



## Memorandum

January 9, 2013

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**TO:** Mill Valley General Plan Advisory Committee (GPAC)

**FROM:** Geoff I. Bradley, AICP, M-Group  
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**SUBJECT:** Affordable Housing Overlay – Safeway Site

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One of the strategies contained within the Draft Housing Element is the creation of an Affordable Housing Overlay that would offer a package of zoning incentives on designated sites to make the development of affordable housing more feasible. The two sites currently identified with the Overlay are The Redwoods senior housing complex at 40 Camino Alto, and the Safeway shopping center site located at 1 Camino Alto.

Through an objective analysis of vacant and underutilized sites under the City's existing Zoning and General Plan designations, the Housing Element sites strategy demonstrates compliance with the total number of units required by the RHNA. However, in order to provide adequate sites to meet the lower income components of the RHNA, it is also important to identify sufficient sites that have a high probability of being financially feasible for actual development of affordable housing. Two key factors utilized by the State to assess site feasibility are: 1) permitted density, and 2) site size and associated unit yield. While Mill Valley's RM-1.5, RM-2.0 and Commercial zoning districts meet the State's "default density" standard of 20 units/acre for lower income development feasibility, the majority of higher density sites within the sites inventory yield less than ten units. Out of 142 sites on the site inventory there are only eight sites that yield 10 or more units.

In our recent experience with the State in review of Sausalito's now state- certified Housing Element, demonstrating the feasibility of developing affordable housing on lower yield sites requires a strong and detailed program of incentives to facilitate development, which are recommended as part of the policies and programs in the Draft Housing Element. In addition, retaining The Redwoods site under the Housing Affordability Overlay will also address the challenge of meeting the City's lower income RHNA requirements on small sites. The Redwoods currently has 150 independent senior living apartments, 60 of which have Section 8 rent subsidies and are affordable to very-low income seniors. The Redwoods is also planning to develop an additional 49 apartment units for modest income seniors. Based on further discussions with The Redwoods' Chief Executive Officer, we recently learned that all of these new units are planned to be provided at levels affordable to low income



seniors; the Housing Element sites inventory had previously assumed a mix of 20 lower income and 30 market rate units at The Redwoods.

Given this information, in combination with strong concerns from community members about the Safeway site, we are recommending that the Safeway site be removed from consideration as an Affordable Housing Overlay site. The Safeway site would still be on the site inventory due to the existing zoning that allows for residential development, but would not be provided the additional incentives for development under the Affordable Housing Overlay.