



Agenda Item No. 9.

Staff Report

Date: September 8, 2022
To: Mayor Kuhl and Council Members
From: Rebecca Markwick, Planning and Building Director
Subject: Housing Element Presentation and Update

Recommendation

It is recommended that the Town Council consider and provide comments on the core components of the Draft Housing Element Update prior to the release of the Public Review Draft.

Background

Like other communities in the Bay Area, the Town of Ross is required to update the Housing Element of the General Plan to address local housing needs and new State laws. Amid the ongoing housing shortage in California, Ross is required by law to plan for 111 new housing units over the next eight years. The Town of Ross has been working with the consulting firm Dyett and Bhatia who has prepared a memo that introduces the draft Housing Sites Map, Inventory, and new programs for the action plan based on community input and a review of existing conditions in Ross.

Attachments

- Memorandum: Town Council Review of Housing Element Core Components and Associated Attachments

MEMORANDUM

To: Rebecca Markwick, Planning and Building Director, Town of Ross
From: Andrew Hill, Dyett & Bhatia
Re: Town Council Review of Housing Element Core Components
Date: August 24, 2022

The purpose of this item is to provide the Town Council with a preview of the core components of the Draft Housing Element Update prior to release of the Public Review Draft and to receive comments and feedback. This memo introduces the Housing Sites Map, Inventory, and new programs for the action plan based on community input and a review of existing conditions in Ross.

BACKGROUND

Like other communities in the Bay Area, Ross is required to update the Housing Element of the General Plan to address local housing needs and new State laws. Amid the ongoing housing shortage in California, Ross is required by law to plan for 111 new housing units over the next 8 years. To satisfy this requirement and demonstrate that the zoning map has adequate capacity to accommodate Ross' allocation of the regional housing need for the planning period, the Draft Housing Element will include an inventory of sites available for housing, presented in a table showing the location, size and zoning applicable to each site together with a projection of the number of housing units that can realistically be accommodated on the parcel in view of past trends and local conditions. A map of the sites will also be included. Additionally, the Draft Housing Element will also include a suite of programs that identify actions the Town will take to facilitate buildout of the inventory over the upcoming planning period, including incentives for accessory dwelling unit construction and zoning amendments to ensure consistency with new State laws.

SITES MAP AND INVENTORY

Attachment A includes a draft inventory and map of sites available for new housing development in Ross. The sites on the map are numbered and keyed to the accompanying inventory for ease of reference. The sites identified include vacant properties with residential zoning, underutilized commercial properties, Town-owned properties, and sites where the property owner has expressed interest in developing housing. Several indicators were used to identify underutilized commercial properties, including as built floor area ratio (FAR) and the Assessed Value (A/V) ratio, which is a comparison of the value of the land to the value of the structures on it using data from the County Assessor. Where the value of the land exceeds the value of the structures, there is incentive for the property owner to redevelop with a use that commands a higher sales price or rent. Only commercially zoned sites with higher potential for redevelopment are included on the inventory.

The inventory projects the capacity for residential development on each site and assigns the units to income categories established by the State. Based on the typical home value and sales price in Ross, it is anticipated that all single-family residential development will be affordable for Above



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Moderate households (those making more than 120 percent of the median income in Marin County. The inventory includes one proposed development, the Bellagio site, currently under review by the Town. Additionally, the inventory includes two clusters of adjacent parcels in steep terrain that are under common ownership (sites #3 and #5). These conditions make it difficult to develop any of the parcels individually, therefore housing capacity has been calculated based on the total combined site area. A program proposing a zoning amendment to allow for this has been added to the action plan (Attachment B). Note that this does not represent an entitlement and that any development on these properties would need to comply with all development regulations and be subject to review by the Town before it could proceed.

The inventory includes three sites for workforce housing that would be affordable to households making less than 80 percent of the Marin County median income (ie. Low/Very Low Income). Multifamily development is envisioned on these sites, which include the Civic Center, the Town-owned Post Office, and Branson school. Development on the Civic Center sites includes three units anticipated as part of the Civic Center Master Plan. Development on the Post Office site could potentially involve construction of apartments on the parking lot on the southern portion of the site in a format that would preserve public parking on-site for use of Post Office patrons. Development on the Branson School site would involve 10 new multifamily units for teaching staff. In discussions with Town staff, Branson has expressed interest in developing housing on-site to help with recruitment efforts. Any new development on the site would need to be accompanied by transportation demand management (TDM) measure to ensure the established trip cap would not be exceeded.

In total, the 15 sites shown have a combine capacity of 46 new housing units, including 28 units for Above Moderate income households and 18 units for lower income households. These sites alone do not have sufficient capacity to accommodate the full 111 units required; therefore, the inventory also includes a forecast of ADU production over the planning period to help bridge the gap and ensure the Town can meet its RHNA obligations. State law allows the Town to project a future ADU production rate of at least the number of ADUs permitted annually since 2018. The Town's average annual rate of permitted ADUs since 2018 is not sufficient to bridge the gap, so a robust suite of programs to incentivize and facilitate ADU production has been proposed (see Attachment B). A regional ADU affordability study prepared by the Association of Bay Area Governments (ABAG) and certified for use by jurisdictions in preparing Housing Elements has been used as the basis for allocating units to different income categories as shown on the inventory. Additionally, there are 20 existing units on the Branson site which the school makes available to staff at a below market rate. The school has expressed willingness to pursue deed restriction of these units to guarantee they will remain affordable to lower income households and with deed restrictions in place HCD would permit counting these units toward RHNA.

Overall, with inclusion of projected ADU production and deed restriction of existing units on the Branson site, the inventory shows sufficient capacity to accommodate 111 new units over the planning period. However, there is a small shortfall of above moderate sites. To address this, a program to incentivize above moderate housing on existing single-family lots in Ross pursuant to SB-9 has been proposed (see Attachment B).



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HOUSING ACTION PROGRAMS

The existing Housing Element includes five goals, supported by a range of policies and programs which represent a solid base to build on. (See Framework for Action, pp. 83 through 95 of the 2015-23 Housing Element). The Housing Element Update will incorporate new programs into the existing Framework that represent additional actions the Town will take between 2023 and 2031 to facilitate buildout of the inventory. Attachment B includes draft text for the new programs and identifies proposed timeframes and potential funding sources for implementation. Given that ADUs represent a large share of the total units projected, an important focus of the draft programs is on incentivizing and facilitating ADU production. Additional programs focus on amendments to the Town Code needed ensure compliance with new State laws that have come into effect since the current housing element was adopted in 2015.

NEXT STEPS

Following Town Council review of the sites map, inventory and draft programs, feedback and direction will be incorporated and the Draft 2023-31 Housing Element and that document will be released for public review. State law requires a 30-day public comment period on the Draft Housing Element and a second community open house meeting will be held within that period to provide Ross residents with an opportunity to learn about the content of the Draft and provide comments. It is anticipated that the Public Review Draft Housing Element will be released at the end of September and that the open house meeting will be held in early October.

Following close of the 30-day comment period, a summary of public comments will be prepared and presented to the Council together with the Public Review Draft. Based on Council review and direction, a revised Draft Housing Element will be prepared and sent to the California Department of Housing and Community Development (HCD) for review as required by law. It is anticipated that HCD will request some revisions to the Draft, which will be communicated to the Town by way of a formal letter.

State law establishes a 90-day period for HCD review of the Draft, during which time the Focused Environmental Impact Report (EIR) will be prepared to satisfy the requirements of the California Environmental Quality Act (CEQA). Once HCD review is complete, a redlined Draft of the Housing Element responding to HCD comments will be prepared and presented to the Council along with the Final EIR at an adoption hearing, anticipated for the Spring of 2023.





ATTACHMENT A
PRELIMINARY DRAFT HOUSING SITES INVENTORY AND MAP

Town of Ross Housing Element 2023-31
Sites Available for Housing

No.	Site Name	APN	Existing Use	Acres	Avg Slope	Capacity				Notes
						Total Units	Low/ Very Low	Moderate	Above Moderate	
1	Bingo	073-011-26	Vacant	39.98	41.0%	8			8	
2	Branson	073-151-05; 073-082-01; 073-082-12; 073-141-03	School	14.72	0.0%	10	10			
3	11WH	073-291-13; 073-291-14; 073-291-15	Vacant	7.93	59.4%	2			2	
4	Pomeroy	072-031-01	Vacant	2.82	47.2%	1			1	
5	Platforms	072-121-22; 072-121-21	Vacant	0.62	74.7%	1			1	
6	Civic Center	073-191-16	Public	2.40	0.0%	3	3			
7	Post Office	073-242-05	Public	1.56	0.0%	5	5			
8	Saint Anselms	073-052-25	Parking lot	0.39	0.0%	3			3	
9	MAGC	072-191-01	Residential	0.63	0.0%	1			1	
10	Badalamenti	073-273-09	Commercial	0.22	0.0%	4			4	
11	19 Poplar	073-273-11	Vacant	0.11	0.0%	2			2	
12	3 Ross Common	073-273-13	Commercial	0.11	0.0%	2			2	
13	Bellagio	072-031-04	Vacant	2.63	35.8%	2			2	Pipeline project
14	Siebel	073-072-07	Vacant	1.07	0.0%	1			1	
15	Ghirardelli	072-121-33	Vacant	3.87	69.7%	1			1	
SUBTOTAL						46	18	0	28	
Accessory dwelling units (@ 11/year)						88	53	26	9	
Existing units at Branson to deed restrict						20	20			
TOTAL						154	91	26	37	
RHNA						111	54	16	41	
BUFFER						43	37	10	-4	

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A T T A C H M E N T B

To: Rebecca Markwick, Planning and Building Director
From: Andrew Hill, Dyett & Bhatia
Re: Preliminary Draft Programs for the Housing Action Plan
Date: August 29, 2022

The Town's existing element includes a range of goals, policies and programs that present a framework for action to address local housing needs and meet State mandates for the Housing Element. This memo outlines additional programs that would be incorporated to support RHNA obligations for the 2023-31 planning period and ensure consistency with new State law. Proposed new programs are organized under three categories:

- Programs to Support Above Moderate Housing
- Programs to Promote Workforce Housing
- Programs to Promote ADUs/JADU Production

Programs to Support Above Moderate Housing

Comprehensive Fee Study. The Town has adopted a schedule of user fees to recover costs associated with the provision of specific services benefiting the user, thereby reducing the use of General Fund monies for such purposes. The fee schedule covers a range of services, including Administration and Finance, Planning and Building, Public Works, Police, Recreation, and Impact fees. In Financial Year 2023-24, the Town will undertake a comprehensive fee study to review user fees, assess the true costs of providing services, and inform the appropriate level of cost recovery.

Responsible agency/department: Town Manager

Timeframe: FY 2023/4

Objective: Ensure an appropriate level of cost recovery

Funding: General Fund

Streamlining the Design Review Process. Ross is a community that values high quality design and the Town's Advisory Design Review (ADR) Group, formed in 2008, is integral to ensuring that new development contributes to the community's unique and historic sense of place. Recognizing that the design review process can add time and cost to the development process, however, the Town will explore options for streamlining and expediting design review. Actions to consider will include:

- Translating adopted Design Guidelines into objective design standards incorporated into the Town Code;



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- Conducting a review of past project applications to identify the range of issues that are typically of concern due to the type of housing, the project location, property characteristics (such as sub-standard dimensions), and environmental conditions. Based on the findings of this review, amend the Zoning Ordinance to include objective development standards that address the typical issues;
- Increasing the frequency of ADR Group meetings from once a month to twice month;
- Capping the number of ADR meetings on a single project; and
- Instituting a requirement for an on-site meeting with the neighbors to provide clarity on the proposed development details up front and reduce the time spent providing such clarification at ADR Group meetings.

Responsible agency/department: Planning and Building

Timeframe: Identify and implement streamlining options by end of 2024

Objective: Reduction in average time for project approval

Funding: General Fund

Single-Family Development on Adjacent Legal Non-Conforming Lots. There are two sites on the inventory comprised of multiple adjacent lots that are vacant and zoned for residential use but of substandard size (Site #3 and #5 on Map A). Both are located in areas of steep topography, which adds complexity and cost to development of the sites. To incentivize the development of these lots with market rate, single-family housing to help meet the Town's RHNA requirements, the Zoning Ordinance will be amended to (a) permit allowable floor area ratio (FAR) to be calculated on the basis of total site area rather than per parcel, and (b) to reduce the rear setback requirements.

Responsible agency/department: Planning and Building

Timeframe: End of 2023

Objective: 3 above moderate income units in the planning period

Funding: General Fund

SB-9 Housing. Senate Bill 9 (SB9) allows homeowners to split their single-family residential lot into two separate lots and/or build additional residential units on their property without the need for discretionary review or public hearing. As a community with large residential lots and a growing population of older adults, there is considerable potential for SB9 housing in Ross. Of 837 single-family zoned parcels in Ross, analysis indicates that there are at least 50 of sufficient size and meeting other parameters defined in the statute that may also be underutilized, based on as built floor area ratio and assessed value ratio. The Town has received inquiries from interested homeowners and is in the process of adopting an SB9 ordinance to establish zoning and development standards. Through this program, the Town will further incentivize and promote the creation of SB9 housing to help meet RHNA obligations for above moderate income households by (1) creating fact sheets and posting information to the website, (2) providing technical assistance and referrals to interested property owners, and (3) exploring additional regulatory incentives to stimulate production of SB9 housing in the planning period.

Responsible agency/department: Planning and Building

Timeframe: End of 2023

Objective: 10 above moderate income units in the planning period

Funding: General Fund



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Programs to Promote Workforce Housing

Civic Center Master Plan. The Town is preparing a Master Plan for the modernization of the Ross Civic Center complex, which includes the Town Hall and Public Safety Building. Originally constructed in 1927, the Public Safety Building is now physically and functionally obsolete and must be reconstructed to address extensive structural deficiencies and ensure compliance with Essential Service Act (ESA) requirements for public safety buildings. As part of the Civic Center redevelopment, the Town will pursue construction of three workforce housing units on the site to be made available at rents affordable to households earning less and 80 percent of Marin County AMI. The Town released request for proposals (RFP) for the Civic Center Master Plan and is currently evaluating responses. Design is anticipated for completion in 2023 and completion of construction is anticipated in 2025.

Responsible agency/department: Planning and Building; Public Works

Timeframe: Target completion of construction in 2025

Objective: 3 workforce housing units in the planning period

Funding: General Fund

Ross Post Office Site. The Ross Post Office is located on a 2.43-acre property owned by the Town. The southern portion of the property contains a surface parking lot adjacent to downtown commercial development. This portion of the property could be redeveloped with workforce housing in a format that preserves public parking on-site for use of Post Office patrons. Through this program, the Town would seek to partner with a non-profit developer for the construction of workforce housing to meet the needs of lower income households in Ross. The Town will prepare and release an RFP by early 2025.

Responsible agency/department: Planning and Building; Public Works

Timeframe: Release RFP in early 2025

Objective: 5 workforce housing units in the planning period

Funding: Grant funding

Parking Requirements. The cost of constructing parking, particularly covered parking, adds considerably to residential development costs. For certain developments that can be designed so that parking is out of public view, covered parking may not be necessary. Therefore, to support the financial feasibility of projects that provide workforce housing in Ross, the Town will amend the Zoning Ordinance as follows:

- **Caretaker Units.** Eliminate the requirement for covered parking spaces to serve caretaker units where parking can be screened from public view (Section 18.16.080).
- **Multi-family Developments.** Revise the requirements for multi-family developments located within 0.5 miles of transit to require 1 space per unit, located behind the building or out of public view (Sections 18.20.025, 18.24.040, and 18.28.070).

Responsible agency/department: Planning and Building

Timeframe: End of 2023

Objective: 16 multi-family units in the planning period

Funding: General Fund



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Programs to Promote ADUs/JADU Production

Amnesty for Unpermitted ADUs. There are some properties in Ross with separate living units -- either in the home or on the lot -- that were constructed without a legal permit. While the units may be perfectly livable, insurance companies will not cover a fire, damages, or injuries relating to an unpermitted unit. To help reduce liability and increase the supply of workforce housing in Ross, the Town will develop and implement an amnesty program that waives penalties and reduces fees for owners who choose to legalize their unpermitted units. The program should include a provision for "fail safe" inspections so that owners understand they will not be cited for violations that do not present an immediate threat to life safety. Additionally, the program should offer additional incentives for owners who provide evidence of a binding commitment to rent-restrict the legalized unit for lower income households for a period of at least 20 years.

Responsible agency/department: Planning and Building

Timeframe: End of 2024

Objective: 20 ADUs in the planning period, 2 rent-restricted affordable ADUs

Funding: General Fund

Pre-Approved ADU Plans. Designing an ADU can be a long and complex process. To streamline and simplify things for interested homeowners, the Town will offer a variety of pre-approved ADU building plans designed by qualified architects. Through this program, the Advisory Design Review Group and the Town Council will review and approve multiple design options that accommodate a range of homeowner needs, from small studio ADUs to larger, two-story layouts. The plans will be made available so that interested homeowners can pick from a menu of options knowing their choice is approved and ready to build.

Responsible agency/department: Planning and Building

Timeframe: Make pre-approved ADU plans available by end of 2026

Objective: 88 new ADUs or JADUs in the planning period

Funding: General Fund

Technical Assistance. The Town already offers homeowners interested in ADUs an array of information and tools through ADU Marin, a partnership between ten Marin County jurisdictions formed to facilitate ADU construction. This includes a step-by-step workbook and interactive website with sample floor plans, a calculator to estimate construction costs, and inspirational stories from Marin residents who have already built an ADU. To complement these resources and promote construction of ADUs and JADUs in Ross, the Town will offer technical assistance to interested homeowners, which may include information on cost-saving building materials and construction techniques; a referrals list of pre-qualified architects, landscape architects, and civil engineers; and consultation with design and permitting professionals.

Responsible agency/department: Planning and Building

Timeframe: Launch technical assistance program in early 2024

Objective: 88 new ADUs or JADUs in the planning period

Funding: General Fund



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Development Fee Discount. As with any construction project, building an ADU typically involves permit and application fees charged by the Town to cover the cost of services provided. These fees can run on the order of \$45,000 for an ADU. To incentivize construction of ADUs made available for households earning less than 80 percent of the Marin County annual median income, the Town will reduce these fees for any unit that is rent-restricted for a period of 20 years or more. The amount of the reduction will be determined as part of the comprehensive fee study to be completed in 2024. Evidence of a binding commitment to rent-restrict, such as a deed restriction or a signed affidavit, will be required.

Responsible agency/department: Planning and Building

Timeframe: 2023

Objective: 53 ADUs for lower income households in the planning period

Funding: General Fund

ADU Ordinance Update. The Town will review the ADU ordinance and make amendments as needed to comply with State law, as amended since the ordinance was adopted. Modifications may include clarification of the terms of measurement and standards regarding uses permitted in setback areas.

Responsible agency/department: Planning and Building

Timeframe: End of 2023

Objective: 88 new ADU/JADUs in the planning period

Funding: General Fund

