

**City of Novato
City Manager's Housing Working Group
Wednesday, January 12, 2011
6:30 – 9:30 pm**

**503 South Palm Drive
Hamilton Community Center**

AGENDA

I.	6:30	<p>Welcoming Comments</p> <p>Business</p> <ul style="list-style-type: none"> ▪ Agenda Review ▪ Written Public Comment received prior to meeting (<i>Hand-carried to meeting.</i>) ▪ Results of Survey Monkey (<i>Hand-carried</i>) ▪ Question re: Preparation for Future Meetings ▪ Working Group Charter (<i>Hand-carried</i>) 	<p>David Wallace, City of Novato Community Development Director</p> <p>Susan Sherry, Executive Director and Collaborative Policy Specialist Center for Collaborative Policy California State University, Sacramento</p>
II.	7:00	<p>Review & Discussion of Housing Policies and Regulations</p> <ul style="list-style-type: none"> ▪ HCD Requirements ▪ Housing Allocation Process ▪ City of Novato Existing Housing Policies ▪ Housing Element policies ▪ Redevelopment Regulations and Policies (<i>See Attachment</i>) 	<p>David Wallace , Working Group, Susan Sherry</p>
III.	9:30	<p>Adjourn / Closing Comments</p>	<p>David Wallace, City of Novato, Community Development Director</p>

City Manger's Ad Hoc Working Group
Housing State Law, State and Regional Housing Allocation Process
Novato Housing Policy and Redevelopment Provisions
January 12, 2011

Staff has prepared the following compilation of information for presentation and discussion at the January 12th Ad Hoc Group meeting. Four general topic areas are covered: 1) requirements from the State Department of Housing and Community Development, 2) the housing allocation process from the state to regional bodies to local jurisdictions, 3) City of Novato existing housing related policies, and 4) Redevelopment Agency provisions. The policies and regulations that are discussed focus on requirements for accommodating the local jurisdiction's housing allocation, since the next meeting for the Ad Hoc group will cover existing affordable housing and potential housing sites. The research below provides a broad overview of applicable State, regional and Novato regulations and policies. Additional information on these topics will be provided at the time the Ad Hoc Group discusses the applicable subject matter.

State Department of Housing and Community Development Requirements

Site Inventory and Designation of Sites:

The following provisions lay out the basic requirements to identify housing sites adequate to accommodate the city's local housing allocation in each income category:

State Law Section 65583: The housing element shall identify adequate sites for housing, including rental housing, factory-built housing, mobilehomes, and emergency shelters, and shall make adequate provision for the existing and projected needs of all economic segments of the community.

The law requires that specific, exact sites be identified, along with other criteria that affect the housing capacity of the sites:

Section 65583.2(b): The inventory of land shall include all of the following: (1) A listing of properties by parcel number or other unique reference. 2) The size of each property listed pursuant to paragraph (1), and the general plan designation and zoning of each property. (3) For nonvacant sites, a description of the existing use of each property. (4) A general description of any environmental constraints to the development of housing within the jurisdiction.

Allocation of Housing to Identified Sites:

As discussed above, the City must prepare an inventory of sites that are available for housing, but state law goes on to require an analysis of whether each site in the inventory can accommodate a portion of the required housing by income level. In addition, the city must determine how many total units can be accommodated on each site. If the city chooses not to adopt a minimum density, then the City must provide substantiation of how the number of projected units for each site will be accommodated.

State Law Section 65583.2(c): Based on the information provided in subdivision (b), a city or county shall determine whether each site in the inventory can accommodate some portion of its share of the regional housing need by income level during the planning period, as determined pursuant to Section 65584. The analysis shall determine whether the inventory can provide for a variety of types of housing, including multifamily rental housing, factory-built housing, mobilehomes, housing for agricultural employees, emergency shelters, and transitional housing. The city or county shall determine the number of housing units that can be accommodated on each site.

Section 65583(c)(1): If the city or county does not adopt a law or regulations requiring the development of a site at a minimum density, then it shall demonstrate how the number of units determined for that site pursuant to this subdivision will be accommodated.

Section 65583(g) The city or county shall specify the additional development potential for each site within the planning period and shall provide an explanation of the methodology used to determine the development potential. The methodology shall consider factors including the

extent to which existing uses may constitute an impediment to additional residential development, development trends, market conditions, and regulatory or other incentives or standards to encourage additional residential development on these sites.

Housing types which may qualify for the inventory:

Sites which are designated for residential development qualify for inclusion in the inventory of sites, as do sites with commercial designations which also allow residential development. Other housing types may also be counted in the sites inventory and counted toward accommodating the local housing allocation.

Second units (au pair units) : Section 65583.1(a) states that HCD may also allow a city or county to identify sites for second units based on the number of second units developed in the prior housing element planning period whether or not the units are permitted by right, the need for these units in the community, the resources or incentives available for their development, and any other relevant factors, as determined by the department. Conversations with HCD personnel indicate that the number of units that may be counted will be based on factors such as the rate at which second units were approved/constructed in the past. An analysis must be provided indicating the rental price for existing units in the City or surrounding area so that they can be allocated to the income categories.

Inclusionary units: Some communities, including Novato, require that when market rate housing projects are constructed, affordable housing units must be included in the project. However, HCD personnel have indicated the interpretation of State provisions is that these units cannot be counted toward the city's allocation.

Density bonuses: State law required that, if the proposed project includes affordable housing and the developer requests a density bonus, a local jurisdiction must grant the request. The density bonus may be as high as 35%. HCD has stated the units that might be created as a density bonus to a proposed project cannot be counted toward the local allocation. The rationale is that these units are at the discretion of the developer and will only be constructed if the bonus is requested by the developer, so the city does not have control over these additional units.

Rehabilitated units: Some units that are proposed to be rehabilitated may be counted toward the local allocation. In order for such units to be counted the city must have the financial resources available to fund the rehabilitation within a certain time period and the units must meet a range of criteria. The number of units that may be counted is strictly limited.

Section 65583.1(c)(1): The Department of Housing and Community Development may allow a city or county to substitute the provision of units for up to 25 percent of the community's obligation to identify adequate sites for any income category in its housing element pursuant to paragraph of subdivision (c) of Section 65583 where the community includes in its housing element a program committing the local government to provide units in that income category within the city or county that will be made available through the provision of committed assistance during the planning period covered by the element to low- and very low income households.

Mixed use development: Section 65583.2(a)(2) states that the inventory of available residential sites that the city must prepare may include “Vacant sites zoned for nonresidential use that allow residential development. The number of units that might be accommodated on these sites are subject to the same analysis requirements as all other residential sites; the City must provide an explanation of the methodology used to determine the development potential on mixed use sites and HCD must approve the methodology and analysis.

Inadequate Site Availability to Meet Local Allocation:

If the site inventory does not identify adequate sites to accommodate the City’s share of the regional allocation, the City must identify actions to insure enough sites are created.

Section 65583(c)(1) states the city must:

“Identify actions that will be taken to make sites available during the planning period of the general plan with appropriate zoning and development standards and with services and facilities to accommodate that portion of the city's or county's share of the regional housing need for each income level that could not be accommodated on sites identified in the inventory completed pursuant to paragraph (3) of subdivision (a) without rezoning...”

Lower Income Housing Density requirements:

The City is required to accommodate the number of units identified as its housing need in each income category. Special density requirements apply to the lower income categories. These provisions identify two ways local jurisdictions may substantiate that the lower income housing need will be met. If the City is willing to adopt the State proposed minimum density, the number of units the City states can be accommodated will be accepted by the State. If not, the City must complete an analysis acceptable to the State which demonstrates that the densities proposed to be adopted by the City will meet the lower income housing need. The guidance in the State legislation about the content of the analysis is very broad and HCD has the discretion to determine what constitutes an appropriate analysis.

State Law Section 65583.2(c)(3): For the number of units calculated to accommodate its share of the regional housing need for lower income households pursuant to paragraph (2), a city or county shall do either of the following:

65583.2(c)(3)(A): Provide an analysis demonstrating how the adopted densities accommodate this need. The analysis shall include, but is not limited to, factors such as market demand, financial feasibility, or information based on development project experience within a zone or zones that provide housing for lower income households.

The alternative way to accommodate the lower income categories is identified in Section 65583.2(c)(3)(B)(iv):

The following densities shall be deemed appropriate to accommodate housing for lower income households: For jurisdictions in metropolitan counties: sites allowing at least 30 units per acre.

Site Size Requirements:

As discussed above regarding Section 65583(c)(1), if there is inadequate capacity in the City to accommodate the City's share of the regional allocation, the city must adopt programs to create additional capacity/sites to accommodate the need. These newly zoned sites shall be a minimum size and density as specified by the following section.

Section 65583.2(h); The program required by subparagraph (A) of paragraph (1) of subdivision (c) of Section 65583 shall accommodate 100 percent of the need for housing for very low and low-income households allocated pursuant to Section 65584 for which site capacity has not been identified in the inventory of sites pursuant to paragraph (3) of subdivision (a) on sites that shall be zoned to permit owner-occupied and rental multifamily residential use by right [see discussion below regarding "use by right"] during the planning period. These sites shall be zoned with minimum density and development standards that permit at least 16 units per site at a density of at least 20 units per acre in jurisdictions described in clauses (iii) and (iv) of subparagraph (B) of paragraph (3) of subdivision (c).

The minimum project size of 16 units equates to a site of about $\frac{3}{4}$ of an acre when calculated at 20 units/acre. Sites smaller than this size that already are zoned for residential use at an appropriate density may be acceptable to HCD, at their discretion.

Additional Requirements If Not All Required Housing Can Be Accommodated With Existing Zoning And Sites Must Be Rezoned:

State law specifies that if additional land must be rezoned to accommodate affordable housing, 50 % of that land must be in residential areas.

Section 65583.2(h): At least 50 percent of the very low and low-income housing need shall be accommodated on sites designated for residential use and for which nonresidential uses or mixed-uses are not permitted.

Use by Right:

For newly zoned properties, development must be permitted "by right". The meaning of this term is defined in State law:

65583.2(i): For purposes of this section and Section 65583, the phrase "use by right" shall mean that the local government's review of the owner-occupied or multifamily residential use may not require a conditional use permit, planned unit development permit, or other discretionary local government review or approval that would constitute a "project" for purposes of Division 13 (commencing with Section 21000) of the Public Resources Code.

A local ordinance may provide that "use by right" does not exempt the use from design review. However, that design review shall not constitute a "project" for purposes of Division 13 (commencing with Section 21000) of the Public Resources Code. Use by right for all

rental multifamily residential housing shall be provided in accordance with subdivision (f) of Section 65589.5.

Emergency Shelters:

Housing law states that zoning must be established that allows emergency temporary housing. State law section 65583(a)(4)(A) requires:

The identification of a zone or zones where emergency shelters are allowed as a permitted use without a conditional use or other discretionary permit. The identified zone or zones shall include sufficient capacity to accommodate the need for emergency shelter identified in paragraph (7), except that each local government shall identify a zone or zones that can accommodate at least one year-round emergency shelter. If the local government cannot identify a zone or zones with sufficient capacity, the local government shall include a program to amend its zoning ordinance to meet the requirements of this paragraph within one year of the adoption of the housing element.

Some of Novato's existing commercial zoning designations may already permit emergency shelters. Staff will be investigating Novato's provisions further and reporting back to the Working Group as recommendations are being prepared.

HOUSING ALLOCATION PROCESS

Housing Allocation at The State Level:

This is a complex process that begins with the State of California. The State, in conjunction with the regional planning agencies, prepares projections about expected population growth in the state and then allocates a portion of the total state population growth to each region. Regional planning organizations in turn distribute the regional allocation among local jurisdictions. For the Bay Area, the regional planning agency is the Association of Bay Area Governments (ABAG).

ABAG and Its Authority:

ABAG, or the Association of Bay Area Governments, is a regional planning agency for the nine counties and 101 cities and towns of the San Francisco Bay region that is governed by an Executive Board. ABAG is empowered by State legislation. An elected official from each member city, town, and county serves as a delegate to ABAG's General Assembly. The General Assembly determines policy, adopts the annual budget and work program, and reviews policy actions of ABAG's Executive Board, which is made up of local elected officials. Each delegate has one vote, and a majority of city and county votes are required for action. Councilmember Carole Dillon-Knutson is the current Novato delegate. She also chairs ABAG's Legislation and Governmental Oversight Committee.

As a council of governments, ABAG is mandated by state housing law to allocate the state-determined regional housing need allocation for the Bay Area among the cities, town, and counties. This allocation of housing is called the Regional housing needs Allocation (RHNA). For the current 2009-2014 planning period, the State Department of Housing and Community Development required ABAG to allocate 214,500 housing units throughout the Bay Area region.

Development of RHNA Numbers:

ABAG has three primary objectives in allocating the residences to local jurisdictions; increasing housing supply, affordability and housing type; encouraging infill and efficient development; and promoting a jobs/housing balance. ABAG uses the formula below with weighted criteria to accomplish these objectives and allocate the housing units:

- Household growth (45%)
- Existing employment (22.5%)
- Employment growth (22.5%)
- Household growth near existing transit (5%)
- Employment growth near existing transit (5%)

A jurisdiction's overall housing need number is then broken down into income categories through a formula that takes into account the difference between the jurisdiction's proportion of

households in each income category and the regional proportion. In this way, cities with higher concentrations of low income households are required to accommodate a smaller proportion of lower income housing, while cities with higher income households must accommodate a greater percentage of lower income housing. For example, Tiburon was allocated 49% of its RHNA for lower income units, while Novato was allocated 36%.

Local Government Role in RHNA Process:

ABAG consults with local governments in developing the RHNA methodology, and then allows local governments to request revisions and to appeal their RHNA numbers once they are released. The RHNA process for the current housing element revision began in 2006, when ABAG convened a Housing Methodology Committee, comprised of local planning staff, elected officials, and stakeholder representatives, to assist in developing a recommended method for distributing the regional housing needs to each Bay Area jurisdiction.

Local governments are provided several opportunities during the process to comment on projections used in developing the RHNA allocation and to challenge specific allocations. State law requires any appeal to be based upon the data used in the allocation method or the implementation of the allocation methodology. In 2006-2007, Novato staff worked with ABAG to revise the household and employment growth projections ABAG used in determining the City's overall housing need.

CITY OF NOVATO POLICIES AND REGULATIONS

The sections below summarize key provisions relating to housing that are included in policy documents adopted by the City of Novato. The City's Housing Element is discussed separately in the following section because it contains such an extensive amount of information.

VISION 2028 PLAN: The following areas and visions from the Vision 2028 Plan relate to Downtown and are for the Steering Committee to consider whether these visions assess and reflect the purpose and intent of the North Redwood Boulevard Planning Study effort:

Vision 1 A community whose characteristic small-town feeling is retained and enhanced

1 (b) Develop zoning regulations and streetscape plans that protect the character of the downtown area and neighborhoods

Vision 2: A community with a vibrant, lively, and dynamic downtown

2 (d) Create a downtown area that is a mixed-use and pedestrian friendly destination

NOVATO GENERAL PLAN: Each heading below represents the Chapter in the General Plan.

Introduction

Goal #8: 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. Low and moderate income housing of all types (including mobile homes, mobile home and recreational parks) will be given special consideration.

Goal #13: Protect the integrity of residential neighborhoods from conversion and/or intrusion of incompatible land uses. Create transition buffers separating incompatible land uses.

Land Use

LU Objective 4: Establish clear limits to urban development outside the Novato City Limits

Transportation

TR Policy 13: Higher Density Land Uses Adjacent to Public Transit. Encourage higher intensity land uses such as mixed use, multiple family residences, public services and commercial retail centers near transit routes and facilities to reduce vehicle trips.

Community Identity

CI Policy 1: Compatibility of Development with Surroundings. Ensure that new development is sensitive to the surrounding architecture, topography, landscaping, and to the character, scale, and ambiance of the surrounding neighborhood. Recognize that neighborhoods include community facilities needed by Novato residents, as well as homes, and integrate facilities into neighborhoods.

CI Program 1.1 Establish Design Guidelines to be applied as part of the Design Review process.

The guidelines may address: massing (the relationship between the size and bulk of buildings), use of colors, material, and detailing, landscaping, lot circulation, signage, and privacy in order to promote attractive development that is compatible with surrounds land uses, emphasizing compatibility of uses and buildings in residential neighborhoods.

Compatibility does not require that residential densities and building types be identical to adjoining properties.

Novato is primarily a residential community. The character and livability of its neighborhoods define, to a large extent, Novato's sense of place. New residential development must fit in harmoniously with its surrounds, support and enhance the City's identity, without necessarily conforming to any give architectural style or motif.

CI Policy 28 Additional Housing: Accommodate additional housing on upper floors over commercial and office uses where appropriate.

CI Policy 29 Neighborhoods Adjacent to Downtown: Several residential neighborhoods, such as the North West Quadrant Area, are located adjacent to Downtown. Policies and programs will be considered to preserve and enhance these neighborhoods and ensure that they will not be adversely affected by future development Downtown.

DOWNTOWN SPECIFIC PLAN: The Downtown Specific Plan does not focus extensively on housing issues but there are a number of important broad ranging land use/design concepts included in the Plan and there are more detailed policies for what are called opportunity sites in the Plan. The broad land use concepts speak to community character, land use, development intensity, recreation and open space.

1. The Floor Area Ratio (FAR) for the Downtown Core (DC) General Plan land use area is allowed to be 1.2, and can be increased to 2.0 under specific circumstances (page 2-4). The floor area increase was in part adopted to encourage residential development.
2. Building height up to 45 feet is permitted.
3. The Downtown Specific Plan discourages housing that fronts onto Redwood (page 2-7) [The General Plan Steering Committee and the planning Commission have discussed new policies that would allow residential development on North Redwood].

4. Targeted land uses listed do not include residential uses (page 2-13)
5. The Specific Plan supports village design concepts (page 2-22)
6. Three story construction on selected sites is permitted (page 2-22)

The Downtown Specific Plan identifies seventeen (17) opportunity sites. Per the Specific Plan, an opportunity site “is intended to convey the potential to connect or link separate Downtown areas and to increase or synergize economic and cultural activity” (page 3-1). Examples of more detailed policies that relate to residential development are listed below.

LU 7: Development Policies for the Railroad Depot and Pini Mill Area. Development policies for the Railroad Depot and Pini Mill Area are itemized below:

Allow an increase building height limit for mixed use/commercial/residential projects only if the top floor is used for housing, pursuant to the Zoning Ordinance.

LU 17: Development Policies for Northeast Corner of Fourth and Grant Development. Development policies for the Northeast Corner of Fourth and Grant are listed below:

Residential use is allowed on the rear of the parcel, adjacent to the existing single family home on Fourth Street. Townhouses could be placed over parking. Some portion of required residential parking could be located in a surface lot where it could be shared with visitors to the commercial/office space.

LU 23: Development Policies for Scown Lane. Development policies for Scown Lane are itemized below:

Allow new second and third story residential units over new ground floor commercial/industrial space on the north side of Scown Lane. Consider allowing inexpensive industrial materials and methods of construction in order to create larger live/work spaces than typical of most apartments.

LU 25: Encourage Ground Floor Commercial with Second Floor Office, Live/Work, Residential to Retain Existing Homes on Machin. Fix land use and zoning designation and encourage ground floor commercial uses combined with office, live/work or residential uses on second floors.

CLIMATE ACTION PLAN: This plan was adopted by the City to implement State requirements to reduce green house gas emissions, among other “green” goals.

Transportation Reduction Measures

City Wide Land Use and Design

Item #17: Require mixed-use, infill development at higher densities to ensure providing a mix of housing, employment and commercial services within the community

Item #19: Affordable Housing: Continue support of affordable housing ordinance & programs

CITY OF NOVATO HOUSING ELEMENT

The Housing element is a chapter in the General Plan and provides wide ranging policy guidance on housing issues. Staff has culled a range of these policies for the information of the Ad Hoc Group. Again, some policies are wide-ranging and general, others are very specific.

HO Objective 1 — Sense of Community and Creation of Successful Partnerships: Enhance our sense of community by identifying shared responsibilities from all sectors within our community (government, business, neighborhoods, non-profits, etc.) that effectively address the City’s housing needs.

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 Responsibilities within Novato. The City will seek ways, unique to each neighborhood, to provide some additional housing as part of each neighborhood undertaking its “fair share” responsibility and commitment to help achieve community-wide housing goals.

HO Program 4.E Acquire Existing Affordable Rental Housing. Work with non-profit sponsors seeking to acquire and rehabilitate affordable rental housing units in order to maintain ongoing affordability of the units. Actions include, but are not be limited to: (1) contact with non-profits; (2) identification of possible support necessary to obtain funding commitments from governmental programs and non-governmental grants; (3) assistance in permit processing; (4) possible waiver of fees; and (5) possible use of local funds if available.

HO Objective 5 — Housing, Jobs and Transit Linkage: Promote closer linkages between creating housing nearby to where people work and require participation in the City’s affordable housing program from commercial, office, industrial and other non-residential uses. Encourage development at maximum densities 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 5.4 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.

HO Policy 5.5 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 5.6 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.

HO Program 5.E Transit-Oriented Development Locations. The following criteria should be met for a Transit-Oriented Development:

- a. The site is within 0.25 mile distance of a transit route and services (i.e., Downtown, or retail centers where daily goods and services are provided such as markets, dry cleaners, pharmacies, and similar uses).
- b. Potential impacts are mitigated.
- c. Required affordable inclusionary units are provided.
- d. The development provides an excellent, high quality design that fits with the surrounding neighborhood and incorporates attractive and usable common/open areas.
- e. The development provides and/or allows for provision of transit improvements or service as appropriate and feasible for the site.

HO Objective 6 — Variety of Infill Housing Choices: Provide a variety of choices in the type, size, cost and location of new housing and more efficient use of existing housing, including the creative and efficient use of vacant sites and redevelopment of built land within established development areas.

HO Policy 6.2 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 in financing, design, construction and types of housing that meets local housing needs, including, 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 multifamily 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 6.4 Retention and Expansion of Multi-Family Sites at Medium and Higher Density. The City will protect and strive to expand the supply and availability of multi-family

infill housing sites for affordable and workforce housing, will make the most efficient use of these sites in meeting local housing needs, and will strive to make sites competitive for subsidies.

HO Program 6.E Seek Increased Multi-Family Housing Opportunities. When undertaking Citywide 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. Residentially zoned sites where higher density 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 required 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.

HO Program 6.F Evaluate Land Uses in all Neighborhoods, including the Northwest Quad. Evaluate land use densities, applicable General Plan policies, programs and zoning to facilitate a limited number of small-scale multifamily housing opportunities (duplexes, triplexes, fourplexes, etc.). Amend the General Plan Land Use Chapter by deleting the second sentence under Land Use Policy 6, subsection 3.b., to eliminate a density reduction for narrow lots within the Northwest Quadrant.

HO Objective 7 — Mixed Use Housing: Encourage housing in non-residential areas where residential use is appropriate to the setting and where mixed use projects can be encouraged to address jobs and housing needs.

HO Policy 7.2 Redevelopment of Shopping Centers. The City will promote the development of housing in conjunction with the redevelopment of shopping centers when it occurs.

HO Program 8.B Conduct a Detailed Affordable Housing Sites Feasibility Study. Initiate a housing sites study which, in part, shall review whether any surplus or potentially surplus public or quasi-public lands are appropriate for residential and mixed use development, especially for affordable housing. Consider and evaluate provisions to allow housing projects in light

industrial/office districts. Work with neighborhood groups to evaluate sites for their fitness as sites for affordable housing. Issues to be investigated include:

- a. Financial feasibility.
- b. Detailed planning, environmental review, and appropriate zoning.
- c. Site characteristics (access to public services and amenities, potential environmental issues, adjacent land uses, etc.).

HO Program 8.C Facilitate Development at Key Housing Opportunity Sites, including the Downtown Redevelopment Area. Undertake appropriate General Plan amendments, rezoning, expedited environmental review (see HO Program 6.G “Apply CEQA Exemptions and Expedited Review”), work with private property owners and/or developers to facilitate consolidation of properties within the Downtown Redevelopment Area, and other implementing actions to facilitate the construction of affordable housing at key sites to meet Novato’s “fair share” of the regional housing need for households in each income category.

HO Objective 10 — Accessory Dwelling Units: Encourage well-designed, legal accessory dwelling units in all residential neighborhoods.

HO Policy 10.1 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 10.2 Accessory Dwelling Units in New Subdivisions. When new single family subdivision developments with four or more new units are proposed, consider requiring some second units (unequal duets) and occasional duplexes.

HO Policy 10.3 Accessory Dwelling Unit Affordability. When local funding is used to assist in the construction of an accessory dwelling unit, the City will require a use agreement to ensure that second unit rents are affordable to lower income persons.

HO Policy 10.4 Legalization of Existing Accessory Dwelling Units. The City should consider creating an amnesty program for illegal accessory dwelling units which provides a period of time for owners of un-permitted units to legalize their units by obtaining permits and waiving penalties. In exchange for the waiving of penalties, the property owner should provide assurances of the continued affordability of the unit.

HO Program 10.B Establish an Amnesty Program for Un-Permitted Second Units. Establish an amnesty program for unpermitted second units in order to increase the legal housing stock while assurances are made of continued affordability of the unit as low income housing, such as agreement to accept Section 8 vouchers or other mechanisms to assure affordability to low income household. A specific period of time will be allowed for owners of illegal units to register their units and make them legal without incurring fines, along with assurances of long-term affordability of the unit.

REDEVELOPMENT LAW AND HOUSING

There are extensive provisions in California law addressing redevelopment. Key redevelopment law provisions regarding housing are contained in the Health and safety Code (Sections 33410-33418):

Use of Redevelopment Funds for Housing:

A minimum of 20% of all taxes that are allocated to the agency shall be used for increasing, improving, and preserving the community's supply of low-and moderate-income housing.

Section 33334.2.(a) ...not less than 20 percent of all taxes that are allocated to the agency pursuant to Section 33670 shall be used by the agency for the purposes of increasing, improving, and preserving the community's supply of low- and moderate-income housing available at affordable housing cost, as defined by Section 50052.5, to persons and families of low or moderate income, as defined in Section 50093, lower income households, as defined by Section 50079.5, very low income households, as defined in Section 50105, and extremely low income households, as defined by Section 50106, that is occupied by these persons and families...

Affordable Housing by a Redevelopment Agency:

At least 30% of all new and substantially rehabilitated units developed by an agency shall be available at affordable cost to, and occupied by, persons and families of low or moderate income. Not less than 50 percent of said affordable units shall be available at affordable housing cost to, and occupied by, very low income households.

33413.(b)(1) Prior to the time limit on the effectiveness of the redevelopment plan established pursuant to Sections 33333.2, 33333.6, and 33333.10 at least 30 percent of all new and substantially rehabilitated dwelling units developed by an agency shall be available at affordable housing cost to, and occupied by, persons and families of low or moderate income. Not less than 50 percent of the dwelling units required to be available at affordable housing cost to, and occupied by, persons and families of low or moderate income shall be available at affordable housing cost to, and occupied by, very low income households.

Affordable Housing by a Public or Private Developer:

At least 15% of all new and substantially rehabilitated units developed within a project area by a public or private developer other than the agency shall be available at affordable housing cost to, and occupied by, persons and families of low or moderate income. Not less than 40 percent of said affordable units shall be available at affordable housing cost to, and occupied by, very low income households.

33413 (b)(2)(A)(i) Prior to the time limit on the effectiveness of the redevelopment plan established pursuant to Sections 33333.2, 33333.6, and 33333.10 at least 15 percent of all new and substantially rehabilitated dwelling units developed within a project area under the jurisdiction of an agency by public or private entities or persons other than the agency shall be

available at affordable housing cost to, and occupied by, persons and families of low or moderate income. Not less than 40 percent of the dwelling units required to be available at affordable housing cost to, and occupied by, persons and families of low or moderate income shall be available at affordable housing cost to, and occupied by, very low income households.

Location of Affordable units:

If an agency elects to provide required units (per provisions above) outside the boundaries of a redevelopment area it must provide two times the number of units.

33413 (b)(2)(A)(ii) To satisfy this paragraph, in whole or in part, the agency may cause, by regulation or agreement, to be available, at affordable housing cost, to, and occupied by, persons and families of low or moderate income or to very low income households, as applicable, two units outside a project area for each unit that otherwise would have been required to be available inside a project area.