

Housing Plan

The Housing Plan is a required component of the Housing Element Update. The Housing Plan establishes Mill Valley's goals, policies, and programs relative to four overall housing aimed at maintaining existing housing; diversify and enhancing affordable housing; developing new housing for all economic segments of the community and working to address the housing needs of the community.

These housing strategies, in turn, lead to housing goals and policies contained in the Housing Element and are implemented through a series of housing programs, encompassing both existing and new or modified programs. A specific objective, or action, is identified for each program, as well as a time frame for implementation.



Goals, Policies and Programs by Housing Strategy

Protect &
Preserve
Existing
Housing

Protect and Preserve Existing Housing

The City of Mill Valley is interested in maintaining and preserving its existing housing stock to ensure units are not eliminated and used for their intended purpose as a dwelling unit while also respecting the character of existing neighborhoods.

Goal 1.0: Maintain and enhance the quality and affordability of existing housing.

POLICIES

Policy 1.1 Identify and Preserve Historic Structures

Identify and preserve historically significant structures consistent with adopted historic preservation guidelines and ensure that infill development is compatible with context of Mill Valley's historic resources.

Policy 1.2 Support Property Maintenance to Improve Housing Conditions

Support the long-term maintenance and improvement of existing housing through code enforcement and housing rehabilitation programs.

Policy 1.3 Preserve Existing Housing Stock

Conserve the existing stock of rental housing by updating regulations that restrict the removal of rental housing and require 1 for 1 replacement of units; monitoring short term rentals to ensure there continues to be rental opportunities for long-term leases; and through continued partnerships and financial incentives that allow property owners to maintain and rehabilitate existing rental units. Consider disincentives for removing "attainable" dwelling units, such as increased demolition fees and/or allowing non-conforming conditions to remain with modest home improvements.

Policy 1.4 Protect Existing Deed Restricted Affordable Housing Stock

Ensure that the City's existing affordable housing stock is not reduced and that those income-restricted housing units for low- and moderate-income households are maintained.

PROGRAMS

1. Historic Preservation Regulations and Guidelines

Background: Mill Valley has several mechanisms in place to preserve and maintain its historic resources. The Historic Overlay (H-O) designation is currently applied to 36 designated buildings of historic importance in Mill Valley. The H-O Ordinance utilizes the Secretary of Interior's *Standards for Rehabilitation and Guidelines for Rehabilitating Historic Buildings* in design review of any addition to, or alteration of, designated structures, and provides for a delay in any proposed demolition of historic structures while alternative means of preservation are examined by the City. The H-O Overlay designation also provides incentives for preservation such as waiving building permit fees for maintenance items and allowing the Historic Building Code to be utilized.

In 2021, City Council adopted a Historic Context Statement, Historic Resources Inventory Survey Report, and Historic Resources Inventory Property List. The Historic Context Statement (HCS) describes the City's built history from pre-history to modern times. A survey and update of the City's only working documents on historic resources that included 176 properties compiled by volunteers and local enthusiasts, led to the Historic Resources Inventory Survey Report (HRI) that evaluated each property through a reconnaissance-level survey. The HRI Property List includes those properties that were evaluated and found to retain historic integrity, as well as their ability to qualify for listing in the National Register of Historic Places and California Register of Historic Resources

To further the community's historic preservation goals, the City will consider a historic preservation ordinance that would provide local incentives to restore and preserve historic structures. Upon completion of a historic preservation ordinance, the City may also consider conducting historic district surveys or conservation zones as well as establishing design guidelines for historic resources. At such time, the City would pursue attaining Certified Local Government (CLG) status to acquire State and Federal expertise and funding benefits.

Program Objectives: *By 2027, complete a historic preservation ordinance and consider local incentives for preservation. As part of the preservation ordinance, clarify demolition procedures and process.*



100 Summit Avenue: property in Historic Overlay Zone

2. Home Maintenance and Public Information

Background: The City requires a residential building report prior to resale to identify any Building or Zoning Code violations and requires compliance for health and safety violations. The City is also actively working to adopt a soft story ordinance that will require safety retrofits to Multi-Family Residential properties three units or more, to ensure that homes are adequately maintained to withstand an earthquake.

The City also highlights information on how qualifying property owners can apply for home loans to improve housing conditions as part of the resale report, on its housing resources website and at the Building Counter. Home renovation loans are available through the following programs:

- The Residential Rehabilitation Loan Program administered by *Marin Housing* provides technical assistance to very low-income homeowners and makes low interest property improvement loans of up to \$35,000 for correction of substandard conditions, elimination of health and safety hazards, energy conservation measures, and accessibility improvements.

- Energy efficiency improvements are available to homeowners and renters administered by PG&E and Marin Clean Energy, including rebates for home energy assessments, energy efficiency updates, and solar energy improvements. Income-qualified residents can participate in PG&E’s Energy Savings Assistance Program which provides free minor home improvements and replacement of old space and water heating systems.

As an update to this program, the City intends to continue work to finalize its Soft Story Ordinance and host an open house with property managers/owners of Multi-Family Residential buildings to establish better working relationships and/or partnerships so that information is exchanged on various opportunities that are available to maintain properties. Additional financial incentives could also be made available by waiving fees for building permits that are solely intended to provide reasonable accommodations.

Program Objectives: *Adoption of the Soft Story ordinance by 2023 and host an Open House with the multi-family homeowners/managers by the end of 2024. In the meantime, continue to provide informational handouts on available rehabilitation assistance and energy retrofit programs for distribution as part of the normal code enforcement and building permit process, and pro-actively publicize on the City’s website and through dissemination of brochures at City Hall, with focused outreach to senior citizen organizations. Strive to provide rehabilitation assistance to five (5) lower income households during the 8-year housing cycle. Consider reduced building fees for building permits that solely address reasonable accommodation in conjunction with the universal design (program 28).*

3. Regulations to Preserve Existing Housing Stock

Background: As part of updating the Housing Element, the City has expanded this program to include all types of housing as a means of providing a variety of housing stock within Mill Valley, including rental housing and “attainable” housing that is for sale, and that the amount of existing housing stock is not reduced by tearing down or consolidating units.

As a means of conserving the supply of multi-family rental housing, the City relies on the existing Condominium Conversion Ordinance (Zoning Ordinance Chapter 20.59), which generally prohibits the conversion of rental units to condominium ownership. Should the conversion be allowed, there are a series of tenant protections, including relocation assistance, right of first purchase, and leasehold rights such as notice of termination and restricting rent increases.

Short term rental (less than 30 day) program was established in 2016 requiring registration through the business license process with supplemental forms and fees required to rent short term. Short term rentals are only allowed only in Single Family Zoning Districts; and new ADUs approved since 2018 may not be rented on a short-term basis. The City then monitors short term rentals through a third party to ensure compliance with the City’s registration process.

City Council, Planning Commission and members of the public have expressed interest in exploring further regulations to preserve its existing housing to maintain “attainable” housing as well as the diversity of housing that allows for housing mobility within a community. As part of this program, the City will consider regulations that restrict the ability to reduce the availability of housing stock, including:

- Anti-neglect regulations;
- Increased demolition fees, or alternatively creative incentives to allow property owners to rehabilitate their homes as opposed to tearing down a dwelling unit;
- Require the 1-to-1 replacement of units. As part of satisfying State Law also require “non-vacant sites” must replace units affordable to the same or lower income level as a condition of any development on non-vacant site. Also consider allowing existing non-conforming buildings that exceed current density standards to maintain the existing number of units on site.
- Continue to monitor short-term rentals and the proportion of units available for long-term versus short term use. Currently, there are approximately XX registered living accommodations in Mill Valley, of which 100 are short-term rentals. Similarly, monitor and address fractional vacation homeownership, should there be an increase in such a trend in Mill Valley.
- Strengthen regulations that prohibit lot mergers that result in the removal of a housing unit.

Program Objectives: *By 2025, consider regulations and incentives for property owners to maintain their existing housing as opposed to tearing down building and/or converting space. Evaluate allowing rental projects to utilize funds that are set aside in a Local Affordable Housing Trust Fund (Program #13) for the purposes of rehabilitating buildings while maintaining affordable rent levels. Continue to monitor short-term rentals (less than 30 days) in single family residential areas to ensure there is the availability of rental properties for longer term residence in Mill Valley.*

4. Preservation of Existing Deed Restricted Affordable Rental Housing

Background: Currently, eight (8) income-restricted affordable rental projects are located within Mill Valley, providing 301 units affordable to lower income families, seniors and persons living with disabilities. In addition, the City’s Inclusionary Housing Ordinance has resulted in the development of 38 affordable rental and ownership units integrated within ten market rate developments. None of the affordable housing stock in Mill Valley is at risk of conversion to market rate.

Program Objectives: *Continue to contract with the Marin Housing Authority and property managers to monitor deed restricted ownership and rental housing to ensure compliance with affordability restrictions. Require long-term affordability controls on all future affordable housing units. Monitor at-risk and/or publicly assisted housing projects and identify opportunities to purchase units that are at risk of terminating as affordable units.*



Alto Station Apartments – BRIDGE Housing



Diversify
Housing &
Enhance
Affordability

DIVERSIFY HOUSING AND ENHANCE AFFORDABILITY

One of the City’s primary General Plan Goals is to encourage continued diversity of housing, income levels and lifestyles in the community.

Mill Valley has approximately 6,670 total housing units with 75% community’s housing inventory consists of single-family (5,052) homes and 25% multi-family (1,618) homes. The City must therefore establish regulations to diversify its single-family neighborhoods. Half of Mill Valley’s households (6,196) have two or fewer people, while only 17% of Mill Valley homes are smaller, scale dwellings that are less than 2 bedrooms. The City is therefore interested in creating incentives for smaller-scale housing stock that is “attainable” or affordable by design that will allow for housing mobility within the community for the large number of persons living alone (28%) and/or seeking more affordable types of housing.

With a large portion of land “non-vacant” and zoned single-family, the City must continue to develop creative solutions to diversify housing by establishing regulations and incentives that allow for the conversion of existing underutilized space on existing parcels and buildings. The programs below also provide opportunities to disperse smaller scale, affordable and attainable units in existing neighborhoods, properties, and buildings and work to further fair housing throughout the community.

Goal 2.0: Provide opportunities for a range of housing types suited to residents of varying lifestyle needs and income levels.

POLICIES

Policy 2.1 Encourage Mixed-Use by Incorporating Residential Housing in Commercial Buildings

Encourage the efficient use of land by allowing commercial and residential uses on the same property in both horizontal and vertical mixed-use configurations.

Policy 2.2 Diversify Housing by Creating a Variety of Housing Choices

Encourage diversity in the type, size, price and owner/renter tenure of residential development in Mill Valley, including non-traditional housing types. Strive for a balance of unit sizes provided through new development.

Policy 2.3 Diversify Single Family Neighborhoods through Accessory Dwelling Units and Duplexes

Continue to support the provision of Accessory Dwelling Units and Duplexes in single family residential zoned districts as a means of dispersing small, affordable units throughout all neighborhoods and the community.

Policy 2.4 Create Housing Opportunities through Adaptive Reuse

Support innovative strategies for the adaptive reuse of existing building resources to provide for a wide range of housing types and residential uses.

Policy 2.4 Create Affordable Housing Opportunities by Leveraging City-Owned and Tax-exempt Land

Continue to identify City-owned land that can be used to leverage new affordable housing projects in Mill Valley.

PROGRAMS

5. Mixed Use Zoning in Commercial Districts

Background: The residential sites analysis conducted for the Housing Element identifies that the majority of Mill Valley’s residential infill potential is within the city’s commercial zoning districts, primarily along Miller Avenue, East Blithedale Avenue, and Camino Alto. The City’s Zoning Code currently provides for residential units and mixed-use projects as conditionally permitted uses within the primary commercial zones (C-G, C-N and P-A) subject to Planning Commission review and approval. Minimum densities have been established through the Mill Valley General Plan Update (adopted October 2013) in the Land Use Element and Land Use map. These minimum densities are intended to assist in the development review process for the applicants and surrounding community and ensure that the land is utilized efficiently.

Because the City must rely on commercial and mixed use sites to accommodate over 50% of its very low- and low-income RHNA, the City must also rezone those commercial and mixed use sites identified in the Sites Inventory that are ½ acre or more to allow fully residential projects and require that for any mixed-use projects proposed on those sites that 50% of the floor area must be occupied for residential uses.

Program Objectives: *As part of the adoption of the Housing Element Update, the City intends to comply with State Law, removing the CUP requirement for multi-family residential uses and mixed uses in commercial zones. Those commercial sites ½ acre or more identified as part of the Sites Inventory will be rezoned to permit fully residential projects with at least 50% of the floor area occupied for residential use. The City will, in turn, strengthen its design guidelines to encourage mixed used with commercial ground floor use, particularly those parcels located in the Downtown Commercial and Neighborhood Commercial Zoning Districts to maintain commercial and business vitality, consistent with the General Plan.*

6. Non-Traditional Housing Types

Background: Mill Valley will explore non-traditional housing types for inclusion in the Zoning Ordinance to broaden the variety of housing types available and cater to all economic segments.

- **Co-housing** refers to collaborative housing, or intentional and supportive communities where people can both live comfortably and conveniently while also developing a powerful sense of community. Co-housing communities consist of individually owned, private units clustered around common facilities and amenities in a walkable, sustainable environment. Common features may include a community garden, recreational areas, and a common house where day care and meals can be shared. The communities are managed by the residents who have chosen to live in a close-knit neighborhood. Hundreds of co-housing communities currently exist throughout the country in a variety of settings, including communities in Berkeley, Oakland, Pleasant Hill, Cotati, Grass Valley, Davis and Santa

Barbara. Based on the nature of co-housing and its emphasis on common areas and human scale, there is a distinct opportunity to develop models for a uniquely Mill Valley housing type that responds to the community character and needs.

- **“Roomers”** are currently permitted in single-family Residential zones. (Section 20.16.020(B) of the Zoning Ordinance) This provision allows up to two roomers per dwelling by right, allowing homeowners to sublet parts of their residences and creating less costly rental opportunities. For senior homeowners, taking on roomers can not only generate needed income, it can provide added security and companionship, and help to address the many Mill Valley seniors who are over-housed in single-family homes.
- **Live/work housing** is intended for housing a resident and his or her business, typically on different floors of the same building or same unit. Currently, the City considers live/work housing on a case-by-case basis. For instance, the Aloha Lofts at 65 Throckmorton Avenue in the downtown area, were provided reduced parking and modified development standards based on the live/work concept. Additional objective design guidelines are needed to establish objective standards and guidelines for live work housing.
- **Assisted living facilities** are designed for elderly individuals requiring assistance with certain activities of daily living – such as eating, bathing and transportation – but desiring to live as independently as possible. Such facilities bridge the gap between independent living and nursing homes. The Redwoods is a continuing care retirement community (CCRC) and includes a mix of independent senior apartment units, assisted living units and health care center/skilled nursing, allowing residents to age in place. The City’s Zoning Ordinance does not currently identify assisted living facilities, or provide specialized standards to facilitate their development.

Program Objectives: *By 2027, modify the Zoning Ordinance to develop live/work and co-housing standards that accommodate new housing types suited to the community’s housing needs and that respect neighborhood attributes. Also develop a guidance booklet on the building permit process illustrating how housing opportunities can be created in Single-Family homes while remaining consistent with neighborhood standards. This should be considered as part of communicating the co-housing/rooming opportunities through the Home Match (Program 27) and the Junior/Accessory Dwelling Unit/Duplex (Program 8).*

7. Micro-Apartment Units

Background: Persons living alone comprise over one quarter (28%) of Mill Valley’s households, half of which are seniors. With local apartment rents beyond the level of affordability to lower income single-person households, micro-units could provide an affordable housing option for a segment of the Mill Valley population, in particular young adults in the workforce and seniors who may be seeking smaller spaces. By incorporating micro-units within residential and mixed-use developments with standard-sized units, the City can foster economic diversity and support the integration of residential uses within the pedestrian core of the community.

Micro-apartment units are being considered in high cost areas as an alternative, more affordable form of housing for single individuals. Units are typically a maximum of 350 square feet in size, and are marketed to single professionals, students and senior citizens. Micro-apartment units differ from Single-Room Occupancy (SRO) units in that each micro-apartment unit includes a full bathroom and kitchen, whereas SROs tend to have shared bathrooms and kitchen facilities.

The City adopted micro-unit regulations as part of its Mixed Use/ Multi-Family Standards adopted in 2016. The program has been an effective incentive for small-scale units due to the reduced standards associated with micro units, including: the designation of a micro-unit at .5 density and reduced parking. Currently, development projects are limited to 20% of total units allowed as micro-units.

Program Objectives: *By 2025, further evaluate micro-unit incentives and determine if the 20% cap on total units in a development project should be eliminated as part of updating Mixed Use/Development Standards.*

8. Junior/Accessory Dwelling Units and Duplexes

Background: Accessory Dwelling Units (ADUs) are self-contained living units with cooking, eating, sleeping, and full sanitation facilities, either attached to or detached from the primary residential unit on a single lot. Junior ADUs are attached to the primary unit and can include shared bathroom facilities. ADUs typically rent for less than apartments of comparable size and can offer affordable rental options for seniors and single persons. The primary homeowner can also benefit by receiving supplementary income through the rental and can help many modest income and elderly homeowners afford to remain in their homes.

ADUs are an integral segment of Mill Valley’s housing stock, comprising The Accessory Dwelling Unit program continues to be an important component to the overall production of new housing in the Mill Valley as well as diversifying the type and size of housing available within Single Family neighborhoods and the community. There are approximately 560 legal ADUs in Mill Valley, with development standards dating back to 1983. Mill Valley’s ADU ordinance was updated in 2021, reflecting updates and changes to regulations based on State Law. Since 2015, over 118 new ADU building permits have been issued. With modifications to local standards based on state law, there has been an upward trend in ADU permits—with 29 ADU permits issued in 2021.

Duets and duplexes are similar from a physical standpoint to a single-family home, and typically involve two attached residential units, with the distinction lying in their different ownership structure. Duplexes are sold together as a single building and typically rented out, whereas duet homes are sold and owned separately and typically remain owner-occupied. Duets and duplexes are now permitted on qualifying parcels located within Single-Family Zoning Districts based on new State Law under SB9. As such, additional objective design guidelines or building permit guidance could be useful to assist homeowners in modifying or converting their homes into a duplex.

In 2021, the City partnered with the County of Marin, utilizing SB2 grant funding to develop and launch a county-wide website promoting and providing information on ADUs. This website could be expanded in the future to also include information on duplexes.

The City continues to review and make appropriate refinements to its ADU and Duplex regulations (Municipal Code Sections 20.90 and 20.91) to diversify housing within the Single-Family Zoning Districts while addressing safety and evacuation concerns. The City continues to look for opportunities to provide incentives for in return for square foot bonuses, although such recent regulations and deed restrictions were removed due to new State regulations. There is also

interest within the community to create incentives for ADUs above and below a garage as this type of ADU is common in Mill Valley's existing built environment.

Program Objectives: *Continue to review and refine the ADU ordinance to provide housing options for seniors, caregivers, and other lower and extremely low income households. Based on past trends, seek to facilitate creation an average of eighteen ADUs on an annual basis. Continue to collaborate with local Marin county jurisdictions to promote small-scale ADUs and Duplexes through resources such as SB2 grant funding.*

Should the average number of new ADUs fall below twelve new units a year, consider an amnesty program or additional incentives such as square footage allowances for ADUs built above or below a garage (that currently do not qualify under State Law).

9. Adaptive Reuse of Commercial Buildings

Background: Parcels located in commercial zoned districts may include residential housing through a conditional use process. As part of the Housing Element outreach, there was large support for allowing commercial offices to convert upper floor area to residential use. In interviewing commercial property owners, added incentives for converting space include reducing fees, streamlining the approval process, and waiving parking requirements.

As a first step, the City is proposing to adopt a "office conversion overlay" that will allow those sites on the Sites Inventory to convert upper floor office to housing. In addition, because the City is relying on on commercial and mixed use sites to accommodate over 50% of its very low- and low-income RHNA, the City must also rezone those commercial and mixed use sites identified in the Sites Inventory that are ½ acre or more to allow fully residential projects and require that for any mixed-use projects proposed on those sites that 50% of the floor area must be occupied for residential uses. See Program 20 for details.

Objective: *As part of the adoption of the Housing Element adopt the office conversion overlay zoning district and permit fully residential projects for those commercial sites ½ acre or more.*

10. Publicly Owned Land for Affordable Housing

Background: As a predominately built-out city, Mill Valley has few remaining vacant properties suitable for residential development. This shortage of vacant developable land has resulted in the exploration of alternative mechanisms to provide sites for housing. Such mechanisms include long-term leases of surplus publicly-owned land and sale of air rights in exchange for a long-term commitment to maintain all or a portion of units as affordable housing. Another mechanism could be the sale of air-rights above City-owned property for development of affordable housing at an off-site location.

City staff has worked through the Housing Advisory Committee on this Housing program to evaluate and initiate a potential site for redevelopment. On June 21, 2021 City Council reviewed and accepted the Housing Advisory Committee's recommendations to select the northern portion of the 1 Hamilton city-owned parcel and issue a Request for Qualifications to solicit interest and partner with a non-profit home builder. This portion of land has been deemed "exempt surplus land" for the sole purpose of building affordable homes on the property and the City has an exclusive negotiating agreement with EAH Housing.

Additional sites were evaluated during the site selection process that merit additional discussion to further evaluate housing opportunities on the sites. As part of on-going work to further identify affordable housing opportunities, the following public owned properties should be evaluated:

- a) Tax-exempt land not owned by the city, particularly educational facilities and religious institutions to facilitate housing opportunities;
- b) City-owned parcels, particularly the Miller Avenue and Edgewood sites, should be further studied in order to remove existing barriers to development (e.g. floodway designation and open space easement); and
- c) use of the City's Affordable Housing Trust Fund to assist with feasibility studies to determine redevelopment potential.

Program Objectives: 2022-25 will focus on assessing the redevelopment opportunity at 1 Hamilton. In the meantime, additional studies and collaboration should continue to determine longer-term housing opportunities (past the 8-year housing cycle) on other City-owned sites, as outlined above.

GOAL 3.0: Enhance housing affordability so that modest income households can join and remain an integral part of the Mill Valley community.

POLICIES

Policy 3.1 Create Mixed Income Housing Projects through Inclusionary Housing Requirements

Utilize the City's Inclusionary Housing Ordinance as a tool to integrate affordable units within market rate developments consistent with applicable densities, and to increase the availability of affordable housing throughout the community. Continue to prioritize the construction of affordable units on-site, with provision of units off-site or payment of an in-lieu housing fee as less preferred alternatives.

Policy 3.2 Create Regulatory Incentives to Facilitate Affordable Housing

Facilitate the development of affordable housing through regulatory incentives and concessions, and/or financial assistance. Proactively seek out new models and approaches in the provision of affordable housing.

Policy 3.3 Create Financial Resources

Pursue expanded financial resources to support in the production of and conversion to affordable housing for Mill Valley's lower income workforce and special needs populations.

Policy 3.4 Create Public/Private Partnerships and Collaborate with Others

Explore collaborative partnerships with nonprofit organizations, developers, the business community and governmental agencies in the provision of affordable housing.

Policy 3.5 Provide Assistance in the Path toward Homeownership

Encourage the provision of financial assistance to low and moderate income first-time homebuyers through County and State programs.

Policy 3.6 Provide Information on Rental Assistance

Support and publicize available rental assistance programs for lower income and special needs households.

PROGRAMS

11. Inclusionary Housing Regulations

Background: Inclusionary housing requires developers to make a percentage of housing units in new residential developments affordable to low and moderate-income households. A major goal of Inclusionary Housing is to expand the supply of affordable housing throughout the community to encourage mixed-income neighborhoods. Mill Valley’s Inclusionary Housing Ordinance has been an important tool in integrating affordable units within market rate developments, with 38 affordable inclusionary units built since the Ordinance's adoption in 1988.

The City’s inclusionary housing requirement is 25% for any redevelopment project creating 4 or more dwelling units (rental or ownership). The affordable unit(s) are required to be deed restricted units in perpetuity, with 51% of the affordable units designated for low-income households and 40% of the affordable units designated for moderate income households.

There continues to be discussion in the housing and policy industry about inclusionary housing and if the ratios can hinder development. Reductions to the inclusionary housing requirement are proposed as part of the “small lot zoning overlay” (program 20) to provide relief to smaller lots in return for smaller-scale units that will be affordable by design.

Additional modifications could be considered but staff recommends waiting until after the Zoning Overlays are established to determine if modifications are necessary based on developer feedback and monitoring the City’s annual progress in meeting regional housing numbers. Potential modifications could include:

- Reducing the 25% ratio or modifying ratios based on type of development (rental vs. ownership);
- Expanding the inclusionary exemption beyond those parcels that qualify for the Small Lot Overlay;
- Requiring greater parity in development and design standards between project affordable and market-rate units; and
- Defining flexibility in the Inclusionary Ordinance (MVMC 20.80.080), providing examples of that the City is willing to negotiate and provide flexibility within the ordinance, such as: reduced ratio(s) for those project that provide all low income unit(s); reduced ratio(s) for those projects that utilize a family (3+ bedroom unit) as a deed restricted unit; and/or waiving deed restriction requirement for smaller scale units (micro-units and efficiency units) to satisfy all affordability in exchange for designating the initial sales price as low income.

Program Objectives: *Re-evaluate the City’s Inclusionary Housing Program 5 years after the implementation of the Zoning Overlay Districts to ensure that the regulations are not a constraint to development. Should appropriate amendments be identified, the City will amend the Inclusionary Housing Ordinance (MVMC 20.80).*

12. Generate Financial Resources (Local Impact Fees and/or Taxes)

Background: Mill Valley faces a severe shortage of housing affordable to the local workforce, resulting in the vast majority of persons who work in the community commuting in from outside the city. Residential development further increases the demand for affordable housing, based on the growth in employment generated by residential households' increased demand for goods and services. While the City's Inclusionary Housing Ordinance specifies affordable housing requirements for development of four or more residential units, the Ordinance does not apply to construction of individual single-family homes. As a means of distributing the responsibility for affordable housing across all new residential development, the City has established 1% fee is collected for all residential remodels over \$105K. These fees are deposited in the Affordable Housing Trust Fund earmarked to fund projects that enhance, produce or protect affordable housing. Approximately \$300K is collected annually since the Trust Fund was established in 2018. The Trust Fund has been effective in providing funding for the Home Match Program and further evaluating feasibility of housing on the City-owned site at 1 Hamilton Drive.

Additional fees and/or taxes could also be established to increase local funds available to convert, maintain and/or produce affordable housing. Examples include: Vacancy tax; Real estate Transfer tax ; Demolition fee(s); and or/increased single family impact fees for new homes over a certain size. Establishing such fees or taxes should be coordinated on a county-wide basis to ensure that the city is not creating additional barriers or constraints to housing.

Program Objectives: Pursuant to the Mitigation Fee Act, set forth in Government Code section 66001, subdivision (d)(1), the City shall make findings with respect to that portion of the account or fund remaining unexpended, whether committed or uncommitted every five years.

By 2023 evaluate Single Family Impact Fee. By 2025, coordinate with other local jurisdictions to consider: Vacancy tax; Real estate Transfer tax ; Demolition fee(s); and or/increased single family impact fees for new homes over a certain size

13. Local Affordable Housing Trust Fund

Background: Because Mill Valley has limited access to state and federal housing resources, the City faces practical and financial constraints in its ability to facilitate the construction of affordable housing. To create a more viable funding source, the City established an Affordable Housing Trust Fund with the establishment of the Housing Impact Fee (Program 12). Trust Funds are intended to help construct, convert and/or manage affordable housing. Trust Fund resources include: in-lieu fees from the Inclusionary Housing Program and affordable housing impact fees on single-family development. In March 2020, City Council approved the Administrative Guidelines for the Trust Fund, with priority funding associated with the Housing Advisory Committee's priority work plan items, including implementing the Home Match program (Program 27) and identifying a City-owned parcel for potential development (Program 10).

Program Objectives: Continue to monitor effectiveness and use of Affordable Housing Trust Fund in conjunction with any collection of fees (Program 12).

14. Affordable Housing Development Assistance

Background: The City can play an important role in facilitating the development of quality, affordable housing in the community through provision of regulatory incentives and direct financial assistance. By utilizing various tools to facilitate infill development, the City can help to

address the housing needs of its extremely low, very low, low and moderate income households. The following are among the types of incentives that will be considered upon request:

- Reduction of development fees as currently allowed under MVMC 5.32;
- Flexible development standards;
- Density bonuses as described in Program #24; and
- Financial assistance through future Affordable Housing Fund resources, as described in Program #13.

Program Objectives: *Provide financial and regulatory incentives to private developers for the development of high quality affordable housing for families, the local workforce and seniors appropriately designed to respect Mill Valley’s natural environment and community character.*

15. Partnerships for Affordable Housing

Background: The Bay Area is home to numerous nonprofit housing developers who have produced thousands of high-quality affordable housing projects over the past 40 years. Within Mill Valley, several regional and national housing non-profits have a track record of developing and managing successful affordable housing projects, including BRIDGE Housing, EAH (Ecumenical Association for Housing), Eden Housing, Mercy Housing, and North Bay Rehabilitation Services. The key to the success of non-profits lies in three areas: 1) their ability to access a diversity of funding sources; 2) their commitment to working cooperatively with the local community; and 3) their long-term dedication to their projects. The Nonprofit Housing Association of Northern California serves as a resource organization for affordable housing developers in the Bay Area.

In 2022, the City entered into an Exclusive Negotiating Agreement with EAH Housing and is currently exploring the feasibility of building affordable housing on the northern portion of the City-owned property at 1 Hamilton Drive.

Program Objectives: *Continue to explore partnerships with a variety of affordable housing providers. Collaborate with local residents’ interest in establishing a Community Land Trust. Utilize the Nonprofit Housing Association of Northern California as a resource to identify nonprofits with experience in developing small scale residential infill projects. Further collaborate and establish partnerships to pursue other tax-exempt parcels in Mill Valley as part of Program 10.*

16. Homebuyer Assistance

Background: First-time homebuyers in Mill Valley have access to several homebuyer assistance programs offered through *Marin Housing Authority*. *Marin Housing Authority* administers a Below Market Rate (BMR) first-time homebuyer program on behalf of jurisdictions in the County with inclusionary housing requirements, including Mill Valley. The City has entered into a Memorandum of Understanding with *Marin Housing* to manage and monitor the city’s 27 affordable ownership inclusionary units, and to conduct ongoing education through publication of homeowner newsletters.

Program Objectives: *Continue to participate with Marin Housing in administration of the Below Market Rate program. As homes become available on an annual basis, actively publicize availability through local media and on the City’s website.*

17. Section 8 Rental Assistance

Background: The Section 8 Rental Assistance Program extends rental subsidies to very low-income households (50% area median income or AMI), including families, seniors, and the disabled. The Section 8 Program offers a voucher that pays the difference between the current fair market rent (FMR) and what a tenant can afford to pay (i.e. 30% of household income). The voucher allows a tenant to choose housing that costs above the payment standard, provided the tenant pays the extra cost. With nearly 100 Mill Valley households currently receiving Section 8 rental vouchers, and an additional 135 residents on the waiting list for assistance, Section 8 plays a critical role in allowing extremely low and very low-income households to remain in the community. As a means of supporting the use of Section 8, Chapter 5.33 of the Mill Valley Municipal Code prohibits discrimination against tenants based on their source of income or the use of rental subsidies and other rental programs.

Program Objectives: *The City will continue to offer tenants information regarding Section 8 rental subsidies and provide referrals to Marin Housing for assistance. The City will also encourage landlords to register units with the Housing Authority and direct to www.GoSection8.com. Consider expanding the source of income regulations beyond current regulations requiring tenant mediation prior to civil action.*



Expand and Produce More Housing

The City of Mill Valley is primarily a suburban community, with distinctive residential neighborhoods representing the many eras of the town’s growth from a small mill town, incorporated as a City in 1900, to the modern full service city it is today. The majority (97%) of residential and commercial zoned parcels in Mill Valley are currently occupied or “non-vacant.” The City also has challenging topographical conditions: Of the 6,539 parcels in Mill Valley, approximately 60% (3,865) are located in the Wildland Urban Interface and 33% (2,183) are located in the Very High Fire Severity Zone. These areas also represent largely sloped areas with roadways less than 20’ wide. Another 306 parcels are in the FEMA Floodway where the building footprint cannot be expanded. Larger scale higher density housing is therefore typically located in the flatter terrain along or adjacent to the commercial corridors and main arterials of Mill Valley, which are conveniently located in close proximity to transit and Highway 101. Unfortunately, the majority of these lots (85%) are under half an acre in size, and typically are not rectilinear.

In the past, the City of Mill Valley has relied heavily on its ADU program to successfully achieve and satisfy its assigned housing numbers under RHNA. The City acknowledges the State’s interest in generating additional housing opportunities and that new housing opportunities as well as the removal of barriers and constraints must be addressed by the City to successfully achieve results. As such, the City continues to work to develop creative solutions tailored to the City to address and balancing housing needs with safety and environmental factors and are addressed in the goals, policies and programs below. As part of the City’s outreach, online survey respondents and workshop attendees were generally supportive of: creating housing programs that limit growth in environmentally constrained areas (86%); encouraging housing in commercial areas as part of mixed use (71%); creating more incentives for ADUs (67%) and converting upper floor office space for housing (89%)—all of which are incorporated as part of the City’s housing programs.

GOAL 4.0: Provide a sufficient amount of land appropriately zoned to accommodate regional housing needs and ensure that new development is compatible with Mill Valley’s small town character and many environmental, community and neighborhood and scenic attributes.

Policy 4.1 Facilitate Quality Design through Development Standards and Design Principles

Assure that new housing is well-designed and based on sustainable development principles to enhance our neighborhoods and community.

Policy 4.2 Provide Adequate Sites to Accommodate RHNA

Provide adequately zoned sites to address Mill Valley’s housing needs, emphasizing locations near transit and services that promote walkability.

Policy 4.3 Required Rezoning: Housing Overlay Zones to Accommodate RHNA

Create a series of overlay districts to provide sufficient housing capacity and accommodate RHNA.

18. Residential Design Guidelines

Background: In 2016, the City adopted Multi-family and Mixed-Use Development Standards and Guidelines, which include principles for sustainable site planning, slope design, soils grading and drainage design, landscaping and home hardening, and green building design. These standards and guidelines have provided more direction to applicants and for the community to understand as part of the application review and approval process. As a result, most commercial redevelopment projects now include mixed use opportunities as part of redevelopment.

The Housing Accountability Act, such as provisions under SB330 have also streamlined development review focusing on “objective” guidelines and standards. As such, the City is now working to update its Mixed Use and Multi-Family Development Standards and Guidelines so that the standards and guidelines are objective, where possible. The City has also partnered with other local jurisdictions in developing a toolkit through SB2 grant funding to facilitate further discussion about how to modify city standards to facilitate infill development.

Program Objectives: *Continue to implement a design review process to ensure that new single and multi-family development and substantial modifications to existing structures are compatible with Mill Valley’s small town character, unique environmental, community and scenic attributes. By 2023, develop and adopt objective Multi-Family and Mixed Use Design Guidelines and accept the county-wide collaborative toolkit as a reference to continue the discussion of how to creatively apply standards to facilitate infill development. Also clarify design review thresholds based on various streamlining allowed under State Law.*

19. Maintain and Monitor Capacity in Sites Inventory / No Net Loss

Background: Mill Valley shall adopt the three overlays established in Program 20 to ensure that the City has sufficient zoning to accommodate its share of regional housing and shall ensure that there are adequate sites available throughout the planning period to accommodate the City’s regional housing needs, or “RHNA”. Each site in the Sites Inventory is logged into the City’s permit tracking system and the proposed Sites Inventory in Appendix C illustrates a “buffer” of 15% for the lower-income and moderate income RHNA categories to ensure residential capacity remains should property owners wish to redevelop their land differently that outlined in the Capacity Analysis.

Program Objectives: *This program is on-going on a project-by-project basis. Conduct ongoing monitoring of the Housing Element sites inventory to ensure the continued provision of adequate site capacity to address Mill Valley’s regional housing needs by income category throughout the planning period. Should a potential shortfall be identified, redesignate additional sites as necessary. In addition, should approval of a project on a site listed on the Sites Inventory result in a reduction of capacity below the residential capacity needed to accommodate the City’s housing needs, the City will identify and zone sufficient sites to accommodate the shortfall.*

20. Rezoning to Accommodate RHNA/Housing Overlay Zoning Districts

A Housing Overlay is a zoning tool which offers a package of incentives on designated sites designed to make the development of affordable housing more feasible. It is an “overlay” because it layers on top of base zoning regulations, leaving in place the option for property owners to develop under the base zone, or to utilize the voluntary incentives for the provision of affordable units. Overlay incentives are distinct from incentives offered through State density bonus law in

that they provide more certainty by providing the full set of incentives up front and establish local commitments to encourage specific types of housing¹.

In order to accommodate its regional housing numbers and to facilitate the development of housing in Mill Valley, the following three Overlay Zoning Districts will be adopted in conjunction with the Housing Element Update process:

1. Small Lot Housing Overlay

Those parcels identified on the sites inventory that are less than ½ acre may apply for the “small lot overlay” as part of the redevelopment of the parcel, which will include the following modified standards:

- 1) reduced parking for units less than 1,000 square feet;
- 2) increased height up to 40' for buildings being raised to address the floodplain or to provide higher ceiling heights on the first floor of a mixed use building;
- 3) increased density up to 40 units/acre and
- 4) exemption to the inclusionary housing requirement for those projects that provide units that are 1,000 square feet or less.
- 5) full residential projects will be permitted on these sites, with at least 50% of the floor area occupied for residential use;

2. Opportunity Site Housing Overlay (includes lot consolidation)

Those parcels identified on the sites inventory that are ½ acre or more may apply for the “opportunity site housing overlay” and Density Bonus as part of the redevelopment of the parcel, which will include the following modified standards:

- 1) reduced parking for units less than 1,000 square feet;
- 2) increased height up to 40' for buildings being raised to address the floodplain or to provide higher ceiling heights on the first floor of a mixed use building;
- 3) increased density up to 40 units/acre;
- 4) ministerial approval based on objective standards (required by State Law). I believe we can have a hearing but only related to objective standards;
- 5) full residential projects will be permitted on these sites, with at least 50% of the floor area occupied for residential use;
- 6) lot consolidation to facilitate proposed development. See Housing Element Sites Inventory and map in [Appendix C](#), for those commercially-zoned parcels identified as suitable for residential and mixed use development that are located adjacent to each other and share the same ownership. These parcels have potential for assembly into larger sites, enhancing the feasibility of achieving affordable units based on economies of scale, advantages in design, and in some cases, the ability to achieve an increase in unit count. As a means of facilitating the consolidation of parcels for those sites identified as suitable for development in the Capacity Analysis, the City will offer the following incentives:
 - Guide property owners through the lot consolidation (lot line adjustment) application process, and waive the fee for this particular entitlement when the resulting project includes designated affordable units.

¹ Property owners may utilize incentives identified in the Affordable Housing Overlay, or utilize State Density Bonus incentives.

- Should lots contain different Zoning or land use designations, the lot consolidation program shall allow parcels to consolidate into the land use that has the highest density.
- Assist property owners in identifying and applying for financial resources for projects which incorporate affordable units.
- Utilize the Multi-Family Mixed Use Design Guidelines as a means to identify other tools to encourage lot consolidation where appropriate and consistent with the immediate neighborhood.

7) streamlined approval for qualifying projects. Because the City does not have adequate vacant sites and therefore must rely on non-vacant sites to accommodate its lower income RHNA, State law requires that the City establish a process by which projects proposed on those sites that designate 20% of the units as affordable to lower income households are subject to by-right approvals without discretionary review.² The rezone must include a minimum density of 20 dwelling units/acre, a maximum density of at least 30 units/acre, and be large enough to accommodate at least 16 units per site.

3. Office Conversion Housing Overlay

Those parcels identified on the sites inventory that currently utilize upper floor space as office space may apply for the “office conversion overlay”, which will include the following modified standards:

- 1) grandfathering parking based on existing parking on site so long as the proposed units are 1,000 square feet or less and the footprint of the building is not expanded;
- 2) increased density up to 40 units/acre;
- 3) Director’s approval (no hearing) based on objective standards to streamline approval

4. Future Overlay - Affordable Housing Overlay

In addition, a future an affordable housing overlay zoning district will be considered as part of further discussion and collaboration with tax-exempt landowners, including: the Redwoods Senior Center (40 Camino Alto, currently zoned RM-M), Mill Valley Methodist Church (410 Sycamore currently zoned RM-M), and/or any other education, faith based or tax-exempt property located in the Community-Facility (CF) zone.

Based on community input, collaboration is required prior to establishing this unique overlay zone in order to determine the project’s design, density and housing affordability while balancing and maintaining other community needs, such as the existing educational and faith-based institutions located on CF Zoned parcels³.

² Ibid, see above.

³ As part of the online Housing Element survey and workshop hosted in February 2022, staff asked the public if the Housing Element should include a program that would allow the rezoning of school and religious institutions to allow housing to be co-located on the property. There were mixed results and interest for rezoning from the public. Half of the online survey responses indicated “no” with another 25% “unsure” and 24% answering “yes”. At the public workshop, those who favored the idea of allowing residential use on religious and school sites saw it as an opportunity to make changes and room for housing. Concerns were expressed about displacing community assets, and that more information would be needed to fully understand how the City can balance housing on these sites with other important community

The overall intent of the affordable housing overlay zoning district is to help reduce development costs and enhance affordability on the new units and shall include the following incentives:

- ✓ Ministerial design review approval (based on objective standards)
- ✓ Reduced development fees⁴ and city assistance in rezoning the property prior to redevelopment
- ✓ Increased building height allowance up to 40 feet
- ✓ Reduced parking: 1 parking space/unit that is 1,000 square feet or less

Program Objectives: *The Opportunity Site, Small Lot and Office Conversion Overlays shall be adopted as part of the adoption of the Housing Element Update. During the 8-year Housing Element cycle, facilitate discussion to define specific development incentives. Coordinate with site property owners in facilitating public review of development proposals, and in application for affordable housing trust funds.*

Goal 5.0: Address governmental constraints and identify regulatory incentives for the maintenance, improvement and development of housing while maintaining community character.

POLICIES

Policy 5.1 Regulatory Incentives for Affordable Housing

Support the use of density bonuses and other incentives, such as fee deferrals/waivers and parking reductions, to offset the costs of affordable housing while ensuring that potential impacts are addressed.

Policy 5.2 Flexible Development Standards

Provide flexibility in development standards to accommodate new models and approaches to providing housing, such as transit-oriented development, mixed use, co-housing and live/work housing.

Policy 5.3 Efficient Use of Multi-Family Zoning

Encourage the sustainable use of land and promote affordability by prohibiting new single-family development within multi-family or commercial land use districts.

Policy 5.4 Streamline Development Review

Explore continued improvements to the entitlement process to coordinate the processing of development permits, design review and environmental clearance. Provide for priority and expedited treatment in planning processing for affordable housing.

Policy 5.5 Regular Updates to the Zoning Code to Reflect Housing Standards and Regulations

functions.

⁴ See MVMC 5.32.010, which exempts 50% of any and all City licenses, fees and taxes, including Planning and Building development and building permit fees.

Update Mill Valley’s Zoning Code to provide adequate zoning provisions as established by State Housing Law (including but not limited to State density bonus regulations and special needs housing).

PROGRAMS

21. Update Zoning Code Consistent with Land Use Element

Background: In 2013, as part of the *2040 General Plan Update*, the City established minimum and maximum densities for each residential land use category, along with a Land Use Map that clearly depicts the General Plan designation of each parcel in the city. The maximum density on Mill Valley is 29 units per acre, which exists in all Commercial Zoning Districts. Minimum densities are also established to make sure that commercial and multi-family zoned parcels are built in an efficient manner, and offer a diver set of housing options beyond those types of housing options available in single-family zoning districts.

New single-family residential dwellings are prohibited in multi-family and commercial land use districts. And as described under Program #5 (Mixed Use Zoning in Commercial Districts), the updated Zoning Ordinance will remove the conditional use requirement for multi-family and mixed use projects.

Currently there is one neighborhood in close proximity to Downtown between Forrest and Millwood where the Single-Family land use designations do not align with the Multi-Family zoning designations. As part of the Housing Element Update, the properties will be rezoned to allow for the continued use of single family and multi-family units in the area by rezoning the area as Downtown Residential.

Lastly, the parcel located at 300 East Blithedale will also be rezoned from Single-Family to Multi-Family to facilitate the conversion of the large-scale building, currently vacant and operated by Comcast, into multiple housing units (as opposed to one single family home). This site has been identified and discussed as a parcel of interest in creating housing opportunities by the community, as noted as part of the City’s online survey launched in February 2022.

Program Objectives: *As part of the Housing Element Update, rezone RM3.5 to Downtown Residential (DR) to accommodate the mixture of single-family and multi-family land use in the Presidio neighborhood. Rezone 300 East Blithedale to multi-family residential to ensure that the building is converted into housing for multiple households.*

21A. Development Review and Approval Process for Housing Projects

Background: The City currently requires Design Review Permit for development of all new single and multi-family housing. The stated purpose of the Design Review Permit is “to encourage development that is compatible with, integrated into, and subordinate to its natural setting. The City strives to preserve, protect, and promote its unique environmental, community and scenic attributes through the residential design review process.”

In recent years, the State of California has implemented new laws to streamline the review and approval process for certain qualifying housing projects. Updates to the City’s Zoning Code should

be made to clarify the overall process and update design review process based on state law as well as identifying further actions to remove unnecessary barriers without compromising public health and safety.

Program objective: *By 2025 update design review thresholds established in the City’s Zoning Code based on state law and further streamlining those housing projects of interest, including but not limited to small-scale, infill development that satisfies objective development and design guidelines (Program 18)*

22. Update Parking Standards

Background: Mill Valley’s Zoning Code establishes an off-street parking standard of two spaces per residential unit, regardless of unit size or number of bedrooms. With the exception of density bonus incentives, the Code does not specify reduced parking standards for specialized housing types, such as senior housing, housing for persons with disabilities, or residential/commercial mixed use. While the Planning Commission can provide modified parking and shared parking standards on a case-by-case basis based on development and design review, this process should be made more effective by adopting appropriate refinements to the City’s parking standards and codified in the Zoning Ordinance.

The 2040 General Plan calls for the City to establish new parking standards and a citywide parking management program for vehicles and bicycles. The following programs are intended to enhance parking efficiencies and sustainability:

- Evaluate parking management strategies and implement those most suitable to Mill Valley’s parking needs, including but not limited to: shared parking, “unbundled” parking in commercial and multi-family residential projects, payments in-lieu of providing parking, credits for on-site car sharing, and variable pricing of on- and off-street parking to insure adequate parking during peak demand periods;
- Consider reduced parking requirements for affordable studio and one bedroom units;
- Consider reduced parking requirements in proximity to transit;
- Include bicycle parking requirements in parking standards; and
- Establish shared parking guidelines for mixed-use projects.

Program Objectives: *In the short term, as part of the adoption of the Housing Element Update, the City will establish reduced parking standards of 1 parking space per unit for those dwellings that are 1,000 square feet or less. In the longer term, evaluate and establish modified parking standards in the Zoning Ordinance to facilitate specific types of housing such as:*

- *Multi-family and mixed use developments within commercial areas*
- *Senior housing and housing for persons with disabilities*
- *Housing in proximity to transit (1/4 mile)*
- *One bedroom, studio and micro-units*
- *Shared parking ratios*
- *Bicycle parking*

23. Fee Deferrals and/or Waivers for Affordable Housing

Background: The City collects various fees from development projects to cover the costs of processing permits and providing services and facilities. While these fees are assessed on a per unit share basis, they are an element in the cost of housing and could potentially constrain the

provision of affordable housing. The deferral, reduction or waiver of City fees can lower the production costs of affordable housing.

Pursuant to Municipal Code Section 5.32, the City will continue to offer a 50% reduction in City fees, licenses and taxes for units provided at levels affordable to and occupied by lower and moderate income households. In order to specifically encourage the provision of housing affordable to extremely low income (ELI) households (<30% AMI), the City will waive 100% of application processing fees for projects with a minimum of 10% ELI units, or not less than one unit.

Program Objectives: Update the Planning and Building fee schedule to provide information about the affordable housing fee deferrals, reductions, and waivers available for affordable housing projects. By 2027, adopt a resolution to specify the waiver of 100% of application processing fees for projects with a minimum of 10% Extremely Low-Income units.

24. Density Bonus and Other Incentives for Affordable Housing

Background: Under Government Code section 65915-65918, for housing projects of at least five units cities must grant density bonuses ranging from 5% to 35% (depending on the affordability provided by the housing project) when requested by the project sponsor, and provide up to three incentives or concessions unless specific findings can be made. Local jurisdictions are required to adopt regulations that specify how compliance with the State's density bonus law will be implemented. In 2014, the Mill Valley City Council adopted local residential density bonus provisions (Mill Valley Municipal Code, Chapter 20.81), consistent with State law. The City's Ordinance reflects AB 2222, effective January 1, 2015, which requires developers to replace any pre-existing affordable units on a site as a condition of eligibility for granting a density bonus. This Ordinance shall be updated to reflect current State Density Bonus regulations.

Program Objectives: By 2024, Update and implement the City's local density bonus ordinance to implement State law.

Target the Community's Housing Needs

There are housing needs based the existing demographics of the community, including the fact that:

- The median age in Mill Valley is 50, with 23% of the population being 65 years or older.
- 72% of the workforce lives outside of the City.
- 86% of the community identifies as “white”.
- 29% of all households are cost-burdened paying over 30% of their income towards housing costs.
- 11% of individuals have a disability.
- Over 5% of individuals are below poverty level incomes.

In addition to the housing needs identified above, through the Housing Element Update process, the community also supported the need to create housing opportunities for future generations (75%). While housing for future generations is unknown, it can be assumed that housing costs will continue to outpace household incomes and the ability to pay for housing. See programs under “diversifying housing and expanding affordability” for programs aimed at providing smaller scale housing opportunities within the community.

As part of the online community survey, respondents also supported fair and equitable housing opportunities (77%). Housing policies and programs under furthering fair housing (Goal 6) must include “meaningful actions” beyond combating discrimination to overcome patterns of segregation and foster inclusive, affordable and stable communities. Specifically, fair housing programs should address: (1) segregation and integration, (2) racially and ethnically concentrated areas of poverty, (3) access to opportunity, and (4) disproportionate housing needs, including displacement.

In terms of furthering fair housing, there are over 10 complaints filed a year with the Fair Housing Advocates of Northern California, which is a nonprofit dedicated to equal housing opportunity. The group provides free comprehensive fair housing counseling, complaint investigation and assistance in filing housing discrimination complaints with the state and federal government. The majority of the complaints filed are related to providing reasonable accommodation, or the refusal to make reasonable accommodations in housing rules, policies, practices, or services to afford a disabled person equal opportunity to use and enjoy a dwelling. As a result, housing programs are intended to strengthen relationship between Fair Housing Advocates of Northern California; updating the City's source of income ordinance (Program 25); and promoting universal design (Program 28) as part of home improvement projects. Universal design also addresses the needs of seniors (23% of the population) and those persons living with a disability (11% of the population).

Still there are greater obstacles to overcome as a community in terms of creating opportunities that further fair housing and welcome new individuals and households into the community. While the City and Marin County is becoming more diverse, it is still considered a segregated community. Since 1990, segregation between non-White (all non-white residents combined) and White residents in Marin County has increased. Based on HUD's definition of segregation, Black and

White residents are highly segregated and Hispanic and White residents are moderately segregated while segregation between Asian/Pacific Islander and White residents is considered low. The fair housing program (#25) includes work and collaboration to ensure equal opportunity and treatment in the housing market. Connecting residents to supportive services (programs 26, 27, 29) and providing a diversity and range of housing affordability (see strategy above) is also a key component to diversifying the community as well.

The entire City of Mill Valley does score highly in terms of opportunity indices and is considered a high resource area, placing the City at a competitive advantage in applying for tax credits and other federal funding to build affordable housing.

GOAL 6.0: PROMOTE FAIR HOUSING OPPORTUNITES FOR ALL RESIDENTS, INCLUDING MILL VALLEY’S SPECIAL NEEDS POPULATIONS

POLICIES

Policy 6.1 Affirmatively Further Fair Housing

Seek to ensure that individuals and families pursuing housing in Mill Valley do not experience discrimination on the basis of race, color, religion, marital status, disability, age, sex, familial status, national origin, sexual preference, source of income or other arbitrary factors, consistent with the Fair Housing Act.

Policy 6.2 Create Housing Options and Mobility for Seniors

Support development and maintenance of affordable senior rental and ownership housing and supportive services to facilitate maximum independence and the ability of seniors to remain in their homes and/or in the community.

Policy 6.3 Create Flexible Housing Designs to Accommodate Persons with Disabilities

Address the special housing needs of persons with disabilities through provision of supportive housing, homeowner accessibility grants, zoning for group housing, and reasonable accommodation procedures.

Policy 6.4 Assist in Homeless Housing and Housing Support Services

Work cooperatively with Marin County and other applicable agencies to provide a continuum of care for the homeless, including emergency shelter, transitional housing, supportive housing and permanent affordable housing.

PROGRAMS

25. Fair Housing Programs

Background: Fair Housing Advocates of Northern California is the designated provider of fair housing and tenant-landlord information in Marin County. This organization provides fair housing investigation and coordinates referral services to assist individuals who may have been the victims of discrimination. Many of the people have basic questions about landlord and tenant rights and responsibilities; housing counselors provide clients with comprehensive information to help resolve tenant/landlord issues. Fair Housing Advocates also conduct extensive fair housing

education and outreach throughout Marin County and is a certified HUD Foreclosure Counseling agency. Mill Valley maintains a website dedicated to housing resources, including information on the Fair Housing Program.

The City of Mill Valley also has local regulations to “encourage landlords to participate in the Housing Choice Voucher program and to establish a right of tenants to be free of discrimination based on the source of their income or the use of rental subsidies and other rental programs” (MVMC 5.33.010). This ordinance should be updated so that it is similar to other local Marin-county jurisdictions, including the exemptions and liability established as part of the regulations.

Program Objectives: *By 2023, update the City’s source of income regulations contained in MVMC 5.33. In coordination with Program 2, host Multi-Housing/Rental Property Training to multi-family landlords in the City to educate landlords on a wide range of issues including eviction process, Fair Housing issues, reasonable accommodation, tenant screening, acceptance of HCVs as a legitimate source of income, and others. Ensure that landlords are aware of new source of income discrimination laws.*

Support equal opportunity lending programs and ensure that non-discriminatory practices will be followed in the selection of residents for participation in housing programs.

Continue to promote fair housing practices and refer fair housing complaints to Fair Housing Advocates of Northern California. Work collaboratively with Fair Housing Advocates of Northern California to review housing complaints on a quarterly basis. Publicize the fair housing program (including the City’s local ordinance to prohibit discrimination based on source of income or use of Section 8 subsidies) through placement of fair housing services brochures at the public counter, on the City’s website and in other community locations.

By 2025, update the reasonable accommodation ordinance (MVMC 20.28), as needed. to ensure compliance with State and federal laws.

26. Senior Support Services

Background: The Mill Valley 2040 Community Vitality Element establishes the following programs to support independent and healthy living for seniors:

- Work with paramedics, community based organizations and County and City staff to identify those most at risk for falls and provide them with assessments of their homes and regular check-ins to reduce the risk of injuries related to falls.
- Create "Safe Routes for Seniors" by identifying the routes that older adults take to access medical care, food and social events in the community and make those safer.
- Promote opportunities to allow residents who wish to age in place and remain part of the community.

Currently, senior citizens in Mill Valley have access to a range of services that can help support aging in place and prevent premature institutionalization. Many of the senior programs operate from the Community Center through the sponsorship of the Parks & Recreation Department. In addition to social and recreational activities, services such as health insurance counseling and advocacy, legal counseling, and AARP drivers safety courses are offered at the Center. The Mill

Valley Seniors Club meets weekly at the Center and provides input on the city's senior programming. The City is also recognized as an age-friendly city.

Mill Valley Village, together with its parent Marin Village, is a volunteer-drive non-profit membership organization dedicated to providing resources and assistance to enable seniors to remain in their own homes as they age. Mill Valley Village has a growing team of community volunteers to help members with occasional transportation assistance, household tasks, home visits and phone check-ins. In addition to home support services, Mill Valley Village will organize and link seniors with Village social events, cultural programs, and educational and fitness classes to support seniors in remaining active and connected to their community.

Program Objectives: *Support the provision of senior services in the community to promote independent and healthy living as outlined in the Mill Valley General Plan goals, policies and programs. Maintain the City's age-friendly city status and collaborate with other local jurisdictions.*

27. Home Sharing and Tenant Matching Opportunities

Background: Sharing a home promotes independent living, provides additional income for the provider, an affordable rent for the seeker, and the potential for deeper relationships for both. The average age of community members in Mill Valley is growing older, and nearly 500 seniors currently live alone in single-family homes in the city. Shared housing promotes the efficient use of the housing stock and can help address the housing needs of seniors in our community. Most recently, the city has also partnered with Front Porch to provide home matching services. In 2021-22, five seniors living alone opened their homes to provide housing connections and, in turn, allowed these seniors to continue to age in place.

Mill Valley maintains a website dedicated to housing resources, including information on the home sharing and tenant matching program.

Program Objectives: *Support organizations that facilitate house sharing, and actively promote through senior citizen organizations, such as Front Porch, Mill Valley Village and Mill Valley Seniors Club.*

28. Universal Design/Visitability/Adaptable Design

Background: As Mill Valley's population continues to age, providing housing that is accessible to people of all abilities becomes increasingly important. The majority the community's housing stock was built prior to 1991 when current ADA accessibility standards took effect, and thus it is important for the City to facilitate the retrofit of existing housing to provide greater accessibility, as well as to promote accessibility in new construction. The goal of universal design is to accommodate a wide range of abilities including children, aging populations, and persons with disabilities by providing features in residential construction that enhance accessibility. Examples of universal design features include:

- Entrances without steps that make it easier for persons to enter the home;
- Wider doorways that enhance interior circulation and accommodate strollers and wheelchairs;

- Lever door handles that are easier to use, especially by parents with an infant or persons with arthritis; and
- Light switches and electrical outlets that are located at a height more convenient and accessible to the elderly.

Housing that is “visitable” is accessible at a basic level, enabling persons with disabilities to visit the homes of their friends, relatives, and neighbors. Visitability can be achieved in new construction by utilizing two simple design standards: (1) providing a 32-inch clear opening in all interior and bathroom doorways; and (2) providing at least one accessible means of ingress and egress for each unit. Other universal design improvements requiring a building permit could be identified and waived from building permit fees and/or streamlined in terms of review.

Adaptable design means readily and easily adjusted to accommodate disabilities. In an “adaptable” dwelling, wider doors, no steps, knee spaces, control and switch locations, grab bar reinforcement and other access features must be built in, with the exception of grab bars that can be installed when needed. Many of these features are simple measures that can be taken advantage of during the renovation of a dwelling unit with information and education on such improvements.

Program Objectives: *By 2023, develop handouts and tips for encouraging principles of universal design as part of home improvement projects. Consider a fee waiver program for building permit items that are related to universal design.*

29. Homeless and Housing Support Assistance

Background: Support Countywide programs and the Marin Partnership to End Homelessness in the provision of resources to address the needs of the homeless and persons at risk of homelessness, including emergency shelter, transitional housing, supportive housing and permanent housing. Provide flyers and information on the City’s website, including the Annual Marin Community Resource Guide, and links to the emergency 211 toll-free call system for information and referral.

Senate Bill 2 establishes requirements for emergency shelter ordinances. During the State Department of Housing and Community Development (HCD) review of Mill Valley’s draft Housing Element, HCD requested specific changes to the City’s Emergency Shelter Standards that were adopted in October 2014. To address this issue, the City will amend Section 20.40.050.1 of the Municipal Code as follows: a) amend Section 20.40.050.1.G4 (Management Plan) to eliminate the following words in the last sentence “and other regulations, as appropriate, or as requested by the Planning and Building Director”; and b) eliminate Mill Valley Municipal Code Section 20.40.050.1.G5 (Annual Report).

Mill Valley maintains a website dedicated to housing resources, including homeless assistance information.

Program Objectives: Support implementation of the Homeless Countywide Continuum of Care and publicize the Marin Community Resource Guide and emergency 211 call system. Amend Mill Valley Municipal Code Sections 20.40.050.1.G4 and 20.40.050.1.G5 as specified in Program #31 in 2015.

Goal 7.0: Promote a healthy and sustainable Mill Valley through support of existing and new housing which minimizes reliance on natural resources and automobile use.

POLICIES

Policy 7.1 Promote Smart Growth

Preserve open space, watersheds and environmental habitats, while accommodating new growth in compact forms in a manner that de-emphasizes the automobile, allowing residents to use their cars less or not at all.

Policy 7.2 Create Healthy, Sustainable Buildings through Green Building Design

Ensure new development, including major remodels and additions, are sustainably designed, and consider establishing incentives to achieve energy efficiencies higher than those required under the CalGreen Building Code. Promote energy efficiency and the use of alternative energy sources such as solar energy, cogeneration, and non-fossil fuels through education materials and providing information on grant funding and other financial resources for home improvement projects.

Policy 7.3 Promote Healthy Community and Activity

Promote healthy living and physical activity through decisions in the location, site planning and design of housing and mixed use development.

Policy 7.4 Transportation Alternatives and Walkability

Incorporate transit and other transportation alternatives including walking and bicycling into the design of new development, particularly in areas within a half mile of designated transit stops.

Policy 7.5 Jobs/Housing Balance

Encourage a closer link between housing and jobs in the community, including housing opportunities affordable to Mill Valley's modest income workforce.

PROGRAMS

30. Prioritization of Sustainable Housing Projects

Background: The Federal Department of Housing and Urban Development (HUD), Department of Transportation (DOT), and the Environmental Protection Agency (EPA) formed an interagency partnership in 2009 for Sustainable Communities, incorporating livability principles into the provision of housing. The key principles are focused on the provision of housing in relative proximity to transit and amenities, therefore reducing the need for cars owned by residents. Community benefits associated with transit-accessible and mixed-use housing include: better health outcomes, increased access to employment, reduced infrastructure costs to the City, additional economic development, and increased tax revenue.

The City of Mill Valley places a high priority on sustainability, and will prioritize funding for residential and mixed-use projects within a quarter to half-mile walking radius of transit and other pedestrian amenities.

Program Objectives: *Prioritize redevelopment projects competing for funds and grants that are within a quarter to half mile radius of transit stops, have a large number of amenities and services within a half mile radius, and/or have a higher walk score.*

31. Green Building and Energy Conservation

Background: Mill Valley’s green building standards are codified in Chapter 14.48 “Green Building Standards” of the Municipal Code. For the 2019 code cycle, the City adopted more stringent Tier 1 requirements for additional mandatory and elective measures in the areas of planning and design, energy efficiency, water efficiency and conservation, material conservation and resource efficiency, and environmental quality.

All types of renovations are subject to Green Building standards and are scaled based on the scope of the project. Note that Mill Valley is more aggressive than state Green Building (CalGreen) requirements, both in level (tier 1) but also in that it applies to major renovations as well as new homes. Energy efficiency components can only be applied if the Energy Commission supports the cost-benefit analysis provided by the local jurisdiction at the time of the adoption of the Green Building ordinance. This is to ensure that the requirements are not a financial burden to the local community. In addition, the City’s ordinance encourages all-electric and limited mixed-fuel buildings by requiring higher energy efficiency standards for conventional mixed-fuel buildings.

The existing Green Building standards will be superseded by the new 2022 Building Code. As part of the update process, the City is coordinating with other local Marin County jurisdictions in determining those standards that are of interest to the local community and align with local Climate Action Plans that are more restrictive than the state standards. This work includes evaluating “reach codes” such as requiring new residential construction to use “solar ready” guidelines, for the easy, cost effective installation of solar energy systems in the future, when feasible.

Program Objectives: *In 2022-2023, provide outreach and education to developers, architects and residents to provide information and feedback on new proposed CALGREEN regulations as part of the building code update process. By 2023, expand website information, including developing handouts on ways to incorporate sustainability in project design and in existing structures as well as funding and grant opportunities available to reduce costs of green home improvement projects.*

Continue to work with the Marin Housing Authority to provide rehabilitation loan applicants with information on use of green materials and energy conserving measures in home improvements. Support efforts of the Marin Energy Authority, Marin Clean Energy and PG&E to maximize residential subscription rates for green energy plans. Incorporate energy conservation and sustainability measures as part of the proposed update to the mixed use/multi-family design guidelines and development standards (see Program #X for details).



Cool roof system on a Mill Valley home.

32. Addressing Natural Hazards

Background: In recent years and as reflected in the MV2040 General Plan, more attention has been raised about natural hazards and events as it relates to Climate Change. There are many potential hazards that could be exacerbated as part of climate change and sea level rise based on Mill Valley’s topography and proximity to San Francisco Bay. Floodplain and fire zones are important considerations in balancing housing opportunities with safety and hazardous conditions. As such, the Housing Element continues to be integrated into those other elements of the General Plan, including the safety and climate action elements.

Program Objectives: Continue to work with local jurisdictions and through the All Hazards Mitigation Plan and the MV2040 General Plan to address and mitigate natural hazards, including fire and flood protection and mitigation.

Goal 8.0: Coordinate with citizens, community groups, and governmental agencies to help address Mill Valley’s housing.

POLICIES

Policy 8.1 Community Participation

Undertake effective and informed public participation from all economic segments in the community, including both homeowners and renters, and special needs groups in the formulation and review of City housing policies.

Policy 8.2 Neighborhood Outreach

Encourage developers of any major housing project to conduct neighborhood meetings with residents early in the process to undertake problem solving and facilitate more informed, faster and constructive development review.

Policy 8.3 Public Review of Development

Encourage public awareness and involvement in housing development proposals to facilitate the design of new housing that fits within the neighborhood context.

Policy 8.4 Housing Element Implementation

Take a proactive leadership role in working with community groups, other jurisdictions and agencies, non-profit housing sponsors, and the building and real estate industry to ensure the timely follow through of actions identified in the Housing Element, including formation of a Housing Committee to support implementation.

PROGRAMS

33. Community Education and Outreach

Background: The City continues to build upon public dialogue and discussion that has occurred as part of the Housing Advisory Committee meetings, the Climate Action Plan update currently in progress and through recent City Council discussions related to diversity, inclusion, and equity.

The City will build on the momentum gained through these various discussions to implement various programs contained in the Housing Element Update. Education efforts will include informational materials on rehabilitation and maintenance of the existing housing stock; home improvement projects to retrofit home to address accessibility and/or energy efficiency, and the creation of housing that fits with and enhances the small-town character of Mill Valley.

Program Objectives:

- *Provide ongoing education and outreach on housing issues, rehabilitation, energy retrofits, and design through presentations, on-line resources, housing fact sheets and other means.*
- *Assist prospective applicants of all types of residential developments in coordinating meetings with neighbors and other stakeholders prior to submittal of a formal development application.*
- *Coordinate with interested groups, including local businesses, housing advocacy groups and owner and renter neighborhood groups to build public understanding and support for affordable, workforce and special needs housing.*

34. Housing Element Monitoring/Annual Report

Background: The Planning Department is responsible for the regular monitoring of the Housing Element, and preparing an Annual Progress Report for review by the public, City decision-makers and submittal to State HCD. Completion of the Annual Report is required for the City to maintain access to State housing funds.

The Annual Report documents:

- Mill Valley's annual residential building activity, including identification of any deed restricted affordable units and assignment of market rate units to an appropriate affordability category;
- Progress towards the Regional Housing Needs Allocation since the start of the planning period; and
- Implementation status of Housing Element programs.

Program Objectives: *The Planning and Building Departments will review the Housing Element annually and provide opportunities for public participation, in conjunction with the submission of the City's Annual Progress Report to the State Department of Housing and Community Development by April 1st of each year.*

35. Mill Valley Housing Advisory Committee

Background: The City Housing Advisory Committee was established as part of the previous Housing Element and serves as an advisory group to the Planning Commission and City Council for guidance on Mill Valley's housing policies, procedures, projects and funding opportunities. Responsibilities of the Housing Advisory Committee include:

- Monitor and report regularly on housing issues in Mill Valley, including:
 - Progress towards Housing Element goals
 - Identifying Housing Element programs of interest to research and assist staff in implementation
 - Identifying Housing Element programs to prioritize for funding through the local Housing Trust Fund
- Work with the City Council to coordinate housing activities with other City goals and plans.
- Meet regularly to gather public input and recommendations, and to make periodic reports to the Planning Commission and City Council, as needed.
- Coordinate with interested and affected groups, as directed by the City Council.
- Research and investigate new and existing methods of financing, funding and managing housing and mixed use affordable housing development consistent with Housing Element goals and policies, and report findings to the City Council, as requested.

Program Objectives: *Continue to support Housing Element implementation and identify Committee priority items based on Housing Element programs.*

