the project.
Time: 10 days

There are two exceptions that require additional discretionary review. Presently, second units and dwelling units in commercial districts require Use Permits in addition to Design Review. Use Permit applications are processed simultaneously with Design Review applications and follow the same timeline. In addition, most projects require one or two variances. Variances are also processed simultaneously on the same schedule as Design Review.

The City undertakes design review of projects to ensure their “fit” with the community. While design review may require more processing time and impose some additional requirements, it is not considered a constraint because it is important that new projects blend with the community, becoming a natural and integral part of the existing neighborhood fabric, both visually and structurally. Design Review requirements generally provide an opportunity for design issues to be raised early in the review process, thus helping to assure community acceptance of a project proposal, which can reduce delay due to project appeals and other forms of community objections.

Summary of Findings from the Evaluation of the Current Housing Element and Potential Housing Constraints

- (1) Expand "in-lieu" fees to cover all new housing exclusive of second units.
- (2) Strengthen the City's Second Unit program as a viable way to provide smaller, affordable units — including legalization of existing illegal units and new second units in existing neighborhoods.
- (3) Provide flexibility in applying development standards for housing that helps to address the City's needs (especially for very low and low income housing) based on housing type, size, location and occupants. Examples include reduced standards for smaller units and senior housing.
- (4) Reduce the parking standard of 2.0 parking spaces for second units and all multifamily units, and consider reduced parking requirements for affordable housing.
- (5) Utilize the Miller Avenue Specific Plan EIR for expedited review of future housing development.
- (6) Increase the capabilities of City staff by supporting the creation of a Housing Assistance Team (HAT), coordinated by the Marin County Affordable Housing Strategist, that would be available to assist the staff in implementing Housing Element programs, maintaining Housing Element certification and providing technical assistance on housing matters.
- (7) Seek increased opportunities for mixed use housing in downtown and as part of the Miller Avenue Specific Plan
- (8) Augment the City's Affordable Housing Fund to be able to respond to opportunities when they become available.
- (9) Continue to participate in countywide housing activities.

Processing time for multi-family projects is dependent on whether an Environmental Impact Report (EIR) is required. Mill Valley follows the procedures set forth in the California Environmental Quality Act (CEQA) and Guidelines. Sites on the upper slopes of Mill Valley that may be available for housing would be more expensive to develop due to known geotechnical and access problems. Environmental protection requirements, including protection of endangered species, may add time to the development process and additional cost where it is necessary to evaluate the effects of the project and mitigate adverse impacts. Fees charged by the City for CEQA processing cover the City's processing costs.

CEQA Section 15332 ("Infill Development Projects") allows the City to categorically exempt from CEQA review infill development consistent with the Mill Valley General Plan and Zoning requirements. In instances where CEQA Section 15332 would not apply, the City will consider using the area-wide Environmental Assessment or Program EIR for the Miller Avenue Precise Plan for assessing area-wide infrastructure and other potential off-site impacts to expedite the processing of subsequent affordable housing development proposals.

Part of the issue in being proactive in regard to housing is the availability of City staff to implement housing programs. To address this issue, the *Marin Housing Workbook* recommends the creation of a Housing Assistance Team (HAT), coordinated by the

Marin County Affordable Housing Strategist, that would be available to assist the staff in all jurisdictions. Possible tasks include: (1) assistance to Mill Valley City staff in implementing Housing Element programs; (2) assistance and support in maintaining Housing Element certification; and (3) technical assistance on housing matters.

Available Land and Ability to Meet “Fair Share” Housing Needs

In response to Housing Element law, the City is required to provide an inventory of known sites available for housing development as well as vacant and/or underdeveloped sites that can accommodate Mill Valley’s housing development needs determined by ABAG between January, 1999 and June, 2006. Multiple family housing at higher densities, especially in coordination with a non-profit housing sponsor, can provide opportunities for workforce and special needs affordable housing to be built. One incentive that can be offered to encourage affordable housing is to allow those developments that meet affordability criteria to develop their projects at higher densities. This allows cost items such as land, site design and long-term management and maintenance costs to be shared across a larger number of units, thereby bringing down the per-unit cost, and making it easier to achieve affordability goals. Projects which receive such density “bonuses” must guarantee units at below market rate prices for a specified period of time.

The current ratio of 27% multi-family and 73% single family units is anticipated to occur through buildout for the City. Relatively high density multi-family housing is allowed in the Zoning Ordinance. For example, the 10-unit Camino Alto Developmentally Disabled project was built at 29 units per acre and the 32-unit Pickleweed low and moderate income family rental housing project was built at 16 units per acre.

There are few potential housing sites in Mill Valley planned and zoned for multiple family housing. Table 25 compares ABAG housing needs to the number of housing developments built or approved in Mill Valley from 1999 through May, 2002. In order to have the potential to meet the ABAG Regional Housing Needs for very low, low, and moderate income housing (affordable housing) over the entire timeframe of the Housing Element, additional sites are identified where it is possible to build multiple family housing at densities which make affordable housing feasible. Other opportunities include: (1) continued review and approval of second units; (2) legalization of existing unpermitted second units; (3) mixed use; and (4) conversion of non-residential uses to residential or mixed use, where practicable. Table 26 shows the projected number of units during the timeframe of this Housing Element compared to the ABAG Regional Housing Needs Determinations for the 1999-2006 time period.

Table 25: Development Built or Approved in Mill Valley by Income Category (1999-May, 2002)

	Very Low Income	Low Income	Moderate Income	Above Moderate Income	Total
Regional ‘Fair Share’ Housing Need	40	21	56	108	225
New Second Units*	5	0	5	0	10
New Single Family Homes	0	0	0	21	21
Total Housing Units Built or Approved	5	0	5	21	31
Remaining Units Needed	+35	+21	+51	+87	+194
Percent of ABAG Need Built or Approved	12.5%	0.0%	8.9%	19.4%	13.8%

*Assumes 50% of second units rented at \$0 rents; other rentals are at market rate rents affordable to moderate income

Source: City of Mill Valley

Table 26: Summary of Mill Valley Housing Element Programs and Housing Needs (January, 1999 to June, 2006)

	Very Low Income	Low Income	Moderate Income	Above Moderate Income	Total
Regional 'Fair Share' Housing Need	40	21	56	108	225
Housing Units Built or Approved (1999-May, 2002)	5	0	5	21	31
Remaining Need (2002-2006)	35	21	51	87	194
Miscellaneous Housing Element Programs					
Legalize Existing Illegal Second Units*	21	0	42	0	63
New Second Units in Existing Areas*	10	0	16	0	26
Small (Infill) Mixed Use Housing**	0	5	10	0	15
Single Family Homes	0	0	0	20	20
<i>Subtotal from Miscellaneous Housing Programs</i>	31	5	68	20	124
Specific Housing Sites Potential					
Alto School (Teacher Housing)	0	20	20	0	40
Old Mill Site	2	8	0	0	10
Miller Avenue Precise Plan Area (Minimum)	7	5	30	58	100
Dowd's Barn Site	0	0	1	2	3
D'Angelo's Back Area	0	1	1	4	6
Camino Alto and East Blithedale	0	2	1	17	20
Redwoods Addition	0	20	20	0	40
<i>Subtotal from Specific Sites</i>	9	56	73	81	219
Total Units Anticipated (Built and Potential)	45	61	146	122	374
Regional 'Fair Share' Housing Need	40	21	56	108	225
Percent of ABAG Need Expected to be Met	113%	290%	261%	113%	166%
*Assumes 50% of second units rented at \$0 rents (affordable to very low income)					
**Assumes market rate rents are affordable to moderate income households					
Source: City of Mill Valley					

In addition, the City can make more effective use of loan programs for “first time” homebuyers by identifying what the City can do to initiate/spur such programs. (e.g., there are programs that allow for up to a 97% loan to value). The City can encourage local lending institutions to implement loan programs to facilitate home ownership for the workforce. Another opportunity would be to devise an equity sharing programs whereby the City contributes toward the down payment and recaptures a portion of capital gain upon sale of the property.

The City’s policy approach for achieving adequate sites, as expressed in the Housing Element, has several components:

- (1) Look to second units (new and existing) and small mixed use housing as potential sources of housing;
- (2) Identify “high potential housing sites” which offer opportunities for higher density housing to be built in the near-term;

- (3) Where possible, modify development standards, such as those for second units and for mixed use housing, to create incentives for this type of development to happen;
- (4) Provide flexibility in how we apply development standards, funding incentives, and other incentives for the desired development to occur.

There are two perspectives from which to understand the adequate sites analysis: (1) are there adequate sites to meet the City's total housing needs? And (2) are there adequate sites at sufficient densities to meet the City's need for very low, low and moderate income housing? Other than second units and market rate apartments, it is generally assumed that a minimum density of about 25 units/acre is needed to create opportunities for very low, low and moderate income housing to be built (based on current affordability levels, construction costs, long-term management/maintenance costs, competitiveness for financing, and land costs). The Zoning Ordinance allows up to 29 units/acre on some sites and even greater density with a density bonus (up to 35 units per acre with a density bonus). In addition, it is recommended that such rezoning and environmental review occur concurrently with adoption of the Miller Avenue Precise Plan.

It is important that high potential housing sites be located near transit, shopping, services and the freeway where people can have easy access to nearby amenities. Increased activity in appropriate locations creates a vibrancy and vitality in these areas. Generally, there is higher intensity of activities toward the center of City and lower intensity of land use farther away. This approach will ensure that housing is close to transportation and services, so as to preclude traffic congestion in peripheral neighborhoods. The Miller Avenue Precise Plan will focus in more detail on potential mixed-use developments and redevelopment opportunities close to shopping and transit along the Miller Avenue corridor.

Second Units

Second units are an important source of lower income housing. According to City records, there are 349 legal second units in single family residential zoning districts in Mill Valley, including 213 legal non-conforming units, 53 new units that have been built since 1983, and 83 units that have been legalized since 1983. In addition, the Building Department estimates that there are at least 225 illegal second units in the City, for a total count of approximately 575 second units. The 2000 U.S. Census reported 263 two-unit dwellings in Mill Valley, or approximately 75% of the existing legal second unit stock. The Building Department surmises that the number of second units is being under-reported by property owners who wish to avoid a mandatory sewer connection fee (currently \$1,350 per hook-up) or a property tax reassessment. Given that the Census count is not accurately reflecting all of the documented existing legal second units in the City, it is highly unlikely that the Census is including any illegal units in its two-unit dwelling count.

In May, 1983, the City adopted an ordinance establishing procedures for legalizing existing second units and permitting development of new second units. Since that time, 53 new units have been approved, with 24 of the units being approved between January 1, 1990 and

December 31, 1999, for an average annual production of 2.65 units. The City projects second unit production to increase over the current planning period due to recommended changes in the second unit development standards and approval process, consistent with recent changes in State law (AB 1866). These include the removal of the use permit requirement, reduced parking requirements, and fee reductions. Current and future market conditions are also expected to have an impact on second unit construction.

The high demand for affordable apartments, coupled with poor economic conditions that impel many homeowners to look for additional sources of income, is expected to spur an increase in second unit development over the next few years. In addition, changing demographics, as described earlier in this element, will create a long-term increase in demand for “granny” units for aging parents. The expected cumulative effect of these conditions will be to increase annual production to eight to nine units, resulting in a total addition of 26 new second units to the housing stock over the 2003-2006 planning period of the Housing Element.

The number of illegal second units in Mill Valley is estimated to be 5% of the single family housing stock, or approximately 225 units. The Building Department has officially counted 134 illegal units while conducting residential presale inspections and investigating complaints over the past twenty years. The Department estimates that an additional 100 units probably exist in the City. Since 1983, 83 existing illegal units



Mill Creek Condominiums

have been legalized, with 35 of these units being legalized in the three years immediately following initiation of the first amnesty program. Based upon this experience, the City is projecting that 63 units, or about 30% of the existing pool of illegal second units, will be legalized during the current planning period.

Studies conducted as part of the *Marin Housing Workbook* show that half of these units can qualify as very low income housing because they are rented at \$0. Thus, it is expected that about 31 of the total 89 new second units will provide housing for very low-income households.

Multi-Family and Mixed Use Housing Sites

Specific multi-family and mixed use housing sites have been identified in the Housing Element as having the potential to attain planning approvals for a significant number of affordable housing units during the timeframe of this Housing Element (1999-2006). This potential is based on the properties' availability for development, land use designations,

ownership, size and other physical characteristics and relative lack of environmental constraints. Many of these sites are in various stages of predevelopment, and the City has already demonstrated its commitment to facilitating affordable housing development at the sites. The City offers the following incentives to encourage housing to meet the needs of very low, low and moderate income households:

- (1) Lot consolidation
- (2) Increased floor area
- (3) Reduced development standards (parking, setbacks, etc.)
- (4) Increased height limit
- (5) Fast-track processing
- (6) Reduction or waiver of fees

The Old Mill Site, for example, is a joint venture between an adjacent church, a day care center, and a local non-profit housing developer. Two parcels are being joined together in order to increase the square footage of the project. The City is working closely with the developer to fast-track the application and has reduced development standards, such as parking, setbacks and height requirements, in order to facilitate the project. In conjunction with incentives being considered for the affordable housing overlay, the Planning Department is proposing that the City Council waive and/or reduce development fees for the Old Mill Site and all other affordable housing projects.

Potential sites are limited and because of this the City recognizes the need to develop small sites as well as larger sites and to encourage lot consolidation whenever appropriate in order to maximize housing potential. In addition, the City has demonstrated that it is willing to seek creative solutions and to partner with developers in addressing Mill Valley's housing needs. For example, the City has been working closely with a local architect who is proposing to develop a 7,000 square foot parcel on Miller Avenue with a mixed-use project containing ground floor retail space, office space, two 900 square foot two-bedroom units, and two 500 square foot studios affordable to moderate-income households. The City will continue to take actions to promote the development of affordable housing on these sites by the year 2006.

Conditions (ownership, size, planning and zoning designations, potential constraints, and potential units) at the specific housing sites and areas are described below

Alto School

Ownership: Mill Valley Unified School District

Area Size: 2 acres

General Plan, Zoning and Uses: Community Facility, CF District. The school district has done a feasibility study analyzing the potential for declaring one of three school sites as surplus. The Alto School site was selected, and, if developed, a private school currently leasing space on the site will close within two years while the public elementary school will continue to operate. The school district is currently preparing

a request for proposal from developers and architects. Neighborhood meetings have been conducted. The site will need to be rezoned from Community Facility District to a multi-family residential zoning district with density adequate to permit 40 units on 9 acres. The zoning change will be processed in conjunction with the project's application.

Topography and Environmental Constraints: Very slight uphill rise with no environmental constraints. Adequate services are available and there is no traffic impact.

Potential Units: 40 units. The school district has expressed their intent to develop this site by 2005.

Old Mill Site

Ownership: Church of Our Savior Episcopal Church. Development of this site is a joint venture between the church, the on-site day care center, and a local non-profit housing developer.

Area size: 13,00 square feet (two parcels)

General Plan, Zoning and Uses: High density multiple family residential, RM-1.5 (up to 29 units/acre), unused vacant commercial building, vacant single family house, and single family house used as day care center. The day care center will resume operation after development is complete. Rezoning of one parcel from RM-3.0 to RM-1.5 will be required. Rezoning to allow 10 units has been approved by the City Council.

Topography and Environmental constraints: Very slight uphill rise with no environmental constraints.

Potential Units: 10 units, including 8 low and 2 very low income units. An application for development has been submitted and the entitlement process is expected to be completed in the next 3-6 months. Construction is projected to be completed by the end of 2004.

Dowd's Barn Site – 157 Throckmorton (Downtown)

Ownership: Private

Area size: 14,906 square feet

General Plan, Zoning, and Uses: Downtown, CN – Neighborhood Commercial, existing barn used as commercial building.

Topography and Environment Constraints: Slight downslope, creek abuts back of property, access, potential high water table. Environmental constraints present a challenge to the development but are not expected to restrict proposed development.

Potential Units: 3 units in conjunction with mixed use development. Development of site is expected to occur within 2003-2006 planning period of the Housing Element.

D'Angelo's Back Area – 22 Miller Avenue (Downtown)

Ownership: Private

Area Size: 19,000 square feet

General Plan, Zoning, and Uses: Town Center/Lytton Square, CN-Neighborhood Commercial, existing commercial building and parking lot. Development would occur over an existing parking area. No zoning or land use change is required. Project may require some parking variances.

Topography and Environment Constraints: Flat, creek runs through property, high water table and parking. Environmental constraints present a challenge to the design of the property but are not expected to restrict the proposed development.

Potential Units: 6 units in conjunction with mixed-use development are anticipated. Development of site is expected to occur within 2003-2006 planning period of the Housing Element.

Addition to the Redwoods Senior Housing (Camino Alto)

Ownership: Private.

Area Size: Addition to existing development.

General Plan, Zoning, and Uses: Residential, RM 1.5, existing senior housing facility. The proposed project is an addition to the existing senior housing complex. No zoning or land use change is required.

Topography and Environment Constraints: Flat, adjacent to open space. No significant environmental constraints exist.

Potential Units: 40 units. The units were previously approved but were not constructed. A financial feasibility study is currently being done, and an application is expected to be submitted once plans are finalized. The additional development of the complex is projected to be completed within the 2003-2006 Housing Element planning period if financing is secured.

Camino Alto and East Blithedale (Northwest corner)

Ownership: Private (two owners)

Area Size: 51,465 square feet

General Plan, Zoning, and Uses: Professional, Administrative Office use, PA zone. Site is currently vacant. No zoning change is required, but may require a general plan amendment.

Topography and Environment Constraints: Slight upslope, traffic and access. Environmental constraints present a challenge to the development but are not expected to restrict proposed development.

Potential Units: 20 units. Development of site could occur within 2003-2006 planning period of the Housing Element.

Other Downtown Sites

Ownership: Private

Area Size: Varied

General Plan, Zoning and Uses: Town Center/Lytton Square, CN- Neighborhood Commercial, Residential, RM-2.5, parking lots, vacant space upstairs from commercial, church, school excess property.

Topography and Environmental Constraints: Flat

Potential Units: 30 units.

Miller Avenue Potential Sites (Miller Avenue Precise Plan)

Ownership: Private; approximately 140 property owners.

Area Size: The area of the Miller Avenue Precise Plan encompasses 84 acres. It is located along a major traffic corridor of Mill Valley, approximately 4 miles long and 1,500 feet wide. See map attached as Appendix E.

General Plan, Zoning and Uses: CN – Neighborhood Commercial, PA –Professional Office, RM –3.5. The Draft Miller Avenue Precise Plan was developed through the work of an advisory committee, consultant and staff, with extensive community involvement. The Draft was submitted to the City Council on February 3, 2003. Hearings before the Planning Commission and City Council will take place after the Environmental Impact Report (EIR) and Zoning/General Plan Amendments are prepared. These are expected to be complete by 2004. As part of the proposed Precise Plan, an affordable housing zoning overlay will be prepared that maintains base commercial zoning while permitting densities of up to 29 units/acre for developments that meet an approved minimum percentage of affordable units. Modifications in floor area ratio, lot coverage and parking to facilitate an effective yield of 29 units/acre will be included in this overlay. “Fast track” permitting will also be included as part of this overlay As well as a proposal in reduction or waiving of fees for affordable housing.

Topography and Environmental Constraints: Topography varies but sites are generally flat. Corte Madera Creek is adjacent to parcels on the north side of Miller Avenue with high water table. Traffic analysis to be addressed as part of the Miller Avenue Precise Plan EIR.

Potential Units: The Precise Plan has involved extensive community participation over the past 18 months through informational meetings, reporting in the local press, and mailings to more than 600 individuals. The Plan has been well received by property owners and a number of developers have expressed interest in mixed-use opportunities created through the incentives contained in the Draft Plan. While demand for housing continues to be strong, the number of actual units constructed will depend upon general economic conditions over the current planning period. It is estimated that 7 very low income, 5 low income, 30 moderate income, and 58 above moderate income housing units will be possible during the 2003-2006 planning period of the Housing Element.

A Framework for Action

Mill Valley's Housing Vision, Goals and Objectives

This Housing Element proposes at least partial solutions to some of the housing needs and problems facing the community -- while at the same time intending to protect Mill Valley's small-City character and appearance, its environmental qualities, its sense of community and its historic heritage. The City of Mill Valley is committed to working with other agencies and non-profit organizations to maximize affordable housing opportunities. It is also important to ensure a fit of new housing with Mill Valley's long-standing commitment to maintain and enhance the high quality of its residential neighborhoods and commercial areas.



Pickelweed play area

The Housing Element's intent with respect to housing needs in Mill Valley is expressed in two ways. The first is in the form of a vision, goal and objectives

sought by the community. A goal is the ideal we strive for -- or the desired state of things. Objectives are defined steps toward a goal, which measure progress and should be expressed in quantified terms or targets. State law requires that the City's housing objectives establish the maximum number of housing units that can be constructed, rehabilitated or conserved over the next 5 years. The second, and more specific aspects of the Housing Element, are policy statements and implementation programs. These describe the way citizens and local government can achieve objectives, and move closer to the goal. Policies establish a recognized community position on a particular subject. Programs are more detailed actions that the City, or other specific entities, intend to implement to ensure the attainment of the Housing Element's goal and objectives.

The Vision for Housing in Mill Valley

Visioning is a way of looking at the future. Instead of focusing only on today's issues and concerns, visioning jumps to a point in time in the future (in our case the year 2020) to help us define what we want to achieve and what we value. The "*Vision for Housing in Mill Valley*," presented below, helps us to understand what we value, and to take a positive, constructive look at our community and how housing fits into our future. With a clearer idea of what it is we want our community to be like in the future, we can have a better idea of what housing strategies can help us get there.

Vision for Housing in Mill Valley

In the Year 2020, we have preserved and enhanced what we have for so long appreciated about Mill Valley — the look and feel of our small City and our heritage, our sense of community, green space, openness, beauty, art, our vital and diverse businesses, and adequate services. We have created a “heart of City” in the Lytton Square area and there are village-like nodes and gathering places near transit, shopping, and services. We have improved transit and access throughout City, including bikeways, sidewalks, walking links, shuttle bus, etc. — where cars are less dominant.

We value the following about housing in Mill Valley:

- 1** People can live, work and play here.
- 2** We have housing choices to fit different needs. We have built second units and we have mixed use developments along some of our streets, within commercial areas, and near transit.
- 3** We have maintained the age and economic diversity of our population. We value human dignity and our cultural and economic diversity.
- 4** There is creativity in design and types of housing. Buildings are well-designed, utilizing high quality materials.
- 5** We have support systems and housing in place to help the disenfranchised (homeless, elderly, disabled, and others in need).
- 6** Green space has been preserved throughout the City and environmentally sensitive areas and the coastline have been sustained. The natural environment is beautiful and fragile natural systems work well.
- 7** Our City is friendly, with lots of civic pride, tradition, interaction and community involvement.
- 8** There is coordination with other jurisdictions to address important housing issues in creative and effective ways.

Housing Goals

The City’s housing goal is to provide for balanced residential growth and at least our share of the region’s affordable housing while:

- (1) Maintaining diversity in the price and type of housing available within the community;
- (2) Promoting the development and retention of housing affordable to low and moderate income families;
- (3) Promoting means enabling existing residents to preserve and improve their homes, particularly those of historical significance;
- (4) Promoting development in areas where it will not interfere with the quality of the natural and man made environment;
- (5) Limiting development in areas where hazards to life and property exist;
- (6) Encouraging residential uses in commercial areas when appropriate;

- (7) Generally maintaining the present scale of development in existing residential neighborhoods, while allowing the regulated creation of additional housing; and,
- (8) Assuring non-discrimination in the local housing market, especially for families with children.

Housing Objectives

The City's quantified objectives are described under each program. Assumptions are based on past program performance, construction trends, land availability, and future program funding. The City's housing policies and implementing programs are grouped by the *housing objectives* described on the next page. Policies and implementing programs are then further grouped by the topics listed under each objective.

Housing Objective 1

- **Work Together to Achieve the City's Housing Goals**
 - *Sense of Community and Creation of Successful Partnerships*
 - *Equal Housing Opportunities*

Housing Objective 2

- **Maintain and Enhance Existing Housing and Blend Well-Designed New Housing into Existing Neighborhoods**
 - *Housing Design*
 - *Existing Housing and Neighborhoods Preservation*

Housing Objective 3

- **Use Land Efficiently to Meet Housing Needs and to Implement 'Smart' and Sustainable Development Principles**
 - *Housing and Jobs Linkage*
 - *Variety of Infill Housing Choices*
 - *Transit-Oriented Development*
 - *Mixed Use Housing*
 - *Long-Term Affordable Housing*
 - *Residential Inclusionary Housing*
 - *Second Dwelling Units*

Housing Objective 4

- **Provide Housing for Special Needs Populations that is Coordinated with Support Services**
 - *Special Needs Housing*
 - *Special Needs Support Programs*

Housing Objective 5

- **Build Local Government Institutional Capacity and Monitor Accomplishments to Respond Effectively to Housing Needs**
 - *Funding for Housing*
 - *Effective Implementation and Monitoring*

Housing Policies and Implementing Programs

1.0 WORK TOGETHER TO ACHIEVE THE CITY'S HOUSING GOALS

Sense of Community and Creation of Successful Partnerships: *Enhance our sense of community by identifying shared responsibilities from all sectors within the community (government, business, neighborhoods, non-profits, etc.) that effectively address the City's housing needs.*

- H1.1 Local Government Leadership.** Affordable housing is an important City priority, and the City will take a proactive leadership role in working with community groups, other jurisdictions and agencies, non-profit housing sponsors, and the building and real estate industry in following through on identified Housing Element implementation actions in a timely manner.
- H1.2 Community Participation in Housing and Land Use Plans.** The City will undertake effective and informed public participation from all economic segments and special needs groups in the community in the formulation and review of housing and land use issues.
- H1.3 Neighborhood Responsibilities within Mill Valley.** The City will seek ways, specific to each neighborhood, to provide additional housing as part of each neighborhood's fair share responsibility and commitment to help achieve community-wide housing goals. This may range from in-lieu fees and second units, to new housing construction.
- H1.4 Neighborhood Meetings.** Developers of any major project will be encouraged to have neighborhood meetings with residents early in the process to undertake problem solving and facilitate more informed, faster and constructive development review.
- H1.5 Inter-Jurisdictional Strategic Action Plan for Housing.** The City will coordinate housing strategies with other jurisdictions in Marin County as appropriate to meeting the City's housing needs.

Implementing Programs

- **H1.A Prepare Information and Conduct Outreach on Housing Issues.** Coordinate with local businesses, housing advocacy groups, neighborhood groups, and the Chamber of Commerce and participate in the Marin Consortium for Workforce Housing in building public understanding and support for workforce and special needs housing. See Appendix B.
- Responsibility:* *Planning and Building Department; City Council; and County Housing Assistance Team (HAT).*
- Financing:* *Staff time; the City may use funding sources such as Community Development Block Grant (CDBG) funds and City-generated affordable housing funds to implement this program.*

Objectives: Handouts, City website, and presentation material.
Timeframe: June, 2003; ongoing thereafter.

H1.B Collaborate in an Inter-Jurisdictional Strategic Action Plan for Housing. Work toward implementing, whenever possible, agreed-upon best practices, shared responsibilities and common regulations to efficiently and effectively respond to housing needs within a countywide framework. The Strategic Action Plan program should be coordinated by the Marin County Affordable Housing Strategist and be available to assist participating cities.

Responsibility: Planning Department; City Council; HAT.

Financing: Staff time.

Objectives: Coordination with other jurisdictions on housing matters.

Timeframe: 2002 and then ongoing activities starting in 2003.

Equal Housing Opportunities: Promote equal housing opportunities for all persons and assure effective application of Fair Housing law.

H1.6 Equal Housing Opportunity. To the extent possible, the City will ensure that individuals and families seeking housing in Mill Valley are not discriminated against on the basis of race, color, religion, marital status, disability, age, sex, family status (due to the presence of children), national origin, or other arbitrary factors, consistent with the Fair Housing Act.

Affordable Housing Incentives

The City will consider the following possible incentives for developments containing a significant percentage of very low or low income units on-site:

- (1) **State Density Bonus Law.** Offer density bonuses of at least 25 percent and at least one other incentive consistent with the State Density Bonus Law (Government Code Section 65915), for developments that include at least: (a) 20 percent of the units for lower-income households; or (b) 10 percent of the units for very low income households; or (c) 50 percent of the units for senior citizens.
- (2) **Parking:** Sites within 0.25 mile of a transit stop may be permitted up to a 30 percent reduction in parking required by current code, and tandem parking or off-site parking alternatives will also be considered.
- (3) **Relationship of Density to Floor Area, Height and Lot Coverage:** Provide flexibility in applying development standards (e.g. parking, floor area, setback, height standards), subject to the type of housing, size and unit mix, location and overall design. Additional density, beyond the maximum permitted, may be appropriate where units are significantly smaller and would have less impacts than the market norm. (For example in a multiple residential zone where the norm is 1,200 square foot two bedroom units, two 600 square foot units may be permitted).
- (4) **Facilitating Affordable Housing Development Review.** Affordable housing developments shall receive the highest priority and efforts will be made by staff and decision-makers to: (1) provide technical assistance to potential affordable housing developers in processing requirements, including community involvement; (2) consider project funding and timing needs in the processing and review of the application; and (3) provide prompt turnaround time in determining application completeness.
- (5) **Reduced Fees.** Waive or reduce fees on a sliding scale related to the levels of affordability, such as a rebate of all Planning and Building fees for affordable units based on the proportion of such units in the project. The City will also work with other agencies, such as MMWD and the School District, to reduce fees for affordable housing.
- (6) **Coordination with Other Agencies.** Coordinate with service providers and other agencies as necessary to create opportunities for the development to be built.
- (7) **Use of Housing Trust Funds.** Use Housing Trust Funds as appropriate to achieve greater affordability.

- H1.7 Eligibility Priorities for Deed Restricted Housing.** In order to meet a portion of the City's local housing need, consistent with ABAG Housing Need Determinations, the City will provide for targeted marketing and advance notice of deed restricted rental and ownership units in new housing developments, to the extent consistent with applicable fair housing laws, for City employees, or people working in the City of Mill Valley or working within a five-mile radius of the City's boundary.

Implementing Programs

■**H1.C Adopt an Anti-Discrimination Ordinance.** Adopt an Anti-Discrimination Ordinance to prohibit discrimination based on the source of a person's income or the use of rental subsidies, including Section 8 and other rental programs.

Responsibility: Planning Department; City Attorney; City Council

Financing: Staff time.

Objectives: Effective implementation of anti-discrimination policies and enforcement as needed.

Timeframe: December 2003.

■**H1.D Respond to Complaints.** The Director of Planning and Building is the designated Equal Opportunity Coordinator in Mill Valley with responsibility to investigate and deal appropriately with complaints. The City will refer discrimination complaints to the appropriate legal service, county, or state agency, or Fair Housing of Marin. If mediation fails and enforcement is necessary, refer tenants to the State Department of Fair Employment and Housing or HUD, depending on the nature of the complaint.

Responsibility: Planning and Building Department.

Financing: Staff time.

Objectives: Respond to discrimination complaints.

Timeframe: As needed.

■**H1.E Disseminate Fair Housing Information.** The Director of Planning and Building is the designated Equal Opportunity Coordinator in Mill Valley and will ensure that written materials regarding fair housing law are provided at various public locations in the town and that information regarding fair housing agencies and phone numbers is posted at City Hall, the Post Office, and local transit locations where feasible. The Director of Planning and Building will provide information to real estate professionals, property owners and tenants on their rights and responsibilities and the resources available to address fair housing issues.

Responsibility: Planning and Building Department.

Financing: Staff time.

Objectives: Provide information on fair housing and assure effective implementation and enforcement of anti-discrimination policies.

Timeframe: June, 2003; ongoing thereafter.

2.0 MAINTAIN AND ENHANCE EXISTING HOUSING AND BLEND WELL-DESIGNED NEW HOUSING INTO EXISTING NEIGHBORHOODS

Housing Design: Assure that new housing is well-designed to enhance our neighborhoods and community as a whole.

H2.1 Housing Design Process.
The City will review proposed new housing to achieve excellence in development design in an efficient process.

H2.2 Design that Fits into the Neighborhood Context.
It is the City’s intent that neighborhood identity and sense of community will be enhanced by designing all new housing to have a sensitive transition of scale and compatibility in form to the surrounding area. New development in existing residential areas shall be of a scale and character complementary to that of the neighborhood in order to protect existing neighborhoods and prevent overbuilding of the property.

Housing Design Principles

The intent in the design of new housing is to provide stable, safe, and attractive neighborhoods through high quality architecture, site planning, and amenities that address the following principles:

- (1) **Reduce the Perception of Building Bulk.** In multi-unit buildings, require designs that break up the perceived bulk and minimize the apparent height and size of new buildings, including the use of upper story stepbacks and landscaping. Create multi-family buildings that have the appearance of gracious single family homes. Windows and doors, for example, are an important element of building design and an indicator of overall building quality.
- (2) **Recognize Existing Street Patterns.** Incorporate transitions in height and setbacks from adjacent properties to ensure development character and privacy. Design new housing so that it relates to the existing street pattern and creates a sense of neighborliness with surrounding buildings.
- (3) **Enhance the “Sense of Place” by Incorporating Focal Areas.** Design new housing around natural and/or designed focal points, emphasized through direct pedestrian/pathway connections. Respect existing landforms, paying attention to boundary areas and effects on adjacent properties.
- (4) **Minimize the Visual Impact of Parking and Garages.** Discourage home designs in which garages dominate the public façade of the home (e.g. encourage driveways and garages to be located to the side of buildings and recessed, or along rear alleyways or below the building in some higher density developments).
- (5) **Use Quality Building Materials.** Building materials should be high quality, long lasting, durable and energy efficient.

Implementing Programs

■ **H2.A Modify Residential Design Review Process.** Modify the Design Review Process to clearly define the purview and purpose of “design review” issues, the process and decisions and to ensure that design requirements are not a constraint to the development of housing affordable to low- and moderate-income households. Provide handouts to assist the public, planners and design review participants on the design review process and criteria to be used in reviewing projects.

Responsibility: Planning Department; Planning Commission; City Council.
Financing: Staff time.

Objectives: Revised design review criteria and processing.
Timeframe: June, 2003; implement thereafter.

Existing Housing and Neighborhoods Preservation: Protect and enhance the housing we have and ensure that existing affordable housing “at risk” of conversion to market rates will remain affordable.

- H2.3 Preservation of Residential Units.** The City will discourage the conversion of residential units to other uses and regulate, to the extent permitted by law, conversion of rental developments to non-residential uses to protect and conserve the rental housing stock.
- H2.4 Condominium Conversions.** Except for limited equity cooperatives and other innovative housing proposals which are affordable to lower income households, the City will conserve its existing multiple family rental housing by prohibiting conversions of rental developments to condominium ownership unless the effective vacancy rate for available rental units is more than 5%.
- H2.5 Protection of Existing Affordable Housing.** The City will strive to ensure that affordable housing provided through government subsidy programs, incentives and deed restrictions remains affordable over time, and intervene when possible to help preserve such housing.
- H2.6 Maintenance and Management of Quality Housing and Neighborhoods.** The City will encourage good management practices and the long-term maintenance and improvement of existing housing. The City will encourage programs to rehabilitate viable older housing and to preserve neighborhood character and, where possible, retain the supply of very low to moderate income housing.
- H2.7 Community Preservation.** Assure the retention of the single-family character of older residential areas, and protect residents and maintain the housing stock by enforcing housing and other codes for all types of residential units. In selected neighborhoods, as necessary, the City may undertake aggressive code enforcement combined with community education and possible assistance for housing rehabilitation and maintenance to assure community preservation.

Implementing Programs

■ **H2.B Monitor “At Risk” Units.** Monitor assisted properties at risk of conversion to market rates and work with the property owners and/or other parties to ensure that they are conserved as part of the county’s affordable housing stock. Identify funding sources and timelines for action, and prepare an ordinance requiring a one-year notice to residents, the City and the Marin Housing Authority of all proposed conversions of affordable housing units to market rents.

Responsibility: Planning Department; HAT.
Financing: Staff time.
Objectives: Protection of affordable housing (conserve the 408 deed restricted units).
Timeframe: Ongoing.

■H2.C Implement Rehabilitation and Energy Loan Programs. Coordinate with the Marin Housing Authority and PG&E to make available loan programs to eligible owner-and renter-occupied housing.

Responsibility: Planning Department; Marin Housing Authority; PG&E.
Financing: CDBG and PG&E
Objectives: Loans provided to rehabilitate very low and low income housing (8 loans in total, with 4 very low income and 4 low income).
Timeframe: Ongoing.

■H2.D Conduct RBR Inspections. The City will continue to inspect all residential units prior to resale. The inspections indicate zoning violations and point out safety related matters to assure that the units are safe and conform to the Building Code.

Responsibility: Planning and Building Department
Financing: Staff time.
Objectives: 1200 Residential Building Reports by 2006.
Timeframe: Ongoing.



The Redwoods

■H2.E Amend Zoning to Protect

Existing Housing. The City will consider amending the Municipal Code in conjunction with the Miller Avenue Precise Plan to reflect the Housing Element policy of discouraging the conversion of existing residential units to commercial or office space.

Responsibility: Planning Department; Planning Commission; City Council
Financing: Staff time.
Objectives: Elimination of conversions of residential units to office uses.
Timeframe: July, 2003

3.0 USE OUR LAND EFFICIENTLY TO MEET HOUSING NEEDS AND TO IMPLEMENT 'SMART' AND SUSTAINABLE DEVELOPMENT PRINCIPLES

Housing and Jobs Linkage: *Promote closer linkages between creating housing opportunities near the workplace and establish commercial, office, industrial and other non-residential use contributions for affordable housing.*

- H3.1 Housing for Local Workers.** City will strive to provide an adequate supply and variety of housing opportunities to meet the needs of Mill Valley's workforce and their families, striving to match housing types and affordability, with household income.
- H3.2 Contributions for Affordable Housing from Non-Residential Uses.** Local housing needs for local workers must be considered when reviewing non-residential development proposals. The City will require non-residential uses to contribute to the provision of affordable housing by techniques such as in-lieu fees, provision of housing or other alternatives of equal value.
- H3.3 Employee Housing.** The City will work with employers developing larger projects (20+ employees) to promote local housing opportunities for their employees and will encourage employers to find ways to provide housing assistance as part of their employee package. Developers of major projects in mixed-use areas will be encouraged to consider and propose housing, if feasible.
- H3.4 Live/Work Developments.** Live/work units provide affordable housing, generate additional economic activity in the community, and improve the jobs/housing balance. Opportunities for live/work developments, where housing can be provided for workers on-site or caretaker or other types of housing can be provided in appropriate locations, will be encouraged by the City.

Implementing Programs

■ **H3.A Complete Commercial/Housing Nexus Study.** In coordination with other Marin County jurisdictions, review the Nexus Study (already in draft form) to determine appropriate and possible contributions for affordable housing from residential and non-residential uses, and to document the relationship between job growth and affordable housing needs of various types of development.

Responsibility: Planning Department; HAT.

Financing: Staff time.

Objectives: Legal basis for non-residential to housing linkage.

Timeframe: September, 2002.

■ **H3.B Establish Job/Housing Linkage Fee Program.** Adopt a Jobs/Housing Linkage Fee Ordinance with consideration of the following exaction requirements:

- a. Set exaction requirements for dwelling units and/or in-lieu fees according to empirically based evidence and comply with all other legal tests.

- b. Include affordable housing units within hotels, office, other commercial, or industrial buildings if feasible (options may include housing on-site, off-site, subsidizing mortgages or rents, in-lieu fee for housing production), or
- c. Establish the payment into a Housing Trust Fund of in-lieu fees based on a dollar amount per square foot of office, commercial, and industrial building development.

Responsibility: Planning Department; City Manager; City Council.

Financing: Staff time.

Objectives: Establish requirements for non-residential uses.

Timeframe: June, 2003.

■H3.C Identify Existing Employee Housing Opportunities. Work with local school districts, public agencies, and existing businesses to seek opportunities for helping their employees find needed housing, such as purchasing or leasing larger facilities to provide local housing opportunities, mortgage buy-downs or subsidies, rent subsidies, etc. Seek the commitment of other organizations, such as the Marin Board of Realtors to have their members encourage employers to address employee housing opportunities.

Responsibility: Planning Department; City Manager; HAT.

Financing: Staff time.

Objectives: Employee housing opportunities provided by local entities.

Timeframe: Ongoing.

■H3.D Establish Zoning for Live/Work Opportunities. Review home occupation provisions in the Zoning Ordinance to ensure reasonable standards for home occupations and to create the possibility for live/work projects. Identify locations in Mill Valley (such as along Miller Avenue and in Downtown) suitable for live/work units and include performance standards relating to noise, odor and type of uses permitted, and standards for parking, fencing and related performance standards.

Responsibility: Planning Department.

Financing: Staff time.

Objectives: Establish live/work criteria in the Zoning Ordinance.

Timeframe: June, 2003.

■H3.E Convert Non-Residential Uses to Housing. Initiate a program for the acquisition and conversion of non-residential transient-occupancy units for use as affordable or special needs housing. Work with non-profit sponsors seeking to acquire and/or lease housing units in order to maintain ongoing affordability of the units for teachers or City employees. This will include, but not be limited to: (1) support necessary to obtain funding commitments from governmental programs and non-governmental grants; (2) assistance in permit processing; (3) possible waiver of fees; (4) use of local funds if available; and (5) contact with transient-occupancy use owners.

Responsibility: Planning Department; HAT; City Manager; City Council.

Financing: Staff time.

Objectives: Provide new long-term housing units provided (5 total units, with 2 very low income and 3 low income).

Timeframe: Initiate program by June, 2003; implement thereafter.

Variety of Infill and Mixed Use Housing Choices: *Maintain a diverse population by providing a variety of choices in the type, size, cost and location of new housing and more efficient use of existing housing, including the creative and efficient use of vacant land and the redevelopment of built land within established development areas to support local transit and services, maximize sustainability, and help maintain our environment and open space.*

H3.5 Diversity of Population. Consistent with the community’s housing goals, it is the desire of the City to meet its share of the regional housing need and to maintain a diversity of age, social and economic backgrounds among residents throughout Mill Valley by matching housing size, types, tenure, and affordability to household needs. Housing opportunities for families with children should not be limited because necessary facilities are not provided on site.

Housing Sites Selection Criteria

The City will use the following criteria in selecting Housing Opportunity sites or areas:

- (1) Adequate vehicular and pedestrian access.
- (2) Convenient access to transit (or the project must be able to provide transit to meet the needs of the project’s prospective residents).
- (3) Convenient access to neighborhood services and facilities as needed by the prospective residents.
- (4) Convenient access to neighborhood recreation facilities, or designed to provide adequate recreation facilities on site.
- (5) Cost effective mitigation of physical site constraints (including geologic hazards, flooding, drainage, soils constraints, etc.).
- (6) Cost effective provision of adequate services and utilities to the site.
- (7) Ability to meet applicable noise requirements.
- (8) Appropriate site size to provide adequate parking; parking requirements should be flexible based on the needs of the project’s prospective residents.
- (9) Finding that development of a specific project on the site will not result in significant adverse cumulative effects, unless the City adopts a statement of overriding considerations.

H3.6 Variety of Housing Choices. In response to the broad range of housing needs in Mill Valley, the City will strive to achieve a mix of housing types, densities, affordability levels and designs. The City will work with developers of non-traditional and innovative housing approaches in financing, design, construction and types of housing that meet local housing needs.

H3.7 Transit-Oriented Development Incentives. The City will establish land use arrangements and densities that facilitate efficient public transit systems, and will provide incentives for housing developments within an easy walking distance of transit stops, where reduced automobile use and parking requirements are possible.

H3.8 Regional Transportation/Housing Activities. The City will coordinate with regional transportation Planning and Building activities, and will facilitate transit-oriented housing development by using the incentives and other means provided through regional transportation plans.

H3.9 Mixed Use Housing. Well-designed mixed use residential/non-residential developments are highly encouraged by the City where residential use is appropriate to the setting and development impacts can be mitigated. The City will consider the following incentives to encourage mixed use development in appropriate locations:

allowing an additional story for housing; developing more flexible parking requirements to reflect peak period overlap for mixed use projects; and relating permitted residential density and parking requirements to unit size (i.e., allowing a greater number of smaller units or lesser number of larger units).

H3.10 High Potential Housing Opportunity Areas.

Given the diminishing availability of developable land, the City will identify housing opportunity areas and sites where a special effort will be made to provide workforce and special needs affordable housing. The City will take specific actions to promote the development of affordable housing units by the year 2006 on these sites (identified in the Implementing Programs).



Pickelweed

H3.11 Retention and Expansion of Multi-Family Sites at Medium and Higher Density.

The City will protect and strive to expand the supply and availability of multi-family infill housing sites for affordable housing by making the most efficient use of these sites in meeting local housing needs and striving to make sites competitive for subsidies. The City will not redesignate or rezone residential land for other uses or to lower densities without redesignating or rezoning equivalent land for higher density multi-family development.

Implementing Programs

■ **H3.F Implement Actions for Miller Avenue Precise Plan Area Housing.** Identify specific sites and actions (rezoning, development standards and other incentives for housing) as part of the Miller Avenue Precise Plan process. See Appendix B.

Responsibility: Planning Department; Planning Commission; City Council.

Financing: Staff time

Objectives: 75-100 additional housing units

Timeframe: December, 2003

■ **H3.G Continue to Work with the School District.** The City will continue working with the School District on an ongoing basis toward acquisition or long-term lease of a surplus school site or sites for development of affordable housing.

Responsibility: Planning Department; Planning Commission; City Council; School District.

Financing: Staff time.

Objectives: *Development of 50 low and moderate income family rental units on a surplus school site or sites by 2006.*

Timeframe: *Dependent on opportunity*

■H3.H Review Project Proposals for Health and Safety Considerations. While reviewing residential projects, the City shall assure that new residential development is consistent with the policies in the Land Use and Public Health and Safety sections of the General Plan and shall require any additional information necessary to fully evaluate the impacts from development proposals as part of the environmental review of the projects.

Responsibility: *Planning Department.*

Financing: *Staff time.*

Objectives: *Review of development applications for health and safety considerations*

Timeframe: *Ongoing as development projects are reviewed*

■H3.I Review and Update Parking and Other Development Standards. Review and update parking and other development standards based on the most up-to-date empirical studies to allow for more flexible parking requirements to help facilitate infill, transit-oriented and mixed use development. See Appendix B.

Responsibility: *Planning Department; Planning Commission; City Council.*

Financing: *Staff time.*

Objectives: *More flexible parking and development standards that are reflective of development types.*

Timeframe: *January, 2004.*

■H3.J Implement Mixed Use Development Opportunities. Encourage mixed residential/commercial uses on those parcels where a mix of uses is feasible and appropriate, consistent with the General Plan, through the following and other means, if appropriate: (1) increased densities; (2) reduced unit sizes; (3) allowances for ground-floor retail; and (4) modifications to parking requirements. Continue to permit residential uses as conditional uses in commercial zoning districts (light-industrial district excluded). Publicize mixed-use development opportunities to developers and local businesses through the City's website, mailings, and informational meetings, and by distributing press releases to the local press.

Responsibility: *Planning Department; Planning Commission; City Council.*

Financing: *Staff time.*

Objectives: *20 small mixed use units.*

Timeframe: *Program approval by City Council, 2004. Conduct informational outreach, ongoing. Completion of mixed-use units, June, 2006.*

■H3.K Facilitate Development at the Alto School Site and Redwood Senior Housing Site. Undertake implementing actions to facilitate the construction of affordable housing at key sites to meet the City's "fair share" of the regional housing need for lower income households. Ensure that local affordable housing developments will be competitively positioned to access affordable housing finance sources (such as tax credits and tax-exempt bonds). Specific steps and the schedule (in parenthesis) are as follows:

Alto School Site

- a. Monitor the findings and final action of the Board of Trustees (January 2004)
- b. Upon the District’s final decision, initiate the rezoning of this site from Community Facility to Multi-family Residential.
- c. If by June 2004, the Mill Valley School District Board has not formally declared the site as “surplus” then the City will amend the Housing Element to identify alternative sites with appropriate zoning and access to public services to accommodate its regional housing need for lower income households. (January, 2005).



Single family residence

Redwood Senior Housing Project

- d. In order to facilitate development of additional units at this site, the City will provide fiscal and regulatory incentives such as reduction or waiving of planning and building fees, fast-track permits, and coordination and provision of planning assistance in the preliminary planning phases as requested. Additionally, the City will play a proactive role in assisting to secure funding sources such as tax credits and tax exempt bond financing. (June, 2004).

Responsibility: Planning Department; Planning Commission; City Council.
Financing: Staff time.
Objectives: Create procedures, development standards, and other means to facilitate development of housing at these sites.
Timeframe: As shown above.

H3.L Facilitate Development at the Camino Alto/East Blithedale Site. Existing Mill Valley General Plan Policy C-8-2 calls for rezoning this vacant site to “Lower Density Multi-Family” which would allow a maximum of 16 units to be developed on the site. Utilization of the density bonus law would allow for the 20 units identified in the Housing Element. The City would initiate the implementation of Policy C-8-2 by January , 2005 to facilitate the residential development of this site. (January 2005)

Responsibility: Planning Department; Planning Commission; City Council.
Financing: Staff time.
Objectives: Initiate a General Plan Amendment and rezone the property to Lower Density Multi Family.
Timeframe: As shown above.

Long-Term Affordable Housing: *Make available sites and incentives for the development of long-term affordable housing.*

H3.12 Density Bonuses and Other Incentives for Affordable Housing Developments.

The City will use density bonuses and other incentives to help achieve housing goals while ensuring that potential impacts are considered and mitigated.

H3.13 Long-Term Housing Affordability Controls. The City will apply resale controls and rent and income restrictions to ensure that affordable housing provided through incentives and as a condition of development approval remains affordable over time to the income group for which it is intended. Inclusionary units shall be deed-restricted to maintain affordability on resale to the maximum extent possible (typically in perpetuity or at least 55 years).

Implementing Programs

■ **H3.M Enact Density Bonus Zoning and Other Incentives.** Amend the Zoning Ordinance to encourage an increase in the supply of well-designed housing for very low, low and moderate income households. See Appendix B.

Responsibility: Planning Department; Planning Commission; City Council.

Financing: Staff time.

Objectives: Create flexibility for well-designed affordable housing development.

Timeframe: June 2003.

■ **H3.N Adopt a “Workforce and Special Needs Affordable Housing Overlay Zone” Zoning Designation.** Amend the Mill Valley City Zoning Ordinance to establish affordable housing overlay zones in which residential densities will be substantially increased if a specified level of affordability is achieved. See Appendix B.

Responsibility: Planning Department; Planning Commission; City Council.

Financing: Staff time.

Objectives: Create incentives for affordable housing.

Timeframe: June 2003.

■ **H3.O Link to Funding Resources.** Establish specific uses of housing funds and/or land donations generated through the inclusionary housing program. As appropriate, specific sites will be designated where affordable housing will be required through zoning (through Affordable Housing Overlay zoning) and provide incentives and other means to make that development happen.

Responsibility: Planning Department; City Manager; City Council.

Financing: Staff time.

Objectives: Update procedures and operating guidelines.

Timeframe: December, 2004.

Residential Inclusionary Housing: Strengthen residential inclusionary requirements and incentives to require affordable housing as part of market rate projects.

H3.14 Inclusionary Housing Approach. To increase workforce affordable housing construction, the City will require residential developments involving one or more units to provide a percentage of units or an in-lieu fee for very low, low and moderate income housing. The units provided through this policy are intended for permanent occupancy and must be deed restricted, including but not limited to single family housing, multi-family housing, condominiums, townhouses, locally approved licensed care facilities, stock cooperatives or land subdivisions.

H3.15 Income Levels. Inclusionary zoning requirements will target very low or low income rental units and low or moderate income ownership units.



Single family residence

H3.16 Options for Meeting Inclusionary Requirements. The primary intent of the inclusionary requirement is the construction of new units on-site, with the focus being multi-family housing developments with deed restrictions to support long periods of affordability. Second priority for meeting inclusionary requirements shall be the construction of units off-site or the transfer of land and sufficient cash to develop the number of affordable units required within the same community or Planning and Building area. If these options are not practical, then other alternatives of equal value such as in-lieu fees or rehabilitation of existing units may be considered.

H3.17 Payment of In-Lieu Fees. Payment of in-lieu fees will only be accepted when it is determined that transfer of land and/or dedication of units would provide fewer affordable housing units than could be obtained by the expenditure of in-lieu fees on affordable housing development within the Planning Area. Fees paid in-lieu of providing units on site shall be of a value proportionally equivalent to the number of units required to be provided. The amount of the fee shall be established by a schedule that is periodically reviewed and updated by the City Council.

Implementing Programs

■ **H3.P Revise Inclusionary Housing Regulations.** Amend Section 20.80 of the Zoning Ordinance to provide more effective application of inclusionary policies. See Appendix B.

Responsibility: Planning Department; Planning Commission; City Council.

Financing: Staff time.

Objectives: Amend the Zoning Ordinance.

Timeframe: 2004

■ **H3.Q Work with the Marin Housing Authority.** Continue to implement the agreement with the Marin Housing Authority (MHA) for management of the affordable housing stock in order to ensure permanent affordability, and implement resale and rental regulations for low and moderate income units and assure that these units remain at an affordable price level.

Responsibility: Planning Department.

Financing: Staff time.

Objectives: Implement agreements to maintain affordability of deed restricted housing units.

Timeframe: Ongoing.

Second Dwelling Units: Encourage well-designed, legal second units in all residential neighborhoods.

H3.18 New Second Dwelling Units Approach. Enable construction of well-designed second units, consistent with parking and street capacity, as an important way to provide workforce and special needs housing. Because they provide smaller relatively more affordable housing, the City shall continue to encourage the construction of new second units and the legalization of existing second units where they will not aggravate or create neighborhood problems.

H3.19 Second Dwelling Unit Development Standards and Permit Process. Utilize the following approach for second dwelling unit development standards and processing: (a) limit the size of second dwelling units to maintain affordability; (b) require design review at the Zoning Administrator level rather than a use permit process for units that meet required standards and guidelines; (c) reduce or eliminate per unit fees in recognition of the small size and low impacts of second dwelling units; (d) allow higher height limits, in limited circumstances and consistent with design policies, to permit units over detached garages, or under garages in hilly areas; (e) provide flexibility in the parking standards for second dwelling units depending on the neighborhood setting; (f) allow for attractively designed and sited detached second dwelling units; (g) waive the requirements for a City business license; and (h) require owner occupancy of either one of the units.

H3.20 Second Dwelling Units in New Development. When possible, require some second units (unequal duets) and occasional duplexes as part of new single family subdivision development where two or more new units are proposed.

H3.21 Legalization of Existing Second Dwelling Units. Establish an amnesty program for illegal second units which will provide a period of time for owners of un-permitted units to register their units and make them legal.

Implementing Programs

■H3.R Modify Second Dwelling Unit Development Standards and Permit Process.

Continue to allow second dwelling units, and review and modify second unit development requirements in the Zoning Ordinance. See Appendix B.

Responsibility: Planning Department; Planning Commission; City Council.

Financing: Staff time.

Objectives: Adoption of procedures and requirements for second units; 26 new Second Units by 2006 (10 very low income and 16 moderate income).

Timeframe: December, 2003.

■H3.S Initiate Another Amnesty Program for Un-Permitted Second Units. Initiate another amnesty program for second units that do not have permits in order to increase the legal housing stock while assurances are made of continued affordability of the unit as low income housing, such as agreement to accept Section 8 vouchers or other mechanisms. A specific period of time will be allowed for owners of illegal units to register their units without incurring fines, along with assurances of long-term affordability of the unit and to make them legal. The City will continue to schedule hearings before the Zoning Administrator on notices of intention to file a notice of violation for properties suspected to have second units in order to encourage owners of illegal units to upgrade them, provide additional parking and legalize them.

Responsibility: Planning Department; Planning Commission; City Council.

Financing: Staff time.

Objectives: Adoption of procedures and requirements; 63 legalized units by 2006 (21 very low income and 42 moderate income).

Timeframe: December, 2003.

■H3.T Publicize and Monitor Second Unit Construction. In coordination with Housing Element Program H1.A (“Prepare Information and Conduct Outreach on Housing Issues”) and H5.E (“Conduct an Annual Housing Element Review”), the City will monitor the effects of the amnesty program (Program H3.Q) and efforts to encourage and facilitate new second unit development. The City will promote its amnesty program to owners of illegal units through the City’s newsletter, preparation of a brochure, and use of the City’s website in conjunction with Zoning Ordinance modifications as a result of AB1866.

Responsibility: Planning Department.

Financing: Staff time.

Objectives: Publicize programs and monitor effectiveness.

Timeframe: Per Housing Element Program H1.A (“Prepare Information and Conduct Outreach on Housing Issues”) and H5.E (“Conduct an Annual Housing Element Review”).

4.0 PROVIDE HOUSING FOR SPECIAL NEEDS POPULATIONS THAT IS COORDINATED WITH SUPPORT SERVICES

Special Needs Housing: *Provide housing for population groups who require special assistance (special needs groups include homeless persons; people with disabilities; the elderly; people with serious illnesses, substance abuse or mental health issues; large families; female-headed households; farmworkers; and other persons in the community identified as having special housing needs).*

- H4.1 Special Needs Groups.** The City will actively promote the development and rehabilitation of housing to meet the needs of special needs groups, including the needs of seniors, people living with disabilities, farmworkers, the homeless, people with HIV/AIDS and other illnesses, people in need of mental health care, single parent families, large families, and other persons identified as having special housing needs.
- H4.2 Provision of Affordable Housing for Special Needs Households.** The City will work with groups to provide opportunities through affordable housing programs for a variety of affordable housing to be constructed or acquired for special needs groups, including assisted housing and licensed board and care facilities.
- H4.3 Density Bonuses for Special Needs Housing.** The City will use density bonuses to assist in meeting special housing needs, housing for lower income elderly and disabled, consistent with roadway capacity and considering parking needs and neighborhood scale. Senior care facilities, including residential care facilities serving more than six people, shall be treated as residential uses subject to inclusionary housing requirements.
- H4.4 Housing for the Homeless.** Recognizing the lack of resources to set up completely separate systems of care for different groups of people, including homeless-specific services for the homeless or people “at risk” of becoming homeless, the City will work with other jurisdictions, as appropriate, to develop a fully integrated approach for the broader low-income population. The City will support countywide programs to provide for a continuum of care for the homeless including emergency shelter, transitional housing, supportive housing and permanent housing.

Implementing Programs

■H4.A Assure Good Neighborhood Relations Involving Emergency Shelters and Residential Care Facilities. Encourage positive relations between neighborhoods and providers of emergency shelters and residential care facilities. Providers or sponsors of emergency shelters, transitional housing programs and community care facilities will be encouraged to establish outreach programs with their neighborhoods. See Appendix B.

Responsibility: Planning Department.

Financing: Staff time.

Objectives: Well-managed facilities.
Timeframe: Ongoing.

■**H4.B Adaptable Units for the Disabled.** The City will attempt to ensure that new housing developments include units that can be adapted for use by disabled residents.

Responsibility: Planning Department; Planning Commission; City Council.

Financing: Staff time.

Objectives: 3% of the units built by July, 2006 (10 units).

Timeframe: Ongoing.

■**H4.C Reasonable Accommodation.** The City will amend its Zoning Ordinance to provide individuals with disabilities reasonable accommodation in rules, policies, practices and procedures that may be necessary to ensure equal access to housing. The purpose of this is to provide a process for individuals with disabilities to make requests for reasonable accommodation in regard to relief from the various land use, zoning, or building laws, rules, policies, practices and/or procedures of the City.

Responsibility: Planning Department; Planning Commission; City Council.

Financing: Staff time.

Objectives: Adoption of ordinance.

Timeframe: June, 2004.

Special Needs Support Programs: Provide housing assistance for special needs and link housing to Health and Human Services programs helping meet the needs of seniors, people with disabilities, homeless and others.

H4.5 Rental Assistance Programs. The City will continue to publicize and create opportunities for using available rental assistance programs, such as the project-based and tenant-based Section 8 certificates programs, in coordination with the Marin Housing Authority (MHA). The City will also continue to support the use of Marin Community Foundation funds for affordable housing and continue to participate in the Rebate for Marin Renters program administered through MHA.

H4.6 Health and Human Services Programs Linkages. As appropriate to its role, the City will seek ways to link together all services serving lower income people to provide the most effective response to homeless or at risk individuals by providing a highly responsive set of programs corresponding to the unique needs of all subpopulations which make up the County's homeless population, including adults, families, youth, seniors, and those with mental disabilities, substance abuse problems, HIV/AIDS, physical and developmental disabilities, multiple diagnoses, veterans, victims of domestic violence, farmworkers, and other economically challenged or underemployed workers.

H4.7 Homesharing. Encourage shared housing at locations in accord with standards established by the City for low and moderate income residents without significantly impacting the neighborhood (parking and access).

- H4.8 Emergency Housing Assistance.** Participate and allocate funds, as appropriate, for County and non-profit programs providing emergency shelter and related counseling services.

Implementing Programs

■**H4.D Assist in the Effective Use of Available Rental Assistance Programs.** Develop and implement measures to make full use of available rental assistance programs. Actions include:

- a. Encourage owners of new apartment units to accept some Section 8 certificates.
- b. Maintain descriptions of current programs to hand out to interested persons.
- c. Provide funding support, as appropriate.
- d. Coordinate with the Marin Housing Authority on rental housing assistance programs, such as Shelter Plus Care, AB2034, HOPWA, the Rental Assistline, Rental Deposit Program, and Welfare to Work Program.

Responsibility: Planning Department; MHA; City Council; Marin Community Foundation.

Financing: Staff time.

Objectives: Continued use of rental housing programs at current funding levels.

Timeframe: Ongoing.

■**H4.E Engage in Countywide Efforts to Address Homeless Needs.** Actively engage with other jurisdictions in Marin to provide additional housing and other options for the homeless, supporting and implementing *Continuum of Care* actions in response to the needs of homeless families and individuals. Participate and allocate funds, as appropriate, for County and non-profit programs providing emergency shelter and related counseling services.

Responsibility: Planning Department; City Council.

Financing: Staff time.

Objectives: Assist in addressing emergency shelter needs in a comprehensive, countywide manner.

Timeframe: Annual participation, as appropriate.

■**H3.F Create Homesharing and Tenant Matching Opportunities.** Continue the City's relationship with organizations such as the Marin Housing Authority in implementing the homesharing program. Study the need for single parent shared housing and determine whether there are constraints the City could remove without adversely affecting single family neighborhoods.

Responsibility: Planning Department; City Manager; City Council.

Financing: Staff time.

Objectives: Homesharing opportunities for 4 units.

Timeframe: June, 2003.

5.0 BUILD LOCAL GOVERNMENT INSTITUTIONAL CAPACITY AND MONITOR ACCOMPLISHMENTS TO EFFECTIVELY RESPOND TO HOUSING NEEDS

Funding for Housing: *Be aggressive and creative in finding ways to increase ongoing local funding resources for lower income special needs housing.*

- H5.1 **Local Funding for Affordable Housing.** The City will seek ways to reduce housing costs for lower income workers and people with special needs by continuing to utilize local, state and federal assistance to the fullest extent to achieve housing goals and by increasing ongoing local resources.
- H5.2 **Coordination Among Projects Seeking Funding.** Ensure access to, and the most effective use of, available funding in Mill Valley by providing a mechanism for coordination among affordable housing developments when they seek funding from various sources. Continue to seek and participate in available federal, state, county, nonprofit, and philanthropic programs suitable for maintaining and increasing the supply of affordable housing in Mill Valley.
- H5.3 **Housing Trust Fund.** Continue to implement and augment the Affordable Housing Trust Fund for the purpose of providing a source of funding for affordable housing.

Implementing Programs

■ **H5.A Adopt a Housing Trust Fund Ordinance and Operating Procedures.** Adopt a Housing Trust Fund Ordinance, specifying that monies paid into the fund will be used to develop or rehabilitate units affordable to very-low and low-income households. Explore other streams of financing to add to or match these funds, and establish administrative guidelines for land acquisition for affordable housing; capital improvements for affordable housing developments; and other implementation actions.

Responsibility: Planning Department; City Manager; City Council.

Financing: Staff time.

Objectives: Provide funding to facilitate implementation of Housing Element programs.

Timeframe: 2006.

■ **H5.B Seek Additional Local Sources of Funding.** Develop permanent local sources of funding to support affordable housing, including consideration of:

- a. In-lieu fee payments under inclusionary requirements (residential and non-residential developments).
- b. Voluntary donations.
- c. Increase in the Transient Occupancy Tax (as an alternative, increased revenue from the increase in the number of transient occupancy rooms could be used to support affordable housing).

Responsibility: Planning Department; City Manager; City Council.

Financing: Staff time.

Objectives: Create additional sources of funding.

Timeframe: June, 2004.

■ **H5.C Designate Staff to Generate Local Funding Sources.** Specify that in the next year staff will work with community and elected leaders to identify potential revenue sources, establish funding criteria, and develop administrative procedures for developing and implementing local sources of funding (enhanced by other sources where possible) to support local affordable housing initiatives.

Responsibility: Planning Department; City Manager; City Council.

Financing: Staff time.

Objectives: Staff resources allocated to generate additional funding for housing.

Timeframe: June, 2004.

■ **H5.D Coordinate Funding Among Development Proposals.** Recognizing that limited resources are available from the State and other sources, and accessing such resources is highly competitive, the City of Mill Valley will participate in efforts to establish administrative procedures to ensure adequate coordination between jurisdictions and development proposals on their various housing activities and funding proposals, ensuring that local projects are competitive for outside funding sources and these resources are used in the most effective manner possible. Potential sources of funding include, but are not limited to:

- a. CDBG/HOME.
- b. Marin Community Foundation.
- c. Applications for mortgage revenue bonds and/or mortgage credit certificates.
- d. Housing Trust Fund.
- e. Tax Credit Allocation.
- f. California Housing Finance Agency (CHFA)

Responsibility: Planning Department; City Manager; City Council.

Financing: Staff time.

Objectives: Efficient use of available funding for high priority developments.

Timeframe: Ongoing.

Effective Implementation and Monitoring: Take a proactive approach in sharing resources and making organizational changes to effectively create and respond to opportunities to achieve housing goals. Establish standardized methods (procedures, definitions, responsibilities, etc.) for the effective and efficient management of housing data among all jurisdictions in Marin and to establish a regular monitoring and policy/actions/priorities update process to assess needs achievements on an ongoing basis, and to effectively respond to changing conditions and the changing needs of the population.

H5.4 Organizational Effectiveness. In recognition that there are limited resources available to the City to achieve housing goals, the City will seek ways to organize and allocate staffing resources effectively and efficiently to implement the programs of the housing element.

H5.5 Housing Element Monitoring, Evaluation and Revisions. The City will establish a regular monitoring and update process to assess housing needs and achievements, and to provide a process for modifying policies, programs and resource allocations as needed in response to changing conditions.

Implementing Programs

■ **H5.E Conduct an Annual Housing Element Review.** Develop a process for the assessment of Housing Element implementation through annual review by the Mill Valley Planning Commission and City Council. Provide opportunities for public input and discussion, in conjunction with State requirements for a written



Single family residence

review by July 1 of each year. (Per Government Code Section 65583(3)). Based on the review, establish annual work priorities for staff, Planning Commission and City Council.

Responsibility: Planning Department; Planning Commission; City Council.

Financing: Staff time.

Objectives: Annual review of the Housing Element.

Timeframe: Annually in March of each year, prior to the budget cycle.

■ **H5.F Update the Housing Element Regularly.** Undertake housing element updates as needed, including an update to occur no later than June of 2006, in accordance with State law requirements.

Responsibility: Planning Department; Planning Commission; City Council.

Financing: Staff time.

Objectives: Comprehensive update of the Housing Element.

Timeframe: June, 2006.

■ **H5.G Support Establishment of a Countywide Housing Assistance Team (HAT).**

Support through coordination and other means, as determined appropriate for the City, the establishment of a Housing Assistance Team who can advise and assist staff in implementing housing programs and facilitating development of partnerships with affordable housing developers for specific projects. The HAT can consist of a pool of specialists with the following specialties: A local architect, an individual with knowledge regarding underwriting housing financing and available funding sources, a local community representative who is knowledgeable about local issues.

Responsibility: Planning Department; City Council.

Financing: Marin County; possible contributions by the City (Housing Trust Fund).

Objectives: Establishment of HAT to assist in program implementation.

Timeframe: January, 2003; implementation thereafter.

■H5.H Support Establishment of a Permanent County “Affordable Housing Strategist” Position. Support through coordination and other means, as determined appropriate for the City, the establishment of a full-time, permanent County Housing Strategist position with adequate support staffing to work with the City in creating affordable housing opportunities. The role of the Affordable Housing Strategist and supporting staff will be to implement the recommendations of the Inter-Jurisdictional Strategic Action Plan for Housing and coordinate the HAT, as described above.

Responsibility: Planning Department; City Council

Financing: Marin County; possible contributions by the City (Housing Trust Fund)

Objectives: Establishment of Affordable Housing Strategist to assist in program implementation

Timeframe: January, 2003; implementation thereafter

■H5.I Support Establishment of a Countywide Housing Data Clearinghouse. Coordinate with other jurisdictions, as determined appropriate for the City, the establishment of a central housing data clearinghouse, under the Housing Strategist position (see program H5.H above), with up-to-date information on housing conditions in the County (by jurisdiction), best practices, State law, funding opportunities, and related housing information. See Appendix B.

Responsibility: Planning Department

Financing: Marin County; possible contributions by the City (Housing Trust Fund)

Objectives: Establishment of data methodologies; effective data collection and monitoring

Timeframe: January, 2003; implementation thereafter