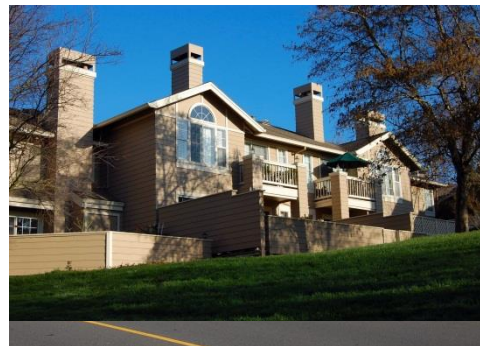




City of Novato Housing Element Update 2015-2023

July 30, 2014



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Introduction

Purpose of the Housing Element

This Housing Element has been prepared to respond to current and near-term future housing needs in Novato. It contains updated information and strategic directions, including policies and specific actions, that the City is committed to undertaking by the year 2023 to address its housing needs.

Housing Element Requirements

State law requires each city and county to adopt a general plan containing at least seven elements including a housing element. The housing element, required to be updated regularly, is subject to detailed statutory requirements and mandatory review by the State Department of Housing and Community Development (HCD). This Housing Element is an update of the City's current housing element¹, which was adopted by the Novato City Council on November 19, 2013, and certified by HCD on January 3, 2014.

Housing elements have been mandatory portions of general plans since 1969. This reflects the governors' and state legislatures' recognition that the availability of housing is a matter of statewide importance and that cooperation between local governments and the private sector is critical to attainment of the State's housing goals. While local jurisdictions regulate the housing supply through their planning and rezoning powers, they do so within the larger framework of State housing goals of providing decent housing and a suitable living environment for every California family.

Housing element law requires local governments to plan adequately to meet their existing and projected housing needs, including their share of the regional housing need.² Housing element law is the State's primary market-based strategy to increase housing supply, choice, and affordability. The law recognizes that in order for the private for-profit and non-profit sectors to adequately address housing needs and demand, local governments must adopt land-use plans and regulatory schemes that provide opportunities for, and do not unduly constrain, housing development.

The housing element process begins with HCD allocating a region's share of the statewide housing need to the local Council of Governments (COG) based on Department of Finance population projections and regional population forecasts used in preparing regional transportation plans. The COG develops a Regional Housing Need Plan (RHNP) allocating

¹ The City's 1999 - 2006 housing element may be found beginning on page III-1 of the Novato General Plan at: <http://www.cityofnovato.org/Modules/ShowDocument.aspx?documentid=3049>

² Housing element law is codified in Government Code Sections 65580-65589.8 of the California Codes available at: <http://www.leginfo.ca.gov/calaw.html>.

the region's share of the statewide need to the cities and counties within the region. The RHNP is required to promote the following objectives to:

1. Increase the housing supply and the mix of housing types, tenure, and affordability in all cities and counties within the region in an equitable manner.
2. Facilitate infill development and socioeconomic equity, the protection of environmental and agricultural resources, and the encouragement of efficient development patterns.
3. Improve the intraregional relationship between jobs and housing.³

The Association of Bay Area Governments (ABAG) is the Council of Governments for the nine counties and 101 cities and towns of the San Francisco Bay region. For the 2015-2023 planning period, the State Department of Housing and Community Development required ABAG to allocate 187,990 housing units throughout the Bay Area region.

Housing element law requires local governments to be accountable for ensuring projected housing needs can be accommodated. The process provides local control over where and what type of development should occur in local communities while providing the opportunity for the private for-profit and non-profit sector to meet market demand.

Review of the Draft Housing Element 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) for review of compliance with requirements of State law. This certification process is unique among the General Plan elements.

State law includes a significant list of information and analysis that must be included in a Housing Element. HCD will certify a Housing Element only if it incorporates all required content, including, but not limited to:

- A summary of the population and housing characteristics that contribute to the present and future housing need.
- A description of constraints on the development of housing.
- An evaluation of the existing Housing Element.
- An inventory of sites to accommodate the local jurisdiction's identified housing need.
- Programs to promote housing opportunities for all residents.

³ Association of Bay Area Governments, *San Francisco Bay Area Housing Needs Plan 2007-2014*, June 2008.

- A statement of quantified objectives that estimates the number of housing units by income level to be constructed, rehabilitated and conserved within the planning period.

Housing Elements are submitted to HCD for review and comment, in draft form during development of the Housing Element and again after adoption of the Housing Element by the local jurisdiction. The initial review period is 60 days. During the first review, HCD will submit comments back to the City regarding compliance of the draft element with State law requirements and HCD guidelines. If HCD finds that the draft element does not substantially comply with State law, modifications are typically considered by the City Council. Promptly following adoption of the element, the City must submit a copy of the adopted element to HCD for a second review. After the second review and within 90 days, HCD submits written findings regarding compliance to the local government.

Regional Housing Needs Allocation

Every city and county in the State of California has a legal obligation to respond to its share of the projected future housing needs in the region in which it is located. As mentioned above, for Novato and other Bay Area jurisdictions, the regional housing need allocation is determined by the Association of Bay Area Governments (ABAG), based upon an overall regional housing need number established by the State for the Bay Area region. The methodology for determining the community's share of the regional housing need allocation is described in the Association of Bay Area Governments' *Final Regional Housing Need Plan for the San Francisco Bay Area: 2014-2022*.

The income levels identified in Table 1 are based on the Marin County Median Family Income (MFI). In 2014 the MFI in Marin County is \$103,000. Income levels for four-person families are defined as follows:

- Extremely Low Income: Families with income less than 30 percent of MFI (under \$33,950).
- Very Low Income: Families with incomes between 30 and 50 percent of MFI (\$33,951 to \$56,550).
- Low Income: Families with incomes between 51 percent and 80 percent of MFI (\$56,551 to \$90,500).
- Moderate Income: Families with incomes between 81 percent and 120 percent of MFI (\$90,501 to \$123,600).
- Above Moderate Income: Families with incomes greater than 120 percent of MFI (over \$123,600).

Table 1 summarizes the housing needs allocations for all of the jurisdictions in Marin County. Novato's portion of the regional housing need for 2015-2023 is a total of 415 units, with the following income breakdown:

- 111 units affordable to *very low income* households (22.2%)

- 65 units affordable to *low income* households (13.8%)
- 72 units affordable to *moderate income* households (17.8%)
- 167 units affordable to *above moderate income* households (46.3%)

Novato’s 415 units represent 18 percent of the 2,298 units assigned to Marin County. In comparison, Novato’s share of Marin County’s total population is 20.6 percent.

Table 1: ABAG Housing Requirement Determination by Jurisdiction, 2014-2022

Location	Very Low	Percent Need	Low	Percent Need	Moderate	Percent Need	Above Moderate	Percent Need	Total Need	Percent of County
Belvedere	4	25.0%	3	18.8%	4	25.0%	5	31.3%	16	0.7%
Corte Madera	22	30.6%	13	18.1%	13	18.1%	24	33.3%	72	3.1%
Fairfax	16	26.2%	11	18.0%	11	18.0%	23	37.7%	61	2.7%
Larkspur	40	30.3%	20	15.2%	21	15.9%	51	38.6%	132	5.7%
Mill Valley	41	31.8%	24	18.6%	26	20.2%	38	29.5%	129	5.6%
Novato	111	26.7%	65	15.7%	72	17.3%	167	40.2%	415	18.1%
Ross	6	33.3%	4	22.2%	4	22.2%	4	22.2%	18	0.8%
San Anselmo	33	31.1%	17	16.0%	19	17.9%	37	34.9%	106	4.6%
San Rafael	240	23.8%	148	14.7%	181	18.0%	438	43.5%	1,007	43.8%
Sausalito	26	32.9%	14	17.7%	16	20.3%	23	29.1%	79	3.4%
Tiburon	24	30.8%	16	20.5%	19	24.4%	19	24.4%	78	3.4%
Marin Unincorporated	55	29.7%	32	17.3%	37	20.0%	61	33.0%	185	8.1%
Marin County Total	618	26.9%	367	16.0%	423	18.4%	890	38.7%	2,298	100.0%

Source: Association of Bay Area Governments, "Regional Housing Needs Determinations" 2014-2022

Novato’s regional housing need for the 2015-2023 planning period is substantially less than the previous planning period. For the 2007-2014 period, Novato’s regional housing need allocation was 1,241 units, which is almost three times the current allocation

Every Housing Element must demonstrate that the local jurisdiction has made adequate provisions to support the development of housing at the various income levels to meet its share of the regional housing needs. The most recent HCD income limits, by county and size of household, can be accessed online at:

<http://www.hcd.ca.gov/hpd/hrc/rep/state/inc2k14.pdf>. Income limits are updated annually by the US Department of Housing and Urban Development (HUD) for each county. For many State and local programs, HCD income eligibility limits are used. HCD income limits are similar to those used by HUD.

The ABAG Regional Housing Needs Allocation figures for all jurisdictions in the Bay Area can be found on the ABAG website at:

http://www.abag.ca.gov/planning/housingneeds/pdfs/2014-22_RHNA_Plan.pdf.

Recent Changes to Housing Element Law

Since the adoption of Novato's existing Housing Element in 2003, the California legislature has enacted numerous new laws related to Housing Elements. The Housing Element Update will need to comply with these laws. The most important new laws include:

- AB 2348 (2004), which amends California Government Code Sections 65583, 65583.1, 65589.5, 65915, and adds 65583.2: Requires a more detailed inventory of sites to accommodate projected housing needs and provide greater development and housing element review clarity.
- AB 1233 (2005), adds California Government Code Section 65584.09: Requires, in the case that a prior element failed to identify or implement adequate sites, the local government to zone or rezone to address this need within one year of update (in addition to the new projected need).
- SB 1087 (2005), adds California Government Code Section 65589.7: Requires local governments to immediately forward adopted housing elements to water and sewer providers. Requires water and sewer providers to establish specific procedures to grant priority service to affordable housing for lower-income households. Prohibits these providers from denying or conditioning the approval of, or reducing the amount to service for, an application for development that includes housing affordable to lower-income households unless specific findings are made.
- AB 2634 (2006), amends California Government Code Section 65583: Requires the quantification and analysis of existing and projected housing needs of extremely low-income households. Housing elements must also identify zoning to encourage and facilitate supportive housing and single-room occupancy units.
- SB 2 (2007), amends California Government Code Sections 65582, 65583 and 65589.5: Requires local jurisdictions to strengthen provisions for addressing the housing needs of the homeless, including the identification of zones in which emergency shelters are permitted without conditional use permits.
- SB 812 (2010), amends California Government Code Section 65583: Requires local governments to include an analysis of the special housing needs of persons with developmental disabilities.
- SB 375(Steinberg, 2008) made several important changes to housing element law, including:

Longer Planning Period – extends the housing element planning period from 5 years to 8 years, in order to better synchronize the Regional Transportation Plan (RTP) process with the Regional Housing Needs Allocation (RHNA) and housing element process. (Gov't Code section 65588(b) & (f))

Consequences for Failing to Adopt an Element – Any local government that does not adopt a housing element within 120 days of the statutory deadline, falls out

of the eight-year cycle and must adopt an element every four years. (Gov't Code Section 65588 (b))

Clearer Mandate on Sites for Housing – Where rezonings are needed because the housing element does not identify enough existing land to accommodate the locality's housing need, all necessary rezonings must be completed within three years of the housing element's adoption, or 90 days after the locality receives its comments from HCD, whichever occurs first. A locality may get an additional year to complete the rezonings if it has completed 75% of the necessary rezoning and meets one of three factors. (Gov't Code Section 65583(c)(1)(A))

Program Implementation – In addition to rezoning, SB 375 clarified that housing element programs (e.g., a program to establish a housing trust fund) must include a timeline for implementation. That timeline must be such that “there will be beneficial impacts of the program within the planning period.” (Gov't Code Section 65583(c))

Consequences for Failing to Rezone – There are two new consequences for local governments that do not complete the rezoning within the specified period.

- 1) **“Builder’s Remedy”** – A developer of housing in which at least 49% of the units are affordable to very low, low and moderate income households can develop on any of the sites proposed for rezoning, as if the site had been rezoned. The local government can turn down the proposal only where it makes a finding the project would have a specific adverse impact on public health or safety that cannot be mitigated. (Gov't Code 65583 (g))
- 2) **Action to compel rezoning** – Any interested party can bring an action to compel the city to complete the rezonings within 60 days, and seek sanctions for failure to do so. (Gov't Code Section 65587(d))

Annual Check – in: Local governments must submit an annual progress report that accounts for progress in implementing programs in the housing element. It must hold a public meeting on the progress report and submit said report to HCD. *Note:* This report is now prepared based on a report template developed by HCD. (Gov't Code Section 65400)

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.

In early 2014, City staff began work on updating the Housing Element for the 2015-2023 planning period in conjunction with the 5th cycle of applied Regional Housing Needs Allocation (RHNA) administered by the Association of Bay Area Governments. The 2015-

2023 Housing Element update commenced only three months after adoption of the 2007-2014 Housing Element prepared in conjunction with the 4th RHNA cycle, an update that included a very comprehensive public outreach and participation process. As a result, this draft Housing Element continues many of the existing Housing Element programs, less programs implemented to date, that were developed through collaboration with community members and various housing groups, community organizations and housing sponsors. The draft 2015-2023 Housing Element also adds several new programs that have received broad support, address current housing needs, and advance housing opportunities in Novato. In particular, the 2015-2023 Element includes a new program to incentivize the creation of Junior Second Units, Program 11.B, which is a form of accessory dwelling unit subject to fewer regulations and reduced fees.

For the 2015-2023 draft Housing Element update staff conducted three public workshops on April 28th, June 2nd and June 10th 2014 in the City Council Chambers, 901 Sherman Ave. Notification for the workshops included publication in the Marin Independent Journal (a local newspaper), posting on the City's website, and email distribution to individuals and/or groups registered, to date, through the City's website to receive, via email, information on this and the prior Housing Element update (over 5,000 registered email addresses). Email recipients include individuals that are or have been involved with the Novato Housing Coalition, Stand Up for Neighborly Novato, Sustainable Novato, the Greenbelt Alliance, the Marin Continuum of Housing and Services, the Marin Housing Authority, Eden Housing, Ecumenical Association for Housing, Grassroots Leadership Network, Housing Leadership Alliance, Novato Chamber of Commerce, San Marin Compatible Housing Coalition, Novato Community Alliance, Marin Tenants Voice Council, Novato Human Needs Center, Marin Partnership to End Homelessness, Northbay Family Homes and the Marin County Commission on Aging.

The workshops were well attended. Staff reviewed 1) the fundamental purpose/function of the Housing Element, 2) progress in implementing existing programs in the 2007-2014 Housing Element, 3) current demographic information relative to housing supply and demand, 4) the City's 5th cycle RHNA and its ability to accommodate, 5) recent efforts to further advance housing opportunities in Novato, namely draft provisions for "Junior Second Units", and 6) the pending public process and schedule to complete the 2015-2023 Housing Element update. Staff's overview was followed by an informed discussion with attendees about issues and opportunities relative to the update.

The subsequent schedule to complete the 2015-2023 Housing Element update proceeded as follows:

April 28, 2014: public Workshop, overview of the Housing Element update (*completed*);

June 2, 2014: public hearing with Planning Commission to receive input on the draft Housing Element (*completed*);

June 2, 2014: public hearing with City Council to receive input on the draft Housing Element (*completed*);

June 27 and again on July 30, 2014: submitted draft Housing Element to State Dept. of Housing and Community Development (HCD);

August 26, 2014: received tentative compliance letter from HCD for the July 30, 2014 draft Housing Element;

September-October 2014: Environmental review documents prepared;

October 20, 2014: Public hearing of the Planning Commission concluded with a recommendation to City Council to adopt the draft Housing Element dated July 30, 2014; and

November 18, 2014: Public hearing of the City Council concluded with adoption of the draft Housing Element dated July 30, 2014.

For all of the public meetings listed above staff provided notification in the Marin Independent Journal, posting on the City's website, and email to all individuals and groups that registered (over 5,000 email addresses) through the City's website to receive, via email, information on the Housing Element update. Additionally, staff provided notification to representatives of the organizations and agencies listed above. Lastly, any requests for notification by conventional mail were also honored.

Consistency with the Novato General Plan

The General Plan serves as the blueprint for development in the city. It is a long-range planning document that describes the goals, policies and programs to guide decision making. Once the General Plan is adopted, all development-related decisions must be consistent with the plan. If a development proposal is not consistent, it must be revised or the General 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 among it and the other General Plan elements.

A comprehensive update of the Novato General Plan was conducted in the mid-1990s, and the current plan was adopted in 1996. It contains nine elements, including Land Use, Transportation, Environment, Safety & Noise, Economic Development and Fiscal Vitality, Human Services, Public Facilities and Services and Community Identity. The development potential and programs of the updated Housing Element are consistent with the land use and development projections of the General Plan. Land use and development projections of the General Plan are also linked to planned facilities and infrastructure capacity. Specific issues addressed in other sections of the General Plan but which are linked to and supported in the Housing Element include: (1) the design of housing (Community Identity); (2) relationship of jobs to housing supply (Economic Development and Fiscal Vitality); (3) Land Use); and (44) support service for housing (Human Services).

In 2011, The Governor signed SB 244 which requires local governments to make determinations regarding 'disadvantaged unincorporated communities,' defined as a community with an annual median income that is less than 80 percent of the statewide annual median household income. The City has determined that there are no unincorporated island, fringe or legacy communities, as defined in the legislation, inside or near its boundaries.

The draft Housing Element 2015-2023 has been reviewed in relationship to the Novato General Plan and has been found to be internally consistent with the other elements of the City's General Plan. Whenever any element of the general plan is amended in the future, the housing element will be reviewed and modified, if necessary, to maintain continued consistency among the elements.

Evaluation of the Current Housing Element

Introduction

State Housing Element law requires an evaluation of the achievements of the City's housing goals, policies and programs adopted in the current 2007-2014 Housing Element. Three major areas of consideration must be addressed through the evaluation process and reflected in the updated Housing Element:

- **Appropriateness of Goals, Objectives, and Policies** (65588(a)(1)). A description of the appropriateness of the goals, objectives, and policies of the element in contributing to the State housing goal.
- **Effectiveness of the Element** (65588(a)(2)). The effectiveness of the housing element in attainment of the community's housing goals and objectives. A review of the actual result of the element's goals, objectives, policies and programs.
- **Progress in Implementation** (65588(a)(3)). The progress of the City in implementing the housing element, including analysis of the significant differences between what was projected or planned in the element and what was achieved.

Evaluation of Housing Goals, Policies and Programs

The current 2007-2013 Housing Element establishes housing objectives, policies and programs to enable the City to meet its portion of housing requirements as determined by the Association of Bay Area Governments. The 2007-2014 Housing Element includes five housing goals:

- Work together to achieve the City's housing goals
- Maintain and enhance existing housing and blend well-designed new housing into existing neighborhoods
- Use land efficiently to meet housing needs, minimize environmental impacts and maximize opportunities to use alternative transportation modes such as transit, bicycling and walking
- Provide housing for special needs populations that is coordinated with support services
- Build local government institutional capacity and monitor accomplishments to respond to housing needs effectively

Additionally, the 2007-2014 Housing Element contains 50 Policies and 55 different Implementing Programs that support the Housing Goals. This approach to addressing local housing needs reflects a comprehensive and ambitious series of initiatives, which the City has enacted, to varying degrees, but overall with good success.

The 2007-2014 Housing Element policies and programs resulted in 291 new housing units built during the planning period, meeting 23 percent of the overall housing requirement. Housing production fell well short of the regional housing need requirement all income categories. This is primarily attributed to the housing bust of 2007-2008 and subsequent economic recession. The City is still recovering from the economic downturn, as planning applications have not recovered to pre-recession levels.

The table below reports Novato’s results in meeting its share of housing needs from 2007 through 2013.

Table 2: Housing Units Built in Novato, 2007 - 2013

Income Groups	Very Low	Low	Moderate	Above Moderate	Total
Regional Housing Need January 1, 2007 – December 31, 2013	275	171	221	574	1,241
Housing Units Built	71	6	117	100	291
Under/Over RHNA (-/+)	-204	-168	-104	-474	-950
% RHNA Met	26%	4%	53%	17%	23%

In addition to the production of new housing, approximately 400 housing units were rehabilitated over the period. These rehabilitated housing units were identified through a review of the City’s building permit database and represent structures that were significantly renovated with new plumbing, electrical and heating systems, roofs, and/or foundations, etc. The data does not identify rehabilitated units by income levels. However, the Marin Housing Authority, which provides low-cost residential rehabilitation loans to very-low income households, funded 31 loans in Novato between 2007 and 2013. In addition to rehabilitated units, the City preserved its deed-restricted housing stock during the 1999-2006 planning period.

Program Achievements

The following is a list of selected accomplishments that relate to specific programs in the existing Housing Element. The corresponding program number from the existing Housing Element is identified in parenthesis following each accomplishment.

- Established an Affordable Housing Overlay (AHO) and assigned five residential and non-residential sites appropriate for the AHO zone, resulting in the opportunity to provide a minimum of 201 housing units for low and very-low income households. (Program 9.B)
- Contributed \$350,000 in predevelopment funds and \$1.15 million in development funds to the 61-unit very-low-income Warner Creek Senior Housing Development

(Diablo Avenue). Warner Creek opened in January 2013, is now fully occupied, and has a waiting list.(Program 14.C)

- Facilitated the development of the Next Key project, a 32-unit Single Room Occupancy (SRO) development for extremely-low income individuals, by approving necessary zoning amendments for the project. (Program 13.B)
- Committed \$400,000 to Homeward Bound for development of Oma Village which will provide 14 homes for Extremely Low Income families. (Program 7.F)
- Updated parking standards and made them more flexible to provide more opportunity for accessory dwelling units. (Program 11.A)
- Adopted density bonus provisions in compliance with State law and included added incentives for senior housing production. (Program 9.E)
- Adopted zoning provisions to accommodate emergency shelters pursuant to Government Code Section 65583(a)(4)(A). (Program 12.A)
- Adopted zoning provisions to permit transitional and supportive housing in compliance with Government Code Section 65583(a)(5). (Program 12.D)
- Adopted a Reasonable Accommodation Ordinance to establish a procedure for individuals with disabilities to make requests for reasonable accommodation in land use, zoning and building regulations, policies and procedures. (Program 12.C)
- Reduced accessory dwelling unit permit and impact fees by half in order to encourage production of these units, and encourage the water and sanitary districts to reduce their fees. (Program 11.A)
- In 2010, adopted a green building ordinance that incorporated energy efficiency and conservation and green building requirements for residential and commercial development. In 2013, the City adopted the 2013 CAL Green Building Code which regulates both new and remodeled/expanded residential and non-residential buildings. The energy requirements of the new State code are significantly more stringent than the prior code (an approximately 25 percent reduced energy budget for new home, 30 percent reduction for commercial buildings and 14 percent reduction for multi-family structures) and are intended to progress to net zero energy homes by 2020 and commercial structures by 2030. The City also adopted CAL Green 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. (Program 4.B)

Appendix A contains a detailed evaluation of the 55 Implementing Programs from the 2007-2014 Housing Element. Program results are analyzed against original program objectives. Programs and policies are then evaluated for inclusion in the updated housing element, and recommendations are made to continue, modify, or delete the policy or program.

Housing Needs Analysis

Population Trends

Novato, incorporated in 1960, is a relatively young city with a more rural/suburban historical character when compared to other cities in Marin County. From an initial population of 17,881, the City experienced a rapid rise in population between 1960 and 1980, and then settled into a slower rate of growth. The population increased by 8.4 percent between 1980 and 1990, and grew by just 45 people from 1990 to 2000. Between 2000 and 2010, the population increased by 4,247 people, or 9 percent. Much of the increase in that last decade can be attributed to the re-use of Hamilton Air Force Base, which added over 1,170 new housing units to the city. As of April 2010, the Novato population was 51,904.

Figure 1: Novato Population, 1960-2010

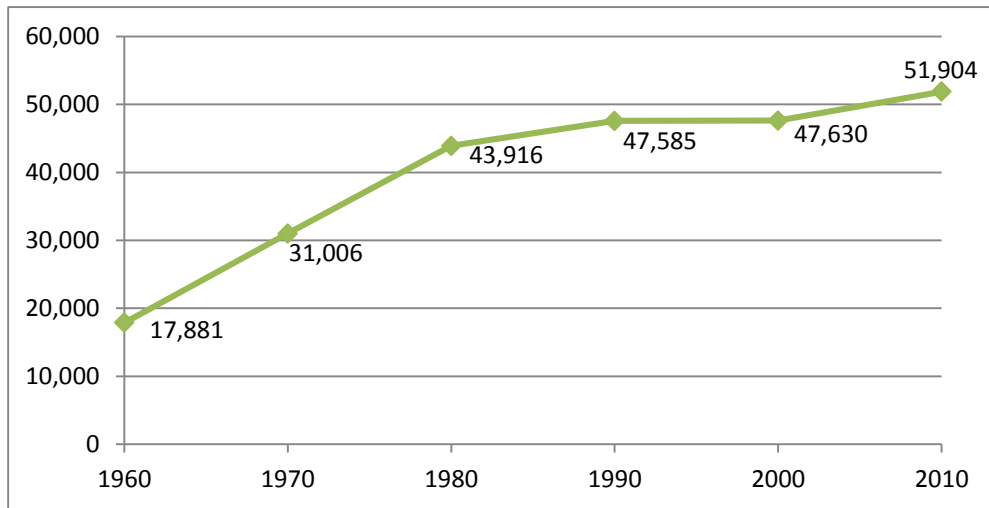


Table 3: Population Growth Trends, 1960-2010

Year	Population	Numerical Change	Percent Change
1960	17,881		
1970	31,006	13,125	73.4%
1980	43,916	12,910	41.6%
1990	47,585	3,669	8.4%
2000	47,630	45	0.1%
2010	51,904	4,274	9.0%

Source: 1960 Census; 1970 Census; 1980 Census; 1990 Census (STF1:P001); 2000 Census (SF1:P1); 2010 Census (SF1:QT-P1)

As shown in Table 4, the population growth rate of Novato between 2000 and 2010 was higher than all other cities and towns in Marin County. This can be attributed, in part, to the redevelopment of the Hamilton Air Force Base, which represented a unique military base redevelopment opportunity, unlike prior and subsequent development in Novato.

Table 4: Population Growth Trends in Marin County Jurisdictions

Jurisdiction	1990	2000	2010	Numerical Change 2000-2010	Percent Change 2000-2010
Belvedere	2,147	2,125	2,068	-57	-2.7%
Corte Madera	8,272	9,100	9,253	153	1.7%
Fairfax	6,931	7,319	7,441	122	1.7%
Larkspur	11,070	12,014	11,926	-88	-0.7%
Mill Valley	13,038	13,600	13,903	303	2.2%
Novato	47,585	47,630	51,904	4,274	9.0%
Ross	2,123	2,329	2,415	86	3.7%
San Anselmo	11,743	12,378	12,336	-42	-0.3%
San Rafael	48,404	56,063	57,713	1,650	2.9%
Sausalito	7,152	7,330	7,061	-269	-3.7%
Tiburon	7,532	8,666	8,962	296	3.4%
Unincorporated County	64,099	68,735	67,427	-1,308	-1.9%
Total Marin County	230,096	247,289	252,409	5,120	2.1%

Source: 1990 Census (STF1:P001); 2000 Census (SF1:P1); 2010 Census (SF1:QT-P1)

According to 2013 projections by the Association of Bay Area Governments (ABAG), the Novato population is expected to increase by 1,996 persons to a total population of 53,900 by 2025 at an estimated annual growth rate of 0.3 percent between 2010 and 2025⁴. ABAG has projected the population of Marin County as a whole to increase by 14,191 persons by 2025 at an estimated annual growth rate of 0.4 percent between 2010 and 2025, for a total population of 266,600 in 2025.

It is significant in Novato that population trends by age groups show a dramatic increase in the number of seniors 65 years of age over the past thirty years and a sharp decline in the number of people under 25 years. The number of people under 25 decreased 2,646 people between 1980 and 2010, while this age group's share of the population declined from 40 percent to 29 percent. Over the same thirty-year period, the senior population increased 8,123 people and grew from 6 percent of the population to 16 percent – a 167 percent

⁴ Association of Bay Area Governments, Plan Bay Area Projections 2013.

increase. The population of people age 25-64 years grew by 5,297 people, but held a relatively stable share of the total population.

Figure 2: Age Groups, 1980-2010

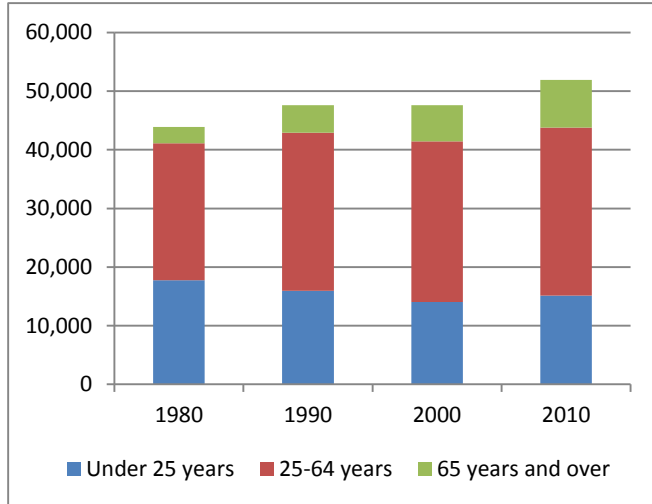


Figure 3: Age Groups as a Percent of Population, 1980-2010

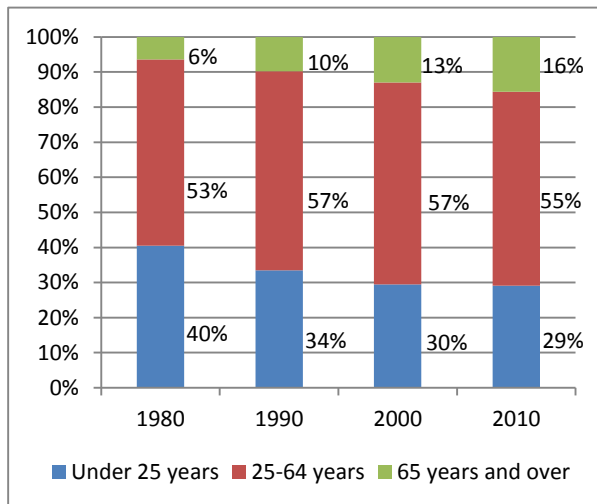


Table 5: Age Groups, 1980-2010

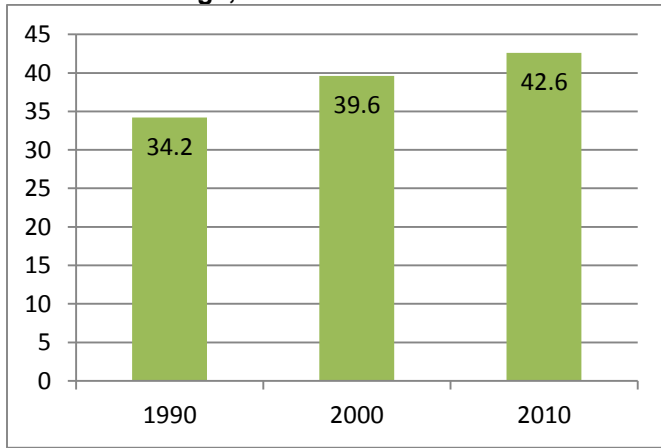
Year	Under 25 years	25-64 years	65 years and over
1980	17,770	23,320	2,826
1990	15,941	26,980	4,663
2000	14,054	27,382	6,194
2010	15,124	28,657	8,123
Change in population 1980-2010	-2,646	+5,337	+5,297
Change in percent of population 1980-2010	-28%	+4%	+143%

Source: 1980 Census; 1990 Census; 2000 Census (SF1:P12 and P13); 2010 Census (SF1:QT-P1)

The Novato senior population is increasing at a rate that far surpasses the national rate for this population. Over the last decade, the population of Novato residents age 65 or older grew by 31 percent, while the rest of the Novato population grew by just 6 percent. By comparison, the population of seniors in the United States grew by 15 percent, while the rest of the population grew by 9 percent.

The aging population has lifted the median age of Novato from 34.2 years in 1990 to 42.6 years in 2010. Novato’s rising median age reflects that of the other Marin communities. At 44.5 years, Marin County’s median is the oldest in the Bay Area and the 14th oldest of California’s 58 counties.

Figure 4: Median Age, 1990-2010



The Department of Finance predicts significant increases in Marin’s elderly population as the baby boom generation ages. While the total population is expected to increase in Marin by just 1.1 percent between 2010 and 2030, the number of seniors 65 and over is projected to

increase by over 57 percent.⁵ By the year 2030, approximately 26 percent of the Marin population will be aged 65 or more; currently, 16 percent of the Novato population is 65 or older. Many of these older residents will choose to “age in place,” increasing demand for home supportive services, or stay in their community if adequate senior housing is available. The aging population is also expected to increase demand for assisted living and senior residential facilities.

Employment Trends

Novato residents are employed in a variety of industries, with the majority working in education, health services, professional/scientific occupations, management, finance and retail, as shown in Table 6.

Table 6: Employment by Industry

Industry Type	Number	Percent
Agriculture, forestry, fishing and hunting, and mining	276	1.1%
Construction	1,966	7.7%
Manufacturing	1,527	6.0%
Wholesale trade	611	2.4%
Retail trade	2,666	10.5%
Transportation, warehousing, and utilities	839	3.3%
Information	871	3.4%
Finance, insurance, real estate, rental and leasing	2,499	9.8%
Professional, scientific, management, administration	3,695	14.5%
Educational, health and social services	5,559	21.8%
Arts, entertainment, recreation, accommodation and food services	1,592	6.3%
Other services	2,225	8.7%
Public administration	1,124	4.4%
TOTAL	24,450	100%

Source: U.S. Census Bureau, 2008- 2010 American Community Survey (DP03)

According to the 2011 City of Novato Economic Report, Novato has seen a growth of approximately 3,600 jobs since 2002, while Marin County overall lost over 9,000 jobs. Job gains over the last decade occurred in a broad array of sectors.

⁵ State of California, Department of Finance, *Population Projections for California and Its Counties 2000-2050, by Age, Gender and Race/Ethnicity*, Sacramento, California, July 2007.

Health care, private education and professional/scientific services lead the way. Sutter Health expanded its presence in Novato in order to accommodate its needs for additional medical office space. Biotechnology is also thriving in Novato. BioMarin, the city’s largest employer, has spawned startups Raptor Pharmaceuticals and Ultragenyx; MarinBiologic also launched in Novato. Most recently, the Buck Institute for Aging Research completed a 60,000 square foot expansion project. Expansion in these sectors reflects job growth in well-paying, skilled jobs. Retail, construction and finance have seen some contraction; these industries are still in recovery after the recent recession.

Novato’s largest private and public sector employers in 2013 are listed in Table 7.

Table 7: Largest Novato Employers in 2013

Employer	Number of Employees
BioMarin Pharmaceutical	850
Novato Unified School District	771
Fireman’s Fund Insurance Company	750
Novato Community Hospital	289
Buck Institute for Aging	272
Frank Howard Allen, Realtors	248
W. Bradley Electric	230
Brayton Purcell (legal services)	209
Bank of Marin	197
City of Novato	187
Cagwin & Dorward (landscaping services)	185
Costco Wholesale	120
Safeway	120
Target	100
<i>Source: City of Novato Existing Conditions Report, 2014.</i>	

Retail business in Novato takes many forms. Vintage Oaks Shopping Center is a 620,000 square foot regional shopping center that serves as home to Costco, Target, Macy’s Furniture Center, Pier 1, Novato Toyota, and many other national and local retailers and restaurants. There is an active retail area in downtown Novato with shops and restaurants as well as offices and some residences in a 29 acre area. Other more neighborhood-scale shopping areas are located throughout the City.

Average annual wages for a sampling of jobs held by those who live or work in Novato are shown in Table 8.

Table 8: Typical Wages in Marin County

Occupation	Average Annual Wage
Chief Executive	\$213,524
Lawyer	\$176,820
Dentist	\$153,354
General Manager	\$150,364
Construction Manager	\$115,676
Financial Analyst	\$119,463
Civil Engineer	\$108,902
Computer Programmer	\$101,820
Loan Officer	\$101,429
Police Officer	\$97,487
Biochemist	\$95,527
Physical Therapist	\$91,765
Public Relations Specialist	\$88,923
Insurance Sales Agent	\$87,044
Accountant	\$86,642
Electrician	\$81,190
Graphic Designer	\$72,624
Middle School Teacher	\$71,667
Paralegal	\$69,684
Real Estate Agent	\$66,895
Chef	\$62,972
Carpenter	\$62,659
Auto Mechanic	\$53,723
Postal Service Clerk	\$52,874
Bookkeeper	\$49,710
School Bus Driver	\$43,904
Landscaping Worker	\$41,158
Retail Salesperson	\$28,427
Home Health Aide	\$25,774
Waiter	\$25,009
Manicurist	\$23,276
<i>Source: State of California Economic Employment Department, Occupational Employment Statistics, 2013 – 1st Quarter Data</i>	

As shown in the Table 8, typical annual salaries for Novato employees vary widely; for example, a lawyer earns, on average, \$174,500, while an insurance underwriter earns \$76,363 and a retail salesperson earns \$29,220. Housing needs for these employees will also range from typical single family homes to small, affordable apartments.

According to 2013 ABAG projections, Novato is expected to add 2,150 jobs between 2010 and 2025, an increase of 10 percent.⁶ As shown in Table 9, this growth rate is comparable to the growth rate expected for all of Marin County and is lower than the 12 percent growth rate projected for San Rafael.

Table 9: Employment Growth Projections, 2010-2025

Jurisdiction	2010	2025	2010-2025	% Growth
Belvedere	430	470	40	9%
Corte Madera	7,940	8,150	210	3%
Fairfax	1,490	1,710	220	15%
Larkspur	7,190	7,570	380	5%
Mill Valley	5,980	6,480	500	8%
Novato	20,890	23,040	2,150	10%
Ross	510	550	40	8%
San Anselmo	3,740	4,140	400	11%
San Rafael	37,620	41,990	4,370	12%
Sausalito	6,220	7,030	810	13%
Tiburon	2,340	2,550	210	9%
Marin County Unincorporated	16,380	18,190	1,810	11%
Marin County Total	110,730	121,870	11,140	10%

Source: ABAG Plan Bay Area Projections 2013.

Novato has approximately the same number of jobs and households for a numerical balance between jobs and households. However, a significant percent of people who work in Novato commute in from outside the City. In order to improve the job/housing balance, Novato could encourage opportunities to increase housing for local workers. Housing mixed in with the commercial buildings in the downtown area could provide homes for those who work in the City’s retail shops and small businesses. Live/work opportunities could provide housing opportunities for Novato employees. The City’s major employers could also be encouraged to provide affordable housing on-site.

⁶ Association of Bay Area Governments, Plan Bay Area Projections 2013.

Household Profile

The Census Bureau defines a household as all persons who occupy a housing unit, including families, single people, or unrelated persons. According to the U.S. Census, there were 20,279 households in Novato in 2010, of which 66.5 percent were families, 26.4 percent were single person households, and 7.1 percent were comprised of unrelated people.

Table 10: Household Growth Trends (1990-2010)

Year	Households	Numerical Change	Annual Percent Change
1990	18,236		
2000	18,524	288	0.2%
2010	20,279	1,755	0.9%

Source: 1990 Census (SF1:P003); 2000 Census (SF1:P15); 2010 Census (SF1:QTP11)

According to Association of Bay Area Governments projections, Novato will add approximately 481 households by 2015. The May 16, 2012, draft of the Plan Bay Area Jobs-Housing Connection Strategy estimates that Novato will add 601 households between 2010 and 2025, an increase of 3 percent. As shown in Table 11, this growth rate is lower than the 4 percent household growth rate expected for all of Marin County. It is also substantially lower than the 8 percent growth rate projected for San Rafael.

Table 11: Household Growth Projections 2010-2025

Jurisdiction	2010	2025	2010-2025	% Growth
Belvedere	928	960	32	3%
Corte Madera	3,793	3,930	137	4%
Fairfax	3,379	3,500	121	4%
Larkspur	5,908	6,180	272	5%
Mill Valley	6,084	6,310	226	4%
Novato	20,279	20,880	601	3%
Ross	798	830	32	4%
San Anselmo	5,243	5,390	147	3%
San Rafael	22,764	24,600	1,836	8%
Sausalito	4,112	4,290	178	4%
Tiburon	3,729	3,870	141	4%
Marin County Unincorporated	26,193	26,870	677	3%
Marin County Total	103,210	107,610	4,400	4%

Source: ABAG Plan Bay Area Projections 2013.

According to the 2010 Census, the average household size in Marin County was 2.36 persons, and the average household size in Novato was 2.53 persons. The average family size

in Novato was 3.04 persons. As shown in Table 12, Novato has the second largest household and family size among all Marin jurisdictions.

Table 12: Household and Family Size in 2010

Jurisdiction	Household Size	Family Size
Belvedere	2.23	2.76
Corte Madera	2.44	2.99
Fairfax	2.20	2.77
Larkspur	2.00	2.77
Mill Valley	2.27	2.94
Novato	2.53	3.04
Ross	2.96	3.26
San Anselmo	2.34	2.93
San Rafael	2.44	3.02
Sausalito	1.71	2.39
Tiburon	2.39	2.94
Marin County Total	2.36	2.94
<i>Source: 2010 Census SF1 (QT:P11)</i>		

The significant number of single person households, and the relatively small average family size of approximately three people, reflects a need for smaller single family homes and apartments.

Housing Tenure

Over the last two decades, Novato has experienced a significant gain in homeownership. Between 1990 and 2000, the percentage of homeowners increased from 62 percent to 68 percent, then fell back a percentage point in the next decade. According to the 2010 Census figures, there were 13,591 owner-occupied units in Novato and 6,688 renter-occupied units in the year 2010. Novato’s owner-occupancy rate is higher than the rate for Marin County (63 percent) and for California (56 percent). It is also significantly higher than the 52 percent owner-occupancy rate for San Rafael.

Table 13: Households by Tenure

	1990		2000		2010	
	Number	Percent	Number	Percent	Number	Percent
Owner	11,288	62%	12,515	68%	13,591	67%
Renter	6,948	38%	6,009	32%	6,688	33%
TOTAL	18,236	100%	18,524	100%	20,279	100%

Source: 1990 Census SF1; 2000 Census SF1 (QT-H1); 2010 Census SF1 (QT-H1)

Overcrowding

The U.S. Census defines overcrowded housing as units with more than one inhabitant per room, excluding kitchens and bathrooms. According to census data, 1 percent of owner-occupied housing units and 7 percent of renter-occupied housing units in Novato were overcrowded in 2000 (data is not yet available for the 2010 Census). In Marin County, the rate of overcrowding is slightly higher with 1 percent of owner-occupied units and 9 percent of renter-occupied units reported as overcrowded. These Novato rates of overcrowding are lower than statewide figures. In 2000, 15 percent of California households were overcrowded. Roughly 24 percent of renter households were overcrowded; in some counties, nearly a third of renter households were overcrowded.

Table 14: Overcrowded Households

Persons per Room	Owner		Renter	
	Households	Percent	Households	Percent
1.00 or less	13,872	99%	5,803	93%
1.01 to 1.50	111	1%	329	5%
1.51 or more	17	<1%	81	1%
TOTAL	14,000	100%	6,213	100%
% Overcrowded by Tenure	1%		7%	

Source: U.S. Census Bureau, 2008-2010 American Community Survey (B25014)

Vacancy Rate Trends

According to the U.S. Census, there were 879 vacant housing units in 2010, or 4.2 percent of all housing units in Novato. This represents an increase of 87 percent over 2000 levels.

Table 15: Vacant Units

	2000	2010	Change	% Change
Total:	18,994	21,158	+2,164	11%
Occupied	18,524	20,279	+1,755	9%
Vacant	470	879	+409	87%
<i>For rent</i>	151	328	+177	117%
<i>For sale only</i>	120	22	-98	-82%
<i>Sold, not occupied</i>	75	24	-51	-68%
<i>For seasonal, recreational, or occasional use</i>	51	108	+57	118%
<i>For migrant workers</i>	0	0	0	0
<i>Other vacant</i>	73	254	+181	248%

Source: U.S. Census 2000 (SF1:H001 and H005) U.S. Census 2010 (SF1:H3 and H5)

RealFacts, a firm that maintains a database of multi-family rental properties with 50 or more units, reports that Novato’s rental market occupancy rate was 97 percent in 2013. The RealFacts database identifies 14 multi-family rental developments of 50 units or more in Novato, for a total of 1,510 units. Although this dataset does not include smaller, multi-family complexes or single family homes, it is the most readily available data on the local rental market and provides a basic overview of current conditions. The occupancy rate reported by RealFacts is an indicator of a relatively constrained rental market, with demand slightly outpacing supply. Real estate economists generally consider a 95 percent occupancy rate as a sign of a “balanced” market that allows adequate rents for landlords and mobility for tenants. High occupancy rates often stimulate higher rental rates, which puts rents out of reach for very low and low income households. Novato’s 97 percent occupancy rate is an indicator of a relatively constrained rental market, with demand slightly outpacing supply.

Table 16: Vacancy Rates for Multi-family Properties with 50 or more Units

Year	Average Occupancy
2004	93.5%
2005	95.9%
2006	95.9%
2007	97.7%
2008	97.8%
2009	96.9%
2010	96.6%
2011	96.1%
2012	97.1%
2013	97.0%

Source: RealFacts

Housing Stock Characteristics

According to the 2010 U.S. Census, there are 21,158 housing units in Novato. This represents an increase of 2,164 housing units from 2000, most of which were developed at the former Hamilton Air Force Base site. Between 1990 and 2000, only 212 housing units were added to the city’s housing stock, or approximately 21 houses per year.

Table 17: Housing Units

HOUSING UNITS			
	Number	Change in Number	Change in %
1990	18,782		
2000	18,994	212	1.1%
2010	21,158	2,164	11.4%

Source: 1990 Census; 2000 U.S. Census (SF1: H001); 2010 U.S. Census (SF1: H1)

Detached single family units comprise the majority of Novato’s homes, representing 58 percent of the city’s housing stock. Attached single family units comprise 17 percent of Novato’s housing stock and multi-family units comprise 21 percent. Mobile homes represent about 3 percent.

Table 18: Housing Units by Type

Unit Type	Number	Percent
Single family Detached	12,365	58%
Single family Attached	3,707	17%
Multi-Family 2-4 Units	1,379	6%
Multi-Family 5+ Units	3,155	15%
Mobile Home & Other	610	3%
Totals	21,216	100%

Source: U.S. Census 2008-2010 American Community Survey 3-Year Estimates (B25024)

Housing Conditions

In general, the condition of the housing stock in Novato is good. This is primarily due to the relative “youth” of the city and its development, the high value of residential property, recent new construction, and minor to extensive remodeling which has been performed within the last ten years. Property owners are motivated to keep housing in good condition because of the high value of houses and rents.

There are scattered areas where housing condition can be an issue, especially where rental units have deteriorated due to age and lack of maintenance. The City’s Code Enforcement Division reports that approximately 70 single family and ten multiple family parcels containing rental units are in need of significant rehabilitation. Within the 10 multiple family rental parcels, approximately 40 units are in need of significant rehabilitation. No apartment buildings are in need of complete replacement. Code Enforcement Division staff estimates that less than ten single family units are in need of replacement and up to 60 are in need of significant rehabilitation. Approximately 6 percent of the housing stock has deferred maintenance issues and is in need of limited rehabilitation. This information is summarized in Table 19 below.

City of Novato Code Enforcement staff conducts the Multi-Family Inspection program for all properties consisting of three units or more and hotels and motels. The inspection verifies the property meets the minimum standards of the code for the time of construction. There are currently 3,509 separate units on 210 parcels with three or more units. Initially, an inspection was conducted annually (interior of units and exterior). Due to recent budget constraints, Novato City Council directed that inspections be performed every other year. However, improved staffing efficiencies in Code Enforcement have provided for continued annual inspections of most properties containing 10 or more units. For properties containing fewer than 10 units, the inspection alternates from an exterior inspection one year, to an interior inspection the following year.

With the use of the inspection program, Code Enforcement staff has seen a substantial decrease in substandard housing issues. These issues ranged from mold, rodent infestation, pests (primarily cockroaches), to minor and moderate structural issues, and lastly, work done without a permit and/or construction not to code. All work performed without a permit is considered sub-standard.

Code Enforcement is now working with the Novato Police Department on the Crime-Free Multi-Housing Inspection Program. This program assists property owners in preventing crime in rental properties, which in turn leads to better-maintained buildings.

Of approximately 3,509 units inspected, 85 percent were found to be in sound condition, 10 percent had minor issues, less than 5 percent had moderate issues, and approximately one percent had substantial issues. The multi-family housing stock has improved over the years, and the figures shown in Table 19 reflect current housing conditions. On the whole, Novato’s multi-family properties are in very good condition.

Since 1988, Code Enforcement has performed Residential Property Inspections before a residential property changes ownership. This ‘resale’ inspection is cursory in nature and provides the owner/new owner a record of all permits on file. The inspector verifies that the structure meets code for when it is built, for subsequent mandatory code revisions, and per any subsequent permits. Any ‘minor’ violation of building or municipal codes is listed with the requirements for corrections. Any item discovered to have been performed without obtaining a permit is recorded and noted on a separate letter attached to the report.

Since September 2007, there have been 4,167 resale inspections performed. Of those, approximately 10% had minor to moderate repairs required. Less than 1% had extensive needs for repairs. Based on these figures, and compared to the number of single family homes within the City of Novato, staff was able to approximate the numbers shown in Table 19.

Based on the high value of Novato’s housing stock, both for sale and rental, the level of continued investment in maintenance and improvements is generally greater than municipalities of similar size and composition in other parts of the State.

Table 19: Housing Conditions

Housing Type	Need for Replacement ¹	Need for Significant Rehabilitation ²	Need for Limited Rehabilitation ³
Single Family	<10	55	1,250
Multi-family Units	0	10	80
Total	<10	70	1,3330
Percent	<0.01%	<1%	6%

¹ Replacement need is defined as having improvement cost that exceeds estimated replacement cost.

² Significant rehabilitation is defined as having major deficiencies that may require immediate repair.

³ Limited rehabilitation is defined as structures exhibiting minor repair need and are not considered to exhibit major safety issues.

Source: City of Novato Code Enforcement, 2012. Figures based on multi-family and resale inspections performed since September 2007.

Reflecting Novato’s relative “youth” as a city, Table 20 illustrates that Novato has a relatively new housing stock, with only 8 percent of the housing stock built before 1950, as of the 2012 American Community Survey. Sixty-one percent of homes were built after 1970; thirty percent were built in one decade, the 1970s. Most Novato residents typically repair or remodel their houses frequently; as a result, the majority of houses are in good to excellent condition.

Table 20: Housing Units by Year Built

Year Built	Number	Percentage
2010 or later	42	>1%
2000 to 2009	2,098	10%
1990 to 1999	1,770	8%
1980 to 1989	2,932	13%
1970 to 1979	6,444	30%
1960 to 1969	3,981	18%
1950 to 1959	2,807	13%
1940 to 1949	851	4%
1939 or earlier	898	4%
Total	21,823	100%

Source: US Census, American Community Survey 2010-2012 3-Year Estimates (B25034)

Housing Construction Trends

Between 2000 and 2005, Novato experienced an increase in building activity, commensurate with the low-interest rate environment, rising home prices, and housing boom experienced throughout California and many other areas in the United States. Building activity has diminished since 2005, with a total of 100 new single family homes and 186 new multi-family units built during the 2007-2014 planning period. The City expects the rate of new housing development to increase somewhat as the economy slowly improves.

Table 21: Housing Units Constructed 2000 – 2013

Year	Single Family	Multi-Family	TOTAL
2000	79	0	79
2001	54	0	54
2002	100	144	244
2003	195	254	449
2004	263	122	385
2005	114	96	210
2006	35	1	36
2007	31	0	31
2008	18	1	19
2009	8	95	103
2010	9	29	38
2011	10	61	71
2012	11	0	11
2013	13	0	13

Source: City of Novato Community Development Department, 2014

“At Risk” Housing

Government Code Section 65583 requires each city and county to conduct an analysis and identify programs for preserving assisted housing developments. For the purpose of housing element law, assisted housing developments or at-risk units are defined as multi-family rental housing complexes that receive government assistance under federal, State, and/or local programs and which are eligible to convert to market-rate due to termination (opt-out) of a rent subsidy contract or other expiring use restrictions within the current and subsequent 5-year planning period of the housing element. According to the California Housing Partnership Corporation, there are five subsidized multi-family housing projects at risk for conversion to market rate units in Novato:

- Marin Handicapped Housing 5, Dante House and Lamont House, owned by The Cedars of Marin, provide a total of 30 housing units for adults with developmental disabilities. The Marin Handicapped Housing 5 property was purchased with Section 202 funding and the Cedars has a 5-year Section 8 Housing Assistance Payment Program contract with HUD that expires in 2016. Dante House and Lamont House have annual Section 202/811 contracts that expire in July. The Cedars anticipates renewing its contracts and preserving the affordable housing for its clients. The estimated cost per unit of acquisition is \$287,000 per unit, based on a study prepared

by David Paul Rosen and Associates for the City of Novato. The per unit cost in the David Paul Rosen study has been increased annually by the construction cost index as published in the McGraw Engineering News Record. Therefore, the estimated replacement cost is \$5.17 million for Marin Handicapped Housing 5, and \$1.72 million each for Dante House and Lamont House.

- Stonehaven is owned by Lifehouse and is a single family home serving six adults with developmental disabilities. Section 202/811 funding expires in 2015. Lifehouse anticipates renewing its federal subsidy contracts and ensuring the units remain affordable for their clients in the long-term. The estimated cost of acquisition is \$770,000 based on sales of similar homes in the area. The rehabilitation cost for a similar single family home to be retrofitted to accommodate six disabled clients is estimated to be between \$25,000 and \$100,000. Therefore, the estimated replacement cost is \$870,000.
- Olive Avenue Apartments is owned by EAH and Buckelew. The development contains 16 assisted units for disabled or elderly adults. Section 202/811 funding expires in 2017. The estimated cost per unit of acquisition is \$287,000 per unit, based on the David Paul Rosen study. Therefore, the estimated replacement cost is \$4.59 million.

Table 22: Summary of At-Risk Units

Project Name	Address	No. & Type of Units	Type of Subsidy	Current Owner	Earliest Date of Expiration
Marin Handicapped Housing 5	6 Brown Drive	18 units for adults with developmental disabilities	202/8	The Cedars of Marin	7/31/2016
Stonehaven	2 Stonehaven Court	6 units for adults with developmental disabilities	202/811	Lifehouse	1/31/2015
Dante House	1912 Novato Blvd.	6 units for adults with developmental disabilities	202/811	The Cedars of Marin	7/31/2014
Lamont House	816 Lamont Avenue	6 units for adults with developmental disabilities	202/811	The Cedars of Marin	7/31/2014
Olive Avenue Apartments	1100 Olive Avenue	16 units for disabled or elderly adults	202/811	EAH and Buckelew	9/30/17

As all of these developments are owned and managed by non-profits dedicated to providing affordable housing for their clients, it is highly unlikely that any will fail to renew their contracts. Nonetheless, there are a number of resources available for preservation of at-risk housing. These sources include:

Community Development Block Grant (CDBG) programs. The CDBG program provides funding for the construction, acquisition or rehabilitation of housing serving low income households. The City of Novato and the County of Marin entered into a Cooperative Agreement, in accordance with the Housing and Community Development Act of 1974, as amended, in order to jointly undertake community development and housing assistance activities. This

cooperative agreement covers both the CDBG program and the HOME program. The City receives an annual allocation from the County to help fund a variety of projects and services that benefit low income households.

HOME Program. The HOME program is a federally funded program that provides funding for the construction or acquisition of housing to be occupied by low income households.

Section 8 Housing Choice Voucher Program. Housing Choice Vouchers, formerly called Section 8, include the tenant-based voucher program and the project-based voucher program. In the Section 8 Program, eligible household's tenants pay about 30 percent of their income for rent, while the rest of the rent is paid with federal money. In the tenant-based program, eligible families with a certificate or voucher find and lease a unit and pay a reasonable rent, which is based upon a percentage of their income. The local housing authority pays the owner the remaining rent, which is capped by the Fair Market Rent (FMR). The housing authorities determine the reasonable rent and the FMR is determined by the United States Department of Housing and Urban Development (HUD). Project-based vouchers are a component of the Marin Housing Authority housing choice voucher program. HUD allows Marin Housing to attach up to 20 percent of its voucher assistance to specific housing units if the owner agrees to either rehabilitate or construct the units, or the owner agrees to set aside a portion of the units in an existing development. Rehabilitated units must require at least \$1,000 of rehabilitation per unit to be subsidized, and all units must meet HUD housing quality standards. The project-based voucher program can be utilized to assist at-risk units.

Marin County Residential Rehabilitation Loan program. This program provides low-interest property improvement loans and technical assistance to qualified very-low-income homeowners to make basic repairs and improvements, correct substandard conditions, and eliminate health and safety hazards. The maximum loan amount is \$35,000 and the loan can be repaid monthly or deferred. This program has provided loans to non-profit organizations that are providing housing to very low-income and disabled persons in single family homes.

Low Income Housing Credit Program. This program provides for Federal and State tax credits for rehabilitation and new construction of affordable housing.

Marin Housing's Housing Stability Program (formerly Rebate for Marin Renters). The Marin Housing Authority provides one year rental assistance to very low income seniors and disabled persons. This funding could be used to provide short term assistance to tenants in units with expiring covenants.

Assistance from Local Philanthropies. The Marin Community Foundation and its community partners have been instrumental in providing financial assistance for the acquisition or rehabilitation of affordable housing in Marin County. This type of funding is a critical to the success of affordable housing developments in the County.

City of Novato Affordable Housing Trust Fund. The City of Novato maintains an Affordable Housing Trust Fund which assists low and moderate income households purchase homes in Novato. Initially funded in the late 1980's, funds are now primarily augmented with interest income. There is a current balance of \$427,000 in the Affordable Housing Trust Fund.

City of Novato Housing Opportunity Fund. The City maintains a Housing Opportunity Fund. Revenues in this fund are received from agreements with developers, in-lieu fees, and investment earnings. There is a current balance of \$150,000 in the account.

This housing element contains program actions to preserve at-risk units, including working with the property owners and/or other parties to ensure that they are conserved as part of the City's affordable housing stock. A key component of the actions will be to identify funding sources and timelines for action.

Below Market Rate Ownership Units at Risk of Conversion

Between 2002 and 2005, the City developed 418 below market rate (BMR) ownership units during the redevelopment of the former Hamilton Air Force Base. BMR units are located in two developments: Meadow Park contains 351 BMR townhomes, and Villa Entrada contains 67 BMR condominiums for seniors. All of these affordable units were constructed through Novato's former Redevelopment Agency. BMR units carry resale restrictions that require units to remain affordable to low and moderate income households. Due to steep declines in real estate prices since 2005, thirteen of these units lost their deed affordability restrictions when the properties were foreclosed.

The majority of these units were first sold in 2005 and 2006, when real estate prices were at their highest levels. Eleven of the units are from the Meadow Park development, representing 3.1 percent of these units, and two are located in the Villa Entrada development, representing 3.0 percent of these units. BMR units at Meadow Park have been resold at prices that are 17 to 40 percent lower than the original sales price. All of these Meadow Park units at Meadow Park were originally affordable to moderate income households and, of those that have resold, are now affordable to very low income households at market rates.⁷ The Villa Entrada units have dropped approximately 15 to 20 percent in value and are currently affordable to low income households at market prices, based on resale and listing prices. Thus, the loss of the deed restriction has improved the current and foreseeable affordability of these units.

As discussed in the section entitled Sales Prices beginning on page 36, condominium sales prices have remained relatively stable since 2009 and the rate of foreclosure has steadily dropped. Nonetheless, there is continuing risk that BMR units may be lost from the program due to foreclosure. This risk is particularly acute for units that were originally sold at prices affordable to moderate income households, as these units are currently worth less than the original purchase price. The risk of conversion will remain until the market value of these BMR units return to the original purchase price.

⁷ Affordability calculations assume: 30 year loan with 80% down payment at 3.75% fixed interest rate; insurance payments of 0.43% of sales price per year; initial property taxes of 1.1% of sales price per year, and homeowner's association fees of \$213 per month for Meadow Park units and \$390 per month for Villa Entrada units; and 2 person per bedroom occupancy.

It is noteworthy that despite the elimination of the Redevelopment Agency, the City Council decided to retain management and oversight of the affordability covenants of the BMR units and pay administrative costs associated with the program.

In order to assist owners of BMR units, Program 5.H has been added to this housing element. Under the program, staff will offer assistance to those at risk of foreclosure in order to assist individuals with retention of below market rate units and refer homeowners to mortgage assistance programs and organizations, such as the Marin Housing Authority.

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

An adequate supply of affordable housing, including rental and owned housing, is essential to satisfying the housing needs of all economic segments of Novato’s existing and projected population. The analysis of housing affordability requires consideration of household income in comparison to trends in housing prices and rents, trying to quantify as best as possible the incidence of overpayment for housing costs, or what might be termed “the affordability gap” between local wages and salaries and the cost of local 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.

Each year, the California Department of Housing and Community Development publishes Income Limits for households according to income categories and household sizes. With a median income of \$103,000 in 2014, Marin County has one of the highest median household income in the state (Santa Clara County leads the state with \$105,500 in median income). Income limits, adjusted according to family size, are shown below. The extremely low income category includes households with income up to 30 percent of the Marin County median household income. Very low income is between 30 and 50 percent of median income. Low income is between 50 and 80 percent of median income, and moderate income is between 80 and 120 percent of median income.

Table 23: Marin County Income Limits 2014

Household Size	Extremely Low	Very Low	Low	Moderate
1	\$23,750	\$39,600	\$63,350	\$86,500
2	\$27,150	\$45,250	\$72,400	\$98,900
3	\$30,550	\$50,900	\$81,450	\$111,250
4	\$33,950	\$56,550	\$90,500	\$123,600
5	\$36,650	\$61,050	\$97,700	\$133,500
6	\$39,400	\$65,600	\$104,950	\$143,400
7	\$42,100	\$70,100	\$112,200	\$153,250
8	\$44,800	\$74,650	\$119,450	\$163,150

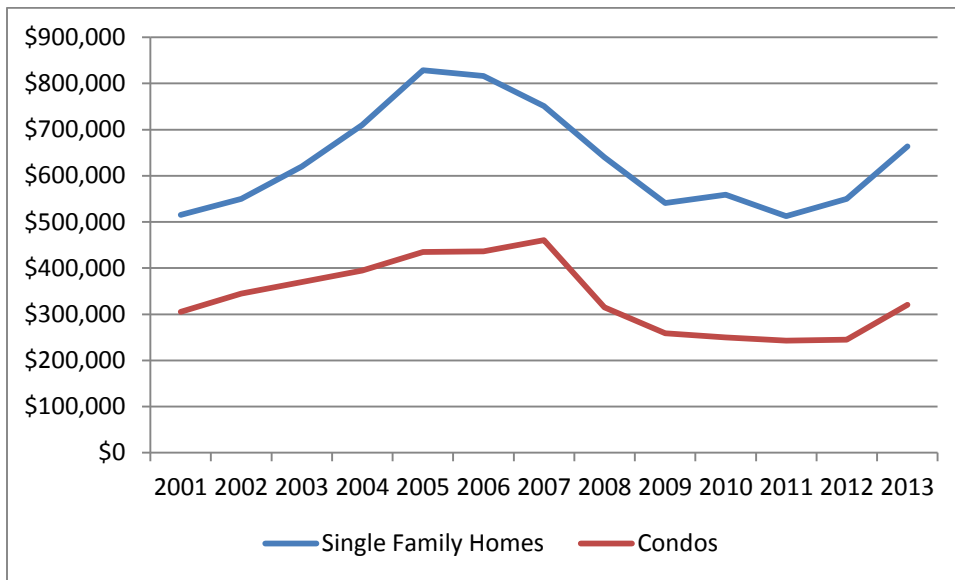
Source: California Department of Housing and Community Development, February 28, 2014

Sales Prices

Home values rose significantly in Novato during the first half of the decade, leading to peak prices for single family homes in 2005 and for condominiums in 2007, before bottoming out between 2009 and 2011. By the end of 2013, single family home and condominium sale prices rose dramatically, increasing 21 percent and 31 percent year-over-year, respectively. Nonetheless, single family home prices were still about 19 percent below their peak and condominiums were 30 percent below their peak.

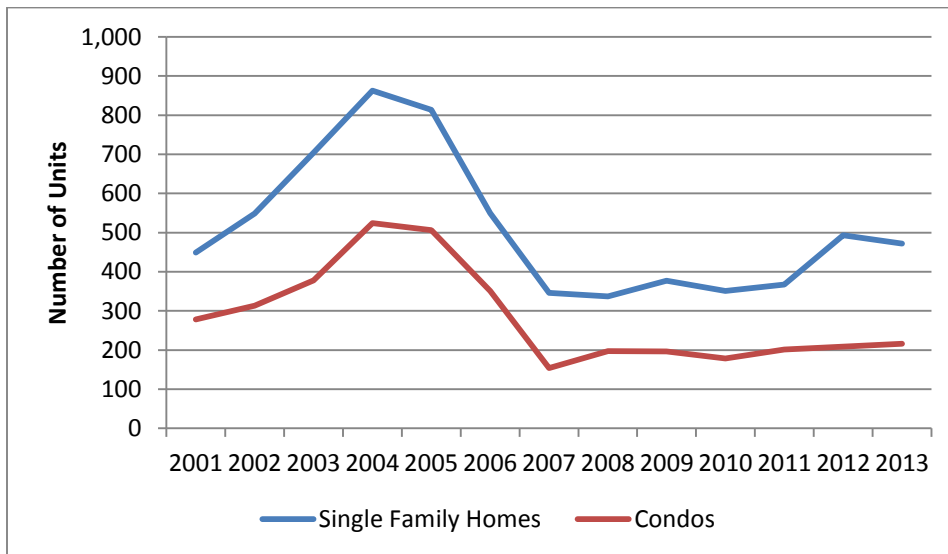
As shown in Figure 5, the median sales price for single family homes in Novato rose from \$515,000 in 2001 to a peak of \$828,375 in 2005, according to the Marin County Assessor. The median sales price bottomed in 2011 at \$512,500 and then rebounded to \$663,500 in 2013. Condominium median sales prices rose from \$305,000 in 2001 to a peak of \$460,500 in 2007, and then settled at about \$250,000 for a four-year period. By 2013, the median price had increased to \$320,500.

Figure 5: Median Sales Prices for Single Family Homes and Condos, 2001-2013



Sales volume generally corresponds with the rise and fall of sale prices. In 2004, the annual number of sales of both single family homes and condominiums was at a 10-year high, with 1,387 properties sold. Since that peak to 2013, Novato has seen a 45 percent drop in the number of single family homes sold and a 59 percent drop in the number of condominiums sold (see Figure 6). As of the end of 2007, home sales in Novato were at their lowest point over the decade, with a total of only 500 homes sold (346 single family homes and 154 condominiums). Single family sales volume picked up in 2012, while condominium sales volume remained flat. However, sales volume has not increased since 2013, suggesting that the recent rise in prices may be the result of a relatively limited supply of residential properties on the market.

Figure 6: Sales Volume for Single Family Homes and Condos, 2001-2013



Part of the reason that sales volume did not decline more precipitously after 2007 is due to foreclosure activity. After a relatively modest gain in 2007, the number of foreclosed properties surged in 2008, when 45 percent of all sales were foreclosures. The number of foreclosures has declined significantly since then. According to DataQuick, foreclosure activity in California during the first quarter of 2013 was at the lowest level over the past eight years. In Marin, 21 homes were foreclosed on in the first quarter of 2014, compared to 52 homes in the first quarter of 2013, representing a year-over-year decline of 60 percent. As a reference point, 240 homes were foreclosed on in Novato alone in 2008. The number of homes entering the formal foreclosure process in Marin also declined, by 21 percent year-over-year. Most of the loans going into default in California are from the mid-to-late 2006 period. DataQuick reports that absent an economic shock, the number of homeowners defaulting on their mortgage should continue to trend lower due to the economic rebound and higher home prices.⁸

Rental Costs

The RealFacts database of rental properties with 50 or more units identifies 14 multi-family rental developments in Novato, with a total of 1,510 units. Although this dataset does not include smaller, multi-family complexes or single family homes, it is the most readily available data on the local rental market and provides a basic overview of current

⁸ DataQuick, DQNews.com, <http://www.dqnews.com/Articles/2014/News/California/CA-Foreclosures/RRFor140422.aspx>, accessed 5/12/14.

conditions. Table 24 shows a current average rent of \$1,734 in Novato, or \$1.92/square foot. As a comparison, San Rafael and Marin County as a whole have average rents of \$2,075 and \$2,120, respectively.

After a period of modest increases between 2006 and 2010, rental rates rose sharply in 2011 by an average of 10 percent (Table 25). The addition of 124 luxury apartments at the Millworks development may partially explain this rise in rental rates. Also, foreclosures have put pressure on rents in Novato. Between 2006 and 2013 rental rates rose an average of 4.5 percent annually. Rents increased 6 percent between 2012 and 2013.

Table 24: Overview of Novato Rental Housing Market, 4Q 2013

Unit Type	Number	% of Mix	Avg. Sq. Ft.	Avg. Rent	Avg. Rent/ Sq. Ft.
Studio	10	1%	529	\$1,150	\$2.17
1 BR/1 BA	409	27%	706	\$1,471	\$2.18
2 BR/1 BA	316	21%	868	\$1,499	\$1.76
2 BR/1.5 BA	123	8%	896	\$1,609	\$1.81
2 BR/2 BA	406	29%	983	\$1,958	\$1.97
2 BR TH	172	10%	1,167	\$1,700	\$1.80
3 BR/2 BA	34	2%	1,139	\$1,860	\$1.78
3 BR/3BA	2	<1%	1,900	\$3,162	\$1.87
3BR TH	38	3%	1,173	\$1,934	\$1.59
All Units	1,510	100%	904	\$1,672	\$1.92

Source: RealFacts. Data is for multi-family housing developments with 50 or more units.

Table 25: Average Novato Rent History, 2006-2013

Unit Type	2006	2007	2008	2009	2010	2011	2012	2013	Average Annual % Increase
Studio	\$925	\$925	\$945	\$941	\$933	\$933	\$1,000	\$1,075	2.2%
1 BR/1 BA	\$1,081	\$1,143	\$1,200	\$1,194	\$1,270	\$1,327	\$1,364	\$1,490	4.7%
2 BD/1 BA	\$1,184	\$1,297	\$1,353	\$1,335	\$1,362	\$1,395	\$1,436	\$1,505	3.5%
2BD/2 BA	\$1,336	\$1,425	\$1,510	\$1,521	\$1,606	\$1,723	\$1,787	\$1,921	5.3%
2 BD TH	\$1,361	\$1,434	\$1,502	\$1,465	\$1,462	\$1,548	\$1,568	\$1,886	4.8%
3 BR/2 BA	\$1,613	\$1,605	\$1,702	\$1,738	\$1,800	\$1,868	\$1,860	\$1,972	2.9%
All Units	\$1,647	\$1,673	\$1,708	\$1,695	\$1,726	\$1,897	\$1,950	\$1,685	4.5%

Source: RealFacts. Data is for multi-family housing developments with 50 or more units.

The Ability to Pay for Housing

Housing that costs 30 percent or less of a household’s income is referred to as “affordable housing.” Because household incomes and sizes vary, the price that 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.

The table below indicates the 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 down payment 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, especially for first-time home buyers.

Table 26 shows affordability scenarios for four-person very low-, low- and moderate-income households in Novato. The analysis compares the maximum affordable sales price for each of these households to market rate prices as of February 2014. The affordable sales prices were calculated using household income limits published by the California State Department of Housing and Community Development (HCD) and conventional financing terms. It was assumed that households spend 30 percent of gross income on housing costs.

As shown in Table 26, very low-income households could afford 9 percent of single family homes listed for sale in Novato on February 8, 2014, and low-income households 11 percent. Moderate-income households could afford 18 percent of single family homes. It is

important to note that 7 of the 76 single family homes, or 9 percent, were manufactured or mobile homes.

Condominiums were more affordable. Very low-income and low-income households could afford 12 percent and 59 percent of condominiums, respectively, while moderate-income households could afford 100 percent of condominiums on the market.

This analysis indicates that very low income households are largely priced out of owning a home in Novato. While low income households could afford more than half of the condominiums on the market, they will likely encounter difficulty in purchasing an affordable single family home in Novato. These families will have to direct a larger share of income towards principal, interest, taxes, and insurance, or assemble a larger down payment to reduce mortgage costs. Moderate income households, too, will have difficulty finding an affordable single family home in Novato.

Table 26: Estimate of the Ability to Pay for Market Rate Housing in Novato, 2014

Income Level ¹	Maximum Affordable Sale Price ²	Percent of Single Family Homes on Market within Price Range ³	Percent of Condos on Market within Price Range ³
Very Low Income	\$264,000	9%	12%
Low Income	\$423,000	11%	59%
Moderate Income	\$578,000	18%	100%

¹Based on a four-person household income as defined by CA HCD for Marin County.

²Assumptions used to calculate affordable sale price:

Annual Interest Rate (Fixed): 4.375% (Wells Fargo rate on 2/8/14)

Term of mortgage: 30 years

Percent of sale price as down payment: 20%

Initial property tax (annual): 1.10%

Homeowner's insurance (annual): 0.43%

Mortgage insurance as percent of loan amount: 0.00%

Percent of household income available for Principal, Interest,

Tax & Insurance (PITI): 30%

Assumes 30 percent of household income spent on rent and utilities, based on Marin County Housing Authority utility allowance.

³Based on listings available on Realtor.com on February, 8, 2014. Includes mobile homes.

Sources: Realtor.com, accessed 2/8/14; Wells Fargo, accessed 2/8/14; CA HCD, 2013.

Table 27 indicates the rents that households at various income levels can afford if they were to spend 30 percent of their income on housing. The data shows that low-income households can afford market rents in Novato. Very low-income households will have more difficulty affording average rents, but apartments priced at the lower end of the market may provide affordable rents. The higher affordability gap for one-bedroom, one-bathroom apartments indicates that there may be a shortage of these types of apartments on the market, especially given the high percentage (26 percent) of single-person households in Novato. Extremely low-income households (those who earn 30 percent of the median family

income or less) are essentially priced out of the market. These households will have a difficult time finding affordable apartments, unless they are subsidized units.

Table 27: Estimate of the Ability to Pay for Rental Housing in Novato, 2013

Household Size and Income Category	Monthly Income	Rent at 30% of Income	Expected Unit Size	Average Rent (2013)	Ability to Pay Gap
Single Person					
Extremely Low	\$1,979	\$594	Studio	\$1,075	\$481
Very Low	\$3,300	\$990	Studio	\$1,075	\$85
Low	\$5,279	\$1,584	Studio	\$1,075	None
Moderate	\$7,208	\$2,163	Studio	\$1,075	None
Two Persons					
Extremely Low	\$2,263	\$679	1 BR/1 BA	\$1,490	\$811
Very Low Income	\$3,771	\$1,131	1 BR/1 BA	\$1,490	\$359
Low Income	\$6,033	\$1,810	1 BR/1 BA	\$1,490	None
Moderate Income	\$8,242	\$2,473	1 BR/1 BA	\$1,490	None
Four Persons					
Extremely Low	\$2,829	\$849	2 BD/1 BA	\$1,505	\$656
Very Low Income	\$4,713	\$1,414	2 BD/1 BA	\$1,505	\$91
Low Income	\$7,542	\$2,263	2 BD/1 BA	\$1,505	None
Moderate Income	\$10,300	\$3,090	2 BD/1 BA	\$1,505	None
<i>Source: HCD Income Limits 2014; RealFacts</i>					

According to CHAS data, 25 percent of Novato households spend 30 percent or more of their household income on housing. Of renter households, 57 percent were reported as overpaying for housing. Forty-five percent of all owner households overpay for housing. The incidence of overpayment is detailed in Table 28 below. It is estimated that there are 4,515 lower-income owner households in Novato, and 67 percent of these households overpay for housing. There are an estimated 4,125 lower-income renter households, and 80 percent of these households overpay for housing. Extremely low and very low income households have the greatest housing cost burdens of all income categories. Nearly 60 percent of these households pay more than half of their income on housing costs.

Table 28: Housing Cost as a Percentage of Household Income

Income Category	Total Households	% of Total Households	Paying 30% to 50% of HH Income on Housing Costs	Paying More than 50% of HH Income on Housing Costs	% Overpaying
<i>Owner Households</i>					
Extremely Low <+ 30% AMI	940	5%	110	650	81%
Very Low >30% to <=50% AMI	1,420	7%	305	750	74%
Low >50% to <=80% AMI	2,155	11%	560	665	57%
Moderate <80% to 100% AMI	1,440	7%	550	270	57%
Above Median	7,795	39%	1,790	480	29%
Subtotal	13,750	69%	3,315	2,815	45%
<i>Renter Households</i>					
Extremely Low <+ 30% AMI	1,700	9%	225	1,245	86%
Very Low >30% to <=50% AMI	1,290	6%	570	535	86%
Low >50% to <=80% AMI	1,135	6%	670	60	64%
Moderate <80% to 100% AMI	650	3%	95	0	15%
Above Median	1,375	7%	115	0	8%
Subtotal	6,150	31%	1,675	1,840	57%
TOTAL	19,900	100%	9,640	4,650	25%
<i>Source: Comprehensive Housing Affordability Strategy data, based on American Community Survey 2006-2010 5-Year Estimates</i>					

The analysis shows that more affordable housing opportunities for low-income households are needed. Greater emphasis needs to be placed on very low and extremely low-income rental housing. There are an estimated 2,710 very low income households and 2,640 extremely low income households in Novato.

Extremely low income households typically require targeted programs to provide affordable housing solutions, including deeper income targeting for subsidies, housing with supportive services, single room occupancy housing (SROs) and other shared housing, and rent subsidies. This housing element contains several programs to address the housing needs of extremely low income households. Program 7.C will amend the zoning code to allow SROs in the Mixed Use, R10 and R20 districts as a conditional use. Programs 7.A and 7.B

encourage home-sharing, co-housing and similar collaborative housing types and programs. Program 13.A commits the City to supporting rental assistance programs, such as the Novato Human Needs Center.

Funding Resources for Affordable Housing

Throughout Marin County, developers rely on a variety of federal, state, and local funding and financing sources to make affordable housing projects feasible. Local funding sources include the Marin Community Foundation and the Marin Workforce Housing Trust. State agencies also play an important role by allocating federal housing funds and/or making loans available to affordable housing development. 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).

The extent to which Novato can achieve its Housing Element goals and objectives is due in part to the availability of financial resources for implementation. Below is a summary of the major sources of funding available to carry out housing activities in Novato.

Local Programs

City of Novato Affordable Housing Trust Fund. The City of Novato maintains an Affordable Housing Trust Fund which was created in 1988 to assist low and moderate income households purchase homes in Novato. Funds are now primarily augmented with interest income. In 2011 and 2012, a total of \$195,000 in loans were provided to Habitat for Humanity for the purchase and rehabilitation of three foreclosed single family houses for lower income households. There is a current balance of \$427,000 in the Affordable Housing Trust Fund.

City of Novato Housing Opportunity Fund. The City maintains a Housing Opportunity Fund which was created in 1988. Revenues in this fund are received from agreements with developers, in-lieu fees, and investment earnings. In the past, monies from the fund were used to assist Eden Housing with its construction of 61 affordable senior apartment units at Warner Creek. As of the end of Fiscal Year 2011-2012, there was a balance of \$550,000 in the account. In August 2012, the City Council approved an allocation of \$400,000 to Homeward Bound to construct 14 small rental units affordable to extremely low income households. There is a current balance of approximately \$150,000 in the account.

City of Novato Redevelopment Agency. Up until 2012, the Novato Redevelopment Agency was instrumental in the development and management of affordable housing in the Downtown Redevelopment Area and the Hamilton Redevelopment Area. Redevelopment funds in these two areas created 924 deed-restricted units, including workforce housing, senior housing, and transitional housing for homeless persons. Although California State redevelopment law required 20% of all redevelopment funds to be set-aside for affordable housing, Novato substantially exceeded this mandate and committed 100 percent of its funds for the Hamilton Redevelopment Area to affordable housing. Per the requirements of AB X1 26, passed in June 2011, the Novato Redevelopment Agency was dissolved on February 1, 2012.

Marin Workforce Housing Trust Fund. The Marin Workforce Housing Trust (MWHT) provides low interest rate loans to qualified developers of affordable rental and ownership housing in Marin County. Eligible developers may be nonprofit housing developers, for-profit housing developers that are building affordable units as part of a larger development containing market-rate units or commercial development, and employers who are building affordable units for their own workforce. MWHT loans are targeted for use as seed/catalyst loans to fund very early costs to initiate or expedite project development, as pre-development money to fund early development costs, as acquisition financing to purchase specific property, as crucial “gap financing” for construction of workforce housing or as mini-permanent loans of 1-3 years duration.

Section 8. Section 8 provides rental assistance payments to owners of private market rate units on behalf of very low income (50% Median Family Income) tenants. The program is administered by the Marin Housing Authority.

Assistance from Local Philanthropies. The Marin Community Foundation and its community partners have been instrumental in providing financial assistance for the development of affordable housing in Marin County.

State and Federal Programs

Recent budgetary pressures have resulted in declining state and federal funding for affordable housing development. In addition to the loss of approximately \$1 billion a year in redevelopment funding for municipal redevelopment agencies, federal funding for affordable housing from the U.S. Department of Housing and Urban Development has also been slashed. In fiscal year 2011-2012, California received \$131 million from the HOME Investment Partnerships Program, less than half the amount it received in the previous fiscal year. Community Development Grant Block funding, which has also been used to build affordable homes, fell 42 percent in the same period.⁹ Below is a description of state and federal affordable housing programs.

Building Equity and Growth in Neighborhoods (BEGIN) Program. The BEGIN Program is a homeownership program providing grants to local governments that reduce regulatory constraints to housing. Grants are provided for down payment assistance to low- and moderate-income first-time homebuyers.

Community Development Block Grant (CDBG) General Allocation Programs. The CDBG/GA Program provides funds for new construction, housing acquisition, housing programs, housing rehabilitation, public services, community facilities, economic development, and public works.

⁹ Alexandra Zavis and Jessica Garrison, “California Affordable Housing Projects Suffer from Loss of Funding,” Los Angeles Times, August 12, 2012.

Community Development Block Grant (CDBG) Planning and Technical Assistance Programs. The CDBG/PTA Program provides funds for planning and feasibility studies related to CDBG-eligible activities.

HOME Investment Partnership Programs (HOME). The HOME Program provides grants to cities, counties, and State-certified CHDOs for housing rehabilitation, new construction, and acquisition and rehabilitation for both single-family and multi-family housing projects serving lower-income renters and owners.

Housing Enabled by Local Partnerships (HELP) Program. Administered by the California Housing Finance Agency, the HELP Program and the Residential Development Loan Program (RDLP) offer reduced rate loans to local government entities for locally determined affordable housing activities and priorities (acquisition, construction, rehabilitation, single-family homeownership, or preservation of multi-family and special needs units).

Local Housing Trust Funds (LHTF). State funding is available to assist existing and new Local Housing Trust Funds (LHTFs). The State will provide matching grants to LHTFs that are funded on an ongoing basis from private contributions or public sources that are not otherwise restricted in use for housing programs. Approved activities include development of affordable multi-family rental and ownership housing and emergency shelters. Eligible expenses are loans for payment of predevelopment expenses, acquisition, construction, and rehabilitation of eligible projects, as well as down payment assistance. There must be 55-year affordability controls.

Additional resources for loans and grants for the construction, acquisition, rehabilitation and preservation of affordable rental and ownership housing, homeless shelters and transitional housing are available at the California Department of Housing and Community Development website at <http://www.hcd.ca.gov/permsource/summary.php>.

Special Housing Needs

In addition to overall housing needs, Novato must plan for housing to meet the special needs of people living with disabilities, the homeless, farmworkers, seniors, single parent and female-headed households, and large households. The discussion that follows in this section of the Housing Element analyzes special housing needs.

Persons with Disabilities

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. Special consideration should also be given to the issue of income and affordability, as many people with disabilities are living on fixed incomes.

The 2008-2010 American Community Survey reported 5,089 individuals with a disability, accounting for 10 percent of the population. There are 2,500 individuals aged 18-64 with disabilities, representing 8 percent of the age group. Types of disabilities reported by disabled individuals are shown in Table 30.

Table 29: Persons with Disability

	Number	Percent
Age under 18 years, with a disability	330	3%
Age 18-64, with a disability	2,500	8%
Persons age 65 and over with a disability	2,259	29%
Total persons with a disability	5,089	10%
Total population (civilian non-institutional)	51,164	100%

Source: U.S. Census Bureau, 2008-2010 American Community Survey, Table S1810

Some people with disabilities can live most successfully in housing that provides a semi-independent living state, such as clustered group housing or other group-living quarters; others are capable of living independently if affordable units are available. Different types of housing that can serve these populations include: (1) single-room occupancy units (SROs), (2) single family and group homes specifically dedicated to each population and their required supportive services; (3) set-asides in larger, more traditional affordable housing development; and (4) transitional housing or crisis shelters. Sources of financing could

include Section 202, Section 811, Multi-Family Housing/Supportive Housing, Mental Health Services Act, Transitional Age Youth and Section 8 project-based vouchers.

Table 30: Persons with Disabilities by Disability Type

	Number	Percent
<i>Population 5 to 64 years</i>		
With a hearing difficulty	385	1%
With a vision difficulty	205	1%
With a cognitive difficulty	1,013	3%
With an ambulatory difficulty	1,203	3%
With a self-care difficulty	404	1%
With an independent living difficulty (18 to 65 years)	573	14%
<i>Population 65 years and over</i>		
With a hearing difficulty	781	10%
With a vision difficulty	525	7%
With a cognitive difficulty	622	8%
With an ambulatory difficulty	1,362	17%
With a self-care difficulty	445	6%
With an independent living difficulty	1,017	13%
<i>Source: U.S. Census Bureau, 2008-2010 American Community Survey (S1810)</i>		

As the population ages, the need for disabled-accessible housing will increase. Consideration can be given to disabled dwelling conversion (or adaptability) and appropriate site design. Incorporating barrier-free design in all new multi-family housing is especially important to provide the widest range of choice.

There are a number of organizations that serve people living with disabilities in Marin. Buckelew provides affordable housing, employment services and recovery support to adults with mental illness. The majority of Buckelew’s clients live in apartments that are owned or leased by Buckelew, where they receive daily or sometimes weekly visits from staff to assist them to live semi-independently. The Marin Center for Independent Living provides housing assistance to those with disabilities and seniors. The Marin Center for Independent Living serves approximately 1,000 individuals with disabilities per year; most of their clients live at or below the federal poverty level.

Strategies and Programs to Meet Projected Needs

In March 2014, the City adopted a Reasonable Accommodation Ordinance that provides individuals with disabilities reasonable accommodation to ensure equal access to housing in

accordance with fair housing laws. The ordinance establishes a ministerial procedure for making requests for reasonable accommodation in land use, zoning and building regulations, policies and procedures, subject to approval by the Community Development Director based on defined criteria.

Persons with Developmental Disabilities

According to Section 4512 of the Welfare and Institutions Code a "developmental disability" means a disability that originates before an individual attains age 18 years, continues, or can be expected to continue, indefinitely, and constitutes a substantial disability for that individual which includes mental retardation, cerebral palsy, epilepsy, and autism.

Many developmentally disabled persons can live and work independently within a conventional housing environment. More severely disabled individuals require a group living environment where supervision is provided. The most severely affected individuals may require an institutional environment where medical attention and physical therapy are provided. Because developmental disabilities exist before adulthood, the first issue in supportive housing for the developmentally disabled is the transition from the person's living situation as a child to an appropriate level of independence as an adult.

The State Department of Developmental Services (DDS) currently provides community-based services to approximately 243,000 persons with developmental disabilities and their families through a statewide system of 21 regional centers, four developmental centers, and two community-based facilities. The Golden Gate Regional Center is one of 21 regional centers in the State of California that provides point of entry to services for people with developmental disabilities. The center is a private, non-profit community agency that contracts with local businesses to offer a wide range of services to individuals with developmental disabilities and their families.

Table 31 shows the number of disabled residents in the Novato area by age group.

Table 31: Developmentally Disabled Residents by Age

Zip Code Area	0-14 Years	15-22 Years	23-54 Years	55-64 Years	65+ Years	Total
94945	26	8	47	10	1	92
94947	42	20	131	31	14	238
94949	37	15	52	11	2	117
Total	105	43	230	52	17	447

Source: Golden Gate Regional Center

There are a number of housing types appropriate for people living with a development disability: rent subsidized homes, licensed and unlicensed single-family homes, inclusionary housing, Section 8 vouchers, special programs for home purchase, HUD housing, and SB 962 homes. The design of housing-accessibility modifications, the proximity to services and transit, and the availability of group living opportunities represent some of the types of considerations that are important in serving this need group. Approximately 30 percent of

Novato’s deed-restricted affordable housing units are reserved for seniors and disabled persons. Incorporating ‘barrier-free’ design in all, new multifamily housing (as required by California and Federal Fair Housing laws) is especially important to provide the widest range of choices for disabled residents. Special consideration should also be given to the affordability of housing, as people with disabilities may be living on a fixed income.

In order to assist in the housing needs for persons with Developmental Disabilities, the City will implement Program 13.C to coordinate housing activities and outreach with the Golden Gate Regional Center and Marin Housing Authority.

Seniors

The need for senior housing can be determined, in part, by the age distribution of the community and demographic projections. 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.

As shown in Table 33 there were 5,358 households in Novato headed by a person age 65 or older in 2010, up from 3,780 senior-headed households in 2000. This represents an increase of 74 percent over just ten years. In 2010, senior-headed households represented approximately 26 percent of all Novato households, up from 20 percent in 2000. Of these senior households, 80 percent are homeowners and 20 percent are renters.

Table 32: Householders by Tenure and Age, 2000

Householder Age	Owners	Renters	Total
65-74 years	1,657	279	1,936
75 plus years	1,372	472	1,844
Total senior households	3,029	751	3,780
All Novato households	12,515	6,009	18,524
% senior households	24%	12%	20%

Source: 2000 Census SF1 (1QT-H1 and QT-H2)

Table 33: Householder by Tenure and Age, 2010

Householder Age	Owners	Renters	Total
65-74 years	2,401	486	2,887
75 plus years	1,864	607	2,471
Total senior households	4,265	1,093	5,358
All Novato households	13,591	6,688	20,279
% senior households	31%	16%	26%

Source: 2010 Census SF 1 (QT-H1 and QT-H2)

Table 34: Percent Change in Householders by Tenure and Age, 2000-2010

Householder Age	Owners	Renters	Total
65-74 years	45%	74%	49%
75 plus years	36%	27%	34%
Senior households	41%	46%	74%
All Novato households	9%	11%	9%

Source: 2000 and 2010 Census SF 1 (QT-H1 and QT-H2)

According to the 2010 American Community Survey 3-Year Estimates, approximately 495 seniors, or 6.3 percent of the Novato senior population, live in poverty. Given that income typically drops significantly as seniors enter retirement, particular needs for this group include more affordable housing and smaller, less expensive market-rate housing.

The number of senior-headed households is expected to rise further as the number of seniors over 65 is projected to increase by over 42 percent between 2010 and 2020. By 2035, the number of seniors aged 60 and over is projected to be 48% of the Marin population (Association of Bay Area Government Projections 2009). Consequently, the need for affordable and specialized housing for older residents is growing. Typical housing to meet the needs of seniors includes 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. There is also a need for housing where an in-home caregiver can reside. Based, in part, on the frequency of inquiries with Planning staff, many seniors in Novato are “over housed,” or living in a home far larger than they need or want. With appropriate housing options a significant number of seniors may be more willing to vacate their own homes for smaller units, increasing housing options for families. Since 80 percent of senior households are owner-occupied, many Novato seniors have most likely acquired home equity that can be used to purchase smaller, more affordable units and to fund future costs of assisted living facilities.

In its FY 2007-2008 Annual Update, the Marin County Commission on Aging reached the following conclusions regarding the Marin senior population:

- Based upon the assumption that services will develop to support people at home, Marin does not need more nursing homes. Nursing home utilization will probably stay the same or decline.
- Demand for home and community supportive services will increase as the size of the 85+ population in Marin County increases. We expect continued growth in waiting lists for some critical services.
- Private home health agencies are poised to grow to meet the higher demands of older persons who have long-term care insurance or who have exhausted their Medicare home care benefits and can afford to pay privately for home health aides, chore workers, and registered nurses.
- High-end assisted living/senior residential facilities will continue to be in demand by many affluent older persons in Marin either as an alternative to living with limited supportive services or when home-based services are no longer a viable choice for them.
- Low-income older adults in Marin will continue to have fewer choices for housing and supportive services. Ombudsman staff report that there are no board and care facilities that are willing to accept the SSI board and care rate, which may be the only source of funding for many low-income senior and/or disabled county residents. The only option for these individuals may be placement in another county outside of the Bay Area.
- Couples will be living together longer as disability rates continue to decline and the gap in the gender ratio continues to close. This translates into more spouses becoming caregivers.
- Families will continue to provide the lion's share of supportive services to their aging family members, but many younger family members will not live close enough to provide direct care themselves.

According to the Marin County Commission on Aging, Marin has a strong and diverse system of community-based services for older adults provided by a variety of nonprofit organizations. These services include adult day care services, protective services, home care placement services, congregate and home-delivered meals, paratransit and care management services, preventive health care and legal services, and everyday money management.

There is a variety of senior housing in Novato, from deed-restricted rental and ownership housing to assisted living facilities, residential care homes, mobile home parks, and a skilled nursing facility. These are listed in Table 35.

Table 35: Senior Housing and Facilities in Novato

Development/Facility Name	# Units/Beds	Maximum Income
<i>Deed-Restricted Affordable Rental and Ownership Housing</i>		
Mackey Terrace (EAH)	50	50% AMI
Casa Nova (Marin Housing Authority)	40	80% AMI
Nova Ro 1	30	50% AMI
Nova Ro 2	56	50% AMI
Nova Ro 3	40	50% AMI
Warner Creek	60	30% AMI
The Villas at Hamilton	128	60% AMI
Addison Property	1	60% AMI
Villa Entrada	67	120% AMI
SUBTOTAL	472	
<i>Assisted Living & Residential Care Homes</i>		
Atria Tamalpais Creek	116	
The Seniors Villa	6	
The Anton Pointe	9	
Cedars Dante House	6	
Indian Valley View	13	
Wild Flowers 1	5	
Sundance Villa	5	
Eldersluc of Marin	5	
Young at Heart	6	
Bel Amor	6	
Wild Flowers 2	6	
Creekwood Senior Home	62	
SUBTOTAL	245	
<i>Skilled Nursing Facilities</i>		
Country Villa Novato	181	
<i>Retirement Homes (Independent Living)</i>		
Deer Park	84	
<i>Mobile Home Parks for Seniors Only</i>		
Los Robles Mobile Home Park	211	
Marin Valley Mobile Country Club	315	
SUBTOTAL	526	
TOTAL	1,508	
<i>Source: City of Novato Community Development Department</i>		

For comparison, this Housing Element includes data about the amount and type of senior housing available in San Rafael, Marin’s other city with population over 50,000. As can be seen in Table 36, a significant proportion, 35 percent, of Novato’s senior housing is provided in two mobile home parks. As compared to San Rafael, Novato has substantially fewer assisted living and residential care home. Skilled nursing facilities, more specialized facilities, are not always exclusively for seniors and include services and specialized care sometimes for limited time frames during recovery from surgery, accidents, etc. Sometimes skilled nursing facilities are part of assisted living and residential care homes, such as at Aldersley and Villa Marin in San Rafael.

Table 36: Senior Housing and Facilities in San Rafael

Development/Facility Name	# Units/Beds
<i>Independent Living</i>	
Golden Hinde	40
Maria B. Freitas Senior Community	61
Martinelli House	66
San Rafael Commons	83
Parnow Friendship House (ABHOW)	72
Venetia Oaks	36
Rotary Manor (ABHOW)	99
Rotary Valley Senior Village	80
SUBTOTAL	537
<i>Assisted Living & Residential Care Homes</i>	
Aldersley	87
Aegis of San Rafael	54
Alma Via	130
Drake Terrace	123
Villa Marin	224
A Golden Home	28
A Loving Touch	6
Ambassador Senior Care	5
Bretano House II, III, and IV	18
L'Chaim House I, II	12
Daniel Rest Home	6
Hacienda Rest Home	6
Harmony House	30
Long Life Living	18
Lucas Valley Lodge	6
Nazareth House	146
Parfitt's Rest Home	6
Roses Senior Care	8
Schon Hyme	12
St. Michael's	42
Shalom House	5
Terra Linda Christian	18
SUBTOTAL	990
<i>Skilled Nursing Facilities</i>	
Aldersley	20
Country Villa San Rafael	99
Kindred Care – Fifth Avenue	54
Northgate	52
Pine Ridge	101
Rafael Convalescent	168
Kindred Care – Smith Ranch	80
Villa Marin	31
SUBTOTAL	605
TOTAL	2,132
<p><i>Source: Marin County Division of Aging & Adult Services, "Choices for Living 2012"; Bridge Housing; Mercy Housing; ABHOW; Marin Division of Aging & Adult Services, http://marin.networkofcare.org/aging/services/subcategory.aspx?tax=PF-800.330</i></p>	

Housing providers report that deed-restricted affordable housing for seniors is extremely limited. For example, Mackey Terrace is currently full and has a 3 to 4 year wait list. The Warner Creek development, which opened in January 2013, is fully occupied and there is a waiting list. Only the Villas at Hamilton report any vacancies as of July 2012; the development has three units available out of a total of 128 units.

In 2010, the Marin County Board of Supervisors formally approved housing policy recommendations from the Marin County Commission on Aging. According to the Commission on Aging, recognition of the following needs of older and disabled adults should be taken into consideration in any affordable housing review:

1. Older and disabled adults may choose to 'age in place' in their longtime homes or to move into smaller units with access to services. These smaller units could be included as part of a "senior village," a co-housing project, shared housing with unrelated individuals or in a second unit owned by someone else.
2. Whether they live alone or in a residential setting with others, as people age they will likely need assistance and/or services to remain living independently. Ideally, the workforce delivering the assistance and services should live close by in housing they can afford.
3. It is important for older and disabled adults to live where they can move about without cars and access vital services such as shopping, medical facilities, government centers, libraries, educational programs and recreational activities. In addition, those who cannot or choose not to drive should have access to a full range of transportation choices including public transit as well as pedestrian and bicycle pathways.
4. There is a need for both existing and new large housing developments which serve older adults and individuals with disabilities to include appropriate on-site services that support independent living and aging in place. Overall development standards are needed that include universal design principles such as wheel chair accessibility, wheel/walk-in showers, etc. It is desirable to have several levels of care at one site.

In recognizing these identified needs, the Marin County Commission on Aging recommends cities consider the following when updating their housing elements:

1. The critical need for affordable housing, protection of the existing supply of modest homes and second units, and creation of policies that make it easier to construct new modest sized homes and second units.
2. The fact that many older and disabled adults live on limited fixed incomes; therefore policies and procedures should be pursued to maintain and increase rental housing and second units.
3. A needs assessment, if feasible, to determine the number and kind of older and disabled adult housing units that are needed.

The Commission on Aging further recommends that the following tools and approaches be considered in developing affordable housing:

1. Reservation of at least 20 percent of any new development as ‘below market rate’ with a potential alternative of ‘in lieu fees’ or off-site land donations. In the opinion of the Commission on Aging, increased density and reduced parking requirements may be suitable for some older and disabled adults thereby raising the possibility of a reduction in the cost to build such facilities.
2. Use of a density bonus program as a tool to encourage and enable construction of needed affordable housing. For example, setting a minimum density on a suitable property could allow the planning process to proceed more smoothly.
3. Adoption of a policy to encourage or require appropriate developments to incorporate energy and water conservation measures along with green building practices.
4. Incorporation of Universal Design principles where practicable.
5. Adoption of parking standards that reflect the reduced parking needs of seniors.

Strategies and Programs to Meet Projected Needs

This housing element contains policies and programs to increase senior housing supply and options for the rapidly expanding senior population. In particular, Programs 7.A and 7.B encourage development of co-housing, homesharing and tenant matching programs. Program 11.A calls for efforts to work with the water and sanitary districts to reduce their fees applied to accessory dwelling unit. Additionally, Program 11.B calls for the adoption of new zoning provisions to accommodate a newly defined unit type, a Junior Second Unit, that could be created by repurposing space within an existing home (e.g., conversion of an existing bedroom), incorporating a small “wet-bar” kitchen, and providing an exterior entrance. Due to their small size, Junior Second Units would be offered relaxed parking requirements. Program 11.B also calls for reduced development impact fees imposed by the City and efforts to establish reduced water and sewer district fees for units that comply with adopted zoning provisions for Junior Second Units. These programs have been included in order to increase development of shared housing and the development of small units that could provide senior housing as well as opportunities for seniors to stay in their homes and earn additional income.

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 2010 Census data show that 9 percent of Novato’s households were large families. The incidence of large households is higher among renter households; 14 percent of renter households were large families, while 7 percent of owner households were large families.

Table 37: Household Size by Tenure

	1-4 persons		5+ Persons		Total	
	Number	Percent	Number	Percent	Number	Percent
Owner	12,637	93%	954	7%	13,591	100%
Renter	5,761	86%	927	14%	6,688	100%
TOTAL	18,398	91%	1,881	9%	20,279	100%

Source: 2010 Census (SF 1: QT-H2)

According to the U.S. Census, there is an ample supply of houses with 4 or more bedrooms to house large families. Twenty-six percent of homes have four or more bedrooms, while only 9 percent of Novato households have five or more persons.

Table 38: Existing Housing Stock, Number of Bedrooms by Tenure

Bedroom Type	Number	Percent
0 BR	325	2%
1 BR	1,432	7%
2 BR	4,930	23%
3 BR	8,912	42%
4 BR	4,360	21%
5+ BR	1,257	6%
TOTAL	21,216	100%

Source: U.S. Census Bureau, 2008-2010 American Community Survey (DP04)

The data indicates for above moderate and moderate income households, Novato’s housing stock offers a choice of housing for large families. As is the case with housing affordability in general, it is likely that very low income large households are having difficulty finding affordable housing to meet their needs.

While the majority of deed-restricted affordable housing in Novato consists of one and two-bedroom units, the City made a concerted effort during the last planning period to develop large units for families. At Bay Vista, 106 three-bedroom units were constructed, and at Creekside at Meadow Park, a majority of the 77 apartments are three and four bedroom units.

Strategies and Programs to Meet Projected Needs

As the supply of large homes exceeds the number of large households, Novato should encourage the construction of smaller homes that will provide more housing opportunities for homeowners looking to “downsize” their homes and the large percentage of single householders and small households. With the dramatic increase in senior households, it is likely that many seniors are “overhoused” and living in a home far larger than they need or want. With appropriate housing options, a significant number of seniors may be willing to move into smaller units, including second units and shared housing opportunities, increasing the availability of homes for larger households and families. Programs 7.A and 7.B encourage development of co-housing, homesharing and tenant matching programs. Program 11.A directs the City to work with the water and sanitary districts to lower their connection or service fees for accessory dwelling units. Program 11.B directs the City to adopt zoning provisions, including relaxed parking standards for Junior Second Units, and reduced development fees. Programs 11.A and 11.B are intended to increase development of smaller units, including new units within existing “oversized” housing stock.

Female-Headed Households

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 unaffordable relative to the incomes of many people in this demographic. 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. Female-headed households, like many large households, may have difficulty in finding appropriately sized housing.

According to the 2010 U.S. Census there are 8,256 households headed by a female in Novato, accounting for 41 percent of all households in the city. There are 1,344 single female parents with children under the age 18, and 1,765 senior females living alone. According to the U.S. Census Bureau 2008-2010 American Community Survey, 12 percent of all female-headed families (no husband present) are below the poverty line. By way of comparison, 2 percent of married couple families are below the poverty level.

Table 39: Female-Headed Households

Householder Type	Number	Percent
Total households	20,279	100%
Total female-headed household	8,256	41%
Female heads with children under 18	1,344	7%
Female heads without children under 18	6,912	34%
Female householder, living alone	4,083	17%
Female householder over 65, living alone	1,765	9%

Source: Census Bureau (2010 Census SF 1: QT-P11)

Strategies and Programs to Meet Projected Needs

This housing element contains policies and programs designed to meet the needs of female-headed households. In order to assist female householder living alone, Programs 7.A and 7.B encourage development of co-housing, homesharing and tenant matching programs. Programs 11.A and 11.B will encourage fee reductions for accessory dwelling units and develop standards and fees for Junior Second Units in order to increase development of small units that may be appropriate for small female-headed households or for those who could benefit from additional income from a second unit in their house. Programs 9.A through 9.H are all designed to increase the supply of affordable housing for lower income households, including female-headed households. Program 5.A would require the inclusion of programs and facilities in multi-family developments that will assist female-headed households with children, such as afterschool programs for children, homework improvement programs, sports programs for children, and community activity spaces.

Farmworkers

State law requires that housing elements evaluate the needs of farmworker housing in the local jurisdiction. Novato is surrounded by agricultural land to the north, south and west, but there is little agricultural land within the City limits. Approximately 86 acres, or 0.4% of the total land within the city, is designated for agricultural use in the City's General Plan. This designation is intended to protect, preserve and enhance agricultural uses. Permitted uses include agriculture; greenhouses; farm and ranch buildings; single family dwellings; horse stables; fishing and hunting clubs; flood control facilities; and animal hospitals.

The U.S. Census Bureau 2008-2010 American Community Survey identified 276 Novato residents employed in the agriculture, forestry, fishing and hunting, and mining occupations. There are several small farms within the city limits, but few employ farmworkers for their operations. Pacheco Ranch Winery is the largest agricultural operation in Novato. The vineyard is located on a 73-acre parcel designated agricultural land. However, only seven acres are planted. The winery is a family-run operation and does not employ any permanent farmworkers. One day a year, the owners contract labor to prune the vines. The owners currently have no plans to increase the size of the vineyard or hire additional farmworkers.

Just Struttin Farms, a 48 acre-farm located on Canyon Road and McClay Road, raises chickens, horses, donkeys and goats and grows a limited amount of vegetables, but employs no farmworkers. The Indian Valley Organic Farm & Garden, a 5.8 acre demonstration farm located on the College of Marin campus, provides education and outreach programs and acts as a model for environmental awareness and sustainable living. The farm is a joint program by the College of Marin, the Conservation Corps of Marin, and the University of California Cooperative Extension. Two acres are currently in row crop production. The program employs up to 10 people, who must be enrolled in at least 6 credits at the College of Marin and be eligible for federal financial aid funds.

Strategies and Programs to Meet Needs

Given the limited amount of land zoned for agricultural use, and the even smaller amount of land in agricultural production, there appears to be little, if any, need for farmworker housing in Novato. Nonetheless, farm labor housing is permitted in the Agricultural district with a use permit. Development standards and processing requirements for farm labor housing are the same as for other residential structures in the Agricultural district. Since Health and Safety Code Section 17021.6 precludes a local government from requiring a conditional use permit, zoning variance, and or other zoning clearance for certain agricultural employee housing, Program 12.B calls for the City to revise the Agricultural zoning district to allow farmworker housing as a permitted use, consistent with California Health and Safety Code Section 17021.6.

Homeless Individuals and Families

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 location of housing that serves homeless clients. Homelessness is a countywide issue that demands a strategic, countywide approach that pools resources and services.

The best source of data for estimating the daily average number of homeless people is the 2013 Marin Homeless Point in Time Count, which was conducted by the Marin Health and Human Services on January 24, 2013. The data was gathered in partnership with housing service providers, faith-based groups and Marin schools, and included a count of both unsheltered homeless people (those living on the streets) and those who were sheltered (living in emergency shelters and transitional housing) on the day of the count. The count reports numbers of sheltered and unsheltered homeless people to the U.S. Department of Housing and Urban Development (HUD), according to HUD's definition of homelessness. In addition, Marin Health and Human Services counts sheltered homeless people in other settings not recognized by HUD, such as motels, jail, hospitals and temporary residence with friends or family.

The count found a total of 933 homeless people in Marin County, broken down as shown in Table 40.

Table 40: Marin County Point in Time Homeless Count

Unsheltered homeless people	174
Sheltered homeless people	519
Other sheltered homeless people*	240
Total homeless people	933
*People sheltered in settings not recognized by HUD, such as motels, jail, hospitals and temporary residence with friends or family.	
<i>Source: Marin County 2013 Point In Time Count Comprehensive Report Findings, page 16.</i>	

Table 41 provides a breakdown of Marin’s homeless population into subpopulations. This data is also drawn from the 2013 Marin Homeless Point in Time Count. This data is based on a count of 933 homeless people, as described above.. Data is not available on the breakdown of homeless subpopulations within each jurisdiction.

Table 41: Homeless by Subpopulation

Subpopulation/Special Needs	Percentage
Homeless for 1 year or more	27%
Homeless for 10 years or more	7%
Mental Illness	24%
Alcohol Use	32%
Drug Use	7%
Chronic Health Condition	7%
Physical Disability	24%
Developmental Disability	5%
Veterans	9%
HIV	3%
Multiple Health Issues	17%
Domestic Violence	26%
Children (under age 18)	18%
Senior (62 or older)	8%
<i>Source: 2013 Marin County Point in Time Count</i>	

According to the Point in Time Count of Persons Experiencing Homelessness report, 52 percent of adults counted reported having at least one type of disabling condition such as physical or developmental disability, chronic illness or a substance abuse problem. The survey found that 27 percent of those counted were homeless for one year or more; 10 percent reported being homeless for ten years or more. This data is consistent with national studies that have found high levels of disability among homeless people and suggests that both health and behavioral health services are needed to assist this population. Consistent with what has been found nationally, Marin’s homeless people also includes a significant number of veterans (9 percent) and people with domestic violence issues (26 percent).

The one-day count includes a breakdown of the homeless population by jurisdiction. The report found that 9 percent of the homeless and other sheltered populations (414 total persons) were located in Novato. The City therefore estimates the homeless population in Novato to be 37 people.

There is no data presently available documenting the increased level of demand for shelter in Marin County during particular times of the year. Due to the relatively mild climate, the only time of year when increased demand appears to be a factor is during the winter months (December to February). The biannual homeless count always takes place in the last week

of January, which is a period when demand for shelter typically is at its highest. Since the year-round need described above is based on that biannual count, the City assumes that the seasonal need for emergency shelter is no greater than the year-round need.

Data is also not available on the breakdown of the sheltered homeless population by jurisdiction. However, since the vast majority of Marin’s emergency shelters and transitional housing are located in either San Rafael or Novato, it is likely that most of the 519 sheltered homeless people were residing in one of those two jurisdictions on the night of the count. As shown in Table 42, there are currently 80 emergency shelter beds and 146 transitional housing units in Novato that could have provided overnight shelter for 44% of the sheltered homeless people counted in Marin County on January 24, 2013.

Table 42: Emergency Shelters and Transitional and Supportive Housing in Novato

Facility/Program Name	Provider Name	Number of Beds/Units		
		Emergency Shelter (beds)	Transitional Housing (units)	Supportive Housing (units)
Gilead House	Gilead House	0	6	0
Hamilton Meadows	Hamilton Continuum Partners	0	101	0
Meadow Park	Homeward Bound of Marin	0	7	0
New Beginnings Center	Homeward Bound of Marin	64	0	0
New Beginnings Center (beds for Vets)	Homeward Bound of Marin	16	0	0
Next Key Center	Homeward Bound of Marin	0	32	0
Total		80	146	0

Source: Gilead House, Hamilton Continuum Partners, and Homeward Bound, July 2012.

Homeward Bound is the chief provider of emergency shelter and transitional and long-term housing and support services for homeless men, women and children in Marin County, serving approximately 2,000 people each year. The New Beginnings Center (NBC), located in Novato, is an 80-bed dormitory style facility built on a decommissioned military base. NBC provides, basic health care, around-the-clock counseling, an on-site 12-step program, relapse prevention workshops, a dining room that serves three meals a day, five on-site vocation training programs and other services as necessary to help residents move into and maintain long-term housing. This facility provides nearly half of the 179 emergency shelter beds in Marin County.

Transitional housing is provided at Gilead House, Hamilton Meadow, Meadow Park, and the Next Key Center. Meadow Park has seven apartments, and 22 beds. The Next Key Center has 32 apartments and 43 beds. Hamilton Meadows has 101 units. In June 2008, the Novato City Council approved construction of a new Gilead House, located on Seventh Street. The new facility, opened in July 2011, increases the number of people that can be housed from

three women and their children, or a total of 9 people, to six women and their children, or a total of up to 24 people.

As part of its latest capital project, Homeward Bound is proposing a Housing for Working Families project, which will construct 14 transitional units on 0.7 acre that Homeward Bound recently purchased. In August 2012, the City Council approved an allocation of \$400,000 from the City of Novato Housing Opportunity Fund for construction of these units.

Strategies and Programmatic Responses to Meet Projected Needs

Emergency Shelters. The Novato zoning code allows residential shelters as a permitted use in the Hamilton Industrial Park and Ignacio Industrial Park, and in the CG (General Commercial) District with a use permit. The industrial parks have an adequate number and size of commercial structures within them to accommodate emergency shelter facilities with at least 36 shelter beds.

Transitional and Supportive Housing. Government Code Section 65583(a)(5) requires all cities and towns to treat transitional and supportive housing as a residential use, subject only to those restrictions that apply to other residential dwellings of the same type in the same zone. In March 2014, the City adopted zoning code amendments that permit transitional and supportive housing as a residential use in all zoning districts as required by Government Code Section 65583(a)(5).

Opportunities for Energy Conservation

Housing Elements are required to identify opportunities for energy conservation in residential development. The energy conservation section of the housing element must inventory and analyze the opportunities to encourage the incorporation of energy saving features, energy saving materials, and energy efficient systems and design for residential development. Planning to maximize energy efficiency and the incorporation of energy conservation and green building features can contribute to reduced housing costs for homeowners and renters, in addition to promoting sustainable community design and reduced dependence on vehicles. Such planning and development standards can also significantly contribute to reducing greenhouse gases.

In 2008, the City conducted an inventory of 2005 community emissions and found that the residential sector generated 85,418 metric tons CO₂e, which represent 18.5 percent of total 2005 emissions. This is the second largest source of community emissions in Novato. The inventory found that 65 percent of total residential emissions were the result of electricity consumption and 35 percent were the result of natural gas use. Electricity is generally used for lighting, heating, cooking, and to power appliances. Natural gas is typically used in residences as a fuel for heating, water heating, and cooking. Implementing measures to improve efficiency, increase the use of renewable energy, and bolster energy conservation were strategies cited to reduce greenhouse gas emissions from the residential sector.

. In 2013, the City adopted the 2013 CAL Green Building Code which regulates both new and remodeled/expanded residential and non-residential buildings. The energy requirements of the new State code are significantly more stringent than the prior code (an approximately 25 percent reduced energy budget for new home, 30 percent reduction for commercial buildings and 14 percent reduction for multi-family structures) and are intended to progress to net zero energy homes by 2020 and commercial structures by 2030. The City also adopted CAL Green 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 has also adopted water-efficient landscape criteria and run-off policies, which help to reduce energy used to treat, transport and deliver water to residential buildings.

In December 2009, the City approved a Climate Action Plan that provides the city with a blueprint to reduce community greenhouse gas emissions by 15% below 2005 levels by the year 2020, which is consistent with the State's direction to local governments in the Assembly Bill (AB) 32 Scoping Plan. The mitigation measures related to energy efficiency programs in residential development are as follows:

- Low-Income Households Programs: Expand and better integrate programs for low-income households such as the distribution of CFL lights and water-conserving showerheads.
- Public Outreach: Promote residential and commercial energy through bill inserts, public service announcements, recognition programs, and other forms of public outreach.
- Community Renewable Energy Facilitation: Identify and remove barriers to small-scale, distributed renewable energy production within the community.
- Continue to implement the City's Green Building Program. Expand program to require a minimum of 15% above California's Title 24 energy standards, as amended.
- Cool Paving Materials: Require the use of high albedo material for future outdoor surfaces such as parking lots, median barriers, roadway improvements, and sidewalks in order to reduce the urban heat island effect and save energy.
- Increase Tree Cover: Increase tree cover of structures and other improvements in the City through implementation of the City's Urban Forestry Plan, including updated landscaping requirements to ensure strategic placement of plantings to shade east and west walls of structures.
- Water Conservation: Conserve water through improved efficiency.
- Require mixed-use, infill development at higher densities to ensure the provision of a mix of housing, employment, and commercial services within the community.
- Jobs/Housing Balance: Attract a variety of employment opportunities, including higher-paying jobs, for those who live, or are likely to live, in the community.
- Affordable Housing: Continue support of affordable housing ordinance and programs.

Housing Element Programs 4.A and 4.B will increase opportunities for solar installation and continue implementation of the City’s green building regulations. The ongoing General Plan update includes more emphasis on energy conservation than the existing General Plan.

In 2007, Novato joined the County of Marin and the other ten Marin municipalities to form the Marin Climate and Energy Partnership (MCEP) whose goal is to reduce greenhouse gas emissions and create sustainable communities. MCEP has been instrumental in developing programs to reduce energy use in residential buildings.

Novato also participates in the following energy conservation and efficiency programs administered by the Marin Energy Watch Partnership as follows:

Marin County Energy Watch (MCEW) partnership. The MCEW brings together five elements to provide energy efficiency services and resources to single and multi-family residential; small, medium and large commercial; and public agencies and schools in Marin County as described:

- California Youth Energy Services (CYES) provides no-cost green house calls to homeowners and renters, regardless of income level. The professionally-trained staff provides energy assessments and installs free energy and water-saving equipment. CYES serves single family dwellings, 2-4 duplexes, and multi-family units. Between 2009 and 2011, CYES served 340 households in Novato and installed energy-efficient equipment that saves 204,247 kWh hours of electricity annually.
- Marin Energy Management Team (MEMT) acts as “energy manager” for public sector agencies including local governments, school districts and special districts, and specifically addresses the difficulty of reaching smaller public sector institutions. Services include audits, technical assistance, engineering, assistance in financing and obtaining incentives, specifying and managing projects, energy accounting and reporting, procurement, peer meetings and training workshops. MEMT also integrates other state, utility, and private energy efficiency programs, filling resource gaps, and addressing specific barriers as needed to provide as comprehensive and seamless a delivery of services as possible. Between 2006 and June 2012, MEMT completed 12 projects in Novato that annually save 715,575 kWh of electricity.
- Smart Lights is designed to help small businesses become more energy-efficient. The program offers free start-to-finish technical assistance and instant rebates to help defray the cost of upgrading and/or repairing existing equipment. Smart Lights can help with comprehensive lighting retrofits, refrigeration tune-ups, controls, and seals replacement, replacing domestic hot water heaters, and referrals to appropriate HVAC programs. Between 2009 and 2011, Smart Lights completed 144 projects in Novato that save 1,057,522 kWh annually.
- Energy Upgrade California is an energy efficiency program that provides rebates and resources to upgrade single family and 2-4 unit multi-family dwellings to save

energy and water. Between June 2010 and May 2012, three homes in Novato participated in the program, improving their homes' energy efficiency by an average of 31 percent.

Conservation rebates. PG&E offers a wide range of rebates for energy efficient equipment and appliances, including refrigerators, clothes washers, room air conditioners, water heaters, attic and wall insulation, cool roofs, HVAC systems, furnaces, whole house fans, air handler systems, swimming pool pumps and motors, energy-efficient lighting, and recycling of refrigerators, freezers and room air conditioners. PG&E does a good job of promoting its rebate programs through customer mailings, the company website, and point-of-sale information.

Rehabilitation Loans. The Marin Housing Authority provides low-interest residential rehabilitation loans to very-low income homeowners to make basic repairs and improvements, correct substandard hazards, and eliminate health and safety issues. The maximum loan amount is \$35,000 and interest accrues at 6% per year. In cases of financial hardship, no monthly payment is required and payment of the loan is deferred, either for a specified period or until the property is sold or title is transferred. Funds can also be used to include energy efficiency improvements. Thirty-one residential rehabilitation loans were funded in Novato between 2007 and 2013.

Regional Housing Needs

Regional Housing Need Allocation

The Regional Housing Need Allocation (RHNA) is a minimum projection of additional housing units needed to accommodate projected household growth of all income levels by the end of the housing element’s statutory planning period. For Novato and other Bay Area jurisdictions, the regional housing need allocation is determined by the Association of Bay Area Governments (ABAG), based upon an overall regional housing need number established by the State for the Bay Area region.

The RHNA is distributed among four income categories to address the required provision for planning for all income levels. As shown in the table below, Novato’s portion of the regional housing need is a total of 415 units between January 1, 2014 and October 31, 2022, with the following income breakdown: 111 units affordable to very low income households; 65 units affordable to low income households; 72 units affordable to moderate income households; and 167 units affordable to above moderate income households.

Table 43: Regional Housing Need Allocation, 2014-2022

Income Category	New Construction Need
Very Low (0-50% of AMI)	111
Low (51-80% of AMI)	65
Moderate (81-120% of AMI)	72
Above Moderate (over 120% of AMI)	167
TOTAL UNITS	415

As per State law, projected housing need for extremely low income households earning 30 percent or less of the area median income is one half of the very low income category, or 56 units.

Units Built During the Planning Period

According to State law, a jurisdiction may take credit for units constructed or under construction between the base year of the RHNA period and the beginning of the new planning period. Units which have been issued building permits on or after January 1, 2014, may be credited against the RHNA to determine the balance of site capacity that must be identified. In addition, and based on conversations with HCD staff, Novato may take credit for housing units that have been approved or have filed a formal application but have not yet been issued a building permit. To credit units affordable to lower- and moderate-income households against the RHNA, a jurisdiction must demonstrate the units are affordable based on at least one of the following: subsidies, financing or other mechanisms that ensure affordability (e.g., Multifamily Housing Program (MHP), HOME Program, or Low-Income

Housing Tax Credit (LIHTC) financed projects, inclusionary units or RDA requirements); actual rents; and actual sales prices. Projects that have been built or issued building permits since January 1, 2014, or were approved or submitted formal applications between , and are shown in Table 45. Affordability levels based on recorded or anticipated sales prices assume the housing units will sell for no more than \$278,000 for very low income households, \$445,000 for low-income households, and \$620,000 for moderate income households, as described in Table 28. Affordability levels for market-rate rents at Millworks were developed by comparing actual rents, plus utilities, to the affordability levels identified in Table 28. Affordability levels for second units were determined through a second unit survey distributed to over 130 residences with permitted second units by the City of Novato Community Development Department in August 2012. Affordability levels were calculated by comparing reported rents to the levels in Table 28. Of the surveys returned, 38 percent of owners charged no rent; these units are all assumed to be affordable to very low income households. In total, 66 percent of the second units were affordable to very low income households and 34 percent were affordable to low income households.

Table 44: Units Built, Under Construction, Approved or In-Process, April 2014

Project Name, Address or APN	Status: Built, Under Construction, or Approved	Total Units	Units by Income Level				Methodology of Affordability Determination (1) Sales price (2) Rent price (3) Type of Subsidy
			VL	L	M	AM	
Canyon Green	Under construction	25 (16*)				16*	Sales price
Fourth St. Homes	Approved	10		10			Deed Restriction
Rudnick Estates	Under Construction	24 (22*)				22*	Sales price
Walnut Meadows	Approved	12				12	Sales price
Buck Center for Research in Aging	Approved	130		64	64	2	Rent Agreement with City
State Access Senior Apts.	Formal application received	48	5	4		39	Rent Agreement with City
Oma Village	City subsidy approved Formal application in process	14	14				Rent Agreement with City
Misc: SF homes on in-fill lots	Built	1				1	Sales price/Estimated Construction Cost
Hamilton Field Phase II Planning Area 19 Senior Housing	Approved	25	13	12			Hamilton Field Affordability Plan

Second Units	Built	1	1				Second unit rent survey
TOTALS		279	33	90	64	92	

*Remaining units to be constructed within the planning period.

Fourth Street Homes. This planned development was recently purchased by Habitat for Humanity and has all of the necessary City entitlements in place to submit building plans for construction of improvements and homes. In November 2012, the City Council pledged a (no interest) loan of \$427,438 towards construction of the project.

Walnut Meadows. This planned development has all of the necessary City entitlements in place to submit the Final Map and building plans for construction of improvements and homes.

Buck Center for Research in Aging. The Buck Center “campus” has necessary land use and zoning designations, and entitlements to construct 130 low and moderate income units within its “campus.” In early 2013, the Buck Center submitted plans for the project to Design Review. The plans have undergone several revisions in response to comments from the Design Review Commissioners. The Buck Center is planning to submit its fourth set of revised plans for approval in September of 2014. When the Design Review Commission finally approves the plan, the Buck Center intends to pursue construction approval through the normal construction permit process and begin construction, tentatively in 2015, when permits and financing have been secured.

State Access Senior Apartments. A proposal from Thompson Development Inc., State Access Senior Apartments at 801 State Access Road includes 48 one- and two-bedroom senior apartments within a two-story building that frames a common courtyard. Other amenities include a community garden, game room, a fitness room and a multi-purpose room. The project received all of its entitlements for development in September 2013. In support of its request for a General Plan Land Use amendment to permit housing on the site, Thompson Development has committed to reserving 5 very-low and 4 low income senior apartments. This offer is memorialized in a letter to the City dated November 29, 2012. The applicant is projecting a construction start in late summer 2014.

Oma Village. Founded in 1974, Homeward Bound of Marin seeks to end homelessness within Marin County. Their programs range from emergency shelters to permanent supportive housing that includes services like counseling and job training.

As part of its latest capital project, Homeward Bound is proposing Oma Village for working families, which will construct 14 rental units for extremely-low income households on a 0.7 acre at 5394 Nave Drive that Homeward Bound recently purchased. The units will be designed to achieve Leadership in Energy and Environmental Design (LEED) certification. The smallest unit proposed will be 461 square feet for a one bedroom, one bath structure to the largest structure of two bedrooms, two-and-one-baths of 1,002 square feet. It is expected that each household will be comprised of either a single person or a single parent with one child.

In August 2012, the City Council approved an allocation of \$400,000 from the City of Novato Housing Opportunity Fund and in February 2013 approved an additional \$130,000 from available Community Development Block Grant funds for construction of these units. Homeward Bound received final entitlements (design review) in March 2014 to use this site for permanent rental housing for extremely low income households. According to the applicant’s representatives, construction is expected to be completed by spring 2015.

Hamilton Field Phase II Planning Area 19 Senior Housing. This site was acquired by the City of Novato as part of the Hamilton Army Airfield Reuse Plan. Through adoption of the Reuse Plan, the site has necessary land use and zoning clearance to construct 25 units of affordable housing for seniors; in fact, the Reuse Plan calls for affordable senior housing exclusively on the site. The City is actively seeking a qualified developer for the site and recently hired a Hamilton Base Reuse Director whose responsibilities include efforts to more effectively promote the site for affordable senior housing.

Remaining Regional Housing Need –2014-2022. Table 45, column A-B below, reflects the remaining regional housing need after accounting for units proposed, approved, under construction or built within the planning period to date. Table 45 demonstrates that the City, via supportive site designation(s), has satisfied its low income housing need and needs to accommodate the development of 78 units affordable to very low income households, 8 moderate income units and 75 above moderate income units.

Table 45: Remaining Regional Housing Need After Units Built, Under Construction, Approved or In Process

Income Category	A	B	A-B
	New Construction Need	Units Built, Under Construction or Approved	Remaining Need
Very Low	111	33	78
Low	65	90	(25)
Moderate	72	64	8
Above Moderate	167	92	75
TOTAL UNITS	415	279	136*

* = Surplus Low deducted from Remaining Need for Moderate and Above Moderate

Available Land and Ability to Meet Novato’s Regional Housing Needs

This section of the element addresses the requirements of Government Code Sections 65583 and 65583.2, requiring a parcel-specific inventory of appropriately zoned, available, and suitable sites that can provide realistic opportunities for the provision of housing to all income segments within the community.

Available Land Inventory

A City-wide land inventory has been developed based on sites that currently allow for housing. The inventory includes both small and large residentially and non-residentially zoned parcels and parcels which are substantially vacant or underutilized which could be developed with additional housing. The inventory provides an estimate of potential development capacity for these sites based on existing environmental constraints and/or uses.

The sites suitability analysis discusses the sites that will provide realistic development opportunities prior to January 31, 2023 (the end of planning period). To demonstrate the realistic development viability of these sites, the analysis also discusses: (1) whether appropriate zoning is in place, (2) the applicable development standards and their impact on projected development capacity and affordability, (3) existing constraints including any known environmental issues, and (4) the availability of existing and planned public service capacity levels.

The following sites inventory was developed in April 2014 and includes assessor parcel number, size, zoning, general plan designation, existing use, potential buildout capacity, and an indication of on-site constraints for each site. A corresponding map exhibit of these sites is included in Appendix B.

Table 46: Available Land Inventory

Map ID	Assessor's Parcel Number	General Plan	Zoning	Allowable Density	Acres	Existing Use	Realistic Capacity	Infrastructure Capacity	On-site Constraints
Affordable Housing Overlay Sites									
1	141-201-48; 141-201-12	PD	AHO/R10	20-23	2.14	Day care facility	35	Yes	Creek
2	153-162-59	PD	AHO/GC	20-23	2.11	RV storage yard	30	Yes	None
3	125-202-18	PD	AHO/BPO	20-23	39.92 (4 acre portion)	Vacant	80	Yes	None
4	143-011-08	CG:D	AHO/GC	20-23	1.76	Vacant	35	Yes	None
5	140-011-66	R1	AHO/R1-7.5	20-23	1.06	Health services facility	21	Yes	Creek borders site
<i>Subtotal</i>							201		
Multi-Family Housing									
6	141-062-36	R5	R5-4.5	5.1-10	1.1	1 SF house	6	Yes	
7	141-142-16	R5	R5-4.5	5.1-10	3.9	1 SF house	8	Yes	Flood plain
8	141-234-10	R10	R10-4.5	10.1-20	0.5	1 SF house	3	Yes	
9	141-253-09	R10	R10-4.5	10.1-20	0.2	vacant	1	Yes	
10	141-261-30	R10	R10-4.5	10.1-20	0.6	1 SF house	5	Yes	
<i>Subtotal</i>							23		
Mixed Use									
11	141-261-29	CD	CDR; Downtown	2.0 FAR	1.2	one story commercial	24	Yes	
12	141-263-30	MU	MU; Downtown	2.0 FAR	0.3	vacant	6	Yes	
13	125-600-52	MU	MU: Atherton Ranch	0.8	1.86	vacant	27*	Yes	
14	125-600-51	MU	MU: Atherton Ranch	0.8	1.70	vacant	27*	Yes	
15	141-264-22	CD	CDR; Downtown	2.0 FAR	0.6	one story commercial	10	Yes	
16	141-282-07 and 141-282-04	CD	CDR; Downtown	2.0 FAR	0.9	one story commercial and adjacent vacant parcel; same owner	17	Yes	
17	153-041-01	CD	CDR; Downtown	2.0 FAR	0.7	one story commercial	13	Yes	
<i>Subtotal</i>							124		

Single Family Homes									
18	124-010-08	R4	PD	4.1-7.0	21.6	vacant	115	Yes	
19	124-212-22	R1	R1-7.5	1.1-5.0	2.9	vacant	4	Yes	
20	124-323-11	R1	R1-7.5	1.1-5.0	3.5	church	9	Yes	
21	125-510-04	R1	PD	1.1-5.0	0.8	vacant	1	Yes	
22	132-031-04	R1	R1-40	1.1-5.0	4.6	4	2	Yes	Flood plain
23	132-031-08	R1	R1-40	1.1-5.0	3.6	vacant	2	Yes	Flood plain
24	132-031-10	R1	R1-40	1.1-5.0	1.9	2	1	Yes	Flood plain
25	132-031-11	R1	R1-40	1.1-5.0	2.9	1 SF house	2	Yes	Flood plain
26	132-031-12	R1	R1-40	1.1-5.0	2.0	1 SF house	1	Yes	
27	132-051-53	R1	R1-40	1.1-5.0	1.9	1 SF house	1	Yes	
28	140-011-78	R1	R1-7.5	1.1-5.0	0.6	1 SF house	2	Yes	Flood plain
29	140-011-79	R1	R1-7.5	1.1-5.0	1.6	1 SF house	5	Yes	Flood plain
30	140-011-80	R1	PD	1.1-5.0	1.3	vacant 0	6	Yes	Flood plain
31	140-111-74	R1	R1-7.5	1.1-5.0	0.9	1 SF house	3	Yes	Flood plain
32	140-111-75	R1	R1-7.5	1.1-5.0	0.9	1 SF house	3	Yes	Flood plain
33	140-191-69	R1	R1-7.5	1.1-5.0	0.2	vacant	1	Yes	Flag lot
34	140-191-70	R1	R1-7.5	1.1-5.0	0.2	vacant	1	Yes	Flag lot
35	140-231-05	R1	R1-10	1.1-5.0	4.9	1 SF house	5	Yes	Flood plain
36	140-231-31	R1	R1-7.5	1.1-5.0	3.5	vacant	2	Yes	Flood plain
37	140-261-73	R1	R1-7.5	1.1-5.0	0.8	1 SF house	2	Yes	
38	140-273-50	R1	R1-7.5	1.1-5.0	0.3	vacant	1	Yes	
39	141-061-18	R1	R1-7.5	1.1-5.0	0.4	1 SF house	1	Yes	
40	141-090-45	R1	R1-7.5	1.1-5.0	1.0	vacant	4	Yes	
41	141-061-15	R1	R1-7.5	1.1-5.0	1.4	vacant	7	Yes	Flood plain
42	141-061-20	R1	R1-7.5	1.1-5.0	1.1	1 SF house	4	Yes	Flood plain
43	141-072-29	R1	R1-7.5	1.1-5.0	0.7	vacant	1	Yes	Flood plain
44	143-071-11	R1	R1-7.5	1.1-5.0	0.4	vacant	1	Yes	Hillside lot
45	143-151-06	R1	PD	1.1-5.0	6.7	vacant	8	Yes	Hillside lot
46	143-272-07	R1	PD	1.1-5.0	8.7	vacant	11	Yes	Hillside lot
47	151-022-09	R1	R1-7.5	1.1-5.0	3.7	vacant	9	Yes	
48	160-020-12	R1	PD	1.1-5.0	2.2		5	Yes	
49	160-020-44	R1	PD	1.1-5.0	21.0	vacant	1	Yes	Hillside lot
50	160-150-50	R1	R1-10	1.1-5.0	9.8	vacant	3	Yes	
51	146-090-08	R1, Undesignated	R1-40, Undesignated	1.1-5.0	19.9	1 SF house	10	Yes	
52	141-130-76	RVL	PD	0.5-1.0	7.5	vacant	1	Yes	Hillside lot
53	143-171-57	RVL	PD	0.5-1.0	25.0	vacant	1	Yes	Hillside lot
54	143-331-45	RVL	PD	0.5-1.0	14.4	vacant	1	Yes	Hillside lot
55	146-090-12	RVL	RVL-40	0.5-1.0	4.1	1 SF house	2	Yes	

56	146-090-18	RVL	RVL-40	0.5-1.0	24.9	1 SF house	6	Yes	
57	146-110-79	RVL	RVL-80	0.5-1.0	7.9	vacant	1	Yes	Hillside lot
58	153-111-10	RVL	PD	0.5-1.0	4.7	vacant	1	Yes	Hillside lot
59	153-182-07	RVL	RVL-40	0.5-1.0	5.3	1 SF house	1	Yes	Hillside lot
60	153-182-08	RVL	RVL-40	0.5-1.0	5.1	1 SF house	1	Yes	Hillside lot
61	153-182-50	RVL	PD	0.5-1.0	3.9	vacant	1	Yes	Hillside lot
62	153-182-53	RVL	RVL-40	0.5-1.0	1.6	vacant	1	Yes	Hillside lot
63	153-182-54	RVL	RVL-40	0.5-1.0	1.6	vacant	1	Yes	Hillside lot
64	153-182-55	RVL	RVL-40	0.5-1.0	1.5	vacant	1	Yes	Hillside lot
65	153-182-56	RVL	RVL-40	0.5-1.0	1.6	vacant	1	Yes	Hillside lot
66	153-182-57	RVL	RVL-40	0.5-1.0	7.4	vacant	1	Yes	Hillside lot
<i>Subtotal</i>							255		
Accessory Dwelling Units									
n/a	Various	R1, RR and RVL	0.5-5.0	R1, RR and RVL	Varies	Single family houses and vacant lots	24	Yes	Varies
<i>Subtotal</i>							24		
TOTAL							627		

Available Sites for Housing

Affordable Housing Overlay Sites

In 2013, and in accordance with the City's adopted and certified 2007-2014 Housing Element, the City designated five sites for a newly created Affordable Housing Overlay (AHO) District. These sites are identified in Table 47 and are shown in a map as Appendix D. In addition to all existing zoning allowances, the AHO district permits multi-family housing with a minimum/maximum density of 20 to 23 dwelling units per acre.

Also in 2013, the City adopted a local density bonus for senior housing. With the City's demonstrated need for senior housing, a trend in smaller home size for seniors (smaller household size), and demonstrated reduced parking needs for seniors (fewer household drivers), the City adopted a local density bonus ordinance that establishes a base density bonus of 23 to 30 dwelling units per acre for housing designated for seniors. The density bonus complies with State mandated provisions per Government Code Section 65915.

Site # 1: 1787 Grant Ave., APN 141-201-48 and 141-201-12. This site contains two co-owned parcels, a 1.90 acre parcel and an adjacent 0.25 acre parcel. The site fronts Grant Ave. to the north and a 26-unit, two story, attached condominium development to the east. To the south and west, the site backs up to a heavily wooded segment of Novato Creek.

Housing Redevelopment Opportunity: The combined sites are partially improved with two single story commercial buildings currently occupied by Bridge Point Academy, a childcare center. The aging (40+ years), outdated buildings occupy less than 12% of the site area and are nearing the end of their functional usefulness. Building expansion or reuse is likely infeasible due to overall building code upgrades to meet current standards. Additionally, the existing use, Bridge Point Academy, operates under the provisions of a conditional use permit which allowed a school for up to 35 children to operate at the subject property. As a conditionally permitted use, the existing business is not able to expand without a new Use Permit and design review approval to do so, a process more burdensome than application for design review for multi-family housing under the Affordable Housing Overlay District.

Taking into account approximately 0.39 acres of the site area for the preservation of a well vegetated segment of Novato Creek, the net remaining, 1.75 acres is well-suited for multi-family residential development; it is relatively flat with no significant environmental features. The site is close to shopping, services, schools, parks and transit, and is located in a highly walkable neighborhood. Based on the site conditions and the context described above, these sites (currently under one ownership) combined are an excellent candidate for residential redevelopment.

If both parcels are developed concurrently for housing, the City will waive fees for processing a merger of the two parcels (see Program 9.B). The assumed development type is attached, multi-family, two story construction with a combination of surface and tuck-under parking. Applying a residential land use density of 20 units per acre and a net developable

area of 1.76 acres, the site would yield 35 units. At 30 units per acre, for seniors, the unit yield would be 53 units.

Site # 2: Landing Court, APN 153-162-59. The site, approximately 2.11 acres, fronts Landing Ct. opposite a light industrial/office complex and self-storage. To the north and west, the site abuts the rear and side yards of four single family homes. The site has no building/structural improvements, has some basic utility connections, and is marginally improved with surface parking for RVs, boats and trucks. The site is nearly level and is essentially void of vegetation. Given the lack of existing improvements, the site presents an excellent opportunity for reuse. The site is on a transit corridor, and is accessible to local grocery stores and other services within half of a mile.

The assumed development type for the site is attached, multi-family, two story construction with a combination of surface and tucked-under parking. Applying a land use density of 20 units per acre, the site would yield 42 units. However, with respect for the four existing single-family homes to the north and east of the site, the City provides a design transition area along the north and east boundaries of the site, an area of approximately ½ acre, within which a comparable development pattern (building height, massing, setbacks etc.) could occur. The intent of the transition area is to provide a design transition between the existing homes and higher density development on the site. Applying a ½ acre transition area leaves a net buildable site area of 1.50 acres, which at 20 units per acre would yield 30 units. Maximum density for senior housing at 30 units per acre would yield 45 units.

Site # 3: Redwood Boulevard, APN 125-202-18. This vacant site is a 39.92 acre parcel, approximately 900 feet north of the intersection of Wood Hollow Drive and Redwood Boulevard and a proposed rail station. The site is adjacent to homes within Partridge Knolls to the west, the Buck Center for Research in Aging to the north, which includes an approved 130-unit multi-family development, and an office complex to the south. Four acres of the site is designated in the AHO District. This four-acre area is located adjacent to Redwood Boulevard adjacent just north of the site's southern access in a relatively flat area largely void of trees and establishing drainage areas (see Appendix B-ii). There is a realistic minimum development capacity of 80 units on the four acres at a density of 20 units per acre. At 30 units per acre, the same four acre portion of the site would yield 120 units for senior housing.

Site #4: 7506 Redwood Boulevard, APN 143-011-08. This 1.76 acre site is vacant and is adjacent to a small shopping center that includes a Trader Joe's specialty foods store. The site is flat, has no physical constraints, and fronts a major thoroughfare with transit lines. The assumed development scenario is attached, multi-family, two story construction with a combination of surface and tucked-under parking. The site falls within the Downtown overlay zone, which has reduced parking standards. Applying a land use density of 20 units per acre, the site would yield 35 units; at 30 units per acre, the unit yield would be 53 units for senior housing.

Site #5: 1905 Novato Boulevard, APN 140-011-66. This 1.06 acre site is currently occupied by Lifelong Medical Care. The building is over 40 years old and is nearing the end of its functional usefulness. Existing lot coverage is only 11 percent. Building expansion or reuse is

likely infeasible due to the extent of building upgrades to meet current code standards. Additionally, the existing use, Lifelong Medical Care, is a non-permitted use under the existing Low Density Residential (R1) designation. As a non-permitted use, the existing business is not able to undertake structural improvements or expand; a restriction that impacts the on-going viability of the business making the site an excellent candidate for redevelopment. Further, the balance of the property (87%), provides an opportunity for senior housing development in conjunction with the existing senior services. The site is flat and fronts a major thoroughfare with transit lines. The site is near shopping and services, schools and parks. Based on site conditions and context described above it is an excellent candidate for residential development.

The assumed development scenario is attached, multi-family, two story construction with a combination of surface and tucked-under parking. Applying a residential land use density of 20 units per acre, the site would yield 21 units; at 30 units per acre, for seniors, it would yield 32.

Figure 7: AHO Site #1

Site	Address	APN	Area	Realistic Unit Capacity
1	1787 Grant Avenue	1410-201-48 and 141-201-12	2.14 acres	40 units



Figure 8: AHO Site #2

Site	Address	APN	Area	Realistic Unit Capacity
2	Landing Court	153-162-59	2.11 acres	34 units

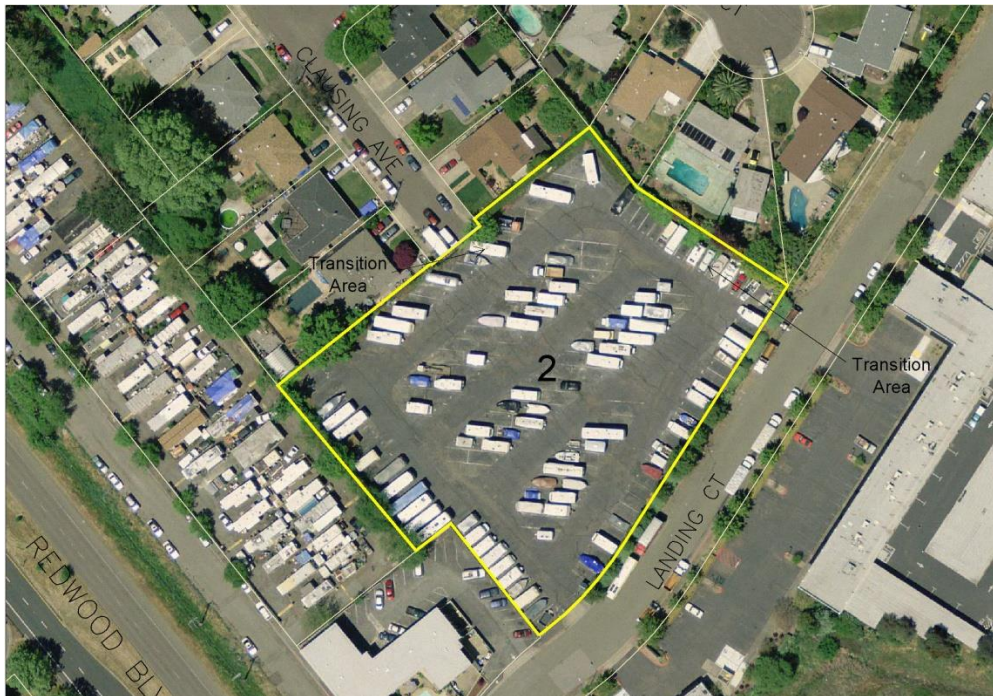


Figure 9: AHO Site #3

Site	Address	APN	Area	Realistic Unit Capacity
3	Redwood Blvd.	125-202-18	39.92 acres	92 units



Figure 10: AHO Site #4

Site	Address	APN	Area	Realistic Unit Capacity
4	7506 Redwood Blvd.	143-011-08	1.76 acres	40 units



Figure 11: AHO Site #5

Site	Address	APN	Area	Realistic Unit Capacity
5	1905 Novato Blvd.	140-11-66	1.06	24 units



Multi-Family Housing

There is potential for 23 net new housing units on five sites zoned R5-4.5 and R10-4.5. The R5 (Medium Density Residential) zoning district is intended for areas appropriate for a mix of housing types on smaller lots. Typical residential land uses include single- and two-family dwelling units, either attached or detached. The R10 (Medium Density Multi-Family Residential) zoning district is intended for a variety of medium density dwelling units, including multi-family, two family and single family residences. Both the R5-4.5 and R10-4.5 designations indicate zoning districts that allow a maximum of one housing unit per 4,500 square feet of site area, for a maximum density of 10 dwelling units per acre. These five multi-family housing sites, for a net of 23 new units, are expected to be developed with housing affordable to moderate income households.

Mixed Use & Downtown Core Housing

There is the potential for 124 new housing units in mixed-use development on five sites in the Downtown. Three of these sites are vacant; another site comprises a vacant, one-story commercial building and an adjacent undeveloped parcel owned by the same property owner. The remaining three sites are underutilized and are developed with existing floor area ratios of approximately 0.1 to 0.5.

Development of sites designated for Mixed Use (MU) allow a 0.4 Floor Area Ratio. However, to incentivize housing, the FAR in MU is increased to 0.8 if housing is included - a 100 percent density increase. Similarly, commercial development in the Downtown Core (CD) allows a 1.2 FAR, and an increase to 2.0 FAR if a residential component is included, a 66 percent density increase. Within the Downtown Overlay district, building height may be increased by 30 percent, from 35 feet to 45 feet, where it is determined that exceptional building design quality is proposed and/or housing is included within a mixed use project. Reduced on-site parking requirements for development within the Downtown Overlay district are also available. Adjustments to parking requirements may include waivers for off-peak uses, shared parking agreements, off-site parking and public parking improvements. Realistic development capacities for the sites contained in the Available Land Inventory were conservatively estimated at a density of 20 dwelling units per acre.

The City has had great success encouraging mixed-use development in the Downtown. Based largely on its design merits, the City Council unanimously approved the mixed-use Millworks project including 124 housing units and 52,000 sq. ft. of retail space on 2.85 acres at 900 Reichert Avenue. The City applied the increased Floor Area Ratio from 1.2 to 2.0 to accommodate the number of condominium homes proposed, which equates to a residential density of 44 units per acre; this density is in addition to 52,000 sq. ft. of retail space. These units were designed as large, condominium units; the average unit size is 1,240 square feet.

Based upon current market rents at 900 Reichert Avenue, newly constructed mixed use units are projected to be affordable to moderate income households at market rental rates (with the exception of seven deed-restricted units affordable to very low income households). As identified in Table 47, Available Land Inventory, there is a capacity within existing MU and CD districts for 124 mixed use units.

Single Family Houses

There is potential for 256 net new single family homes on 50 parcels zoned for single family residential development in the Low Density Residential (R-1) and Very Low Density (RVL) zoning districts. Thirty-four of these sites are vacant, and 16 sites are developed with one single family house. Although most sites have no environmental constraints, a few are located on hillsides lots or within a flood plain. While these constraints may increase the cost of development, they do not preclude development, and the City has calculated the realistic capacity of these sites given their environmental constraints. Absent property agreements with the City, newly constructed single family homes typically provide housing for above moderate income households in Novato.

Accessory Dwelling Units

Accessory dwelling units, or second units, contributed a small number of housing units to the City housing stock during the prior planning period. During the 2007-2014 planning period, 10 second units were approved/developed. Demand for second units is expected to increase, especially as residents seek lower-cost housing for adult children, aging parents, and caregivers. Additionally, the City has a large number of single-person households (26 percent of all households) and seniors who own their own their homes and are potentially “over-housed.” To encourage and facilitate second-unit development commensurate with the projected second-unit capacity, the City will implement Program 11.A by working with the water and sewer districts in an effort to reduce their permit and service costs. The City relaxed parking standards and reduced its development impact fees for second units by 50 percent in 2013. Additionally, Program 11.B calls for the adoption of new zoning provisions to accommodate an innovative, new unit type: a Junior Second Unit, which is a unit that can be created by repurposing space within an existing home (e.g., conversion of an existing bedroom), incorporating a small “wet-bar” kitchen, and providing an exterior entrance to the unit. In order to encourage Junior Second Units, the City will adopt relaxed parking standards for the units and reduced development fees.

Considering the City’s track record in second unit development, and in concert with local housing needs and development trends and implementation of Program 11.A, the City is projecting an additional total of 24 second units affordable to lower income households to be approved during the current planning period at a rate of 3 units per year. Based upon results from the City’s second unit survey, second units are expected to provide affordable housing for low and very low income households. The affordability split is 66 percent very low income and 34 percent low income.

Conclusion

As shown in Table 47, the City has sufficient land appropriately zoned to meet the City’s RHNA for the current planning period. After factoring for units built, under construction, approved or in process as shown in Table 45, the City has sites available to accommodate more than twice the RHNA assigned for the planning period. Moreover, the City has identified sufficient sites, appropriately zoned to meet 133 percent of its very low income requirement and 308 percent of its low income requirement.

Table 47: Remaining Need Based on Available Land Inventory

	Very Low	Low	Moderate	Above Moderate	Total
RHNA 2014-2022	111	65	72	167	415
Units built, under construction or approved (Table 45)	33	90	64	92	279
Affordable Housing Opportunity Sites (Table 46)	100	101			201
Medium Density, Multi-Family Sites (Table 46)			23		23
Mixed Use (Table 46)			124		124
Single Family (Table 46)				255	255
Accessory Dwelling Units (Table 46)	15	9			24
Total Capacity	148	200	211	347	906
% of RHNA	133%	308%	293%	208%	218%

Density Assumptions and the Cost of Housing

State law has established “default densities” that are considered sufficient to provide market-based incentives for the development of housing for lower-income households. For jurisdictions such as Novato that have a population greater than 25,000 and are located within a Metropolitan Statistical Area (MSA) with a population of more than two million, the default density is 30 dwelling units per acre (or higher).¹⁰ In Marin County, the default density of 30 dwelling units per acre applies to only two cities – Novato and San Rafael – and the County of Marin. All other cities within Marin County have been assigned a default density of 20 dwelling units per acre, regardless of the existing housing density of the community or the relative cost of housing. In practice, the state standards have resulted in an incongruous assignment of default densities, where cities that are closer to major employment centers, have denser populations and housing units per square mile, and higher housing costs have been assigned the lowest default densities.

As shown in the table below, the center of Novato is located approximately 22.6 miles from San Francisco, the area’s major employment center. As the northernmost city in Marin County, Novato has historically had the lowest cost of housing in the county. In 2013, the median cost of a condo in Novato was \$320,500, the lowest housing median price in Marin

County. In comparison, cities with default densities of 20 du/ac had median prices for condominiums and townhouses in the range of \$435,000 to \$910,000.

Table 48: Characteristics of Cities in Marin County

City	Miles from San Francisco City Limits	Land Area (sq. miles)	Population 2010	Population Per Square Mile	Number of Housing Units	Number of Housing Units Per Square Mile	Median Condo Price 2011	Default Density
Belvedere	11.3	0.54	2,068	3,830	1,045	1,935	*	20 du/ac
Corte Madera	9	3.2	9,253	2,892	4,026	1,258	\$583,500	20 du/ac
Fairfax	14.9	2.1	7,441	3,543	3,585	1,707	\$435,000	20 du/ac
Larkspur	9.9	3.13	11,926	3,810	6,376	2,037	\$440,000	20 du/ac
Mill Valley	8.4	4.7	13,903	2,958	6,534	1,390	\$599,500	20 du/ac
Novato	22.6	27.7	51,904	1,874	21,158	764	\$320,500	30 du/ac
Ross	12.2	1.6	2,415	1,509	884	553	*	20 du/ac
San Anselmo	13.3	2.7	12,336	4,569	5,538	2,051	\$539,000	20 du/ac
San Rafael	12.5	16.6	57,713	3,477	24,001	1,446	\$375,000	30 du/ac
Sausalito	3.7	1.9	7,061	3,716	4,536	2,387	\$625,000	20 du/ac
Tiburon	11.2	4.5	8,962	1,992	4,025	894	\$910,000	20 du/ac

* The housing stock in Belvedere and Ross are almost exclusively single family homes. There were no condominium sales in these cities in 2011. Housing prices in Belvedere and Ross are the highest in the county. The Belvedere median single family home price was \$2,300,000 in 2011 and the median Ross single family home price was \$1,695,000.

Data Sources: MapQuest; City general plans and websites; U.S. Census 2010; Marin County Assessor's Office, annual 2013 data.

Table 48 also shows that while Novato had a population of 51,904 in 2010, that population was dispersed over a large land area of 27.7 square miles. As a result, Novato has a population density of 1,874 persons per square mile and a housing density of 764 housing units per square mile. These densities are among the lowest in the county, second only to the extremely affluent town of Ross. Nonetheless, housing costs in Novato are the lowest in the County. This suggests that a default density of 30 dwelling units is not only unnecessary to facilitate the production of affordable housing, but that any default density applied to Novato should theoretically be lower than that assigned to the other cities in Marin County.

Market Demand and Trends

Novato has historically been, and remains, the most affordable city in Marin County. As shown in the table below. The median single family house price in Novato in 2013 was \$663,500, the second lowest median price in the county. In comparison, the median single family price in other Marin cities ranged from \$662,500 to \$2,500,000.

Table 49: Median Housing Prices in Marin County

City	Median Single Family House Price 2013	Median Condo/Townhouse Price 2013
Belvedere	\$2,500,000	n/a
Corte Madera	\$997,500	\$583,500
Fairfax	\$662,500	\$435,000
Larkspur	\$1,341,000	\$440,000
Mill Valley	\$1,325,000	\$599,500
Novato	\$663,500	\$320,500
Ross	\$2,000,000	n/a
San Anselmo	\$840,000	\$539,000
San Rafael	\$820,500	\$375,000
Sausalito	\$1,429,999	\$625,000
Tiburon	\$2,000,000	\$910,000

Data Source: Marin County Assessor's Office, annual 2013 data.

Similarly, the average rental rates in Novato are the lowest in the county. In 2012, the average rents of \$1,000 for a studio, \$1,371 for a one-bedroom, \$1,441 for a two-bedroom/one bath unit, and \$1,938 for a three-bedroom unit were 21 percent to 40 percent lower than their counterparts in southern Marin County.

Table 50: Average Rental Rates in Marin County

Unit Type	Southern Marin	Central Marin	Novato
Studio	\$1,289	\$1,339	\$1,000
1 BR	\$1,733	\$1,596	\$1,371
2 BR/1 BA	\$2,046	\$1,684	\$1,441
3 BR	\$3,241	\$2,338	\$1,938

Data Source: RealFacts, 1st quarter 2012 rents.

The low cost of housing in Novato has resulted in the highest affordability levels in Marin County. As discussed in the section entitled “The Ability to Pay for Housing” beginning on page 39, a low income household of four persons can reasonably afford a home that costs \$423,000. The median condominium price in Novato was \$320,500 in 2013 – \$102,500 less than what a low income household could afford to pay.

Similarly, market rents are well within the reach of low income households in Novato. As shown in Table 28, the average rental rate of \$1,075 for a studio is \$509 lower than the upper limit of what a single person household could afford to pay. A one-bedroom unit, at \$1,490, is \$320 less than what a two-person low-income household could afford to pay, and a two-bedroom unit is \$758 less than what a four-person low-income household could afford to pay.

Financial Feasibility

In preparation of this housing element, Novato city staff interviewed developers and architects to determine if the proposed densities and development standards for key affordable housing sites were financially feasible for the production of multi-family housing affordable to lower income households. Van Meter William Pollack Architects reported that 90 percent of their work is for affordable housing projects; they are also the architects for a 61-unit affordable senior housing project currently under construction in Novato. Principal architect Rick Williams stated that most of the affordable housing projects his firm designs are in the 23-28 du/ac range, and that higher densities are not typically compatible in a suburban context such as Novato and are often financially infeasible because they require the use of very expensive podium or subsurface parking structures.

Thus, Mr. Williams advises that a 20 du/ac zoning designation, with a density increase to 30 du/ac for senior housing, was not only feasible but more likely to gain community acceptance, and was therefore preferable. Mr. Williams stated that a feasible affordable housing project in a suburban location is optimally designed with two to three stories and surface parking of 1.5 to 1.8 parking spaces per unit. He also said that smaller sites often require reduced development standards.

The densities and development standards proposed for the opportunity sites, as described earlier in this section, are therefore appropriate. Site 3, at nearly 40 acres, has sufficient land area to meet the proposed parking requirements and setbacks. Site 4, which falls within the Downtown Novato Specific Plan (D) Overlay district area, has reduced parking requirements that meet the 1.5 to 1.8 parking spaces per unit recommended by Van Meter William Pollack Architects. For sites 1, 2 and 5, projects with all one-bedroom units can be developed at 1.2 to 1.3 parking spaces per unit under the proposed parking standard. Parking requirements are further reduced for senior housing projects to 1.1 spaces per unit.

The Warner Creek affordable senior housing development, 61 very low income units completed in 2012, provides an example of how a project developed in the R10 District with a maximum density of 20 units per acre and approved at 27 units per acre with utilization of the State's Density Bonus provisions is financially feasible in Novato. The project is sited on a 2.3 acre parcel zoned R10, with a density range of 10-20 units per acre. The site also borders a creek. In approving the project, the City provided a density bonus and reduced development and parking standards to make the project feasible, as shown below.

Table 51: Warner Creek Development

	R10 Zone Standard	As Approved
Density	10.0 – 20.0 du/ac	26.8
Front Setback	20'	25'
Side setback (south)	10'	6' to covered parking
Side setback (north) with creek setback	50' from top of creek bank	50' from top of creek bank
Side setback (west)	10'	20', with covered parking approved within the setback (8' setback)
Height	35'	44' with additional 4' for accessory roof structures
Parking	1.8 per unit	0.8 per unit
Lot Coverage	40%	22% (not including covered parking areas)

The project developer, Eden Housing, reports they have used a variety of local, state and federal funding sources to finance the project and provide affordability levels at 20-50% of the area median income.

Eden Housing confirmed Van Meter William Pollack Architects' assessment regarding the feasibility of developing affordable housing at 23 to 27 units per acre. The affordable housing developer noted that, due to the high expense of podium parking, lower density housing projects must be designed in a way to utilize surface and/or tuck-under parking. Projects that use podium parking must be developed at significantly higher densities in order to spread the costs over a greater number of units.

In support of this observation, Eden Housing provided staff with a list of 72 recently-constructed affordable housing projects for seniors, families and disabled people in the Bay Area. Of these, there were 37 projects developed at one to three stories with surface and/or tucked-under parking. These projects ranged in size from 11 to 145 units, and from .46 to 6.9 acres. Their median density was 23.3 units per acre. The list also contained 23 projects developed with podium parking or parking garages. These projects ranged from two and three stories to six stories. The project sizes ranged from 27 to 215 units and from 0.15 to 4.77 acres. Their median density was 58 units per acre. Only four of these projects were developed at densities between 30 and 39 units per acre. Thus, it does appear that podium parking requires much higher densities to make a project feasible, and that an appropriate density and zoning for two and three story development with surface and/or tucked-under parking is 20 units per acre with a density increase to 30 units per acre for senior housing.

Appropriate Densities for Lower-Income Housing

The City of Novato has a strong record of achieving affordable housing. Even though Novato has about 20 percent of the population in Marin, the City created 51.4 percent of the low and very low income housing in Marin during the planning period between 1999 and 2006. The Regional Housing Needs Allocation for lower-income housing for the entire

county was 618 units; a total of 527 permits for low-income units were issued in Novato alone, or 85 percent of the total need.

The large amount of multi-family housing projects affordable to lower income households have been developed in Novato in recent years at or below densities of 20 units per acre, with some projects also utilizing allowances for somewhat higher densities through the State density bonus provisions.

Bay Vista. This 220-unit project was developed as part of a planned development utilizing surplus land from the closure of Hamilton Army Airfield. The development site is 16.42 acres, yielding a housing density of 13 dwelling units per acre. There are 114 two-bedroom apartments and 106 three-bedroom apartments. All units are affordable to either low or very low income households.

Creekside Apartments. This 77-unit project was also developed as part of the planned redevelopment of Hamilton Army Airfield. The development site is 8.6 acres, and the housing density is 9 units per acre. The project contains a mix of two, three and four bedroom units. All units are affordable to low and very low income households

Villa Entrada. This 100-unit senior housing project was developed as part of the planned redevelopment of a former Hamilton Army Airfield housing site. The site area is 6.4 acres, yielding a housing density of 16 units per acre. The units are ownership condominiums, ranging in size from one bedroom to two bedrooms with a den. All units are affordable to low income households.

Mackey Terrace. This 50-unit senior housing project provides rental housing affordable to very low income households. Situated on 2.5 acres, the project's housing density is 20 units per acre. All apartments are one-bedroom units.

Nova-Ro II. This 56 unit-unit project provides rental housing affordable to very low income senior households. Apartments are all one-bedroom units, with an average unit size of 688 square feet. The site area is 2.7 acres, yielding a density of 21 units per acre. While this exceeds the 20 units per acre density standard proposed for new affordable housing sites, the project would have qualified for a housing density bonus, increasing the allowable density to 27 units per acre.

Warner Creek. As described above, this 61-unit senior housing project was completed in 2012. The project provides rental units affordable to extremely low and very low income households. The site area is 2.3 acres, and the housing density is 27 units per acre. Similar to the Nova-Ro II project, the project qualified for a housing density bonus, increasing the allowable density to 27 units per acre.

In addition to the affordable housing projects described above, Novato has several multi-family developments built at or below 20 units per acre that provide apartments and condominiums affordable to lower-income households at market rates. A few of these developments are described below.

The Meadows Apartments. This development comprises 99 units sited on 5.1 acres, yielding a density of 19 units per acre. A recent survey of rental rates shows that one bedroom rents range from \$1,250 to \$1,275 per month, and two-bedroom rents range from \$1,350 to \$1,475 per month. All market rents are affordable to low income households.

Ignacio Hills Apartments. This development comprises 189 units sited on 9.68 acres, yielding a density of 20 units per acre. Rents for studios range from \$900-\$950 per month, rents for one bedroom units range from \$1,375 to \$1,425, and rents for two-bedroom units rent from \$1,650 to \$1,700. All market rates are affordable to low income households.

Edgewater Condos. This 106-unit condominium development is sited on 5.3 acres, yielding a density of 20 units per acre. Recent sales demonstrate a current market value of \$400,000 for the two-bedroom units, which is affordable to low income households.

Potential Physical Constraints to Development

Sites identified for residential development in the City were analyzed to determine their relationship to public facilities, services and existing or potential physical constraints to potential development.

Infrastructure Availability

Public infrastructure is generally sufficient to meet projected growth demands. Electric, gas, and telephone services have capacity to meet additional projected need. Water districts have sufficient projected supply to meet demand under non-drought conditions, and sanitary sewer districts have adequate capacity to treat wastewater for the service area. Water, sewerage, and drainage systems are in place within existing developed areas, and new residences typically need only to supply lateral connections to the water and sanitary sewer mains maintained by the North Marin Water District and Novato Sanitary District.

Infrastructure, services and utilities needs for future development are addressed in the City of Novato 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 development. The reduced development capacity that applies to hillside parcels takes into account infrastructure constraints for serving them.

Water

The North Marin Water District (NMWD), a public utility governed by an elected Board, provides water service to Novato and several small improvement districts in West Marin. NMWD serves a population of 61,000 in the Novato water service area within a 75 square mile territory.

NMWD purchases approximately 80 percent of its supply from Sonoma County Water Agency (SCWA). The SCWA water is collected 60 to 80 feet below the gravel beds adjacent to the Russian River. In FY 2013, NMWD received 7,436 acre feet (2,423 million gallons) of Russian River water. The District has an agreement in place with SCWA to provide sufficient water to meet Novato's existing and future water supply needs. Nonetheless, there

continues to be competing interests for Russian River water, principally to protect steelhead and salmon listed as threatened or endangered species under the Endangered Species Act. SCWA water purchases have decreased 20 percent over the past eight years, from 3,039 million gallons in 2005.

The remaining 20 percent of Novato's water supply comes from Stafford Lake, located approximately four miles west of downtown Novato. The lake collects runoff from 8.3 square miles of watershed land adjacent to the upper reaches of Novato Creek. The lake has a surface area of 230 acres and holds 4,450 acre feet. Water from Stafford Lake is fed into the 6 million gallons per day water treatment plant located just below the dam. The Stafford Lake Water Treatment Plant is typically operated in the late spring through early fall to supplement NMWD's purchased water supply. The amount of Stafford Lake water used during the year depends upon the storage level attained from the previous winter's rainfall. In FY 2013, the Stafford Lake Water Treatment Plant produced 2,317 acre-feet (755 million gallons) of water. Water production has more than tripled over the past eight years, from 239 million gallons in 2005.

The District also operates the Deer Island Recycled Water Facility, a 500,000 gallon per day treatment facility that provides irrigation water to the Stone Tree Golf Course and Novato Fire Protection District Station 2 in Novato. In 2013, the facility produced 178 acre-feet (58 million gallons) of recycled water.

The District estimates that the population it serves will grow to 64,804 by the year 2020 and 66,272 by the year 2025 (North Marin Water District, 2010 Urban Water Management Plan, June 2011). Water use (including conservation savings) is expected to increase from 10,760 acre-feet of water in 2010 to 11,577 acre-feet in 2020 and 11,629 acre-feet in 2025. NMWD has a contract with the Sonoma County Water Agency for Russian River water, in force until June 30, 2040, which provides an entitlement limit of 14,100 acre-feet of water per year. As noted above, the District also produces water (2,317 acre-feet in 2013), from the Stafford Lake Water Treatment Plant. To respond to possible supply deficits, NMWD is continuing its efforts to increase water conservation and develop recycled water facilities.

Novato has adequate water supplies for the additional housing anticipated in this housing element. In the event of a water shortage resulting in limited supplies available for new development, NMWD policy is to give preference and priority to any project containing an affordable housing component.

As required by State law, the City will provide a copy of the adopted housing element update to the North Marin Water District within one month of housing element adoption. The City will also provide a summary and quantification of Novato's regional housing need allocation.

Sewer

The Novato Sanitary District, a special district with a publicly elected board of directors, provides wastewater collection and treatment services for about 55,800 residents within a 25-square mile area. The District owns and operates a wastewater collection system, a municipal wastewater treatment plant, and an effluent discharge outfall. The wastewater treatment

plant is the Novato Treatment Plant, a state-of the art \$90 million facility completed in 2010, which is currently designed for an average dry weather flow of 7.05 MGD. The District's wastewater collection system collects and transports wastewater flows to the treatment plant through a series of gravity sewers and interceptors, pump stations, and force mains. The combined collections and conveyance systems include a total of about 225 miles of sewers with about 200 miles of gravity sewer lines ranging from 4-inch to 54-inch diameter, 25 miles of force mains, and 40 pump stations.

According to the District's Sewer System Management Plan (2008, revised 2010 and 2011), the District's Strategic Plan is consistent with the growth and development forecasts through 2025 of the City of Novato's General Plan and the Marin Countywide Plan. The Sewer System Management Plan notes that its service area is significantly built out with densification anticipated in the downtown area and commercial corridors. Future growth areas include areas zoned very low density residential, such as Atherton, Greenpoint, Blackpoint, Indian Valley, Bel Marin Keys, and Verissimo Valley. Each of these areas except for Bel Marin Keys and Verissimo Valley are currently on septic tank systems and are expected to convert to sewers by 2025. In general, existing wastewater collection and treatment capacity is sufficient to accommodate the 415 new housing units anticipated within the current planning period. The District has adopted policies and procedures to grant priority for service allocations to proposed developments that include housing affordable to lower-income households.

Beginning around 2000, the District developed a sewer collection system master plan for improvement of the wastewater collection system. Following the master plan, the District has invested up to \$5 million each year in upgrades and maintenance to the collection system. The upgrade program is expected to largely be complete by 2014. The District is also addressing repair and upgrade of private sewer lines that run from homes and buildings to the public sewer main in the street. There are more than 200 miles of laterals in Novato, and many are deteriorating and are a major factor in sewer overflows and spills. Recognizing that it could take years to resolve the lateral problem, the District has been upsizing both its treatment plant and collection system improvements to handle high inflows of stormwater into damaged laterals. The expanded public sewers and treatment plant should accommodate inflows from damaged laterals until about 2025.

As required by State law, the City will provide a copy of the adopted housing element update to the Novato Sanitary District within one month of housing element adoption. The City will also provide a summary and quantification of Novato's regional housing need allocation.

Flooding

Novato has a number of creeks and tributaries that are susceptible to flooding during heavy rains, posing a threat to safety and property. Over 5,000 acres within Novato are designated as being in a Special Flood Hazard Area (SFHA), although nearly 3,800 (75%) of those acres are preserved as natural open space areas. Properties upstream of the confluence of Novato, Warner, and Arroyo Avichi Creeks have been particularly susceptible to flooding. Heavy rains in 1980, 1982, 1983, 1986, 1989, and 1998 caused flooding and damage to buildings in

these areas. Other areas with high flood danger include Ignacio, Arroyo San Jose, and Vineyard Creeks, as well as the Bahia area. City records also report that in 1923, 1952 & 1982 floodwaters inundated many residential areas and streets in the low lying locations between Wilson Ave and Redwood Blvd.

All new construction and substantial improvements (defined as an improvement or repair worth 50 percent of the original building's value) in Special Flood Hazard Areas are required to comply with the provisions of Municipal Code Chapter 5-31, Flood Damage Prevention Requirements. The development standards are intended to meet, if not exceed, minimum National Flood Insurance Program (NFIP) criteria for requirements for floodplain management regulations. New development in these areas are required to elevate their lowest level, including the basement, above the base flood elevation and to anchor buildings to prevent flotation, collapse and lateral movement in the case of flooding. Structures are also required to be constructed with flood-resistant materials and with construction methods that minimize flood damage.

The City's Available Land Inventory contains 15 properties that are located in Special Flood Hazard Areas. While development is subject to the City's Flood Damage Prevention Requirements, these regulations do not preclude development of these sites at the housing densities indicated in the inventory.

Environmental

Novato is located in the seismically active San Francisco Bay region of California. Due to its proximity to the San Andreas, Hayward and Healdsburg-Rogers Creek fault systems, the planning area has been historically subjected to periodic strong damaging earthquakes. The bayfront and marshland areas of Novato are susceptible to liquefaction, which greatly increases the potential damage to buildings. Novato also has areas of steep slopes which are subject to landslides and mudslides during an earthquake. In order to mitigate these hazards, the City requires geotechnical and engineering geology reports for development proposals in seismically and geologically hazardous areas and requires, as a condition of approval, measures to mitigate potential seismic hazards for structures. These requirements may add additional constraints and costs on development, but they are considered necessary for the protection of residents' health and safety.

Conclusion

All identified environmental constraints have been mitigated to a level allowing development on all sites in the inventory to occur within the current planning period.

Housing Constraints Analysis

Potential Non-Governmental Constraints

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 Novato's housing needs.

Land and Construction Costs

Vacant land within the City of Novato is very limited and is estimated to comprise less than 1% of the City's land area. 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. As of February 8, 2014, there was one recent land sale in Novato according to Realtor.com for a 33-acre lot with an approved lot split for four buildable parcels for \$399,000. Just outside Novato's city limits, a 2-acre lot with approved plans for a single family house sold for \$125,000. Due to lack of other data, these sales are being used to estimate the current value of single family residential land in Novato.

Generally, land zoned for multi-family and mixed use development is more expensive than property zoned for single family development. As of February 8, 2014, there were no lots zoned for multi-family development on the market. The most recent sale for land zoned for multi-family housing occurred in 2009 with the sale of a 2.5 acre parcel, zoned R10, for \$4 million. The property has recently been developed with 61 units affordable to very low income households, yielding land costs of approximately \$65,000 per unit. Adjusting the land purchase price by the 25% decline in the average sales price for condominiums since 2008 (the year the purchase and sales agreement for the property was executed) and the difficulty in securing land loans, it is estimated that the current land value is approximately \$2.8 million. This yields a land value of approximately \$1.12 million per acre for land zoned for multi-family development.

Construction costs include both hard costs, such as labor and materials, and soft costs, including architectural and engineering services and development fees. According to local contractors and realtors, construction costs in Novato vary between \$200 and \$250 per square foot for average construction and can go up to \$500 per square foot for a high-end, custom-built single family house. Soft costs (including architectural and engineering fees, property taxes during construction, city and utility fees, and construction loan interest and fees) typically increase these costs by approximately 35 to 40 percent. Construction costs can be higher if lots require substantial site work due to steep slopes, unstable soils, waterways, and other environmental concerns.

Thus, a 1,500 square foot single family house could be built for approximately \$545,000 (land and construction costs). This suggests that a moderate income household could afford to build a moderately-sized new home on a small lot in Novato.

According to local developers, hard construction costs (including site improvements) for a typical two or three-story multi-family development averages \$175-\$195 per square foot. Thus, a 30-unit development with a gross building area of 25,200 square feet would have hard construction costs of approximately \$4.9 million, or about \$164,000 per unit. Soft costs typically add 45 to 50 percent to this base cost, yielding a per unit total construction cost of approximately \$240,000. Ownership units at this price point are affordable to very low income households.

Financing

Over the past year, mortgage rates for conventional 30-year fixed rate loans have ranged between 4.1 percent and 4.6 percent. These conforming loans, which are backed by the federal government through the Federal Housing Administration and the Government Sponsored Entities of Fannie Mae and Freddie Mac, are generally available to home buyers with good credit histories and adequate down payments. Interest rates on non-conforming loans (also known as “jumbo” loans) for loan amounts over \$729,750 are about one-half percentage point higher than conforming loan rates, and are more difficult to secure. Tighter lending standards have made it harder to get a home loan, especially for those with poor credit scores and/or undocumented income.

Construction loans for new housing are very difficult to secure in the current market. In past years, lenders would provide up to 80 percent of the cost of new construction (loan to cost ratio). In recent years, due to market conditions and government regulations, banks require larger initial investments by the builder. Many builders are finding it nearly impossible to get construction loans for residential property at the current time, with the exception of limited funding available through local banks, and must rely on private funds. Banks that are underwriting construction loans are requiring 25 to 35 percent cash equity; interest rates range from 5 to 6 percent. Loans for land acquisition are extremely difficult to secure, and lenders will typically provide financing for only 50 to 65 percent of the land value, at an interest rate of approximately 7.5 percent, for projects that are permit-ready.

Affordable housing developments face additional constraints in financing. Although public funding may be available, it is allocated on a highly competitive basis and developments must meet multiple qualifying criteria, often including the requirement to pay prevailing wages. Smaller developments with higher per unit costs are among the hardest to make financially feasible. This is because the higher costs result in a sales price that is above the affordability levels set for many programs. Additionally, smaller projects often require significant inputs of time by developers, but because the overall budget is smaller and fees are based on a percentage of total costs, the projects are often not feasible. Recent cuts in public spending statewide have put pressure on these sources. For example, though tax credits used to be a valuable source of revenue for low-income housing developers, programs have been cut and the tax credit resale market has softened.

Potential Governmental Constraints

The City regulates the use of land within its borders through the Novato General Plan, zoning ordinance, and the Uniform Building Code. As with other cities, Novato's development standards and requirements are intended to protect the long-term health, safety, and welfare of the community. In addition to defining zoning classifications in Novato, the zoning ordinance establishes specific guidelines and standards for design review, demolition of structures, development of hillside lots, and second units. These locally imposed land use and building requirements can affect the type, appearance, and cost of housing built in Novato. Like all local jurisdictions, the City of Novato charges fees and has a number of procedures and regulations it requires all developers to follow.

Land Use Regulations

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. Existing law requires the City to identify sites to encourage and facilitate the development of a variety of housing types for all income levels, including multi-family rental housing, single-room occupancy units, factory-built housing, mobilehomes, supportive housing and transitional housing, emergency shelters, and housing for agricultural employees.

Residential Districts

Novato's land use designations provide for a variety of densities and intensities of residential land uses, with denser residential development directed Downtown. Residential development standards contained in the general plan and zoning code are intended to provide for a variety of housing opportunities through new construction and maintenance of existing housing for an economically and socially diverse population while preserving the character of the community. The purposes of the individual zoning districts are as follows:

RR (Rural Residential) District. The RR zoning district is intended for areas appropriate for rural, low density residential living. The maximum allowable residential density is one dwelling unit per 2 acres. The RR zoning district is consistent with the rural residential land use designation of the general plan.

RVL (Very Low Density Residential) District. The RVL zoning district is intended for areas appropriate for the development of single family homes. The maximum allowable residential density ranges from 0.5 to 1 dwelling unit per acre. The RVL zoning district is consistent with the very low density residential land use designation of the general plan.

R1 (Low Density Residential) Districts. The R1 zoning districts are intended for areas appropriate for the development of single family homes. The maximum allowable residential density ranges from 1.1 to 5 dwelling units per acre. The R1 zoning district is consistent with the low density residential land use designation of the general plan.

R4 (Medium Density Detached Residential) District. The R4 zoning district is intended for areas appropriate for the development of single family homes. The maximum allowable residential

density ranges from 4.1 to 7 dwelling units per acre. The R4 zoning district is consistent with the medium density detached land use designation of the general plan.

R5 (Medium Density Residential) District. The R5 zoning district is intended for areas appropriate for a mix of housing types on smaller lots. Typical residential land uses include single- and two-family dwelling units, either attached or detached. The maximum allowable residential density ranges from 5.1 to 10 dwelling units per acre. The R5 zoning district is consistent with the medium density residential land use designation of the general plan.

R10 (Medium Density Multi-Family Residential) District. The R10 zoning district is intended for areas appropriate for a variety of medium density dwelling units, including multi-family, two-family and single family residences, either attached or detached. The maximum allowable residential density ranges from 10.1 to 20 dwelling units per acre. The R10 zoning district is consistent with the medium density multiple family residential land use designation of the general plan.

R20 (High Density Multi-Family Residential) District. The R20 zoning district is intended for areas appropriate for high density multi-family dwelling units. The maximum allowable residential density ranges from 20.1 to 30 units per acre. The R20 zoning district is consistent with the high density multiple-family residential land use designation of the general plan.

The City's Municipal Code stipulates the residential types permitted and conditionally permitted in each zoning district allowing residential uses. Permitted uses are those uses allowed without discretionary review (except, in some cases, design review) as long as the project complies with all development standards. As shown in Table 52, single family homes, second units, manufactured homes, mobile homes, and residential care facilities for up to 6 persons are a permitted use in all residential zoning districts. Two-family dwellings are a permitted use in the R4, R5, R10 and R20 districts, and multi-family dwellings are a permitted use in the R10 and R20 zones. Conditional use permits are only required for residential care facilities with more than 6 residents and mobilehome parks.

Table 52: Housing Types Permitted in Residential Zoning Districts

RESIDENTIAL USE	ZONE				
	RR	R1	R4, R5	R10	R20
Single family dwellings	P	P	P	P	P
Two-family dwellings, two single family dwellings	--	--	P	P	P
Multi-family dwellings	--	--	--	P	P
2 nd Unit	P	P	P	P	P
Residential Care < 6P	P	P	P	P	P
Residential Care >6P	UP	UP	UP	UP	UP
Manufactured Homes and Mobilehomes	P	P	P	P	P
Mobilehome Parks	UP	UP	UP	UP	UP
Supportive and Transitional Housing	P	P	P	P	P
P Permitted use UP Use Permit required -- Use not allowed					

Table 53 shows development standards in the City’s residential districts. These standards are appropriate for the various zoning districts and have not been a barrier to housing development, as the City has had success in developing single family, duplex, and multi-family housing within these zones while utilizing these development standards. Development standards within the specific zoning districts are described in more detail below.

Table 53: Development Standards in Residential Zoning Districts

Zone District	Classification	Permitted Use	Lot Size (sq. ft.)	Lot Width (ft.)	Lot Depth (ft.)	Minimum Yard Setback			Building Height (ft.)	Building Coverage	Density (Units per Acre)
						Front (ft.)	Side (ft.)	Rear (ft.)			
RR-80	Rural Residential	Single Family	80,000	150	150	30	25	30	30	20%	0.5
RVL-80	Very Low Density Residential	Single Family	80,000	150	150	30	25	30	30	20%	0.5
RVL-40	Very Low Density Residential	Single Family	40,000	150	150	30	20	30	30	20%	1.1
R1-40	Low Density Residential	Single Family	40,000	150	150	30	20	30	30	40%	1.1
R1-20	Low Density Residential	Single Family	20,000	100	100	30	15	30	30	40%	2.2
R1-10	Low Density Residential	Single Family	10,000	75	100	25	10	25	30	40%	4.4
R1-7.5	Low Density Residential	Single Family	7,500	60	100	25	6	20	30	40%	5.8
R4-6.0	Medium Density	Single Family	6,000	50	75	25	5	20	30	40%	7.3

	Detached Residential										
R5-7.5	Medium Density Residential	Single and Two-Family	7,500	50	75	20	0-5 ¹	20	30	40%	5.8
R5-4.5	Medium Density Residential	Single and Two-Family	4,500	50	75	20	0-5 ¹	20	30	40%	9.7
R10-4.5	Medium Density Multi-Family Residential	Single and Two-Family and Multi-Family	6,000	60	100	20	6 or 10 ²	15 or 20 ³	35	40%	9.7
R10-3.5	Medium Density Multi-Family Residential	Single and Two-Family and Multi-Family	6,000	60	100	20	6 or 10 ²	15 or 20 ³	35	40%	12.4
R10-2.5	Medium Density Multi-Family Residential	Single and Two-Family and Multi-Family	6,000	60	100	20	6 or 10 ²	15 or 20 ³	35	40%	17.4
R10-2.2	Medium Density Multi-Family Residential	Single and Two-Family and Multi-Family	6,000	60	100	20	6 or 10 ²	15 or 20 ³	35	40%	19.8
R20-2.0	High Density Multi-Family Residential	Multi-Family	6,000	60	100	20	6 or 10 ²	15 or 20 ³	35	40%	21.8
R20-1.8	High Density Multi-Family Residential	Multi-Family	10,000	60	100	20	6 or 10 ²	15 or 20 ³	35	40%	24.2
R20-1.5	High Density Multi-Family Residential	Multi-Family	10,000	60	100	20	6 or 10 ²	15 or 20 ³	35	40%	29.0
¹ No setback required if attached units; 5 feet required for detached units. ² 10 feet minimum when building height exceeds 20 feet. ³ 20 feet minimum when the rear property abuts a single family zone											

Low Density Residential Districts

Description. The RR, RVL and R1 districts regulate low-density residential areas. These single family districts allow one home per parcel; second units are allowed by right. Minimum lot sizes range from 80,000 square feet in the hillside and rural areas at the outskirts of the town to 7,500 square feet in the flat areas on the valley floor. Within the RR and RVL districts, lot width and setback standards are designed to minimize grading, drainage impacts and tree loss, while maintaining a separation between homes that is characteristic of these neighborhoods. The R1 district comprises most of the single family neighborhoods in Novato.

Analysis. RR, RVL and R1 development standards are analyzed below.

Building Height. Novato’s standard for measuring height is generous. “Building height” is defined as the vertical distance from finished grade at the base of the structure to an

imaginary plane located the allowed number of feet above and parallel to the finished grade. Thus, the height envelope “flexes” with the finished grade of the property, thereby assuring the 30-foot height limit allows at least two stories can be built on any parcel. The method for measuring height also allows a portion of a building to be below grade without a height penalty, and places no limits on the number of levels that may be allowed. For this reason, it is possible to build three story homes on sloped lots. Height limits may be increased by a maximum of 20 percent with design review approval.

Minimum Lot Width and Depth. The minimum lot width and depth varies according to the minimum lot size. In the RR, RVL and R1-40 districts, the minimum lot width and lot depth are 150 feet for lots that require a minimum lot size of at least 40,000 square feet. These standards do not act as a constraint due to the large lot sizes. For example, if a property owner chose to create a minimum size parcel in the R1-40 zone with the minimum lot width, the parcel would need to be at least 267 feet deep (assuming a rectangular-shaped parcel), providing ample room for the building footprint. Minimum lot width and depth requirements decrease as the minimum lot sizes decrease in the R1 district. The smallest minimum lot size of 7,500 square feet has a minimum lot width of 60 feet and a minimum lot depth of 100 feet. These standards also provide adequate room for the building footprint.

Building Coverage. Maximum site coverage ranges from 20 percent in the RR and RVL districts to 40% in the R1 district. This range is appropriate for the minimum lot sizes of the districts and is not a constraint on housing development. For example, the coverage standard allows an 8,000 square foot building footprint on a minimum-size lot (40,000 square feet) in the RVL-40 district, and a 3,000 square foot building footprint on a minimum-size lot (7,500 square feet) in the R1-7.5 district.

Setbacks. Front setbacks range from 30 to 25 feet in the RR, RVL and R1 districts, while rear setbacks range from 30 to 20 feet. Side setbacks range from 25 to 6 feet. These setbacks are appropriate for the minimum lot sizes for the districts and do not constrain housing development. For example, when front, rear and side setbacks are applied to the minimum lot size in the R1-7.5 district (assuming a parcel 60 feet wide by 125 feet deep), the resulting building envelope would measure 58 feet wide by 80 feet deep. This envelope could accommodate 4,640 square feet of building coverage, which is far in excess of the 3,000 square feet allowed in the district. Thus, the two dimensional development envelope created by the setbacks is substantially larger than that needed for the building foundation, allowing the builder the flexibility in locating and configuring the house, and avoiding artificial, and possibly costly, constraints. Setbacks increase as minimum lot size increase, but the resulting development envelope is proportionally larger. For example, the development envelope for a minimum-size parcel in the R1-20 district would measure 70 feet by 140 feet, or 9,800 square feet.

Conclusions. The RR, RVL and R1 development standards have not constrained housing construction in Novato, nor have they been a barrier to the development of housing. Existing densities generally match General Plan land use designations, and the large land lot sizes of the RRR, RVL and R1-40 districts are necessary due to hillside and topographical conditions, as well as the preservation of existing neighborhood character.

Medium Density Residential District

Description. The R4, R5 and R10 districts regulate Novato's medium density residential areas. Single family and two-family dwellings are permitted in the R4 and R5 districts. The R10 district allows single family, two-family and multi-family dwellings. These districts are generally located in the flatter areas of town, and are close to local services and arterial roadways within the community.

Building Height. Building height is 30 feet in the R4 and R5 districts and 35 feet in the R10 district. As described earlier, the standard generally accommodates building heights of two stories on flat lots and up to three stories on sloped lots. Within the R10 district, the 35-foot height limit accommodates the construction of three-story buildings. Height limits may be increased by a maximum of 20 percent with design review approval.

Minimum Lot Size, Width and Depth. The minimum lot size in the R4 district is 6,000 square feet. Within the R5 district, the minimum lot size ranges from 4,500 square feet to 7,500 square feet. In both the R4 and R5 district, the minimum lot width is 50 feet and the lot depth is 75 feet. These standards provide flexibility in creating lots while ensuring there is adequate room for the building footprint.

Within the R10 district, the minimum lot size is 6,000 square feet, the minimum lot width is 60 feet and the minimum lot depth is 100 feet. These standards are intended to establish the absolute minimum lot sizes for the district. In reality, lot sizes need to be substantially large to accommodate multi-family projects. Therefore, the standards do not constrain the development of multi-family housing.

Building Coverage. Maximum site coverage is 40 percent in the medium density residential districts. This range is appropriate and is not a constraint on housing development. For example, the coverage standard allows a 1,800 square foot building footprint on a minimum-size lot (4,500 square feet) in the R5-4.5 district, and a 2,400 square foot building footprint on a minimum-size lot (6,000 square feet) in the R10 district.

Setbacks. Front setbacks range from 25 feet in the R4 district to 20 feet in the R5 and R10 districts. The rear setback in the R4 district is 20 feet, and drops down to 15 feet in the R10 district if the rear of the building does not abut a single family zone. Side setbacks range from 5 feet to 10 feet; the higher setback is required in the R10 district if the building exceeds 20 feet in height. These setbacks are appropriate for the minimum lot sizes for the districts and do not constrain housing development. For example, when front, rear and side setbacks are applied to the minimum lot size in the R5-4.5 district (assuming a parcel 50 feet wide by 90 feet deep), the resulting building envelope would measure 40 feet wide by 50 feet deep. This envelope could accommodate 2,000 square feet of building coverage, which exceeds the 1,800 square feet allowed in the district. Within the R10 district, the maximum setbacks for a minimum-size parcel (60 feet wide by 100 feet deep) result in a building envelope measuring 40 feet wide by 60 feet deep, or 2,400 square feet. This building envelope equals the maximum 40% building coverage in the R10 district. Setbacks in the R10 district are intended as minimum development standards. As stated above, in reality, a multi-family development would typically require a substantially larger lot.

Conclusions. The R4, R5, and R10 development standards have not constrained housing construction in Novato, nor have they been a barrier to the development of housing. Existing densities generally match General Plan land use designations, and the development standards are appropriate for the minimum lot sizes required for the respective districts.

In the rare case where site specific constraints are present, the City has taken action to reduce development standards in order to make an affordable housing project financially feasible. The Warner Creek affordable housing development, which provides housing for senior households at 20 to 50 percent of the area median income, provides an example. The project is sited on a 2.3 acre parcel zoned R10, with a density range of 10-20 units per acre. The site also borders a creek. In approving the project, the City provided a density bonus and reduced development and parking standards to make the project feasible, as shown in Table 54. The required 10 feet setbacks were reduced to 6 feet on the south side and 8 feet on the west side to accommodate covered parking. The building height standard was increased from 35 feet to 44 feet, and the parking requirement was reduced from 1.1 spaces per unit to 0.8 spaces per unit. These reduced standards accommodated a three-story building with a greater front setback, 50 foot creek setback on the north side of the property, and lot coverage of just 22 percent.

Table 54: Warner Creek Senior Housing Development

	R10 Zone Standard	As Approved
Lot Size	6,000 square feet	2.49 acres
Density	10.0 – 20.0 du/ac	26.8
Front Setback	20'	25'
Side setback (south)	10'	6' to covered parking
Side setback (north) with creek setback	50' from top of creek bank	50' from top of creek bank
Side setback (west)	10'	20', with covered parking approved within the setback (8' setback)
Height	35'	44' with additional 4' for accessory roof structures
Parking	1.1 per unit	0.8 per unit
Lot Coverage	40%	22% (not including covered parking areas)

In order to facilitate the development of housing affordable to low income households, the City applies density bonuses to projects according to State density bonus law (Government Code Section 65915). The City adopted, in 2001, an ordinance specifying how the City would provide density bonuses and other incentives or concessions for the construction of affordable housing within its jurisdiction. In 2013, the City amended this ordinance to comply with subsequent amendments to State density bonus law.

High Density Residential District

Description. The R20 district regulates Novato's high density residential areas. Only multi-family dwellings are permitted in the R20 district, and densities range from 21.8 to 29.0 dwelling units per acre. Parcels within this district are generally located near the center of town and near Highway 101.

Building Height. Building height is 35 feet in the R20 district, which allows construction of three-story buildings. Height limits may be increased by a maximum of 20 percent with design review approval.

Minimum Lot Size, Width and Depth. The minimum lot size in the R20 district ranges from 6,000 square feet to 10,000 square feet, the minimum lot width is 60 feet and the minimum lot depth is 100 feet. These standards are intended to establish the absolute minimum lot sizes for the district. In reality, lot sizes need to be substantially large to accommodate multi-family projects. Therefore, the standards do not constrain the development of multi-family housing.

Building Coverage. Maximum site coverage is 40 percent in the high density residential district, which allows a 2,400 square foot building footprint on a minimum-size lot (6,000 square feet).

Setbacks. Front setbacks are 20 feet in the district. Rear setbacks are 20 feet, and drop down to 15 feet if the rear of the building does not abut a single family zone. Side setbacks are 6 feet and increase to 10 feet if the building exceeds 20 feet in height. Applying the maximum setbacks for a minimum-size parcel (60 feet wide by 100 feet deep), the building envelope would measure 40 feet wide by 60 feet deep, or 2,400 square feet. This building envelope equals the maximum 40% building coverage in the R10 district. For a 10,000 square foot lot (100 feet wide by 100 feet deep), the building envelope would be 4,800 square feet, which exceeds the 4,000 square foot allowable building coverage. Setbacks in the R20 district provide some flexibility for minimum-size lots, and would not constrain development on larger sized lots.

Conclusions. The R20 development standards have not constrained housing construction in Novato, nor have they been a barrier to the development of housing. Existing densities generally match General Plan land use designations, and the development standards are appropriate for the minimum lot size required in the district. There are no vacant or under-utilized lots in the R20 district at the current time.

Affordable Housing Overlay District

Adopted in November of 2013, the Affordable Housing Overlay (AHO) zoning district is applied to properties designated as housing opportunity sites. All provisions applicable to the underlying zoning district remain in effect until the property is approved for development or redevelopment. Upon approval of a project in accordance with the AHO Overlay District, all future uses of the property or the portion of the property approved for multi-family residential development shall comply with the AHO Overlay District regulations. The AHO overlay Zoning District is currently assigned to five sites within the City, which are identified in Table 46 above.

Building Height. Building height is 35 feet in the AHO district, which allows construction of three-story buildings. Height limits may be increased by a maximum of 20 percent with design review approval.

Minimum Lot Size. None.

Building Coverage. Maximum site coverage is 40 percent in the AHO overlay zoning district, which allows a 2,400 square foot building footprint on a minimum-size lot (6,000 square feet).

Setbacks. Front setbacks are 20 feet in the district. Rear setbacks are 20 feet and may be reduced to 15 feet if the rear of the building does not abut a single family zone. Side setbacks are 6 feet and increase to 10 feet if the building exceeds 20 feet in height. Note: The AHO overlay zoning district assigns revised setbacks to a specific site, Site 2, APN 153-162-59.

Conclusions. The AHO development standards, adopted and assigned to five sites in the City as listed in Table 46 above, serve to expand affordable housing opportunities in Novato, and do not present a barrier to the development of housing. Applied as an overlay to select sites, the AHO development standards are deemed to be compatible with the underlying General Plan land use designations and land use designations of neighboring sites. All five AHO sites listed in Table 46 are available for housing development.

Planned Development District

The Planned Development (PD) District is applied to large parcels capable of developing as an integrated community neighborhood, with appropriate public services, infrastructure, and neighborhood convenience retail and services, and to smaller sites with sensitive environmental resources or other unique constraints. The PD zoning district allows flexibility in site planning and development standards to encourage developments that are sensitive to natural resources and the surrounding community context. The PD zoning district may be applied to any land use designation of the general plan; as such, the underlying density of the general plan designation guides development on the parcel.

Parking

Table 55 shows parking requirements for different residential uses. Parking requirements are not overly burdensome and do not create a barrier to housing development. A single family dwelling requires two parking spaces, with one space in a garage; a second unit requires one space in addition to the single family parking requirements. Multi-family parking requirements range from 1.2 spaces for a studio unit to 2.2 spaces for a three-bedroom unit, with additional guest parking of 1 space for every three units. In order to encourage the development of multi-family housing, parking requirements are reduced substantially for projects within the Downtown. For example, parking requirements are reduced from 1.5 spaces to 1 space per one-bedroom unit and from 2 spaces to 1.5 spaces for a two-bedroom unit. Parking requirements are also significantly reduced for senior housing projects to 1 space per unit, plus 1 guest parking space for every 10 units.

Table 55: Parking Requirements for Residential Uses

Residential Use	Number of Parking Spaces Required	Reduced Parking Requirements for Downtown Overlay District
Single family dwelling	2 spaces, with 1 space in a garage. 3 enclosed spaces maximum unless approved through Design Review.	See Mixed Use
Accessory Dwelling Unit	One space in addition to that required for a single family dwelling.	See Mixed Use
Duplexes	2 spaces for each unit, one in a garage and located within 100 feet of the unit it serves.	1 space for each unit and located within 100 feet of the unit it serves.
Mobilehome parks	2 spaces for each mobile home (tandem parking allowed in an attached carport) plus 1 guest parking space for each 2 units.	N/A
Multi-family dwellings	Studio unit: 1.2 spaces per unit One-bedroom unit: 1.5 spaces per unit Two-bedroom unit: 2 spaces per unit Three bedroom unit: 2.2 spaces per unit Additional guest parking: 1 space for each 3 units	Studio unit: 1 space per unit One-bedroom unit: 1 space per unit Two-bedroom unit: 1.5 spaces per unit Three bedroom unit: 2 spaces per unit Additional guest parking: 1 space for each 4 units
Senior housing projects	1 space for each unit with half the spaces covered, plus 1 guest parking space for each 10 units.	Same
Mixed use developments	Determined by type of use	Determined by use type(s)

In order to facilitate infill, transit-oriented, mixed use, and accessory dwelling unit development, Program 3.B commits the City to consider modification to parking standards, such as reducing multi-family requirements for three or more bedroom units from 2.2 spaces to 2 spaces and providing allowances for shared parking and off-site parking. When developing standards for a newly defined unit type, a Junior Second Unit, the City will consider waiving additional parking requirements if the dwelling complies with current parking standards (Program 11.B). Under Program 6.C, the City will consider reductions in parking requirements as an incentive for transit-oriented development.

Hillside Lot Regulations

In order to provide for safe and structurally sound development in hillside areas, minimize risks from natural disasters, and reduce the potential for hazards and environmental degradation, the City has adopted hillside lot regulations that restrict residential development on slopes over 10 percent. When creating new residential lots or when a single family property is developed with more than one dwelling unit, no development is allowed on lots with average slopes greater than 25 percent. In areas with a general plan land use designation of R1, R4, R5, R10 or R20, allowable residential density is reduced by 60 percent for lots with average slopes between 10 and 25 percent. As shown in the City's Available Land Inventory, most of the remaining sites in the RVL district, and a few sites in the R1 district, have average slopes between 10 and 25 percent. The realistic capacity for each of these sites was calculated according to the required density reduction.

Accessory Dwelling Units

An accessory dwelling unit, or second unit, is a small unit in addition to or within 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 are small and there are no extra land costs;
- (5) They typically provide lower cost housing for younger households (under 34) and seniors (65 years plus); and
- (5) They are easier to fit into existing neighborhoods since they are small and are often part of the main house.

Consistent with Chapter 1062, Statutes of 2002 (AB 1866), the City amended its second-unit ordinance and permitting process to allow second units by right when such units are proposed on parcels zoned for single family residential uses (RR, RVL, R1, R4, R5, R10, and R20 zoning districts). Permit approval is subject to planning staff level review of the site and building plans to ensure compliance with height, setbacks, maximum floor area, and parking requirements. Depending on workload, the administrative plan check process can be completed within four weeks.

A summary of second unit standards is as follows:

- 1) A single family dwelling must exist on the lot or be constructed on the lot in conjunction with the construction of the second unit.
- 2) The owner of the parcel must occupy either the primary dwelling or the second unit.
- 3) Second units must have a minimum of 150 square feet and, for lot sizes up to 10,000 square feet, are limited to 750 square feet in floor area. For larger lots, 50 square feet of additional floor area may be allowed for each 2,000 square feet of lot size over 10,000 square feet, up to a maximum of 1,000 square feet for the second unit floor area.
- 4) The maximum floor area is limited to 50 percent of the primary dwelling if the unit is attached and 60 percent of the primary dwelling if the unit is detached.
- 5) Units must meet all setback, height, lot coverage, and floor area requirements of the underlying zoning district as determined in the City's zoning ordinance.
- 6) A separate exterior entry must be provided for an attached second unit.

- 7) One parking space is required in addition to that required for a single family dwelling.

Between 2007 and March 2014, the City approved, for development, ten second units. Demand for second units is expected to increase, especially as residents seek lower-cost housing for adult children, aging parents, and caregivers. To encourage and facilitate second-unit development commensurate with the projected second-unit capacity, the City will implement programs to provide exceptions to parking requirements, where the unit is located near transit or in a neighborhood which has wider streets with street parking readily available. This element includes Program 11.A to address these identified constraints.

Mixed Use

Mixed use provides the opportunity to develop smaller rental units over or adjacent to existing uses, thereby providing more potentially affordable units without developing new parcels. For this reason, mixed-use developments are a key way for jurisdictions to meet their workforce housing targets. When combined with design guidelines intended to make mixed-use developments blend in with surrounding structures, high-density multi-family housing can be achieved without altering the existing look of the neighborhood.

Novato's zoning code allows and provides incentives for mixed use housing in the Neighborhood Commercial (CN) District, Downtown Core Retail (CDR) District, Downtown Core Business (CDB) District, Mixed Use (MU) District, and Community Facilities (CF) District to facilitate higher density housing mixed with other uses. The purposes of the individual districts are as follows:

CN (Neighborhood Commercial) District. The CN zoning district is applied to neighborhood shopping areas to meet the retail and service needs of nearby residents. The CN zoning district is consistent with the neighborhood commercial land use designation of the general plan.

CDR (Downtown Core Retail) District. The CDR zoning district is applied to part of the downtown area, and is intended to allow for a mix of commercial, office and residential land uses with predominantly retail, entertainment and personal services on the ground floor street frontage to encourage pedestrian activities. The CDR zoning district is consistent with the downtown core land use designation of the general plan.

CDB (Downtown Core Business) District. The CDB is applied to part of the downtown area and is intended to allow for a broad range of commercial, office and residential land uses. The CDB is consistent with the downtown core land use designation of the general plan.

MU (Mixed Use) District. The MU zoning district is applied to areas surrounded by land currently developed with both commercial and residential land uses. Office, commercial and retail uses are permitted. Multi-family housing is also permitted with a use permit. The combination and intensity of land uses shall be compatible with the development pattern and character of the surrounding neighborhood. Commercial only or office only land uses

are permitted. Housing may be permitted in conjunction with commercial and/or office uses.

CF (Community Facilities) District. The CF zoning district is applied to areas suitable for public land uses including government offices, meeting halls, schools and libraries, and other related municipal uses. The CF zoning district is consistent with the community facilities, public utilities, and civic uses land use designation of the general plan.

Mixed use is permitted in these districts with a use permit. Within the CDR and CDG districts, residential use is allowed only on the upper floor or rear of the site, with ground floor street frontage reserved for retail, entertainment and personal service uses. Table 58 shows development standards in the zoning districts that allow mixed use development.

A Floor Area Ratio (FAR) bonus is provided when multi-family housing is included with other uses. Residential mixed use in the downtown is especially encouraged, as it meets multiple goals of the Novato General Plan, including development of housing near jobs, support for downtown retail, and locating housing near transit. An increase in maximum FAR is allowed in the Downtown from 1.2 to 2.0 when housing is included. Neighborhood Commercial allows an increase from 0.4 to 0.6 FAR when housing is included, and Mixed Use allows an increase from 0.4 to 0.8.

In order to encourage mixed use, the City allows for flexible parking requirements depending on the use mix, size of units, location, etc. These reduced parking requirements can provide opportunities for some shared parking between customers (day users) and residents (night users). Parking requirements are reduced substantially for multi-family projects within the Downtown. For example, parking requirements are reduced from 1.5 spaces to 1 space per one-bedroom unit and from 2 spaces to 1.5 spaces for a two-bedroom unit.

Table 56: Development Standards in Zoning Districts that Allow Mixed Use

Zone District	Classification	Minimum Lot Size (sq. ft.)	Minimum Yard Setback			Building Height (ft.)	Building Coverage	Floor Area Ratio
			Front (ft.)	Side (ft.)	Rear (ft.)			
CN	Neighborhood Commercial	None	None	0 to 10 ¹	0 to 15 ₂	35	40%	0.4 to 0.6 ³
CDR	Downtown Core Retail	Minimum size for new parcels is determined through the subdivision process, consistent with the general plan	None	0 to 10 ¹	0 to 15 ₂	35 ⁴	100%	1.2 or 2.0 ³
CDB	Downtown Core Business	Minimum size for new parcels is determined through the subdivision process, consistent with the general plan	None	0 to 10 ¹	0 to 15 ₂	35 ⁴	100%	1.2 or 2.0 ³
MU	Mixed Use	Determined through project review,	20	0 to 10 ¹	0 to 15 ₂	35 ⁴	40%	0.4 to 0.8 ³

		consistent with the general plan						
CF	Community Facilities	Determined through project review, consistent with the general plan	None	0 to 10 ¹	0 to 10 ₁	35 ⁴	N/A	0.8
<p>¹ Six feet is required if setback is adjacent to a single family residential zone; 10 feet is required if structure is over 20 feet in height and setback is adjacent to a single family residential zone; no setback required otherwise.</p> <p>² 10 feet is required if setback is adjacent to a single family residential zone; 15 feet is required if structure is over 20 feet in height and setback is adjacent to a single family residential zone; no setback required otherwise.</p> <p>³ Higher value FAR may be allowed where additional floor area is used for housing.</p> <p>⁴ Within the downtown overlay zone, the height limit may be increased up to 45 feet for the habitable floor area with design review approval.</p>								

In recent years, both small and large mixed-use projects have been developed in Novato. As an example, a mixed use project was developed at 7400 Redwood Boulevard with four units above ground-floor commercial on a 0.45 acre lot. The Millworks mixed-use project was developed in the Downtown area on a 2.85 acre lot. The project has 124 apartments above a Whole Foods Market and garage parking. In order to facilitate development on this site, the City relaxed a number of development standards, including an increase in the floor area ratio, an increase in the height limit, a reduction in parking standards (including narrower parking stalls and tandem parking), and expedited design review.

In order to facilitate mixed use development, this housing element includes Program 8.B, which calls for the City to consider amending the zoning code to allow multi-family dwellings in a mixed use project as a permitted use in the Neighborhood Commercial and Mixed Use districts. The City should also consider amending the zoning code to allow multi-family dwellings on upper floors and at the rear of a site in a mixed use project as a permitted use in the Downtown Core Retail and Downtown Core Business districts. Program 8.A provides incentives, such as height limit bonuses, exceptions to development standards, and reduced parking requirements, in order to make housing development more feasible in mixed use projects.

Single Room Occupancy Units

A single room occupancy (SRO) unit is a one-room, less than 400 square feet, unit intended for occupancy by a single individual. An SRO unit usually is small and may contain food preparation or sanitary facilities, or both. SRO units provide a valuable source of affordable housing for extremely low income individuals and can serve as an entry point into the housing market for formerly homeless people.

The City’s Municipal Code does not explicitly permit single room occupancy units in any zoning district. Consequently, Program 7.C directs the City to amend the zoning code to allow single-room occupancy units in the Mixed Use and R10 districts as a conditionally permitted use. Development of single-room occupancy units will help the City meet the projected housing need for extremely low income households, as quantified earlier in this housing element.

Manufactured Housing and Mobilehomes

Pursuant to Government Code Section 65852.3, Novato allows the installation of manufactured homes and mobilehomes on a foundation on lots zoned for conventional single family dwellings, subject to the same development standards as other single family dwellings. Factory-built modular housing units must be constructed in compliance with the Uniform Building Code. The use of a mobilehome for a single family dwelling on a parcel located outside of a mobilehome park is permitted as long as the mobilehome meets the following design and development standards:

- The exterior siding and trim shall be of materials and treatment found in conventionally built residential structures in the surrounding area.
- The roofing material is of a material and treatment found on conventionally-built residential structures in the surrounding area.
- The exterior roofing and siding materials and treatment, including trim, of the mobilehome and the required garage are compatible.
- The roof has eave and gable overhangs of not less than 12 inches measured from the vertical side of the home.

Group Homes

The City does not require a conditional use permit, variance, or other zoning clearance for group homes that is not required of a family dwelling of the same type in the same zone.

The Novato municipal code defines a group home as a dwelling unit licensed or supervised by any federal, state, or local health/welfare agency which provides 24-hour nonmedical care of unrelated persons who are in need of personal services, supervision, or assistance essential for sustaining the activities of daily living or for the protection of the individual in a family-like environment. Examples of a group home include children's homes, orphanages, rehabilitation centers, and self-help group homes. The zoning code permits group homes for up to 6 residents by right in all zoning districts that allow single family homes. Group homes for more than 6 residents require a use permit. The approval process for a use permit for a group home is the same as for any other residential development and requires public notice and approval by the zoning administrator or a public hearing and approval by the planning commission.

Transitional and Supportive Housing

Government Code Section 65583(a)(5) requires all cities and towns to treat transitional and supportive housing as a residential use, subject only to those restrictions that apply to other residential dwellings of the same type in the same zone. Transitional housing is defined in Section 50675.2 of the California Health & Safety Code as rental housing for stays of at least six months but where units are re-circulated to other program recipients after a set period. Transitional housing may be designated for a homeless individual or family transitioning to permanent housing.

Supportive housing as defined in Section 50675.14 of the Health & Safety Code has no limit on the length of stay, is linked to onsite or offsite services, and is occupied by a target population, including low income persons with mental disabilities, AIDS, substance abuse or

chronic health conditions or persons whose disabilities originated before the person turned 18. Services typically include assistance designed to meet the needs of the target population in retaining housing, living and working in the community, and/or improving health and may include case management, mental health treatment and life skills.

According to state law, jurisdictions must explicitly permit transitional and supportive housing as a residential use in their zoning codes. The Novato zoning code permits group homes for up to 6 residents, and prior to amending its zoning ordinance in March 2014, the City had approved transitional and supportive housing projects (approximately 100 units). With the adoption of amendments to recognize transitional and supportive housing in March 2014 (Ordinance 1592), the zoning code now explicitly defines transitional and supportive housing as a residential use, subject to the same restrictions that apply to other residential dwellings of the same type in the same zone. Therefore, the City is in compliance with Government Code Section 65583(a)(5)

Emergency Shelters

Government Code Section 65583(a)(4)(A) requires jurisdictions to designate zoning districts adequate for facilities to accommodate the identified need for emergency shelters, wherein emergency shelters must be allowed without a conditional use or other discretionary permit. The Novato zoning code was amended in November 2013 to allow residential emergency shelters in the Hamilton Industrial Park and Ignacio Industrial Park as a permitted use. The industrial parks contain 557 acres and over 150 parcels and buildings. A number of the buildings within the industrial parks could be retrofitted to meet the identified need of 38 shelter beds.

Within this zone, shelters are subject to the same development and management standards as other residential or commercial uses within the zone and require only design review. The City has adopted objective standards for shelter development and operation, including security, the maximum number of beds, parking requirements, hours of operation, management requirements, proximity to other shelters, lighting, length of stay and security.

Farmworker Housing

Farm labor housing is permitted in the Agricultural district with a use permit. The purpose of the Agricultural district is as follows:

A (Agricultural) District. The A zoning district is intended to be applied to lands that are to be protected and maintained in agricultural use, with allowable non-agricultural uses being related to and supportive of the continuing primary agricultural use. The A zoning district is consistent with the agricultural land use designation of the general plan.

Development standards and processing requirements for farm labor housing are the same as for other residential structures in the Agricultural district (see Table 57). Since Health and Safety Code Section 17021.6 precludes a local government from requiring a conditional use permit, zoning variance, and or other zoning clearance for certain agricultural employee housing, Program 12.B revises the Agricultural zoning district to allow farmworker housing as a permitted use, consistent with California Health and Safety Code Section 17021.6.

Table 57: Development Standards in the Agricultural District

Zone District	Classification	Lot Size (acres)	Lot Width (ft.)	Lot Depth (ft.)	Minimum Yard Setback			Building Height (ft.)	Building Coverage	Density (Units per Acre)
					Front (ft.)	Side (ft.)	Rear (ft.)			
A	Agricultural	60	150	150	30	25	30	30 ¹	20%	1 dwelling unit per 60 acres

¹ 40 feet for agricultural accessory structures.

Inclusionary Housing Requirements

The City’s Affordable Housing Requirements Ordinance (Chapter 19.24 of the Novato Municipal Code) requires residential projects of seven or more units to include a minimum of 10 percent of inclusionary units (for housing developments of seven to ten units) and a maximum of 20 percent inclusionary units (for housing development of 20 or more units). One half of the required number of affordable units must be affordable to low income households and one half must be affordable to moderate income households. Developments of three to six housing units may provide 10 percent inclusionary units or pay an in-lieu fee of \$8,100 to \$28,000 per market rate unit, depending upon the size of the development. The requirement applies to single family development as well as multi-family projects. Second units and projects of one or two residential units are exempt.

Inclusionary units must be dispersed throughout the residential project and be comparable in construction quality and exterior design to market rate units. The mix, size and number of bedroom must be proportional to the market rate units. However, units do not need to exceed 1,400 square feet and three bedrooms. Developers may request to construct affordable units off-site or to dedicate land in lieu of building the affordable units.

The inclusionary requirements were adopted in 1999 and updated in 2007. Since that time, the City has approved a number of projects with inclusionary units. For example, a mixed-use project of 124 units was developed that included seven inclusionary units affordable to low and very low income households. In general, the inclusionary ordinance has not constrained the development of housing in Novato. The inclusionary program has been in effect for 13 years and is well known by members of the real estate and development community. As a result, the cost of producing the inclusionary units is factored into the cost of land. Another way to determine if the inclusionary requirement is constraining development is to look at the cost of in-lieu fees in other Marin jurisdictions. If Novato’s fee is much higher than neighboring jurisdictions, then developers might choose to build in other communities, rather than pay the higher in-lieu fees in Novato. According to a survey of inclusionary zoning requirements prepared for the Marin Countywide Housing Element Workbook in 2009, Novato’s inclusionary fee is substantially less than in-lieu fees charged by most other Marin jurisdictions.

Permit Processing

The review and approval process for discretionary permits is frequently a constraint to the development of housing. This section provides an analysis of the permit approval process

for residential development in Novato on properties designated by the General Plan for residential development.

Minor Permits

Minor permits for small projects (decks, kitchen or bathroom remodeling, window replacements, water heaters, furnaces, reroofing) are processed over the counter in a “One-Stop Shop” review and permit issuance process.

Design Review

The City has adopted design review guidelines which include specific design objectives that serve as standards by which staff and Design Review Commission evaluates residential development. All residential development is required to go through design review except one-story single family dwellings in an R-1 district with slopes of less than 10%, and second units that comply with the development standards of Municipal Code Section 19.34.030. Design Review may be completed by staff without a public hearing (or with a public hearing if requested in writing by an interested party) or by the Design Review Commission with a public hearing. Two story homes, multiple single family detached homes, and single family residences on lots with slopes of 10% or more may be reviewed by the Community Development Director. Design Review applications for multi-family projects are approved by the Design Review Commission.

Through the Novato General Plan and Downtown Specific Plan, the City has established policies and clear expectations regarding residential design. These principles are articulated in detail in the Municipal Code Chapter 19.42. Design review guidelines provide objective standards that clarify and facilitate the review process and promote development certainty.

Design standards are applied to the height and bulk of buildings, site layout, site access, landscaping, orientation to natural amenities and scenic views, the architectural design of building facades and rooflines, the location of windows, doorways and outdoor use areas, and the use of exterior lighting, chimneys, and other exterior structures. Although the Design Review scope is broad, the standards are not intended to restrict innovation or variety in design, but rather to preserve community character and aesthetics and encourage high-quality design. Novato’s Design Review requirements encourage and 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 significantly reduce delays and costs due to project appeals and other forms of community objections that can lead to redesign.

The Design Review process includes the following steps:

Step One: Design Review Workshop. At the option of the applicant, the director will arrange for an introductory workshop with the Design Review Commission to review with the applicant the City’s standards and guidelines that may affect project site design, with respect to elements such as access, grading, tree removal, neighborhood compatibility, building placement and massing. The Director provides for courtesy noticing of property owners within 600 feet of the site.

Step Two: Application Preparation, Filing, Initial Processing.

Step Three: Evaluation of Proposal. The Director considers the design, location, site layout, and the overall effect of the proposed project upon surrounding properties and the city in general. The review compares the proposed project to applicable development standards, design guidelines, and other City regulations.

Step Four: Opportunity for Public Hearing. Interested parties have the option to request a public hearing up to 11 days after public notice was initiated.

Step Five: Approval or Referral to Design Review Commission. The Director may approve or disapprove the proposal or refer the application to the Design Review Commission.

Step Six: Review by the Design Review Commission. The design review application is scheduled for a public hearing and the Design Review Commission considers approval or disapproval of the project's site plan, building(s), architecture, landscaping, color and materials according to established design criteria.

Accessory Dwelling Units

Consistent with Government Code Section 65852.2, second units are allowed in all residential districts as a permitted use. A ministerial Accessory Dwelling Unit Permit approved by the Zoning Administrator is required. Accessory Dwelling Unit Permit applications that meet the second unit regulations in Municipal Code Section 19.34.030 are approved. Notice of a pending application is sent to surrounding properties, but there is no public hearing. The approval process usually takes about four weeks.

Use Permits

Use permits are intended to allow for activities and uses which may be acceptable in the applicable zoning district if compatible with adjoining land uses, but whose effect on a site and its surroundings cannot be determined before being proposed for a particular location. Mixed use housing may be allowed in the Neighborhood Commercial (CN) District, Downtown Core Retail (CDR) District, Downtown Core Business (CDB) District, Mixed Use (MU) District, and Community Facilities (CF) District with a discretionary use permit approved by the Planning Commission. In addition, group homes with more than six residents and mobilehome parks also require use permits. Within the current planning period, the City has used use permit authority to approve the 124-unit mixed-use housing and commercial project at Millworks in the Downtown.

Use permits are reviewed and approved by the Zoning Administrator unless the administrator determines that an application presents issues of sufficient concern to warrant a hearing by the Planning Commission. After conducting a public hearing, the review authority may approve the use permit if it makes the following findings:

1. The proposed use is consistent with the general plan and any applicable specific plan;
2. The proposed use is allowed with a use permit within the applicable zoning district and complies with all applicable provisions of the zoning code and any relevant master plan and/or precise development plan;

3. The establishment, maintenance or operation of the use will not, under the circumstances of the particular case, be detrimental to the health, safety, or general welfare of persons residing or working in the neighborhood of the proposed use;
4. The use, as described and conditionally approved, will not be detrimental or injurious to property and improvements in the neighborhood or to the general welfare of the city; and
5. The location, size, design, and operating characteristics of the proposed use are compatible with the existing and future land uses in the vicinity.

Despite requiring a use permit, the City encourages mixed-use development. As described earlier, the City provides a floor area ratio bonus when residential use is included with other uses in the Downtown, Neighborhood Commercial and Mixed Use districts, and substantially reduces parking requirements for multi-family projects within the Downtown. The use permit requirement is not intended to discourage mixed use development, but to ensure development which fits in within the larger context and is compatible with surrounding uses.

In order to facilitate mixed use development, this housing element includes Program 8.B which calls for the City to consider an amendment to the zoning code to allow multi-family dwellings in a mixed use project as a permitted use in the Neighborhood Commercial and Mixed Use districts. The City should also consider amendment of the zoning code to allow multi-family dwellings on upper floors and at the rear of a site in a mixed use project as a permitted use in the Downtown Core Retail and Downtown Core Business districts.

VariANCES

The Novato Zoning Code includes a variance procedure to allow development on properties that have special circumstances applicable to the property, including location, shape, size, surroundings, and topography, such that strict application of the development standards would deny the property owner privileges enjoyed by other property owners in the vicinity and under identical zoning districts. Variances may be granted to waive or modify any requirement except maximum residential density, maximum floor area regulations, specific prohibitions (for example, prohibited signs) and procedural requirements.

In Novato, most variances are typically acted upon by the Planning Commission with a public hearing. A limited number of variance applications are reviewed by the Zoning Administrator at public hearings. The Zoning Administrator and the Planning Commission may grant variances, subject to making the following findings:

1. Granting the variance is consistent with the general plan and any applicable specific plan;
2. Granting the variance would not constitute a grant of special privileges inconsistent with the limitations on other properties in the vicinity and in the same zoning district;
3. There are special circumstances applicable to the property (e.g., location, shape, size, surroundings, topography, or other conditions), so that the strict application of the zoning code denies the property owner privileges enjoyed by other property owners in the vicinity and under identical zoning districts or creates an unnecessary and non-

- self-imposed, hardship or unreasonable regulation which make it obviously impractical to require compliance with the development standards;
4. Granting the variance is necessary for the preservation and enjoyment of substantial property rights possessed by other property owners in the same vicinity and zoning district and denied to the property owner for which the variance is sought; and
 5. Granting the variance would not be materially detrimental to the public interest, health, safety, convenience, or welfare of the city, or injurious to the property or improvements in the vicinity and zoning district in which the property is located.

Other Permits

For larger projects (such as General Plan Amendments/Rezoning for subdivisions and larger multi-family projects), the City has a development review process containing several steps, starting from a general or schematic level and progressing to more detailed levels. This allows the applicant to secure a general understanding of local requirements and issues prior to spending substantial amounts of time and money on more detailed plans. Depending upon the complexity of the project, a range of permits may be required. Many of these permits can be processed concurrently.

Generally, subdivisions and rezonings take about one year to process. Use permits and variances take about six months. Processing time for multi-family projects is dependent on whether an Environmental Impact Report (EIR) is required. 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 effects which are adverse. Novato follows the procedures set forth in the California Environmental Quality Act (CEQA) and Guidelines.

A description of various land use approvals and processing times is provided in Table 58. The listed processing times are for the amount of time between the date and application is complete and ready for processing and the date the application is approved. The times listed for these activities are estimates. Permit processing times in Novato are not a constraint on housing development or maintenance.

Table 58: Timelines for Permit Procedures

Type of Approval or Permit	Typical Processing Time
Design Review	
Zoning Administrator	1 month
Design Review Committee	3 months
Variance	
Zoning Administrator	1 month
Planning Commission	2 months
Second Unit Permits	1 month
Use Permit	
Zoning Administrator	2 months

Planning Commission	3 months
Lot Line Adjustment	2 months
Master Plan	3 months for a negative declaration; 6-8 months for projects requiring an EIR.
Tentative Map Land Division	1 to 2 months
Tentative Map Subdivision	4 to 6 months
Precise Development Plan	4 months; 6 months if required to go before City Council
Rezoning	4 months for a negative declaration; 6-8 months for projects requiring an EIR.
General Plan Amendment	4-6 months if project receives a negative declaration; up to one year if an EIR is required.
Initial Environmental Study	3 months
Negative Declaration/Environmental Impact Report (EIR)	Adds no time if project receives a negative declaration; adds 8 – 10 months if an EIR is required.
Source: City of Novato Community Development Department	

In recognition of the additional processing time often required for CEQA review, this element contains Program 9.D, which states that the City will apply CEQA exemptions for infill developments, as appropriate, and consider area-wide assessments or Program EIRs in order to expedite permit processing. In addition, Program 9.E states that the City will provide technical assistance and expedited review for affordable housing developments.

Table 59 outlines typical approval requirements for a single family infill project, a subdivision, and a multi-family housing project.

Table 59: Typical Processing Procedures by Project Type

	Single Family Dwelling	Subdivision	Multi-family Development
Typical Approval Requirements	Design Review	Tentative Map	Design Review
		Parcel Map	
		Final Map	
		Environmental Impact Study	
		Design Review	
Estimated Total Processing Time	1-2 months	4-6 months	3-4 months

Development Fees

Local fees add to the cost of development, however, particularly after Proposition 13, cities are concerned with the need to recover processing costs. 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. The City of Novato adheres to this mandate by charging full-cost recovery fees for application processing and inspection services. The table

below shows minimum required deposits for typical planning permits in Novato. Final fees are based on the actual cost of service.

Table 60: Planning and Development Fees

Planning and Application Fees	Fee
Design Review	\$5,526
Variance	\$2,154
Use Permit	\$2,661
General Plan Amendment	\$8,775
Rezoning	\$6,518
Lot Line Adjustment	\$2,219
Master Plan or Master Plan Amendment	\$15,230
Precise Development Plan	\$6,576
Tentative Map Land Division	\$4,280
Tentative Map Subdivision	\$4,791
Annexation	\$8,134
Initial Study and Negative Declaration or Environmental Study	\$9,543
<i>Source: City of Novato Community Development Department</i>	

Novato charges building permit fees according to a sliding scale as detailed in Table 61 (numbers have been rounded to the nearest dollar). In addition to these fees, the City charges plan check fees equal to 65 percent of the prescribed building permit fee and Title 24 compliance energy fees equivalent to 25 percent of the applicable building permit fee.

Table 61: Building Permit Fees

Valuation	Base Fee	Plus Incremental Fee
Up to \$2,000	\$74	none
\$2,001 - \$25,000	\$74	\$14 for each additional \$1,000 over \$2,001
\$25,001 - \$50,000	\$401	\$10 for each additional \$1,000 over \$25,001
\$50,001 - \$100,000	\$699	\$7 for each additional \$1,000 over \$50,001
\$100,001 to \$500,000	\$1,000	\$6 for each additional \$1,000 over \$500,001
\$500,001 - \$1,000,000	\$3,284	\$5 for each additional \$1,000 over \$1,000,001
\$1,000,001 and up	\$5,613	\$4 for each additional \$1,000
<i>Source: City of Novato Community Development Department</i>		

A residential development tax is charged on a per bedroom basis as follows: one bedroom, \$490; two bedrooms, \$730; three bedrooms, \$900; four bedrooms, \$1,070; five bedrooms, \$1,240; and, each additional bedroom, \$170.

New subdivisions are required to dedicate land for parks or pay an in-lieu fee ([Quimby Act](#)). Land dedication is based upon a formula that takes into account the average number of people per unit and a park acreage standard of 4.5 acres per 1,000 people. For example, a single family dwelling unit with an average household size of 2.749 people would be required to dedicate 0.0124 acres per land ($2.749 \times 4.5/1,000 = 0.0124$ acres). Park dedication fees per unit are: \$5,208 for a single family detached unit; \$4,282 for a single family attached unit; \$4,755 for a duplex; \$4,520 for a multi-family building with 3 to 4 units; \$4,270 for a multi-family building with 5 or more units; and \$2,874 for a mobile home.

Public facilities and traffic impact fees total \$20,739 for a single family unit, \$14,082 for a multi-family unit and \$7,041 for a second unit in an existing single family dwelling. Second unit impact fees were reduced by half in 2013 in response to a finding in the 2007-2014 housing element that second unit impact fees were exceptionally high when compared to other Marin County jurisdictions and likely constraining development. Impact fees are assessed according to the fee schedule in Table 62.

Table 62: Impact Fees

Impact Fee	Single Family Fee	Multi-family Unit Fee	Second Unit Fee
<i>Public Facilities Fees</i>			
Recreation/ Cultural Facilities	\$6,274	\$6,274	\$3,137
Civic Facilities	\$1,125	\$1,125	\$562.5
General Government Systems	\$488	\$488	\$244
Open Space	\$1,357	\$1,357	\$678.50
Drainage	\$2,671	\$771	\$385.50
<i>Traffic Impact Fees</i>			
Streets & Intersections	\$8,357	\$3,851	\$1,925.50
Transit Facilities	\$287	\$133	\$66.50
Corporation Yard	\$180	\$83	\$41.50
TOTAL	\$20,739	\$14,082	\$7,041
<i>Source: City of Novato Community Development Department, 2014</i>			

The City also has various other fees and surcharges as detailed in Table 65. Planning fees are collected at the time the planning application is submitted. Building permit and impact fees are collected at the time the building permit is issued.

There are several fees imposed by the sewer, water, fire and school districts. Novato Sanitary District charges \$8,950 per dwelling unit, regardless of dwelling type. Water district fees range between \$11,200 for a multi-family unit to \$33,000 for a single family dwelling. School district fees are assessed at \$2.63 per square foot of new construction or additions over 500 square feet. Fire facilities impact fees are \$955 for a single family dwelling and \$745 for a multi-family unit and second unit.

Table 63 shows a comparison of fees charged for four different housing types: a single family dwelling, a fourplex, a 30-unit multi-family building, and a second unit. Fees are shown on a per-unit basis.

Table 63: City and District Fees for Single Family, Fourplex, Multi-family and Second Unit

	Single Family Home	Fourplex (per unit)	Multi-family (per unit)	Second Unit
<i>Development Description</i>				
Valuation (hard construction costs)	\$552,000	\$256,250	\$163,800	\$70,000
Unit Size (sq. ft.)	2,000	1,250	700	700
Garage Size (sq. ft.)	400	Carport	0	0
Common Area Size (sq. ft.)	0	0	140	0
Number of Bedrooms	4	2	1	1
<i>Planning and Building Permit City Fees</i>				
Design Review	\$5,526	\$1,382	\$184	--
Accessory Dwelling Unit Permit	--	--	--	\$747
Building Permit	\$3,531	\$1,426	\$663	\$832
Plan Check	\$2,295	\$927	\$431	\$541
Plan Storage	\$25	\$6	\$3	\$9
Title 24 Energy Fee	\$883	\$356	\$166	\$208
Seismic Tax	\$55	\$26	\$16	\$7
Engineering Plan Check	\$100	\$25	\$3	\$100
Engineering Site Inspection	\$150	\$38	\$4	\$150
Planning Plan Check	\$86	\$33	\$6	\$86
Plumbing	\$74	\$74	\$74	\$74
Electrical	\$74	\$74	\$74	\$74
Mechanical	\$74	\$74	\$74	\$74
Crime Prevention	\$35	\$17	\$2	\$35
General Plan Surcharge	\$353	\$143	\$66	\$83
Automation Surcharge	\$353	\$143	\$66	\$83
Training Surcharge	\$35	\$14	\$7	\$8
Residential Development Tax	\$1,070	\$730	\$490	\$490
Green Building Fee	\$22	\$10	\$7	\$3
Impact Fees	\$20,739	\$14,082	\$14,082	\$7,041
SUBTOTAL CITY FEES	\$35,480	\$19,579	\$16,418	\$10,644
<i>Estimated Fees of Other Districts</i>				
Water	\$33,000	\$17,200	\$11,200	\$17,200
Sewer	\$8,950	\$8,950	\$8,950	\$8,950
Fire	\$955	\$745	\$745	\$745
Schools	\$5,260	\$3,288	\$1,841	\$1,841
SUBTOTAL DISTRICT FEES	\$48,145	\$30,167	\$22,720	\$28,736
TOTAL FEES (per unit)	\$83,645	\$49,761	\$39,154	\$39,380
<i>Source: City of Novato Community Development Department (2014)</i>				

As shown in Table 64, planning and building fees in Novato comprise 3 percent of the cost of development of a single family home, 4 percent of the cost of development of a fourplex, 6 percent of the cost of development of a multi-family development, and 11 percent of the cost of development of a second unit. Fees from other districts range from 4 percent to 26 percent of the development costs, and total fees range from 8 percent to 42 percent.

Table 64: Proportion of Fee to Residential Development Cost

Development Cost for a Typical Unit	Single Family	Fourplex	Multi-family	Second Unit
Typical estimated cost of development per unit (land and total construction costs)	\$1,076,240	\$498,750	\$296,786	\$94,500
Total estimated City fees per unit	\$35,480	\$19,579	\$16,418	\$10,644
Estimated proportion of City fee cost to overall development cost per unit	3%	4%	6%	11%
Total estimated other district fees per unit	\$48,165	\$30,183	\$22,736	\$28,736
Estimated proportion of other district fee cost to overall development cost per unit	4%	6%	8%	26%
Total estimated fees per unit	\$83,645	\$49,761	\$39,154	\$39,380
Estimated proportion of total fee cost to overall development cost per unit	8%	10%	13%	42%

Conclusions

Novato’s planning and building fees are not unduly burdensome and are comparable to fees charge by other cities in Marin. Impact fees, however, are generally higher than those charged by other cities in Marin and may pose a constraint to housing development. In an effort to encourage development of second units and recognize the smaller impact these units have on City services, the City reduced the second unit permit and impact fees by half in 2013. Water and sanitary district fees are still high, however, and are likely constraining development of second units.

Sewer and water hook-up fees can add significant costs to residential development and may present a barrier to the development of affordable housing. The City can continue to work with the sanitary and water districts to explore ways to reduce or waive their fees for affordable units and second units, thereby encouraging and facilitating the development of these types of housing.

The City has granted fee reductions to developers of affordable housing. The City will continue to offer fee reductions and/or deferrals as incentives for projects which provide a public benefit, especially lower-income housing. Program 9.F provides fee reductions or waivers for affordable housing developments on a sliding scale related to levels of affordability. The City will also continue to work with districts, as described in Program 11.A, to reduce their second unit fees.

Building Codes and Enforcement

Novato adopts and enforces title 24 of the California Code of Regulations as the construction codes for the city. State law allows local governing bodies to amend the building standards in the new codes as long as they are more restrictive than the state standards and are based on findings that the amendments are necessary due to local climatic, topographic or geological conditions.

Considering the increased fire risk in Novato, the City has amended the Building Code to require a minimum of Class B roof assemblies where the Code allows Class C roof assemblies. The City also added a definition for substantial remodel, meaning the renovation of any structure combined with any addition to the structure, performed within any three-year period that affects a floor area which exceeds 50 percent or more of the existing floor area of the structure. The Building Code was also amended to require an automatic residential fire sprinkler system in all structures that qualify as a substantial remodel. While this code amendment increases the cost of remodeling, it is not considered a barrier to the production of new housing and is necessary to protect the health and safety of the community.

In light of the large number of in-ground swimming pools in Novato, the City amended the Building Code to increase the required barrier height to 60 inches from 48 inches. This amendment is intended to improve public safety and reduce the incidents of small children drowning in pools. This building code amendment does not pose a special constraint to the production of housing.

The City also amended the California Green Building Standards Code (“CALGreen”) by adopting CALGreen Tier 1 requirements for new construction projects. These measures incorporate greener building standards related to planning and design, water efficiency and conservation, material conservation and resource efficiency, and environmental quality.

Building codes are enforced when building permits are approved and during residential resale inspections. Deficiencies are usually corrected by the property owner or by the purchaser of the property. The City’s Code Enforcement Division also regularly inspects all properties consisting of three units or more through its Multi-family Inspection Program. Properties are inspected at least every other year. Code Enforcement staff also investigates alleged code violations. The City has a nuisance abatement procedure that may be used as necessary.

The Marin County Residential Loan program provides low-interest property improvement loans and technical assistance to qualified very-low-income homeowners to make basic repairs and improvements, correct substandard conditions, and eliminate health and safety hazards. The maximum loan amount is \$35,000 and the loan can be repaid monthly or deferred. Code Enforcement staff currently provide property owners with information on this program. Program 5.B directs code enforcement staff to provide information on rehabilitation loan programs.

Site Improvement Requirements

The City of Novato is essentially built-out and most infrastructure, including curbs, gutters, sidewalks, streets, and utilities, is in place to serve the City's present and future housing needs. Water, sewerage, and drainage systems are in place within existing developed areas, and new residences typically need only to supply lateral connections to the water and sanitary sewer mains maintained by the Novato Municipal Water District (NMWD) and the Novato Sanitary District. Public sewer or water extensions are subject to the regulations and permit procedures of the service providers.

In undeveloped areas, on- and off-site improvements can include curbs, gutters, storm drainage, street widening and paving, driveways, and sidewalks. Street lighting, traffic control devices, street trees, bus facilities, and bicycle facilities may also be required. More expensive improvements can be necessary where the site includes special environmental resources, mitigation of slide hazards, inadequate downstream drainage, or other special conditions pertaining to the site. The City's sewer, storm drain, and other engineering standards conform to Marin County standards, and, where applicable, state standards. The City has required only minimum road widths and improvements in new developments and has allowed for exceptions to these standards where circulation safety is assured and it can make affordable housing more feasible.

Housing for Persons with Disabilities

Chapter 671, Statutes of 2001 (Senate Bill 520) requires localities to analyze potential and actual constraints upon the development, maintenance and improvement of housing for persons with disabilities and to demonstrate local efforts to remove governmental constraints that hinder the locality from meeting the need for housing for persons with disabilities.

The City's zoning ordinance and other policies require ADA compliance through the Uniform Building Code. This City has not identified any zoning district or other land-use controls that could discriminate against persons with disabilities or restrict access to housing for disabled individuals. As discussed earlier, housing providing accommodations for six or fewer individuals is considered a residential use of a single family structure. The City does not require a conditional use permit, variance, or other zoning clearance for housing for six or fewer employees that is not required of a family dwelling of the same type in the same zone. The City does not restrict the siting of group homes, or require a minimum distance between them, and the City does not have any occupancy standards in the zoning code that apply specifically to unrelated adults.

In Novato, persons living with disabilities may seek exceptions to development standards from the Community Development Director or the Housing Code Appeals Board. Administrative review of requirements for exceptions to zoning standards is also provided. Senior developments, projects for persons with disabilities and residential care facilities can be provided with exceptions to parking and other standards, depending on project specific analysis. Novato allows a reduction in required on-site parking if it is to accommodate ADA accessibility facilities (ramps, etc.) and offers reduced parking standards for senior housing developments. Reduced parking for any development, including housing for the disabled, is allowed wherever reduced need can be demonstrated.

In March of 2014, the City formally adopted an ordinance (Ordinance 1592) that provides persons with disabilities seeking access to housing under the Fair Housing Act with a formal procedure to request reasonable accommodation in the application of zoning laws and other land use regulations, policies and procedures. The ordinance establishes a procedure for making requests for reasonable accommodation in land use, zoning and building regulations, policies and procedures. The procedure is a ministerial process, subject to approval by the Community Development Director applying certain decision-making criteria.

Housing Goals, Policies and Implementing Programs

Housing Goals

Novato's housing goals provide for a variety of housing opportunities for all economic segments of the community through new construction and maintenance of existing housing for an economically and socially diverse population, while preserving the character of the community. Low and moderate income housing of all types will be given special consideration. Novato's housing goals are to:

- Work together to achieve the City's housing goals
- Maintain and enhance existing housing and blend well-designed new housing into existing neighborhoods
- Use land efficiently to meet housing needs, minimize environmental impacts and maximize opportunities to use alternative transportation modes such as transit, bicycling and walking
- Provide housing for special needs populations that is coordinated with support services
- Build local government institutional capacity and monitor accomplishments to respond to housing needs effectively

Housing Policies and Programs

Policies and programs set forth the strategies to achieve the appropriate type and number of units that can be rehabilitated, conserved, or constructed within the City of Novato.

1 Local Housing Leadership

HO Policy 1.1 **Local Government Leadership.** Affordable housing is an important demonstrated City priority, and the City will take a proactive leadership role in working with community groups, other jurisdictions and other agencies in following through on identified housing element implementation actions in a timely manner.

HO Policy 1.2 **Community Participation in Housing and Land Use Plans.** The City will utilize effective and informed public participation from all economic segments and

special needs of the community in the formulation and review of housing and land use issues.

HO Policy 1.3 **Neighborhood Meetings.** Continue to require developers of any major project to have neighborhood meetings with residents early in the process to undertake problem solving and facilitate more informed, faster and constructive development review.

HO Policy 1.4 **Inter-Jurisdictional Strategic Planning 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

□ HO Program 1.A **Prepare Information and Conduct Community Outreach Activities on Housing Issues.** Coordinate with local businesses, housing advocacy groups, neighborhood groups, community organizations, developers, the Chamber of Commerce and others in building public understanding of housing programs and needs.

Topics

- a. Housing needs.
- b. Housing programs (second units, rental assistance, rental mediation, first time homebuyer education, energy assistance and rehabilitation loans, etc.).
- c. Fair Housing laws.

Activities

- a. Provide written material at public locations (including social service centers and at public transit locations, where feasible) and on the City's website.
- b. Provide information to real estate professionals, property owners and tenants on their rights, responsibilities, and the resources available to address fair housing issues.
- c. Work with local non-profit and service organizations to distribute information to the public.
- d. Provide public information through articles in the local newspaper and with cable TV public service announcements.
- e. Work with other public agencies, businesses and community groups, unions, the building and real estate industry, non-profit housing sponsors, school districts, faith-based organizations, health and human service providers, environmental groups, property managers, tenant organizations, and other interested parties within Novato that might be mobilized to help support affordable and special needs housing developments.

- f. Fair Housing in-service training, press releases, direct contact with interest groups, and posting of fair housing laws, contacts and phone numbers.

Responsibility: Community Development Department
Financing: Staff time
Objectives: Prepare materials and conduct outreach
Timeframe: July 2015 and ongoing

□ HO Program 1.B **Collaborate on Inter-Jurisdictional Strategic Plan for Housing.** Coordinate with other jurisdictions on strategic planning 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.

Responsibility: Community Development Department
Financing: Staff time
Objectives: Collaborate with other jurisdictions on affordable housing strategies
Timeframe: As major inter-jurisdictional issues and opportunities arise

□ HO Program 1.C **Undertake Coordinated Lobbying Efforts on State Legislation.** Identify and lobby for possible changes to State law that help to most effectively implement local housing solutions and achieve housing goals. Examples of legislative issues of critical importance could include: more direct input from local jurisdictions on the development of Regional Housing Needs Allocation, funding allocations for affordable housing, and modifications to State law that would make it easier for jurisdictions to voluntarily share funding and credit for meeting proportionate allocations.

Responsibility: Community Development Department; City Manager; City Council
Financing: Staff time
Objective: Improved local control of housing solutions
Timeframe: Ongoing

2 Fair Housing

HO Policy 2.1 **Equal Housing Opportunity.** To the extent possible, the City will ensure that individuals and families seeking housing in Novato 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 acts.

HO Policy 2.2 **Targeted Marketing.** To the extent consistent with applicable fair housing laws, targeted marketing and advance notice of deed restricted rental and ownership units in new housing developments will be provided to people living and/or working in Novato

(including public employees). The intent is to meet local housing need, consistent with Association of Bay Area Governments (ABAG) Housing Need Determinations, and as a transit/traffic, economic development and community safety mitigation measure.

Implementing Programs

□ HO Program 2.A **Require Non-discrimination Clauses.** Continue to provide nondiscrimination clauses in rental agreements and deed restrictions for housing, including Below Market Rate housing, constructed with City participation.

Responsibility: Community Development Department; City Attorney
Financing: Staff time
Objectives: Implementation of fair housing laws
Timeframe: Ongoing

□ HO Program 2.B **Respond to Complaints.** Facilitate fair and equal housing opportunity by designating the Community Development Director as the City’s Equal Opportunity Coordinator. 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. Undertake activities to broaden local knowledge of Fair Housing laws through actions identified in HO Program 1.A.

Responsibility: Community Development Department; City Attorney
Financing: Staff time
Objectives: Implementation of fair housing laws
Timeframe: Ongoing

3 Housing Design

HO Policy 3.1 **Housing Design Process.** The City will review proposed new housing, subject to design review, to achieve excellence in development design in an efficient process.

HO Policy 3.2 **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 transition of scale and compatibility in form to the surrounding area.

HO Policy 3.3 **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:

- a. Reduce the perception of building bulk. In multi-unit buildings, encourage designs that break up the perceived bulk and minimize the apparent height and size of new buildings, including, for example, the use of upper story setbacks and landscaping. Application of exterior finish materials, including siding, trim, windows, doors and colors, are important elements of building design and an indicator of overall building quality.
- b. Recognize existing street patterns. Where appropriate, encourage transitions in height and setbacks from adjacent properties to respect adjacent development character and privacy. Design new housing so that, where appropriate, it relates to the existing street pattern.
- c. Enhance the “sense of place” by incorporating focal areas where appropriate. Design new housing around natural and/or designed focal points, emphasized through pedestrian/pathway or other connections.
- d. Minimize the visual impact of parking areas 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 or rear of buildings, or recessed, or along rear alleyways or below the building in some higher density developments).

Implementing Programs

□ HO Program 3.A **Prepare Multi-family Housing Design Criteria.** Continue to implement the Design Review process, evaluate existing design criteria for multi-family housing, and establish modification as needed that will establish effective, consistent development review factors for use by applicants, the community, staff and decision-makers in the expeditious review of multi-family housing proposals.

The design criteria may include but not be limited to:

- a. Context with surroundings, site planning, building massing and layout, height transitions, public safety design features (e.g., security cameras and fencing with keyed gates), architecture and materials, well-planned layout of complex and individual units for maximum natural ventilation and lighting, landscape design, open space, outdoor lighting, and density compatibility provisions.
- b. Common facilities should be required for projects over 20 units; facilities may include common room, outdoor play areas, pools, study areas, etc.
- c. Consider transition criteria to encourage compatibility when structures are proposed near single family residential buildings on adjoining properties. For properties where the dimension(s) for a transition area(s) is specified, specific regulations for permitted and prohibited development within the transition area(s) shall be established.
- d. Limits on maximum site coverage and requirements for minimum setback provisions should be adopted.
- e. Floor area ratios in residential/mixed used areas should be consistent with the character of the surrounding area.

Responsibility: *Community Development Department*
Financing: *Staff time*

Objectives: *Develop design criteria for multifamily housing*
Timeframe: *June 2015*

- HO Program 3.B **Update Parking Standards.** Modify parking standards based on the most up-to-date empirical studies to facilitate infill, transit-oriented, mixed use and accessory dwelling unit development. Modifications to consider may include, but are not limited to, the following:
- a. Reduction of multi-family parking requirements for three-or more-bedroom units from 2.2 spaces to 2.0 spaces, to be consistent with single family home standards.
 - b. Reduction of parking requirements for projects near transit.
 - c. Provision of opportunities for shared parking for mixed use developments.
 - d. Allowances for off-site parking.
 - e. Allowances for the establishment of a landscape parking reserve that is designated for parking if needed in the future.
 - f. Evaluation of opportunities for underground parking and auto sharing.
 - g. Allowances, in certain instances, for parking standards to be adjusted on a case-by-case basis, depending upon the location and characteristics of the development and its intended occupants.

Responsibility: *Community Development Department; City Council*
Financing: *Staff time*
Objectives: *Facilitate development of infill, transit-oriented and mixed use development*
Timeframe: *December 2015*

4 Conservation and Energy

HO Policy 4.1 **Resource Conservation.** The City will promote development and construction standards that provide resource conservation by encouraging housing types and designs that use renewable and/or sustainable materials, cost-effective energy conservation measures and fewer resources (water, electricity, etc.), and therefore cost less to operate over time, supporting long-term housing affordability for occupants.

HO Policy 4.2 **Renewable Energy Technologies.** Promote the use of sustainable and/or renewable materials and energy technologies (such as solar and wind) in new and rehabilitated housing when possible.

Implementing Programs

□ HO Program 4.A **Promote Solar Design.** Promote design standards relating to solar orientation, including lot layout for subdivisions, location and orientation of new structures, and landscaping.

Responsibility: Community Development Department
Financing: Staff time
Objectives: Opportunities for new solar installations
Timeframe: Ongoing

□ HO Program 4.B **Implement “Green” Building Standards and Processes.** Consistently implement the City’s adopted “Green Building Program” to encourage the use of green building materials and energy conservation.

Responsibility: Community Development Department
Financing: Staff time
Objectives: Construction of energy-efficient buildings
Timeframe: Ongoing

5 Housing Preservation

HO Policy 5.1 **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 or bed and breakfast uses to protect and conserve the rental housing stock.

HO Policy 5.2 **Condominium Conversions.** Except when the effective vacancy rate for available rental units is more than 5% and for limited equity cooperatives and other innovative housing proposals which are affordable to lower income households, the City will, to the extent feasible under State law, conserve its existing multiple family rental housing by prohibiting conversions of rental developments to condominium ownership.

HO Policy 5.3 **Protection of Existing Affordable Housing.** The City will, where economically feasible, strive to ensure that affordable housing provided through government subsidy programs, incentives and deed restrictions will remain affordable over time, and intervene when possible to help preserve such housing.

HO Policy 5.4 **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.

HO Policy 5.5 **Mobilehomes, Mobilehome Parks, and Manufactured Housing.** The City will strive to protect mobilehomes, mobilehome parks, and manufactured housing as an important source of affordable housing in Novato. The City will work with residents,

property owners, agencies and non-profit groups to seek ways to assist in the long-term protection and affordability of this unique source of housing, especially for seniors, in the community. If mobile home parks are converted to other uses, as legally permitted, the City will require developers to provide relocation assistance (financial and/or other assistance) for current homeowners as well as renters sufficient to cover the resulting dislocation costs to the dislocated mobile home owner or renter.

Implementing Programs

□ HO Program 5.A **Ensure Adequate Tenanting, Management and Safety for Multi-family Housing.** Ensure adequate tenanting, management and safety for multi-family housing by implementing the following:

- a. As legally permissible, initiate City provisions for review of the management of multi-family housing to implement best management practices. Zero tolerance for criminal activity is a goal. Programs should apply to projects of a defined size and/or type. Best management practices should include, but not be limited to, addressing the following performance measures:
 1. Property management staffing
 2. Tenant selection plan
 3. Lease agreement
 4. Security-minded design
 5. Resident services
 6. Community and activity space
 7. Communication
- b. Investigate additional City and/or community-based programs to reduce crime in multi-family housing, including Crime Free Program and voluntary programs initiated by multi-family housing managers. Consider the benefits/permisibility of restricting access to sites for residents and invited guests only (monitored by onsite manager) and encouragement of social opportunities to engage the residents and build a sense of “ownership” and community.

Responsibility: Police Department, Community Development Department

Financing: Staff time

Objectives: Tenanting and management regulations and procedures

Timeframe: December 2014 and ongoing

□ HO Program 5.B **Link Code Enforcement with Public Information Programs.** Continue to implement housing, building and fire code enforcement to ensure compliance with basic health and safety building standards and continue to provide information about rehabilitation loan programs for use by qualifying property owners who are cited. In particular, contact owners of structures that appear to be in declining or substandard condition, offer

inspection services, and advertise and promote programs that will assist in funding.

Responsibility: Community Development Department
Financing: Staff time
Objectives: 30 loans from available programs to very low income households by 2023
Timeframe: Ongoing

HO Program 5.C **Implement Rehabilitation and Energy Loan Programs.**

Community Development staff will continue to coordinate with government and businesses (e.g., Energy Upgrade California, the Marin Housing Authority, PG&E and participatory contractors) to procure funding (grants and/or loans), and qualifying energy upgrades for eligible owner and renter households. Program resources and contact information will be maintained and updated on the City's website.

Responsibility: Community Development Department; Marin Housing Authority; PG&E, and others
Financing: Staff time/Marin Housing Authority
Objectives: 30 loans from available programs to very low income households by 2023
Timeframe: Ongoing

HO Program 5.D **Modify the City's Condominium Conversion Ordinance.**

Consider amendments to the City's Condominium Conversion Ordinance which may, as permitted by law, include:

- a. Prohibition of conversion of rental units to condominiums unless the effective vacancy rate for rental housing is more than 5% or there are special circumstances related to providing long-term, regulated affordable units;
- b. Exemptions for limited equity residential cooperatives which provide long term affordability for very low or low income households;
- c. Requirements for relocation assistance when units are converted;
- d. First right of refusal of purchase of units by occupants;
- e. Minimum of 20 percent of the units be affordable to low income households; and
- f. Implementation of resale controls.

Responsibility: Community Development Department; City Council
Financing: Staff time
Objectives: Amend Condominium Conversion Ordinance
Timeframe: Consider ordinance by June 2015; other activities would be ongoing

HO Program 5.E **Inventory Affordable Housing.** Maintain an up-to-date inventory of affordable housing in Novato and conduct periodic surveys of rental unit vacancy and affordable for-sale costs. As needed, work with the property

owners and/or other parties to, where feasible, conserve existing affordable units as part of Novato’s affordable housing stock.

Responsibility: Community Development Department
Financing: Staff time
Objectives: Preservation of affordable housing units
Timeframe: Ongoing

□ HO Program 5.F **Maintain Existing Affordable For-Sale and Rental**

Housing. Work with affordable housing owners and non-profit sponsors seeking to maintain and/or rehabilitate affordable housing units to in large part maintain ongoing affordability of the units. Actions may include, but not be limited to:

- a. Maintain and update contact information for mortgage assistance and non-profit housing assistance for ownership and rental housing.
- b. Identification of possible support necessary to obtain funding commitments from governmental programs and non-governmental grants.
- c. Assistance in permit processing.
- d. Possible waiver of fees.
- e. Possible use of local funds if available.

Responsibility: Community Development Department
Financing: Staff time
Objectives: Preservation of affordable housing units
Timeframe: Ongoing

HO Program 5.G **Preserve At-Risk Units.** Annually monitor assisted housing development units at risk for conversion to market rate due to termination of federal rent subsidies. For at-risk units encourage and facilitate, to the extent possible, participation by property owners in federal, state and/or local housing assistance programs that maintain affordability of existing multi-family rental housing developments. City efforts to preserve at-risk units include, but are not limited to:

- 1. Develop a website with information and available links to federal, state and local resources, including:
 - Community Development Block Grant (CDBG) programs.
 - HOME Program.
 - Section 8 Housing Choice Voucher Program.
 - Marin County Residential Rehabilitation Loan program.
 - Low Income Housing Credit Program.
 - Marin Housing’s Housing Stability Program (formerly RMR).
 - Assistance from Local Philanthropies.
 - City of Novato Housing Opportunity Fund.
- 2. Maintain, on the City’s website, a list of for-profit and nonprofit housing providers to assist with timely action (acquisition, etc.) regarding notification of units scheduled to convert to market-rate in the near term.

3. Work with owners, tenants, for-profit and nonprofit organizations to assist in the acquisition of at-risk projects to ensure long-term affordability of the development. For at-risk units, annually contact property owners, assess need and interest in acquisition by for-profit or non-profit partners.
4. The City will support applications by for-profit and nonprofit housing providers for funding, as available and appropriate, to preserve or purchase at-risk units to maintain their affordability.

Responsibility: Community Development Department.
Financing: Staff time; federal, state and local housing assistance programs
Objectives: Conserve 52 affordable units at Marin Handicapped 5, Stonehaven, Dante House, Lamont House and Olive Avenue Apartments
Timeframe: Prior to expiration of federal subsidies and ongoing

HO Program 5.H Provide Assistance to Homeowners of Below Market Rate Units. Provide owners of Below Market Rate (BMR) units with assistance in order to assist individuals with retention of below market rate units. Contact homeowners as soon as the City receives a notice of default or sale, and provide information available relating to foreclosure. Refer homeowners to the appropriate agency, such as the Marin Housing Authority, as appropriate. Provide links on the City’s website and distribute informational materials, if available.

Responsibility: Community Development Department
Financing: Staff time
Objectives: Preservation of 405 BMR units
Timeframe: Ongoing

HO Program 5.I Support Volunteer Efforts. Support community service clubs that provide volunteer labor-assistance housing improvement programs for homeowners physically or financially unable to maintain their properties. Support includes, but is not limited to providing a City website link to active not-for-profit service clubs, and City support (letter of recommendation, etc.) as appropriate for said clubs seeking grant funding for supplies and/or services.

Responsibility: Community Development Department
Financing: Staff time
Objectives: Maintenance of existing housing
Timeframe: Ongoing

HO Program 5.J Preserve Mobile Home Parks. Consider measures such as refinancing the Marin Valley Mobile Country Club to further save money and to permit the financing of future needed capital improvements to the park. Consider

possible zoning amendments to preserve mobile home parks for mobile home park use.

Responsibility: Community Development Department; City Council
Financing: Staff time
Objectives: Preserve mobile home parks
Timeframe: Ongoing

□ HO Program 5.K **Regulate Displacement of Residential Units.** Consistent with State Law regulate the removal or displacement of residential units.

Responsibility: Community Development Department; City Council
Financing: Staff time
Objectives: Regulate removal or displacement of units
Timeframe: Ongoing

6 Housing, Jobs and Transit

HO Policy 6.1 **Transit-Oriented Development.** Encourage Multi-family Development within an easy walking distance to transit access points – a station or location served by one or more transit lines – where reduced automobile usage and parking requirements are possible. Maximize the use of these limited land resource sites to reduce overall energy, land, water and other costs.

HO Policy 6.2 **Housing for Local Workers.** The City will strive to provide an adequate supply and variety of housing opportunities to meet the needs of Novato’s workforce and their families, striving to match housing types and affordability, with household income.

HO Policy 6.3 **Live/Work Developments.** Live/work units provide workforce affordable housing, generate additional economic activity in the community, and improve the jobs/housing balance. Opportunities for live/work developments, such as in Downtown and other appropriate locations, where housing can be provided for workers on-site or caretaker or other types of housing can be provided, will be encouraged by the City where appropriate.

HO Policy 6.4 **Transit-Oriented Development Incentives.** Establish land use criteria that facilitate efficient public transit systems, and provide incentives for housing developments within an easy walking distance of transit stops, where reduced automobile use and parking requirements are possible.

HO Policy 6.5 **Regional Transportation/Housing Activities.** The City will coordinate with regional transportation planning activities, and will facilitate transit-oriented housing development by using the incentives and other means provided through local and regional transportation plans.

Implementing Programs

□ HO Program 6.A **Identify Existing Employee Housing Opportunities.** Work with the Novato school district, public agencies, and existing businesses to seek opportunities for helping their employees find needed housing, such as mortgage buy-downs or subsidies, rent subsidies, etc. Additionally, to better inform local employees about local, affordable housing stock, staff will update the City’s website to include direct links to property management for lower income apartments, and for sale housing within Novato.

Responsibility: Community Development Department
Financing: Staff time
Objectives: Increase housing opportunities for local employees
Timeframe: Ongoing

□ HO Program 6.B **Promote Zoning for Live/Work Opportunities.** Review implementation of live/work and home occupation provisions in the Zoning Ordinance to ensure effective standards for home occupations and live/work projects.

Responsibility: Community Development Department
Financing: Staff time
Objectives: Increase housing opportunities for local employees
Timeframe: December 2015 and ongoing

□ HO Program 6.C **Transit-Oriented Development Incentives.** Consider zoning ordinance amendments which provide incentives for transit-oriented development where specified criteria are met. Such criteria may include, but not be limited to:

- a. Distance to transit routes.
- b. Affordability of units.
- c. High-quality design.
- d. Integration of transit-oriented components.

Incentives could include, but not be limited to:

- a. Parking reductions.
- b. Off-site parking alternatives.
- c. Transit impact fee reductions.

Responsibility: Community Development Department
Financing: Staff time
Objectives: Provide incentives for transit-oriented development
Timeframe: Evaluate zoning ordinance amendments by June 2015

7 Housing Choices

HO Policy 7.1 **Diversity of Population.** Consistent with the community’s housing goal, it is the desire of the City to maintain a diversity of age, social and economic backgrounds among residents throughout Novato by matching housing size, types, tenure, and affordability to household needs.

HO Policy 7.2 **Variety of Housing Choices.** In response to the broad range of housing needs in Novato, 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 relating to the design, construction and types of housing that meet local housing needs, which may include, but not limited to, provision of the following types of housing at varying affordability levels:

- a. Owner and renter housing
- b. Small and large units
- c. Single and multi-family housing
- d. Housing close to jobs and transit
- e. Mixed use housing
- f. Supportive housing
- g. Single Room Occupancy units (SRO’s)
- h. Shared living opportunities and co-housing
- i. Manufactured housing
- j. Self-help or “sweat equity” housing
- k. Cooperatives or joint ventures
- l. Assisted living

HO Policy 7.3 **Homesharing.** The City will seek ways to make house sharing viable options for seniors and other groups identified with special housing needs as a way to make efficient use of existing housing stock, especially larger single family detached residences.

Implementing Programs

□ HO Program 7.A **Encourage Co-Housing, Cooperatives, and Similar Collaborative Housing Development.** Work with developers and non-profit housing sponsors to provide multi-family housing using a co-housing model or similar approaches that feature housing units clustered around a common area and shared kitchen, dining, laundry and day care facilities. To facilitate the production of co-housing, housing cooperatives or similar housing arrangements evaluate and incorporate zoning revisions as needed that will accommodate them. Zoning amendments may include, but are not limited to, allowances for a common gathering facility that may include a small meal preparation area shared kitchen and group dining space.

<i>Responsibility:</i>	<i>Community Development Department</i>
<i>Financing:</i>	<i>Staff time</i>
<i>Objectives:</i>	<i>Development of co-housing opportunities</i>
<i>Timeframe:</i>	<i>December 2015 and ongoing as opportunities arise</i>

□ HO Program 7.B **Facilitate Homesharing and Tenant Matching**

Opportunities. Work with non-profit organizations including but not limited to Homeward Bound to develop a program to encourage homesharing by matching potential tenants with homeowners. The City in collaboration with non-profit organizations will consider and, if feasible, host a link within the City's website to homesharing and tenant matching contact information.

Responsibility: Community Development Department, City Council
Financing: Staff time
Objectives: Create homesharing opportunities
Timeframe: December 2015 and Ongoing

□ HO Program 7.C **Zone and Provide Appropriate Standards for SRO Units.**

In order to provide housing for extremely low income households, amend the municipal code to specifically allow single-room occupancy units in the Mixed Use, R10 and R20 districts as a conditional use. Provide appropriate parking, development and management standards. Consider reducing per unit fees and other standards in recognition of the small size and low impacts of SRO units.

Responsibility: Community Development Department; Planning Commission; City Council
Financing: Staff time
Objectives: Amend municipal code; development of housing for extremely low income households
Timeframe: December 2015

□ HO Program 7.D **Housing Opportunities on School District Properties.**

Work with school districts and neighborhood groups to develop surplus or underdeveloped school district property or portions of active schools for affordable housing for teachers and other school personnel. Establish an equitable selection process for school district employees if the district puts up the land and therefore has an equity interest in the housing development.

Responsibility: Community Development Department; City Manager; City Council
Financing: Staff time
Objectives: Development of affordable housing
Timeframe: As surplus properties become available

□ HO Program 7.E **Implement Transfer of Development Rights (TDR).**

Consider the Transfer of Development Rights (TDR) if it will result in improved housing opportunities including workforce, senior or special needs affordable housing in appropriate locations.

Responsibility: Community Development Department
Financing: Staff time

Objectives: Facilitate affordable housing development
Timeframe: Ongoing

□ HO Program 7.F **Assist in the Rehabilitation and Production of Housing for Extremely Low-income (ELI) Households** by undertaking the following:

- 1) Develop a website with information and available links to federal, state and local resources, including:
 - Community Development Block Grant (CDBG) programs.
 - HOME Program.
 - Marin County Residential Rehabilitation Loan program.
 - Low Income Housing Credit Program.
 - Marin Housing’s Housing Stability Program (formerly RMR).
 - Assistance from Local Philanthropies.
 - City of Novato Affordable Housing Trust Fund.
- 2) To the extent funding is available in the City’s Affordable Housing Trust Fund, priority shall be given to its application towards the rehabilitation and/or production of units for ELI households.
- 3) The Community Development Department shall, as a matter of policy and to the extent feasible, expedite entitlement and permit processing for housing developments that include 10 percent or more of the proposed units for ELI households.
- 4) Study and if deemed feasible apply, on a “sliding scale”, reduced application processing fees for residential developments that include 20 percent or more of the proposed units for lower income households. On a percentage basis, the “sliding scale” should consider maximum fee reductions for units proposed for ELI households.

Responsibility: Community Development Department.
Financing: Staff time; federal, state and local housing assistance programs
Objectives: Facilitate and incentivize ELI housing rehabilitation and production
Timeframe: Ongoing

8 Mixed Use Housing

HO Policy 8.1 **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, such as in and around the Downtown. The City will consider incentives to encourage mixed use development in appropriate locations.

HO Policy 8.2 **Redevelopment of Shopping Centers.** The City will consider opportunities for the development of housing in conjunction with the redevelopment of shopping centers when it occurs.

Implementing Programs

HO Program 8.A **Apply Mixed Use Development Standards and Incentives.** Apply existing development code standards to make affordable housing development more feasible in mixed-use projects. Incentives in the Zoning Code to consider include:

- a. Height limit bonuses, especially in Downtown.
- b. Exceptions in applying development standards (FAR, height limits, setbacks, lot coverage) based on the location, type, and size of the units, and the design of the development.
- c. Allowance for the residential component of a mixed use development to be ‘additive’ within the established FAR for that zone.
- d. Allowance for reduced and shared parking based on the use mix.
- e. Allowances for off-site parking.

Responsibility: Community Development Department
Financing: Staff time
Objectives: Development of mixed use housing
Timeframe: Ongoing

HO Program 8.B **Potential Mixed Use Sites**

- a. Consider amending Downtown Core Retail and Downtown Core Business Districts to allow multi-family dwellings in a mixed use project as a permitted use on upper floors or at the rear of the site.
- b. Consider amending Neighborhood Commercial and Mixed Use Districts to allow multi-family dwellings in a mixed use project as a permitted use in appropriate areas of the site.

Responsibility: Community Development Department
Financing: Staff time
Objectives: Amend municipal code
Timeframe: June 2015

9 Affordable Housing Sites and Incentives

HO Policy 9.1 **Flexibility and Incentives in Development Standards.** The City will seek ways to promote housing, such as increased FAR, height limits and density, and reduced parking, 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. The purpose of

this policy is to recognize that smaller, more affordable housing located near transit, jobs and services will generate fewer trips, require less parking, and have fewer area-wide impacts.

HO Policy 9.2 **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.

HO Policy 9.3 **Affordable Housing Sites.** Given the diminishing availability of developable land, the City will review additional housing opportunity sites or areas where a special effort will be made through incentives and other means to provide affordable housing.

Implementing Programs

□ HO Program 9.A **Facilitate Development at Housing Opportunity Sites, including Vacant and Underutilized Properties in the Downtown Area.**

Undertake appropriate General Plan amendments, rezoning, and expedited environmental review, and work with private property owners and/or developers to facilitate consolidation of properties within the Downtown, and other implementing actions to facilitate the construction of market rate and affordable housing.

Responsibility: Community Development Department
Financing: Staff time
Objectives: Facilitate affordable housing development
Timeframe: Ongoing and as opportunities arise

□ HO Program 9.B **Implement Actions and Incentives to Address Lower Income Housing Need.** Undertake the following steps to address the City's low and very low income housing needs as applicable to Site #1, APN 141-201-12 and 48, and Site #2, APN 153-162-59, which are two of five sites currently designated with the Affordable Housing Opportunity Overlay District (AHO) as listed in Table 65:

- a. Waive fees for processing a merger of parcels identified as Site #1 in Table 65 if both parcels are developed concurrently for housing.
- b. Net Acreage for Affordable Housing Opportunity Site 1 (1787 Grant Ave.):
A minimum 20 ft. setback measured landward from top-of-bank of Novato Creek shall be reserved from development to respect existing flood control and access easements held by the Marin County Flood Control and Water Conservation District and to serve as a buffer between new development and the riparian habitat along Novato Creek. Accordingly, the density calculation for Affordable Housing Opportunity Site 1 shall be based on a net acreage of 1.75 acres, reflecting a reduction in the gross developable area of approximately 0.39 acres as noted in Table 65. This reduction will permit development at the realistic unit capacity as noted in Table 65, while respecting existing riparian habitat

and the easements held by the Marin County Flood Control and Conservation District.

- c. Net Acreage for Affordable Housing Opportunity Site 2 (Landing Ct.): The density calculation for Affordable Housing Opportunity Site 2 shall be based on a net acreage of 1.50 acres, reflecting a reduction in the gross developable area of approximately 0.50 acres as noted in Table 65. This reduction will permit development at the realistic unit capacity as noted in Table 65, while ensuring the residential setback as established in the AHO, to assure that future multi-family residential development which may abut the existing development is of a mass and scale that is complimentary to and compatible with the noted single-family residences.

Responsibility: Community Development Department; City Council
Financing: Staff time
Objectives: Facilitate development of 202 to 303 units affordable to lower income households.
Timeframe: Ongoing.

Table 65: Sites for Affordable Housing Overlay District

Site ID	APN	Address	Base Zoning District	GP Designation	Acres	Minimum Unit Capacity
1	141-201-48 and 141-201-12	1787 Grant Avenue	PD	R10	1.75 net	35
2	153-162-59	Landing Court	PD	CG	1.50 net	30
3	125-202-18*	Redwood Boulevard	PD	BPO	4.0	80
4	143-011-08	7506 Redwood Blvd.	CG:D	CG	1.76	35
5	140-011-66	1905 Novato Blvd.	R1-7.5	R1	1.06	21
TOTAL UNITS						201
<i>* apply the AHO to the area indicated in Appendix C.</i>						

□ HO Program 9.C **Seek Increased Multi-Family Housing Opportunities.** When undertaking City-wide and/or neighborhood General Plan amendments, specific plans, rezonings, or a similar community visioning process, the City will identify sites for multi-family affordable workforce and special needs housing where opportunities are available. Such sites and opportunities may include or consider the following:

- a. Land owned by the City or other governmental agencies (such as school districts).

- b. Re-use of underutilized or non-viable commercial and/or industrial sites.
- c. Parking lots.
- d. Residential, Commercial and Mixed Use sites where higher density residential is feasible.
- e. Appropriate sites in single family neighborhoods where duplexes or small multi-family uses would be appropriate.
- f. Prepare area-wide or specific plan environmental baseline data and assessment of development impacts under maximum development scenarios as a way to assess area-wide impacts and mitigation.
- g. Use environmental assessments to expedite processing for infill and affordable housing, such as linking plans to CEQA exemptions and expedited review, consistent with CEQA Section 15332.
- h. Establish objectives and commitments in the plans so that project-specific review can focus on site-specific issues such as design.
- i. Provide clear guidelines and incentives for the development of housing in conformance with current local and State laws to streamline processing for subsequent development proposals.

Responsibility: Community Development Department; City Council
Financing: Staff time
Objectives: Facilitate affordable housing development
Timeframe: Ongoing

HO Program 9.D Apply CEQA Exemptions and Expedited Review.

Consistent with CEQA Section 15332 (“Infill Development Projects”), the City will facilitate infill development within urbanized areas consistent with local general plan and zoning requirements that may be categorically exempt from CEQA review. In addition, the City will consider area-wide assessments or Program EIR assessing area-wide infrastructure and other potential “off-site” impacts to expedite the processing of subsequent affordable housing development proposals.

Responsibility: Community Development Department
Financing: Staff time
Objectives: Facilitate affordable housing development
Timeframe: As opportunities arise

HO Program 9.E Facilitate Affordable Housing Development Review.

Affordable housing developments shall receive priority and efforts will be made by staff and decision-makers to:

- a. Provide technical assistance to potential affordable housing developers in processing requirements, including community involvement.
- b. Consider project funding and timing needs in the processing and review of the application.

- c. Provide the fastest turnaround time possible in determining application completeness.

Responsibility: Community Development Department
Financing: Staff time
Objectives: Facilitate affordable housing development
Timeframe: Ongoing

HO Program 9.F **Reduced Planning Processing Fees.** Evaluate and consider waiver or reduction of planning processing fees as deemed feasible on a sliding scale related to the levels of affordability, such as a rebate of planning fees for affordable units based on the proportion of such units in the project.

Responsibility: Community Development Department
Financing: Staff time
Objectives: Facilitate affordable housing development
Timeframe: Evaluate changes by June 2015

HO Program 9.G **Special District Fees.** Work with the water and sanitary districts to identify possible reductions or waiver of some fees for water and sewer hook-ups for affordable housing for lower income households.

Responsibility: Community Development Department
Financing: Staff time
Objectives: Facilitate affordable housing development
Timeframe: Evaluate changes by June 2015

HO Program 9.H **Long-Term Housing Affordability Controls.** The City will apply resale controls and income restrictions to ensure that affordable housing provided through incentives, density bonus, General Plan amendments, re-zonings and conditional approvals as appropriate remain affordable over time to the income group for which it is intended.

Responsibility: Community Development Department
Financing: Staff time
Objectives: Preservation of affordable housing units
Timeframe: Ongoing

10 Inclusionary Housing

HO Policy 10.1 **Inclusionary Housing Approach.** To increase workforce affordable housing construction, the City will continue to require residential developments to provide a percentage of units or an “in-lieu” or other fee for very low, low and moderate income housing. The units provided through this policy are intended for permanent occupancy and

must be deed or rent restricted, including but not limited to single family housing, multi-family housing, condominiums, townhouses, and apartments.

HO Policy 10.2 **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. A second priority would be the construction of units off-site, or the transfer of land to develop the number of affordable units.

HO Policy 10.3 **Income Levels.** Inclusionary zoning requirements will target very low, low and moderate income units.

HO Policy 10.4 **Long-Term Affordability of Inclusionary Units.** Inclusionary units shall be deed-restricted to maintain affordability to the maximum extent possible (typically in perpetuity).

Implementing Programs

□ HO Program 10.A **Work with an Affordable Housing Management Entity.** Continue to fund administration of existing and future affordable housing developments/programs including, as appropriate, through the services of an outside consultant for management of all or some of the affordable housing contracts in Novato in order to ensure on-going affordability, and implement resale and rental regulations for affordable housing units and assure that these units remain at an affordable price level for the longest term possible.

<i>Responsibility:</i>	<i>Community Development Department; Marin Housing Authority</i>
<i>Financing:</i>	<i>Staff time</i>
<i>Objectives:</i>	<i>Construction and preservation of affordable housing</i>
<i>Timeframe:</i>	<i>Ongoing</i>

11 Accessory Dwelling Units

HO Policy 11.1 **New Accessory Dwelling Units.** Enable construction of well-designed accessory dwelling units in both new and existing residential neighborhoods, consistent with minimum lot size, parking and street capacity, as an important way to provide workforce and special needs housing.

HO Policy 11.2 **Accessory Dwelling Units in New Subdivisions.** When new single family subdivision developments with four or more new units are proposed, consider the provision of accessory dwelling units.

HO Policy 11.3 **Accessory Dwelling Unit Affordability.** When legally permissible local funding, density bonus, re-zoning, etc., is used to assist in the construction of an accessory dwelling unit, the City may require a use agreement to ensure that second unit rents are affordable to lower income persons.

Implementing Programs

□ HO Program 11.A **Modify Accessory Dwelling Unit Development Standards and Fees.** Continue to allow accessory dwelling units, and review and modify the following accessory dwelling unit development requirements as deemed feasible:

- a. Continue to apply design criteria for second units that meet performance standards and design guidelines, and continue to allow processing of the application at the staff level. Continue to provide courtesy noticing.
- b. Work with special districts, e.g. water and sanitary, to reduce or waive connection and/or service fees.

Responsibility: Community Development Department; City Council

Financing: Staff time

Objectives: Development of at least 24 additional accessory dwelling units by October 2022

Timeframe: December 2015

□ HO Program 11.B **Adopt Standards and Fees for Junior Second Units (JSU).** Review and adopt zoning standards and fees that serve to incentivize the creation of Junior Second Units. Standards and fee considerations should include, but not be limited to, the following:

Zoning Standards to consider:

- Conversion of existing bedroom required – no building expansion;
- Maximum 500 square-foot size;
- Wet-bar type kitchen only with limitations on size of sink, waste line and counter area;
- Cooking facility limited by electrical service (110v maximum) and prohibition of gas appliances;
- Separate bathroom permitted, but not required;
- Require external access and internal access to the remainder of the home;
- No additional parking required if dwelling complies with current parking standards;
- Owner occupancy required and established by recorded deed restriction; and
- Ministerial approval process.

Fees considerations:

- Establish a minimal “flat fee” for a planning entitlement;
- No City Residential Development Impact Fee charged; and
- Work with special districts, e.g. water and sanitary, to reduce or waive fees.

Responsibility: Community Development Department; City Council

<i>Financing:</i>	<i>Staff time</i>
<i>Objective:</i>	<i>Development of at least 24 additional accessory dwelling units, including Junior Second Units, by October 2022</i>
<i>Timeframe:</i>	<i>Within one year of adoption of the housing element</i>

12 Special Needs Housing

HO Policy 12.1 **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 long-term physical illnesses, people in need of mental health care, single parent families, large families, and other persons identified as having special housing needs in Novato.

HO Policy 12.2 **Provision of Affordable Housing for Special Needs Households.** The City will continue to 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. Specific types of housing include:

- a. Smaller, affordable residential units, especially for lower income single-person households.
- b. Affordable senior housing to meet the expected needs of an aging population, including assisted housing and board and care (licensed facilities).
- c. Affordable units with three or more bedrooms for large family households.
- d. Affordable housing that can be adapted for use by people with disabilities (specific standards are established in California Title 24 Accessibility Regulations for new and rehabilitation projects).

HO Policy 12.3 **Group Residential Care Facilities.** The City will continue to comply with state and federal law by allowing group homes with special living requirements consistent with the City's land use regulations.

HO Policy 12.4 **Family Housing Amenities.** Ensure that adequate provisions are made in new developments for families with children, including consideration of amenities such as tot lots, play yards, and child care.

HO Policy 12.5 **Housing for the Homeless.** Continue to support the New Beginnings Center Homeless Shelter at Hamilton Field, including its integration with job training and housing placement programs. 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

- HO Program 12.A **Assure Good Neighborhood Relations Involving Emergency Shelters and Residential Care Facilities.** Continue to encourage

positive relations between neighborhoods and providers of emergency shelters and residential care facilities. As exists with the providers or sponsors of the approved transitional housing programs at Hamilton Field and community care facilities like Novato Human Needs Center, providers (existing and new) will be encouraged to continue outreach programs with their neighborhoods. The following could be considered:

- a. It is recommended that a staff person from the provider agency be designated as a contact person with the community to respond to questions or comments from the neighborhood.
- b. Outreach programs could designate a member of the local neighborhood to the Board of Directors of the service provider.
- c. Neighbors of emergency shelters, transitional housing programs, and community care facilities should be encouraged to provide a neighborly and hospitable environment for such facilities and their residents.

Responsibility: Community Development Department
Financing: Staff time
Objectives: Facilitate good neighborhood relations and encourage public outreach
Timeframe: Ongoing

HO Program 12.B Amend the Municipal Code to Allow Farmworker Housing as a Permitted Use in the Agricultural District. In order to provide housing for farmworkers, amend the municipal code to allow farmworker housing in the Agricultural district as a permitted use, consistent with the provisions of California Health and Safety Code Section 17021.6. Include a definition for farmworker housing and occupancy requirements consistent with Health and Safety Code Section 17021.6.

Responsibility: Community Development Department; City Council.
Financing: Staff time.
Objectives: Amend municipal code.
Timeframe: Within one year of adoption of the housing element

13 Special Needs Support Programs

HO Policy 13.1 **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.

HO Policy 13.2 **Health and Human Services Programs Linkages.** As appropriate to its role, the City will seek ways to link together all services for 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 sub-populations 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.

HO Policy 13.3 **Emergency Housing Assistance.** Participate and allocate funds, as available and appropriate, for County and non-profit programs providing emergency shelter and related counseling services.

Implementing Programs

HO Program 13.A **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. Maintain descriptions of current programs and contacts to hand out to interested persons.
- b. Provide funding support, as available and appropriate (e.g., the City has previously provided financial assistance to the Novato Human Needs Center).
- c. 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: Community Development Department; Marin Housing Authority
Financing: Staff time
Objectives: Promote and support rental assistance programs
Timeframe: Ongoing

HO Program 13.B **Maintain Programs to Address Homeless Needs.** Continue to support the 80 bed New Beginnings Center with training and educational services, the Next Key vocational training facility with 32 SROs, the Continuum of Care’s 60 units of transitional housing within Meadow Park and housing placement services offered by the Novato Human Needs Center to the extent resources are available and allocated.

Responsibility: Community Development Department; City Council
Financing: Staff time
Objectives: Support programs to address homelessness
Timeframe: Ongoing

□ HO Program 13.C **Conduct Outreach for Developmentally Disabled Housing and Services.** Work with the Golden Gate Regional Center and the Marin Housing Authority to implement an outreach program that informs families within Novato on housing and services available for persons with developmental disabilities. Provide information on services on the City’s website, and distribute brochures provided by the service providers.

Responsibility: Community Development Department; City Council
Financing: Staff time
Objectives: Support programs to address needs of the developmentally disabled
Timeframe: By December 2015 and ongoing

14 Funding for Affordable Housing

HO Policy 14.1 **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 available local, state and federal assistance to the fullest extent possible to achieve housing goals. This would include efforts to:

- a. Provide technical and, as available and allocated, financial resources to support development of affordable housing in the community, especially housing that meets the needs of the local workforce, people with special housing needs, and people with moderate, low and very low incomes.
- b. Consistent with available and allocated funding, work with the philanthropic organizations to help finance affordable housing developments and continue to participate in other rental assistance programs, mortgage buy-downs, land acquisition, etc.
- c. Work with affordable housing developers in obtaining mortgage revenue bonds and/or mortgage credit certificates, thereby promoting homeownership and rental housing opportunities for moderate and lower income households.

HO Policy 14.2 **Coordination Among Projects Seeking Funding.** Ensure access to, and the most effective use of, available funding in Novato by providing coordination among affordable housing developments that seek funding from various sources.

HO Policy 14.3 **Local Housing Impact Fees.** Continue to implement and update, as needed, in-lieu fee provisions for residential development.

HO Policy 14.4 **Land Acquisition and Land Banking.** Consider options for assistance with land acquisition for affordable and special need housing.

Implementing Programs

□ HO Program 14.A **Maintain and Develop Local Sources of Funding for Affordable Housing.** Continue to work toward the maintenance and development

of local sources of funding to support affordable housing, including consideration of:

- a. Continue accepting in-lieu fee payments as prescribed under inclusionary requirements for residential development.
- b. Voluntary donations, grants and matching funds.
- c. Land acquisition or donation and land banking.
- d. Work with special districts that serve Novato to provide a reduction(s) in connection fees for deed restricted affordable very low income units.

Responsibility: Community Development Department; City Manager; City Council
Financing: Staff time
Objectives: Development of affordable housing
Timeframe: Ongoing

HO Program 14.B **Seek Funding Resources.** Seek matching grant funds to leverage the City’s affordable housing funds for specific projects and programs (such as mortgage buy-downs, first time homebuyer, etc.). 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.

Responsibility: Community Development Department; City Manager; City Council
Financing: Staff time
Objectives: Development of affordable housing
Timeframe: Ongoing

HO Program 14.C **Coordinate Funding Among Development Proposals.** The City of Novato will pursue and/or participate in efforts including but not limited to available City housing funds, annual allocation of CDBG funds, and Home funds to ensure adequate coordination between City and local jurisdictions and development proposals on their various housing activities and funding proposals, ensuring that local projects are competitive for outside funding sources and resources are used in the most effective manner possible.

Responsibility: Community Development Department; City Manager
Financing: Staff time
Objectives: Development of affordable housing
Timeframe: Annually and Ongoing

15 Effective Implementation and Monitoring

HO Policy 15.1 **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. Opportunities to enhance Novato’s capabilities may include:

- a. Sharing or pooling resources and coordinating tasks among multiple jurisdictions in implementing common housing programs.
- b. Identification of information resources.
- c. Enhancing relationships with non-profit service providers.
- d. Establishing standardized methods (procedures, definitions, responsibilities, etc.) linked to housing programs to enable the effective and efficient management of housing data.

HO Policy 15.2 **Housing Element Monitoring, Evaluation and Revisions.** The City will continue to assess housing needs and achievements, track residential development, and provide a process for modifying policies, programs and resource allocations as needed in response to changing conditions.

Implementing Programs

- HO Program 15.A **Conduct an Annual Housing Element Review.** Assess Housing Element implementation through annual review by the Novato Community Development Department, pursuant to Government Code Section 65400.

Responsibility: Community Development Department; City Council
Financing: Staff time
Objectives: Annual review of the Housing Element
Timeframe: Annually by April 1 of each year

- HO Program 15.B **Update the Housing Element Regularly.** Undertake housing element updates in accordance with State law requirements.

Responsibility: Community Development Department; Planning Commission; City Council
Financing: Staff time
Objectives: Timely update of the housing element
Timeframe: Ongoing

Quantified Housing Objectives

State law requires the Housing Element to include quantified objectives for the maximum number of units that can be rehabilitated, conserved, or constructed. It is anticipated that the City of Novato can meet its portion of housing needs by October 31, 2022, with the sites described in the available land inventory and the program actions identified in the previous section.

The table below summarizes the number of new units anticipated in Novato between 2014 and 2022 by income category. The summary indicates there is sufficient capacity overall to meet the City’s regional housing needs requirements.

The number of units to be rehabilitated is based on the historical building activity reported by the City of Novato Building Division, with an adjustment based upon the impacts of the recession. Approximately 400 housing units were rehabilitated during the previous housing element cycle, as identified through a review of the City’s building permit database and represent structures that were significantly renovated with new plumbing, electrical and heating systems, roofs, and/or foundations, etc. Housing objectives for rehabilitated units are based on the need for significant and limited rehabilitation as identified in Table 19, as well as Marin Housing Authority’s track record in providing residential rehabilitation loans program for very low income homeowners. Housing objectives for units to be conserved or preserved are based on the number of at-risk, federally subsidized units identified in Table 22.

Table 66: Quantified Housing Objectives

Income Category	New Construction	Rehabilitation	Conservation and Preservation
Extremely Low Income	55	15	0
Very Low Income	56	15	0
Low Income	65	35	52
Moderate Income	72	30	0
Above Moderate Income	167	300	0
Total	415	395	52

Appendices

Appendix A: Evaluation of 2007-2014 Housing Element Programs

Implementation Programs	Achievements	Progress Assessment	Continue Modify Delete
<p>HO Program 1.A - Prepare Information and Conduct Community Outreach Activities on Housing Issues.</p> <p>Responsibility: Community Development Department</p> <p>Timing: Prepare materials by June 2014 and ongoing.</p>	<p>The City Council and Planning Commission held numerous public meetings throughout 2013 to review and adopt the updated Housing Element, including: on April 1, 2013, to receive input on the revised draft Housing Element and conduct a public scoping session for the draft Environmental Impact Report (EIR); on September 16, to receive public comments on the draft EIR; and in November 2013 to consider and certify the final EIR, and adopt the Housing Element.</p>	Accomplished/ Ongoing	Continue
<p>HO Program 1.B - Collaborate on Inter-Jurisdictional Strategic Action Plan for Housing.</p> <p>Responsibility: Community Development Department</p> <p>Timing: Ongoing</p>	<p>Ongoing as needs/opportunities are identified.</p>	Ongoing	Continue
<p>HO Program 1.C - Undertake Coordinated Lobbying Efforts on State Legislation.</p> <p>Responsibility: Community Development Department; City Manager; City Council</p> <p>Timing: Ongoing</p>	<p>The City Manager's office and City Council work with the League of California Cities and State Assembly representation to effect changes in State legislation that impacts local housing objectives and the City's regional housing needs allocation (RHNA).</p>	As needed	Continue
<p>HO Program 2.A - Require Non-Discrimination Clauses.</p> <p>Responsibility: Community Development Department; City Attorney</p> <p>Timing: Ongoing</p>	<p>Non-discrimination clauses are included in the 351 Meadow Park Resale Restrictions and via recorded agreement with new apartment development that receives City assistance. The City works closely with Fair Housing Marin to ensure non-discrimination in the City.</p>	Ongoing	Continue
<p>HO Program 2.B - Respond to Complaints.</p> <p>Responsibility: Community Development Department; City Attorney</p> <p>Timing: Ongoing and per Program 1.A timeframe</p>	<p>City staff responds to all complaints in a timely fashion. City works with Fair Housing Marin as part of its efforts to prevent discrimination.</p>	As needed	Continue
<p>HO Program 3.A - Prepare Multi-family Housing Design Criteria.</p> <p>Responsibility: Community Development Department</p> <p>Timing: June 2014</p>	<p>Section 19.34.124 of the Zoning Ordinance includes specific design criteria for multi-family housing. Revision or expansion of design criteria has not been implemented.</p>	Not accomplished	Continue
<p>HO Program 3.B – Update Parking Standards.</p> <p>Responsibility: Community Development Department; City Council</p> <p>Timing: December 2013</p>	<p>The Novato Municipal Code was amended in December 2013 by Ordinance No. 1587 to establish parking standards for the AHO Overlay District.</p>	Accomplished	Delete
<p>HO Program 4.A – Promote Solar Design.</p>	<p>Pursuant to Section 19.20.110 of the Zoning Ordinance, all projects requiring discretionary approval are reviewed for</p>		

Responsibility: Community Development Department Timing: Ongoing	opportunities to incorporate passive and/or active solar solutions e.g. street and lot layout, building siting, setbacks, building design, etc.		
HO Program 4.B – Implement “Green” Building Standards. Responsibility: Community Development Department Timing: 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.	Accomplished	Continue
HO Program 5.A – Ensure Adequate Tenancing, Management and Safety for Multi-Family Housing. Responsibility: Community Development Department Timing: December 2013	Initiated in October 2013, a task force including City Police Dept. and Community Development Dept. staff has undertaken implementation of a “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. This program is ongoing.	Not implemented	Continue
HO Program 5.B – Link Code Enforcement with Public Information Programs. Responsibility: Community Development Department Timing: 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. Quantified objective: 30 loans from available programs to very low-income households by June 2014. Result: The Marin Housing Authority, which provides low-cost residential rehabilitation loans to very-low income households, funded 31 loans in Novato between 2007 and 2013.		Continue
HO Program 5.C- Implement Rehabilitation and Energy Loan Programs. Responsibility: Community Development Department; Marin Housing Authority; PG&E and others Timing: Ongoing	The City continues to work with the Marin Housing Authority to make residential rehabilitation loan programs available to eligible owner and renter households. Quantified objective: 30 loans from available programs to very low-income households by June 2014. Result: The Marin Housing Authority, which provides low-cost residential rehabilitation loans to very-low income households, funded 31 loans in Novato between 2007 and 2013.		Continue
HO Program 5.D - Modify the City’s Condominium Conversion Ordinance. Responsibility: Community Development Department; City Council Timing: Consider Ordinance by June 2014, other activities are ongoing.	Ordinance not yet adopted.	Not accomplished	Continue
HO Program 5.E - Inventory of Affordable Housing. Responsibility: Community Development Department Timing: Ongoing	The City developed an Affordable Housing Database. It is an ongoing database that currently includes location, number of units, clientele, etc.	Accomplished	Continue
HO Program 5.F - Maintain Existing Affordable for-Sale and Rental Housing. Responsibility: Community Development Department Timing: Ongoing	In February of 2013, the City of Novato hired Hello Housing, a nonprofit organization, to administer its Below Market Rate Homeownership Program City-wide. The City receives regular compliance reports from Creekside and Bay Vista affordable apartments at Hamilton.	Accomplished	Continue

<p>HO Program 5.G – Preserve At-Risk Units.</p> <p>Responsibility: Community Development Department</p> <p>Timing: March 2014 and prior to expiration of federal subsidies; ongoing</p> <p>Quantified Objective: Conserve 73 affordable units at Mackey Terrace, Marin Handicapped 5, and Stonehaven</p>	<p>In February 2014, City staff contacted the housing providers of the identified at-risk developments. The providers stated that their HUD contracts were in full force and that, as non-profit agencies dedicated to providing affordable housing to their clients, they intend to renew contracts as necessary in the future. EAH has extended their Section 202 contract for Mackey Terrace for 20 years, with a new expiration date of 12/31/2032. Lifehouse renewed their HUD Section 202 contract for Stonehaven House until 1/31/15. The HUD Section 202/8 contract for Marin Handicapped Housing 5, owned by The Cedars of Marin, does not expire until 7/31/16. Planning staff is in the process of updating the City's website to include information and links to Federal, State and local resources to assist at-risk units, and a current list of housing providers qualified to purchase at-risk units to maintain their affordability.</p> <p>Result: All 73 affordable units at Mackey Terrace, Marin Handicapped 5, and Stonehaven were preserved.</p>	Accomplished	Continue
<p>HO Program 5.H – Provide Assistance to Homeowners of Below Market Rate Units.</p> <p>Responsibility: Community Development Department</p> <p>Timing: Ongoing</p> <p>Quantified objective: Preservation of 405 BMR units</p>	<p>In February of 2013, the City of Novato hired Hello Housing, a nonprofit organization, to administer its Below Market Rate Homeownership Program City-wide. Hello Housing provides comprehensive resale and refinance assistance, and coordination with mortgage assistance programs. The City, through its website, provides a link to Hello Housing.</p> <p>Result: 405 BMR units were preserved.</p>	Accomplished	Continue
<p>HO Program 5.I - Support Volunteer Efforts.</p> <p>Responsibility: Community Development Department</p> <p>Timing: December 2013 and Ongoing</p>	<p>The City of Novato and the County of Marin entered into a Cooperative Agreement, in accordance with the Housing and Community Development Act of 1974, as amended, in order to jointly undertake community development and housing assistance activities. This cooperative agreement covers both the CDBG program and the HOME program. The City receives an annual allocation from the County to help fund a variety of projects and services that benefit low income households.</p>	Accomplished	Continue
<p>HO Program 5.J – Preserve Mobile Home Parks.</p> <p>Responsibility: Community Development Department</p> <p>Timing: Ongoing</p>	<p>In 2013 the City secured a new loan with a reduced interest rate for the Marin Valley Mobile Country Club to lower loan costs and to, in part, permit the continued affordability of the lease rates for over 300 mobile home spaces.</p>	Accomplished	Continue
<p>HOP Program 5.K – Regulate Displacement of Residential Units</p> <p>Responsibility: Community Development Department; City Council</p> <p>Timeframe: Ongoing</p>	<p>The Community Development Department administers applicable State laws to the removal or displacement of residential units on an as-needed basis. The Department reports, annually, to the Department of Finance on the removal, if any, of existing residential units.</p>	Accomplished.	Continue
<p>HO Program 6.A - Identify Existing Employee Housing Opportunities.</p> <p>Responsibility: Community Development Department</p> <p>Timing: December 2013 and ongoing</p>	<p>The City is working with the Buck Institute on a 130-unit housing development plan to be available to Institute employees.</p>	Accomplished	Continue
<p>HO Program 6.B - Promote Zoning for Live/Work Opportunities.</p> <p>Responsibility: Community Development Department</p>	<p>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</p>	Accomplished	Continue

Timing: December 2013	Business Districts, Commercial/Industrial Districts, and Light Industrial/Office Districts.		
HO Program 6.C Transit-Oriented Development Locations. Responsibility: Community Development Department Timing: Evaluate zoning ordinance amendments by June 2014	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.	Ordinance not yet evaluated	Continue
HO Program 7.A - Encourage Co-Housing, Cooperatives, and Similar Collaborative Housing Development. Responsibility: Community Development Department Timing: December 2013 and 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.	Accomplished	Continue
HO Program 7.B - Facilitate Homesharing and Tenant Matching Opportunities. Responsibility: Community Development Department Timing: December 2013 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.	Accomplished	Continue
HO Program 7.C - Zone and Provide Appropriate Standards for SRO Units and Efficiency Apartments. Responsibility: Community Development Department; Planning Commission; City Council Timing: Within one year of adoption of the housing element	Not yet implemented. The housing element was adopted on November 19, 2013, and the ordinance must be adopted by November 19, 2014.	Ordinance not adopted	Continue
HO Program 7.D – Housing Opportunities on School District Properties. Responsibility: Community Development Department; City Manager; City Council Timing: Ongoing	Staff has reviewed the possibilities for developing school properties for housing but no formal project proposals were developed in conjunction with Novato School District representation.	Ongoing	Continue
HO Program 7.E – Implement Transfer of Development Rights (TDR). Responsibility: Community Development Department Timing: 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.	Not implemented, ongoing	Continue
HO Program 7.F – Assist in Rehabilitation and Production of housing for Extremely Low-Income (ELI) Households. Responsibility: Community Development Department Timing: March 2014 prior to expiration of federal subsidies; ongoing	In August of 2012 the City committed \$400,000 to Homeward Bound for development of Oma Village, 14 ELI family units. The project is in the final design phase and is expected to draw upon the City's funding commitment in the summer of 2014 for project development. Planning staff is in the process of updating the City's website to include information and links to Federal, State and local resources and to assist in the rehabilitation and development of housing for ELI households.	Accomplished	Continue
HO Program 8.A - Apply Mixed-Use Development Standards and Incentives.	The Community Development Department evaluates and applies/recommends, as appropriate, pursuant to existing zoning exceptions and/or "relaxed" development standards e.g. increased floor area ration (FAR) from 1.2 to 2.0 for mixed use developments that include housing within the Downtown Core	Accomplished	Continue

<p>Responsibility: Community Development Department; City Council</p> <p>Timing: Ongoing</p>	<p>Retail and/or Business Districts, and up to a 30% increase to maximum building height pursuant to 19.20.070 (C) for mixed use developments that incorporate housing.</p>		
<p>HO Program 8.B – Potential Mixed Use Sites.</p> <p>Responsibility: Community Development Department</p> <p>Timing: June 2014</p>	<p>Due to staffing levels and workload, the Community Development Department has not initiated an evaluation of a possible amendment to the City's Zoning Ordinance to: 1) allow housing on upper floors or at the rear of a site in a mixed use project as a permitted use vs. requiring a use permit in the Downtown Core Retail and Business Districts, and 2) to allow for housing in a mixed use project as a permitted use in Neighborhood Commercial and Mixed Use Districts as deemed appropriate.</p>	Not implemented	Continue
<p>HO Program 9.A – Facilitate Development at Housing Opportunity Sites, including Vacant and Underutilized Properties in the Downtown Area</p> <p>Responsibility: Community Development Department; Redevelopment; City Council</p> <p>Timing: Ongoing and as opportunities arise</p>	<p>Implementation of Program 9.A is contingent upon expressed developer interest.</p>		Continue
<p>HO Program 9.B - Implement Actions and Incentives to Address Remaining Lower Income Housing Need.</p> <p>Responsibility: Community Development Department; City Council</p> <p>Timing: Actions to implement the Affordable Housing Overlay District to be completed by October 2013; other actions ongoing</p> <p>Quantified objective: Facilitate development of 202 to 303 units affordable to lower income households</p>	<p>The Novato Municipal Code was amended in December 2013 by Ordinance No. 1587 to establish an Affordable Housing Opportunity (AHO) Overlay District and associated development standards and parking standards for the AHO Overlay District. The Zoning Map was concurrently amended to assign the AHO Overlay District to the five housing opportunity sites identified in the housing element for rezoning: Site #1, 1787 Grant Avenue, APN 141-201-48 and 141-201-12; Site #2, Landing Court, APN 153-162-59; Site #3, Redwood Boulevard, APN 125-202-18 (discrete 4 acre site within a 39.92 acre parcel); Site #4, 7506 Redwood Boulevard, APN 143-011-08; and Site #5, 1905 Novato Boulevard, APN 140-011-66. Ordinance No. 1587 also established a local density bonus for senior residential housing projects. The AHO district has an allowable density of 20-23 units per acre, yielding a total capacity of 201 to 230 units on all five sites. With the density bonus for senior housing, the capacity is 303 units.</p>	Accomplished	Delete
<p>HO Program 9.C - Seek Increased Multi-family Housing Opportunities.</p> <p>Responsibility: Community Development Department; City Council</p> <p>Timing: Ongoing</p>	<p>Ongoing as opportunities are identified. No sites were identified beyond the five AHO sites described in Program 9.B.</p>		Continue
<p>HO Program – 9.D Apply CEQA Exemptions and Expedited Review.</p> <p>Responsibility: Community Development Department</p> <p>Timing: As opportunities arise</p>	<p>Opportunity for application of CEQA exemptions for infill housing are consistently considered by Planning staff for the City.</p>	Ongoing	Continue
<p>HO Program 9.E – Adopt State-Mandated Density Ordinance and Local Density Bonus Ordinance for Senior Housing.</p> <p>Responsibility: Community Development Department; Planning Commission; City Council</p>	<p>The Novato Municipal Code was amended in December 2013 by Ordinance No. 1587 to establish density bonus provisions consistent with State density bonus law and to adopt a local density bonus for senior residential housing projects.</p>	Accomplished	Delete

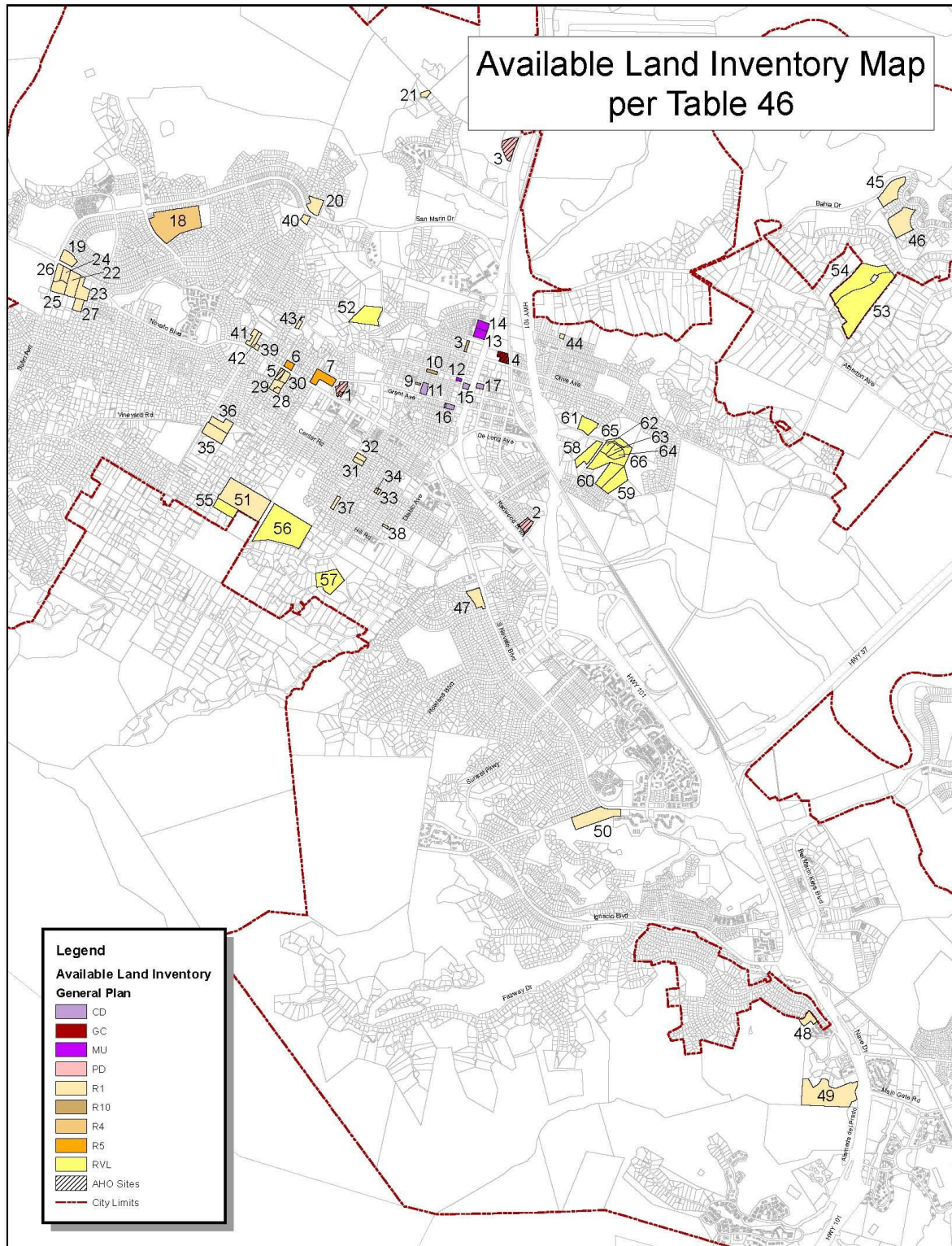
Timing: Currently with housing element adoption; scheduled for December 2013			
HO Program 9.F - Facilitate Affordable Housing Development Review. Responsibility: Community Development Department Timing: Ongoing	Ongoing - as proposals for affordable housing are submitted, Planning staff undertakes, to the extent feasible and adequate for public participation/input, timely review and reporting for Commission(s) and/or City Council action on entitlements.	Accomplished	Continue
HO Program 9.G – Reduced Planning Processing Fees. Responsibility: Community Development Department Timing: Evaluate changes by June 2013	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 (Next Key, etc.) where funding to offset reductions has been identified.	Accomplished	Continue
HO Program 9.H – Special District Fees Responsibility: Community Development Department Timing: Evaluate changes by June 2014	City staff has contacted the North Marin Water District and the Novato Sanitary District to lower water and sewer fees for affordable housing, especially second units. In December 2013, following Planning staff contact, the Sanitary District indicated that they are tentatively looking at reducing the connection fee for accessory dwellings less than 750 sf to 75% of the residential fee, which is approximately \$9,000.	Ongoing	Continue
HO Program 9.I –Long-term Housing Affordability Controls Responsibility: Community Development Department Timing: 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.	Accomplished	Continue
HO Program 10.A – Work with and Affordable Housing Management Entity. Responsibility: Community Development Department Timing: June 2014	In February of 2013, the City of Novato hired Hello Housing, a nonprofit organization, to administer its Below Market Rate Homeownership Program City-wide. Additionally, the City receives regular compliance reports from Creekside and Bay Vista affordable apartments at Hamilton.	Accomplished	Continue
HO Program 11.A - Modify Accessory Dwelling Unit Development Standards and Fees. Responsibility: Community Development Department; City Council Timing: December 2013 Quantified Objective: Development of at least 13 additional accessory dwelling units by June 2014	The City Council has already taken formal steps to implement Program 11.A by: 1) Requirements for on-site parking for accessory dwelling units were modified in October 2012 to permit parking within a front (or side on a street-side corner lot) setback area, if it is determined to be appropriate by the Review Authority, and 2) in August, 2013 the City Council adopted a 50% reduction in planning application fees and development impact fees for accessory units based on their minimal size and reduced impacts. These fee adjustments amount to a reduction of nearly \$8,000 per unit (a \$747 reduction in the planning application fee and a \$7,041 reduction in impact fees). The City Council is also encouraging the utility districts to similarly reduce their connection fees for accessory units. Result: 10 second units were developed during the planning period.	Accomplished	Modify
HO Program 12.A – Adopt an Emergency Shelter Ordinance.	The Novato Municipal Code was amended in December 2013 by Ordinance No. 1587 to allow residential shelters as a permitted use in the Hamilton Industrial Park and Ignacio Industrial Park. The industrial parks have an adequate number and size of commercial structures within them to accommodate	Accomplished	Delete

<p>Responsibility: Community Development Department; Planning Commission; City Council</p> <p>Timing: Within one year of adoption of the housing element</p> <p>Quantified Objective: Development of at least 52 emergency shelter beds</p>	<p>emergency shelter facilities with at least 52 shelter beds. Ordinance No. 1587, also adopted in December 2013, amended the Zoning Ordinance to include "Emergency Shelter" as a land use and provide a definition for such use. No additional emergency shelter beds were developed.</p>		
<p>/; HO Program 12.B - Assure Good Neighborhood Relations Involving Emergency Shelters and Residential Care Facilities.</p> <p>Responsibility: Community Development Department</p> <p>Timing: Ongoing</p>	<p>The City closely monitors the relationships between the transitional units and Meadow Park homeowners. The service provider of the City's homeless shelter has done an excellent job in the management of its facility. When there is an issue, it is quickly dealt with.</p>	Accomplished	Continue
<p>HO Program 12.C – Adopt a Reasonable Accommodation Ordinance</p> <p>Responsibility: Community Development Department; City Council</p> <p>Timing: Within one year of adoption of the housing element</p>		Accomplished	Delete
<p>HO Program 12.D – Amend the Municipal Code to Permit Transitional and Supportive Housing.</p> <p>Responsibility: Community Development Department; Planning Commission, City Council</p> <p>Timing: Within one year of adoption of the housing element</p>		Accomplished	Delete
<p>HO Program 12.E – Amend the Municipal Code to Allow Farmworker Housing as a Permitted Use in the Agricultural District.</p> <p>Responsibility: Community Development Department; City Council</p> <p>Timing: Within one year of adoption of the housing element</p>	<p>Not yet implemented. The housing element was adopted on November 19, 2013, and the ordinance must be adopted by November 19, 2014.</p>	Not Implemented	Continue; add Planning Commission to list of responsible entities
<p>HO Program 13.A - Assist in the Effective Use of Available Rental Assistance Programs.</p> <p>Responsibility: Community Development Department; Marin Housing Authority</p> <p>Timing: Ongoing</p>	<p>Ongoing - See Program 5.F. Additionally, in 2013, the City's Successor Agency to the former Redevelopment Agency provided \$108,360 of financial assistance to the Novato Human Needs Center, which assists lower income people (over 4,000 people annually) and households move towards self-sufficiency through a multitude of programs. The City's Successor Agency is tentatively budgeting approximately \$111,000 to the Novato Human Needs Center for the 2014 fiscal year.</p>	Accomplished	Continue
<p>HO Program 13.B - Maintain Programs to Address Homeless Needs.</p> <p>Responsibility: Community Development Department; City Council</p> <p>Timing: Ongoing</p>	<p>The City entered into long term leases, effectively free of cost, for use of City property to construct and operate the 80-bed New Beginnings Center and Next Key vocational training center with 32 SROs; the City continues to support their services. The City has consistently granted funds, annually, to the Novato Human Needs Center in support of their services. In 2013, the City's Successor Agency to the former Redevelopment Agency provided \$108,360 of financial assistance to the Novato Human Needs Center. The City's Successor Agency is tentatively budgeting approximately</p>	Accomplished	Continue

	\$111,000 to the Novato Human Needs Center for the 2014 fiscal year.		
<p>HO Program 13.C – Conduct Outreach for Developmentally Disabled Housing and Services.</p> <p>Responsibility: Community Development Department; City Council</p> <p>Timing: By December 2013 and ongoing</p>	<p>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.</p>	Accomplished	Continue
<p>HO Program 14.A - Maintain and Develop Local Sources of Funding for Affordable Housing.</p> <p>Responsibility: Community Development Department; City Manager; City Council</p> <p>Timing: Ongoing</p>	<ul style="list-style-type: none"> The City maintains three separate funds for affordable housing. Each fund is earmarked for different purposes. Fund One is for the development of affordable housing, Fund Two is a loan fund for low and moderate household first-time homebuyers, and the last fund, Fund Three, is for senior affordable housing. The City adopted a completely revised Affordable Housing Ordinance in October 2007. In-lieu fees are now required only in certain instances. The in-lieu fees, when required, have been increased. Depending on the size of the development, the fee ranges from \$14,000 to \$28,000 per unit. Approximately \$175K 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. 	Accomplished	Continue
<p>HO Program 14.B - Seek Funding Resources.</p> <p>Responsibility: Community Development Department; City Manager; City Council</p> <p>Timing: Ongoing</p>	<ul style="list-style-type: none"> The City maintains three separate funds for affordable housing. Each fund is earmarked for different purposes. Fund One is for the development of affordable housing, Fund Two is a loan fund for low and moderate household first-time homebuyers, and the last fund, Fund Three, is for senior affordable housing. The City adopted a completely revised Affordable Housing Ordinance in October 2007. In-lieu fees are now required only in certain instances. The in-lieu fees, when required, have been increased. Depending on the size of the development, the fee ranges from \$14,000 to \$28,000 per unit. Approximately \$175K 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. 	Accomplished	Continue
<p>HO Program 14.C - Coordinate Funding Among Development Proposals.</p> <p>Responsibility: Community Development Department; City Manager</p> <p>Timing: Annually and ongoing</p>	<p>As affordable housing development becomes more complex, the City continues to coordinate with other lenders to accommodate all their respective requirements.</p>	Accomplished	Continue
<p>HO Program 15.A Conduct an Annual Housing Element Review.</p> <p>Responsibility: Community Development Department; City Council</p>	<p>The Planning Commission and City Council reviewed the Housing Element in public meetings and the Housing Element Annual Progress Report was submitted to HCD and OPR prior to April 1, 2014.</p>	Accomplished	Continue; add Planning Commission to list of responsible entities

Timing: Annually by April 1 of each year			
<p>HO Program 15.B – Update the Housing Element Regularly.</p> <p>Responsibility: Community Development Department; Planning Commission; City Council</p> <p>Timing: Ongoing</p>	<p>City is in process of updating the housing element for the 2015-2023 planning period and intends to submit the adopted housing element before the due date of January 31, 2015.</p>	<p>In process</p>	<p>Continue</p>

Appendix B: Available Land Inventory Maps for Table 46



Site 3, Table 46 – Location of Four (4) Acre Affordable Housing Overlay District

