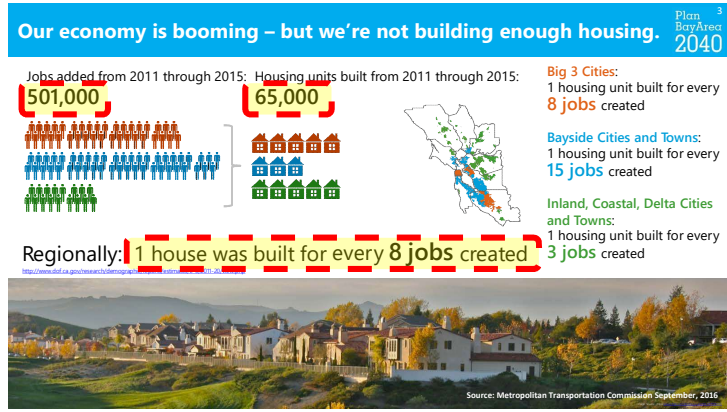




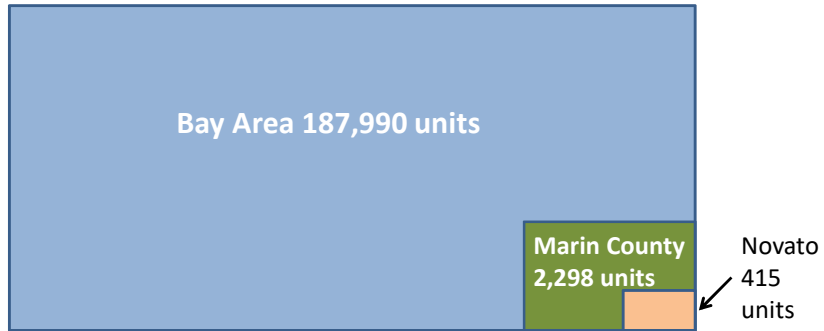
THE CITY OF  
NOVATO  
CALIFORNIA

## Challenges and Strategies for New Housing and the Ability to meet RHNA

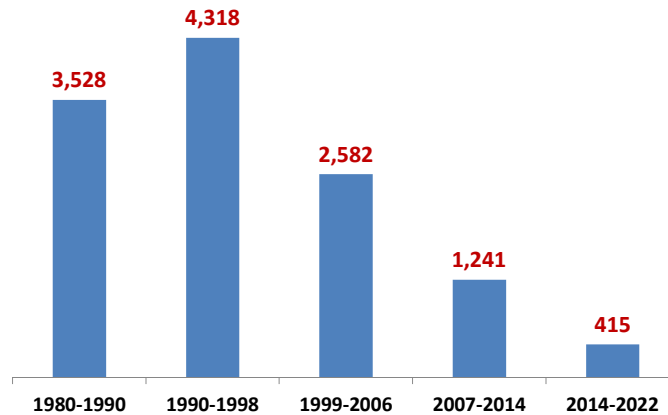


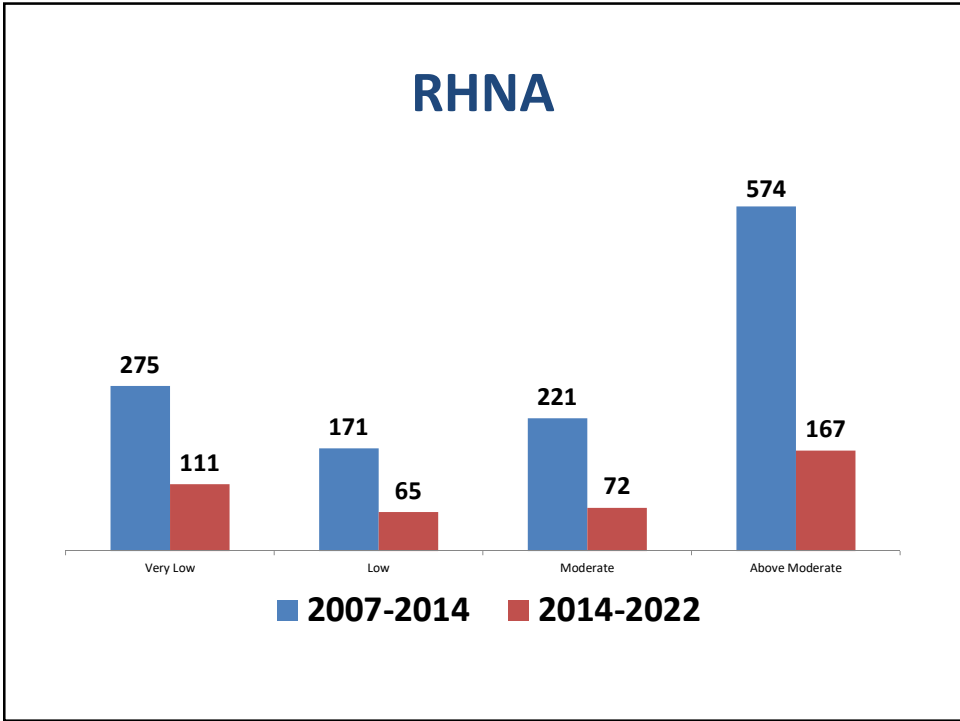
## Regional Housing Need Allocation (RHNA)

- HCD determines regional need
- ABAG and MTC develops RHNA for Bay Area cities and counties



## RHNA for Novato way down since most Bay Area growth is projected in Priority Development Areas (PDAs)





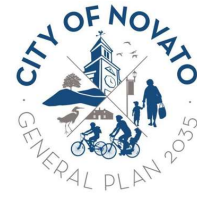
### RHNA Income Categories 2017

<b>Very Low Income</b>	<b>Up to 50% of Median</b>	<b>Up to \$65,800</b>
<b>Low Income</b>	<b>50-80% of Median</b>	<b>Up to \$105,350</b>
<b>Moderate Income</b>	<b>80-120% of Median</b>	<b>Up to \$138,350</b>
<b>Above Moderate Income</b>	<b>Over 120% of Median</b>	<b>Over \$138,350</b>

**Median Income is \$115,300 for a 4 person household in Marin County**

## Median Home Prices in Novato

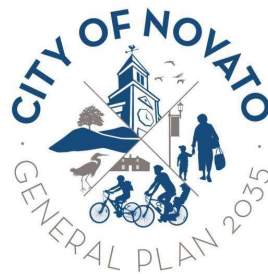
- In 2017, median sales price was \$799,200 for a single family home
- A family of four with a moderate income of \$138,350 could afford – at most – a \$595,000 home



## Average Rental Rates in Novato

Dec. 2017	1 BR/1BA HH Size 2	2 BR/1BA HH Size 3	3 BR/1.5BA HH Size 4
Average Rent	\$2,500	\$2,750	\$3,350
Annual Income Needed (30% towards housing)	\$100,000 (VL=\$52,650) (L=\$84,300)	\$110,000 (VL=\$59,250) (L=\$94,850)	\$134,000 (VL=\$65,800) (L=\$105,350)
Max Very Low Income(RHNA)	\$1,300	\$1,500	\$1,650
Max Low Income(RHNA)	\$2,100	\$2,350	\$2,650

**How do we plan for our future  
housing needs and compliance with  
our RHNA allocation?**



**2015-2023 HOUSING ELEMENT**

## What is a housing element?

- One of 7 required elements of the City's General Plan
- Housing element has been required since 1969
- Reviewed and certified by HCD
- Now, update every 8 years with RHNA cycle
- Streamlined Update

## Requirements

- Evaluation/Progress of current Housing Element
- Demographic and housing need analysis
- Constraints on housing development
- Site inventory
- Programs to promote housing opportunities and meet RHNA

## **Housing Sites Inventory In Novato**

- Market Rate Units
- Below Market Rate Units
- Second Units

## **Needs Analysis**

- Need both rental and ownership housing, for a variety of household types and sizes.
- Only 40%+/- apartments are affordable to low-income households at market rates.
- Very limited % of condos can be affordable to lower income households at market rates.
- Very low income households have extremely limited housing options

## Key Programs Resulting from The Housing Element to address RHNA

### Programs Implemented:

- Affordable Housing Overlay (AHO) Zone
- Density Bonus Provisions per State Law w/Senior Incentives
- Reasonable Accommodation Ordinance
- Zoning for Emergency Shelters
- Transitional and Supportive Housing
- 50% reduction in City Development Fees for Accessory Dwelling Units
- Adopt Standards and reduced fees for Junior Accessory Dwelling Units.
- Management and Safety for Multi-family housing

## Affordable Housing Overlay (AHO)

- Density 20 to 23 units per acre
- Up to 30 units per acre for senior housing
- Site may be remain as is or be developed with the underlying permitted use
- 10% very low and 10% low required



## AHO Sites

AHO Sites	Very Low	Low	Moderate	Above Mod
#1 - 1787 Grant Ave.	18 - 20	17 - 20		
#2 - Landing Ct.	15 - 17	15 - 17		
#3 - Redwood Blvd.	40 - 46	40 - 46		
#4 - 7506 Redwood Blvd.	17 - 20	18 - 20		
#5 - 1905 Novato Blvd.	10 - 12	11 - 12		
<b>Total</b>	<b>100 - 115</b>	<b>101 - 115</b>		

### #1 – 1787 Grant Ave.

35-40  
potential  
units

Child care  
facility

2.15 acres



## #2 – Landing Ct.

30-34  
potential  
units

Parking lot

2.1 acres



## #3 – Redwood Blvd.

80-92  
potential  
units

Near SMART  
station

4 acre site



## #4 – 7506 Redwood Blvd.

35-40  
potential  
units

Next to  
Trader Joe's

1.8 acres



## #5 – 1905 Novato Blvd.

21-24  
potential  
units

Medical care  
facility

1.1 acres



## What is an Accessory Dwelling Unit?

- Self-contained dwelling unit, with its own kitchen, bath and bedroom(s).
- Attached or detached to a single-family home.
- Can be rented or used by a family member

## Accessory Dwelling Unit Regulations

- 1982: State requires cities to have zoning provisions allowing for accessory units
- 2002: State requires cities to allow accessory units without discretionary use permits or design review if they meet adopted local standards
- 2017 State requires further relaxation of local codes to incentivize ADUs e.g. no added parking if conversion of accessory structures to ADU, exemptions from setbacks
- Still req. property owner to reside on site

## Accessory Dwelling Units Constructed

- 13 built in Novato between 2007 and 2016 (1.4/year)
- 200 built in Marin from 2007-2014 – 3% of total new units

## Why Aren't More Accessory Dwelling Units Built?

- Inability to add an additional parking space
- High dev. cost: City reduced its fees from ~\$14,000 to ~\$7,000, but high cost of construction still limit permits and utility fees remain for most new ADUs(approx. \$9,000 sewer connection fee and \$17,200 water connection/meter fee)

## **A New Concept: Junior Second Units**

Consistent with Housing Element Policy 11.1 - New Accessory Dwelling Units:

**New Program 11.B – Adopt Standards and Fees for Junior Second Units.**

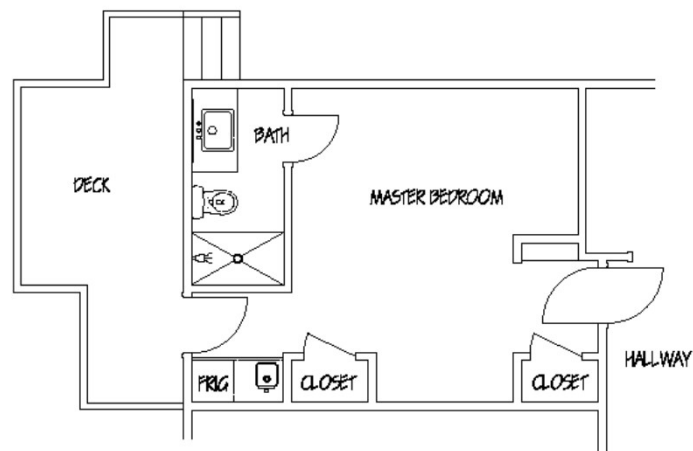
## **Junior Second Units: What are They?**

- Conversion of an existing bedroom (no expansion)
- Addition of a wet-bar kitchen:
  - Limited sink size
  - Small drain line
  - Limited counter space
  - No gas or 220v electrical service
- Access to a bathroom
- Interior and exterior access

## Junior Second Units: What are They?

- Owner occupancy required
- No additional parking required

## Example: Floor Plan



## Example: Living Area



## Example: Kitchen





## Accessory Dwelling Units and Junior Second Unit Benefits

- Provides an opportunity for elderly residents to have an in-home caregiver with minimal expense
- Provides an opportunity for homeowners to create a lower cost living unit for a family member
- Provides an opportunity for homeowners to repurpose an unused portion of a home for additional rental income
- Creates additional affordable housing opportunities for retail and service workers
- Count towards the City's RHNA numbers

## Ability to Meet RHNA

	Very Low	Low	Moderate	Above Mod
<b>RHNA for 2014-2022</b>	<b>111</b>	<b>65</b>	<b>72</b>	<b>167</b>
Projects Approved	33	90	64	92
Available Land Inventory (* = 2 <sup>nd</sup> Units Projected)	15*	9*	147	255
Minimum Capacity of 5 Affordable Housing Overlay (AHO) Sites	100	101		
<b>Remaining RHNA</b> (- # = surplus)	<b>-37</b>	<b>-135</b>	<b>-139</b>	<b>-180</b>

**MARIN COUNTY – HOUSING UNIT TARGETS VS. BUILT : 2007-2014**

	2007-2014 RHNA	PERMITS ISSUED	PERCENT OF RHNA MET
Belvedere	17	20	118%
Corte Madera	244	263	108%
Fairfax	108	13	12%
Larkspur	382	136	36%
Mill Valley*	292	163	56%
Novato	1,241	322	26%
Ross	27	8	30%
San Anselmo**	113	36	32%
San Rafael	1,403	167	12%
Sausalito	165	48	29%
Tiburon*	117	12	10%
Unincorporated Marin County*	773	355	46%
County Totals	4,882	1,543	32%

**Meadow Park 411 affordable homes**



**Bay Vista and Creekside 297 affordable apartments**



**Questions?/Discussion**