THE CITY OF
NOVATO
CALIFORNIA

922 Machin Avenue
Novato, CA 94945
415/899-8900
FAX 415/899-8213
www.novato.org

Mayor
Pat Eklund
Mayor Pro Tem
Denise Athas
Councilmembers
Pam Drew
Josh Fryday
Eric Lucan

Interim City Manager
Cathy Capriola

May 19, 2016

Housing Policy Department
Received on:
MAY 24 2016

Lisa Bates, Deputy Director
Department of Housing and Community Development
Division of Housing Policy Development
P.O. Box 952053
Sacramento, CA 94252-2053

RE: Annual Housing Element Progress Report for 2015
Dear Ms. Bates:

Pursuant to Government Code Section 65400(a)(2), attached please find the City of Novato Annual Housing Element Progress Report for 2015. The Progress Report was reviewed by the Novato Planning Commission at its regularly scheduled hearing of May 2, 2016, and by the Novato City Council at its regularly scheduled hearing of May 17, 2016.

Please call me at 415.899.8940 if you have any questions.

Sincerely,

Hans Grunt
Senior Planner

Attachments:

1. HCD submittal cover form, filled-out
2. City of Novato Annual Housing Element Progress Report for 2015

Department of Housing and Community Development

ANNUAL HOUSING ELEMENT PROGRESS REPORT

City or County Name: Novato

Mailing Address: 922 Machin Avenue, Novato, CA 94945

Contact Person: Hans Grunt Title: Senior Planner

Phone: (415) 899-8940 FAX: (415) 899-8217 E-mail: hgrunt@novato.org

Reporting Period by Calendar Year: from January 31, 2015 to December 31, 2015

These forms and tables, (see sample – next page) must be submitted to HCD and the Governor's Office of Planning and Research (OPR) on or before April 1, of each year for the prior calendar year; submit separate reports directly to both HCD and OPR (Government Code Section 65400) at the addresses listed below:

Department of Housing and Community Development
Division of Housing Policy Development
P.O. Box 952053
Sacramento, CA 94252-2053
-and-
Governor's Office of Planning and Research
P.O. Box 3044
Sacramento, CA 95812-3044

ANNUAL ELEMENT PROGRESS REPORT
Housing Element Implementation
(CCR Title 25 §6202)

Jurisdiction Novato

Reporting Period 1/1/2015 - 12/31/2015

Table A

Annual Building Activity Report Summary - New Construction
Very Low-, Low-, and Mixed-Income Multifamily Projects

Housing Development Information									Housing with Financial Assistance and/or Deed Restrictions		Housing without Financial Assistance or Deed Restrictions
1	2	3	4				5	5a	6	7	8
Project Identifier (may be APN No., project name or address)	Unit Category	Tenure R=Renter O=Owner	Affordability by Household Incomes: Very Low-Income	Low-Income	Moderate-Income	Above Moderate-Income	Total Units per Project	Est. # Infill Units*	Assistance Programs for Each Development: See Instructions	Deed Restricted Units: See Instructions	Note below the number of units determined to be affordable without financial or deed restrictions and attach an explanation how the jurisdiction determined the units were affordable. Refer to instructions.
Oma Village?	MF	R	14				14	14		Affordable Housing Agreement	
1039 Second St.	SU	R	1				1	1			Second unit survey
36 Manzano Ct.	SU	R	1				1	1			Second unit survey
(9) Total of **Moderate and Above Moderate** from Table A3 ► ►					1	15	16	16			
(10) Total by income Table A/A3 ► ►			16		1	15	32	32			
(11) Total **Extremely Low-Income** Units*											

* Note: These fields are voluntary

ANNUAL ELEMENT PROGRESS REPORT
Housing Element Implementation
(CCR Title 25 §6202)

Jurisdiction Novato

Reporting Period 1/1/2015 - 12/31/2015

Table B

Regional Housing Needs Allocation Progress

Permitted Units Issued by Affordability

Enter Calendar Year starting with the first year of the RHNA allocation period. See Example.			2014	2015								Total Units to Date (all years)	Total Remaining RHNA by Income Level
Income Level		RHNA Allocation by Income Level	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9		
Very Low	Deed Restricted	111		14								14	94
	Non-deed restricted		1	2								3	
Low	Deed Restricted	65	10									10	55
	Non-deed restricted												
Moderate	Deed Restricted	72	1	1								2	70
	Non-deed restricted												
Above Moderate		167	19	15								34	133
Total RHNA by COG. Enter allocation number:		415	31	32								63	352
Total Units ► ► ►													
Remaining Need for RHNA Period ► ► ► ► ►													

Note: units serving extremely low-income households are included in the very low-income permitted units totals.

ANNUAL ELEMENT PROGRESS REPORT
Housing Element Implementation
(CCR Title 25 §6202)

Jurisdiction Novato

Reporting Period 1/1/2015 - 12/31/2015

4.A Promote Solar Design	Opportunities for new solar installations	Ongoing	Pursuant to Section 19.20.110 of the Zoning Ordinance, all projects requiring discretionary approval are reviewed for opportunities to incorporate passive and/or active solar solutions e.g. street and lot layout, building sighting, setbacks, building design, etc.
4.B Implement "Green" Building Standards and Processes	Construction of energy-efficient buildings	Ongoing	In November 2013, the City adopted the 2013 California Green Building Standards Code ("CALGreen") with local amendments adopting CALGreen Tier 1 requirements for new construction only. These measures incorporate greener building standards related to planning and design, water efficiency and conservation, material conservation and resource efficiency, and environmental quality. The City is now implementing Tier 1 standard requirements for energy efficiency to new construction.
5.A Ensure Adequate Tenanting, Management, and Safety for Multi-family Housing	Tenanting and management regulations and procedures	December 2014 Ongoing	A task force including City Police Dept. and Community Development Dept. staff implements the "Crime-Free Multi-Family Housing Program"—the first of its kind in Marin County—to assist property owners and managers of multifamily housing through education and resources in ensuring that their residents and their properties are safe and crime-free. Additionally, in September 2015, the City Council adopted Tenanting, Management and Safety (provisions) for Multi-family Housing, Chaper 4, Divisoin 15 of the Municipal Code. This program implementation is now ongoing.
5.B Link Code Enforcement with Public Information Programs	30 loans from available programs to very low-income households by 2023	Ongoing	Through the City's website, the Building Division maintains information about building and fire code enforcement to ensure compliance with basic health and safety building standards.
5.C Implement Rehabilitation and Energy Loan Programs	30 loans from available programs to very low-income households by 2023	Ongoing	The City continues to work with the Marin Housing Authority to make residential rehabilitation loan programs available to eligible owner and renter households. In 2015, the City expanded its Property Assessed Clean energy (PACE) financing program offerings to include California Hero, Ygrene, Figtree and CDSA's Open Market PACE. PACE programs enable property owners to finance energy and water efficiency and renewable energy projects as an assessment on their property tax bills.
5.D Modify the City's Condominium Conversion Ordinance	Amend Condominium Conversion Ordinance	Consider Ordinance by June 2015; other activities would be ongoing	Ordinance not yet adopted.
5.E Inventory Affordable Housing	Preservation of affordable housing units	Ongoing	The City maintains an Affordable Housing Database. It is an ongoing database that currently includes location, number of units, clientele, etc.

ANNUAL ELEMENT PROGRESS REPORT
Housing Element Implementation
(CCR Title 25 §6202)

Jurisdiction Novato

Reporting Period 1/1/2015 - 12/31/2015

6.A Identify Existing Employee Housing Opportunities	Increase housing opportunities for local employees	Ongoing	The City is working with the Buck Institute on a 130-unit housing development plan to be available to Institute employees. The City is prepared to work with existing and new employers to identify opportunities to secure housing for their employees.
6.B Promote Zoning for Live/Work Opportunities	Increase housing opportunities for local employees	December 2015 and ongoing	The City's Zoning Ordinance recognizes live/work projects as a permitted use in Business and Professional Office Districts, General Commercial Districts, Downtown Core Retail and Business Districts, Commercial/Industrial Districts, and Light Industrial/Office Districts.
6.C Transit-Oriented Development Incentives	Provide incentives for transit-oriented development	Evaluate zoning ordinance amendments by June 2015	Pursuant to Program 6.C the City, upon request, will evaluate and consider incentives such as parking reductions, off-site parking and transit impact fee reductions to benefit transit-oriented residential development based on criteria including, but not limited to, proximity to transit services(s), integration of transit facilities and services, unit affordability and high-quality design. An evaluation of possible formal amendments to the Zoning Code to incentivize transit-oriented development has not yet been prepared.
7.A Encourage Co-Housing, Cooperatives, and Similar Collaborative	Development of co-housing opportunities	December 2015 and ongoing as opportunities arise	On an ongoing and as-needed basis the Community Development Department works with developers interested in multi-family housing that includes co-housing amenities including, but not limited to, group dining facilities and similar common facilities.
7.B Facilitate Homesharing and Tenant Matching Opportunities	Create homesharing opportunities	December 2015 and ongoing	Planning staff regularly refer inquires about homesharing to Homeward Bound of Marin, the chief provider of transitional and long -term housing and support services for the City and the County of Marin.
7.C Zone and Provide Appropriate Standards for SRO Units	Amend municipal code; development of housing for extremely low income households	December 2015	Not yet implemented.
7.D Housing Opportunities on School District Properties	Development of affordable housing	As surplus properties become available	With the School District, staff has and will continue to review possibilities for developing school properties for housing. To date, no formal project proposals have been developed in conjunction with Novato School District representation.
7.E Implement Transfer of Development Rights (TDR)	Facilitate affordable housing development	Ongoing	If proposed, the Community Development Department will evaluate projects including a transfer of development rights on a case-by-case basis for action by the appropriate decision-making body - typically City Council following a recommendation by Planning Commission.

ANNUAL ELEMENT PROGRESS REPORT
Housing Element Implementation
(CCR Title 25 §6202)

Jurisdiction Novato

Reporting Period 1/1/2015 - 12/31/2015

9.E Facilitate Affordable Housing Development Review	Facilitate affordable housing development	Ongoing	Ongoing - as proposals for affordable housing are submitted, Planning staff undertakes, to the extent feasible and adequate for public participation/input, timely review and reporting for Commission(s) and/or City Council action on entitlements. In 2014, the City approved the final map for the Walnut Meadow subdivision, a 12-unit single family development; in 2015 an affordable housing convenenat was recoreded for one of the homes restricting its long term pricing to moderate income households. The City also approved a final map for Mt. Burdell Place, 10 single family homes located off of Fourth St.. For each of the 10 homes affordable housing covenants were recorded in 2015, which will ensure long term pricing for low income households. The City also approved final design revisions to faciliitate the completion of Oma Village; 14 ELI rental units expected to be completed in 2016.
9.F Reduced Planning Processing Fees	Facilitate affordable housing development	Evaluate changes by June 2015	An evaluation of fixed fee waiver(s) or reductions for affordable housing on a sliding scale relative to the level of affordability has yet to be conducted. However, based on individual requests, the City Council has, on a case-by-case basis, authorized reductions in development impact fees for affordable housing developments where funding to offset reductions has been identified. In 2014, the City waived development impact fees and the residential development tax for Homeward Bound's Oma Village development, which contain 14 ELI family units. The amount of the fees waived totaled $201,148, or an average of $14,367 per unit. In 2015, the City commenced a waiver of development impact fees for Junior Accessory Dwelling Units (JADU); a fee reductoin of approx.$7,000.00. See 9.G below for additional fee reductions.
9.G Special District Fees	Facilitate affordable housing development	Evaluate changes by June 2015	In 2015 North Marin Water District and the Novato Sanitary District agreed to waive fees for second units, reducing development costs by approximately $26,000, and the Novato Fire Projection District agreed to waive requirements for sprinkler installations.
9.H Long-Term Housing Affordability Controls	Preservation of affordable housing units	Ongoing	Ongoing - for projects that do include income restricted units as a condition of entitlement approvals, the City will also impose long term affordability controls, typically through the recordation of an affordable housing agreement. In 2015, the City executed affordable housing agreements for ten low income units and one moderate income single family unit at Mt. Burdell Place located off of Fourth St., and Walnut Meadow located off of McClay Road respectively. An affordable housing agreement will be recorded in 2016 for 14 ELI unis at Oma Village apartments off Marin Valley Dr.

ANNUAL ELEMENT PROGRESS REPORT
Housing Element Implementation
(CCR Title 25 §6202)

Jurisdiction Novato

Reporting Period 1/1/2015 - 12/31/2015

13.C Conduct Outreach for Developmentally Disabled Housing and Services	Support programs to address needs of the developmentally disabled	By December 2015 and ongoing	Ongoing - The Community Development Department and Planning staff coordinate/refer assistance inquiries on a regular basis to Golden Gate Regional Center and the Marin Housing Authority. The City's website has not yet been updated to incorporate service provider information for developmentally disabled housing and services.
14.A Maintain and Develop Local Sources of Funding for Affordable Housing	Development of affordable housing	Ongoing	• The City maintains an Affordable Housing Programs fund that manages funds for affordable housing, a loan program for low and moderate household first-time homebuyers, and senior affordable housing. • The in-lieu fees, when required, have been increased. Depending on the size of the development, the fee ranges from $16,816 per dwelling unit for a 1-10 unit development to $33,631 per unit for a 20+ unit development. • Approximately $146K of CDBG funds are allocated to the City as part of Marin County's CDBG allocation. The City of Novato has a cooperation agreement with the County for the administration of CDBG funds. Although the funds are allocated through the County, the City Council determines which organizations to fund.
14.B Seek Funding Resources	Development of affordable housing	Ongoing	• The City has increased its affordable housing in-lieu fee. • City staff constantly explores different Federal and State resources to help fund potential affordable housing opportunities.
14.C Coordinate Funding Among Development Proposals	Development of affordable housing	Annually and ongoing	As affordable housing development becomes more complex, the City continues to coordinate with other lenders to accommodate all their respective requirements.
15.A Conduct an Annual Housing Element Review	Annual review of the housing element	Annually by April 1 of each year	The Housing Element Annual Report was reviewed by the City Council on May 17, 2016 and submitted to the State Department of Housing and Community Development and the Governor's Office of Planning and Research.
15.B Update the Housing Element Regularly	Timely update of the housing element	Ongoing	The next Housing Element due date is expected to be January 31, 2023.