

4.0 HOUSING CONSTRAINTS

4.1 OVERVIEW

The Housing Element must identify and analyze potential and actual governmental constraints to the maintenance, improvement, and development of housing for all income levels, including housing for persons with disabilities. The analysis must identify the specific standards and processes and evaluate their impact, including cumulatively, on the supply and affordability of housing. The analysis must determine whether local regulatory standards pose an actual constraint and must also demonstrate local efforts to remove constraints that hinder a jurisdiction from meeting its housing needs. The Housing Element must analyze non-governmental constraints as well.

4.2 GOVERNMENTAL CONSTRAINTS

Corte Madera’s regulatory standards assure procedural consistency, promote a cohesive built environment, and protect the long-term health, safety, and welfare of the community. However, regulations can conflict with policies and constrain the development of affordable housing. The following analysis assesses the Town’s land use regulations, procedures, and fees to identify possible conflicts.

General Plan Land Use Element

The General Plan Land Use Element provides five residential land use designations, which are summarized in Table 55 below.

Table 55 General Plan Residential Land Use Designations

Designation	Minimum Lot Size	Residential Development Density	Description
Open Residential	5 acres	0 to 0.2 units per acre	Steep slopes; unstable soils.
Hillside Residential	20,000 square feet	0.2 to 2.2 units per acre	Neighborhoods constrained by steep slopes and narrow streets.
Low Density Residential	7,500 square feet	0.2 to 6.0 units per acre	Single family detached neighborhoods.
Medium Density Residential	8,000 square feet	6.0 to 11.0 units per acre	Existing multi-family developments.
High Density Residential	8,000 square feet	11 to 25 units per acre	To encourage affordable and workforce housing.

Most land designated for residential development in Corte Madera has been built upon. Most of the remaining vacant residential parcels are constrained by steep slopes that increase development costs and limit development potential. In response to the continuing need to develop housing, the Town adopted four mixed-use designations in the 2009 General Plan that are intended to encourage residential development in commercial areas. Mixed-use land use designations are shown in Table 56. Each of these designations is designed to provide incentives for redevelopment projects that include affordable housing. These designations will be implemented with new zoning districts that will be developed as a follow-up to adopting the 2009 General Plan. The Mixed-Use Region Serving designation will be implemented with planned development zoning or the AHMU overlay. The Mixed-Use Gateway designation was put into effect with a single-site zoning district developed solely for the former WinCup property. AHO zoning was applied to the area designated Mixed-Use, Old

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Corte Madera Square in 2003 and remains in effect. A Mixed Use district will be developed and adopted as an implementation measure prescribed by the 2009 General Plan.

Table 56 General Plan Mixed Use Designations

Designation	Commercial FAR	Residential Development Density
Mixed-Use Region-Serving Commercial	0.47	5.0 to 7.5 units per acre. Up to 9.4 units per acre with density bonus
Mixed-Use – Gateway Area	0.34	25.1 to 40.0 units per acre
Mixed-Use: Old Corte Madera Square	1.0	15.1 to 25.0 units per acre.
Mixed-Use Commercial	0.34	15.1 to 25.0 units per acre.

In addition to the mixed-use land use designations, the Town has adopted policies in the Land Use Element of the General Plan to further encourage in-fill and mixed-use development in the commercial areas of the community, especially along the Highway 101 corridor that provides access to transit routes and the freeway. The Town does not have growth controls or prohibitions against multifamily in the General Plan or in any other part of its regulatory system. The Town Council adopted a temporary moratorium on the issuance of land use entitlements for a relatively small area designated the Tamal Vista East Corridor on October 7, 2014. The moratorium is in effect through October 7, 2015. The area is bounded by Madera Boulevard, Tamal Vista Boulevard, Wornum Drive and Highway 101. It does not include any of the sites listed in the Available Land Inventory on Table 47.

The General Plan provides a comprehensive program, including mixed-use land use designations, to promote housing development at all income ranges. The General Plan is not a constraint to housing development.

Residential Development Standards

The Town of Corte Madera zoning ordinance includes five “base” low- and medium-density residential districts with typical suburban development standards and four high-density overlay districts that are designed to encourage affordable housing. The development standards for the base residential districts and the affordable housing overlay districts are summarized in Table 57 on the following page.

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Table 57 Residential Development Standards

	Residential Zoning Base Districts				Affordable Housing Overlay Zoning Districts					
	R-1-C	R-1-B	R-1-A	R-1	R-2	AHO	AHE-A	AHE-B	AHMU	MUGD
Zoning district	R-1-C	R-1-B	R-1-A	R-1	R-2	AHO	AHE-A	AHE-B	AHMU	MUGD
Building height	30	30	30	30	30	30	38	38	38	38 and 48
Lot width	100	50	30	30	30	Set by base district	30	30	Set by base district	None
FAR										
Commercial	NA	NA	NA	NA	NA	NA	NA	NA	1.0	None
Residential	.4 to .6	.4 to .6	.4 to .6	.4 to .6	None	None	None	None	None	None
Setbacks										
Front	35	30	25	15-20	20	Set by base district	20	20	Set by base district	Flexible
Side	25	20	10	5-6	6	5	6	6	5	Flexible
Rear	100	50	35	25	25	5	25	25	5	Flexible
Minimum Lot Area	5 acres	1 acre	20,000 s.f.	7,500 s.f.	8,000 s.f.	No minimum	No minimum	No minimum	No minimum	1 acre
Lot Area per D.U.(s.f.)	5 acres	1 acre	20,000 s.f.	7,500 s.f.	4,000 s.f. 2,000 s.f./du for senior housing.	1,742 s.f. (25 du/ac)	1,742 s.f. (25 du/ac)	1,742 s.f. (25 du/ac)	1,742 s.f. (25 du/ac)	1,089 s.f. (40 du/ac)
Lot coverage (maximum %)	Evaluated based on site characteristics	15%	25%	30 – 35%	35%	Set by base district	35%	35%	Set by base district	None
Minimum Open space (s.f.)	NA	NA	NA	NA	300 s.f./du	150 s.f./du	150 s.f./du	150 s.f./du	150 s.f./du	50 s.f./du
Parking spaces per D.U.	2	2	2	2	1 bdrm: 1.5 >1 bdrm: 2 Guests: 1 / 10 units	1 bdrm: 1 2 bdrm: 1.5 ≥3 bdrm: 2 Guests: 1 / 10 units	1 bdrm: 1 2 bdrm: 1.5 ≥3 bdrm: 2 Guests: 1 / 10 units	1 bdrm: 1 2 bdrm: 1.5 ≥3 bdrm: 2 Guests: 1 / 10 units	1 bdrm: 1 2 bdrm: 1.5 ≥3 bdrm: 2 Guests: 1 / 10 units	1 bdrm: 1 2 bdrm: 1.5 ≥3 bdrm: 2 Guests: 1 / 10 units

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Low density residential districts

Description. The R-1-A, R-1-B, and R-1-C districts regulate steeply sloped and potentially geologically unstable areas of the community. These single-family districts allow one home per parcel; second units are allowed by right. Lot size is the controlling standard in these districts, which serves to minimize grading for home sites, roads, and utilities by requiring larger lots for steeper topography. The R-1-C district applies to the steepest areas of the town, requiring a five-acre minimum lot size. The R-1-B and R-1-A districts address progressively less steep parcels and permit smaller lot sizes at 1 acre and 20,000 s.f. respectively. The lot width and setback standards are designed to minimize grading, drainage impacts, and tree loss, while maintaining a separation between homes that is characteristic of these hillside neighborhoods. The R-1 district comprises most of the single-family neighborhoods in Corte Madera, including all of the “flat land” neighborhoods and portions of the older hillside residential areas. The R-1 district is designed to maintain the low-density character of these areas, and the development standards are structured accordingly. Minimum lot sizes are 7,500 square feet, and front side and rear yard setbacks are 20, 6, and 25 feet respectively.

The R-1 and the R-1-A, -B, and -C districts share the same FAR formula, which ranges from 0.6 for properties smaller than 5,000 square feet to 0.4 for parcels larger than 7,500 square feet. All of the zoning districts in the R-1 series have a height limit of 30 feet. Similarly, all of the R-1 series require 2 parking spaces per dwelling unit.

Analysis. R-1 and the R-1-A, -B, and -C districts development standards are analyzed below:

- *Building height.* Corte Madera’s standard for measuring height is generous. “Building height” is defined as the vertical distance from the finished grade to the highest point of the structure. Maximum height is measured from finished grade to an imaginary plane located the allowed number of feet above and parallel to the finished grade. Thus, the height envelope “flexes” with the finished grade of the property, thereby assuring that the 30-foot height limit allows at least two stories can be built on any parcel. The method for measuring height also allows portions of building to be below grade without a height penalty, and places no limits on the number of levels that may be allowed. For this reason, it is possible to build three story homes on flat lots in the low-density districts, and four-level houses have been approved and developed on sloped lots.
- *Minimum Lot width.* The 30-foot minimum lot width in the R-1 and R-1-A districts allows maximum flexibility in lot configuration, and in this sense minimizes one of the typical obstacles to housing development. The larger minimum widths required for the R-1-B and R-1-C districts – 50 and 100 feet respectively – do not act as constraints in these districts due to the large lot sizes (1 and 5 acres). For example, if a property owner chose to create a minimum-size parcel in the R-1-C with the minimum frontage, the parcel could be more than 2,175 feet deep. This example demonstrates that the lot-width requirement in the R-1-C is not unduly restrictive. The same analysis applies to the R-1-B lot width standard, with the same result.
- *FAR.* The floor area ratio standard ranges from .6 for parcels of 4,600 square feet or less, to a maximum of .4 for lots of 7,700 square feet or larger. Thus, for example, a 2,760 square foot home can be built on a 4,600 square foot parcel. While .4 is the maximum FAR for larger lots, there is no maximum home size. The generous FAR for small lots promotes development in the pre-1920’s neighborhoods, where parcels tend to be smaller, and the lack of a maximum home size standard allows builders to

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meet market expectations on the larger hillside lots. For these reasons, the FAR standard is not a constraint on development.

- *Setbacks.* The standard parcel in the R-1 district measures 75 feet wide by 100 feet deep. When front, rear and side setbacks are subtracted, 3,465 square feet of lot area remains available to accommodate a footprint of up to 2,250 square feet as allowed by the 30% coverage factor. Thus, the two dimensional development envelope created by the R-1 setbacks is substantially larger than needed for the building foundation, allowing the builder flexibility in locating and configuring the home, and avoiding artificial, and possibly costly, constraints. The R-1 district recognizes that many parcels in the district are substandard size and allows reduced front and side yard setbacks for lots that have less than the minimum lot area. As another example, a minimum size, square lot (approximately 141 feet wide by 141 feet deep) in the R-1-A district has an envelope slightly larger than 9,800 square feet that can easily accommodate the 5,000 square foot building footprint allowed by the 35% coverage limit. Narrower lots result in larger envelopes because they have the effect of minimizing the lot area devoted to the front and rear yard setbacks, which are proportionately larger than the side yard setbacks. In the unlikely situation that an otherwise conforming R-1-A lot were so wide that it resulted in an envelope too small to accommodate the maximum coverage standard, the property would qualify for a variance. As in the R-1 district, the R-1-A setback standards create a generous envelope for construction and are not a constraint on housing development. The R-1-B and -C setbacks are slightly larger than the R-1-A requirements, but due to the substantially larger lot sizes (1 and 5 acres) the resulting development envelope is proportionally larger.
- *Minimum lot area.* As discussed above, lot size standards are set by hillside conditions in the case of the R-1-A, -B, and -C districts, and by the prevailing neighborhood development patterns in the R-1 district. However, the zoning ordinance recognizes the existence of many substandard size lots, and provides that development is permitted on all lots irrespective of parcel size. The ordinance also states that development on substandard size lots shall not be considered "legal nonconforming" by virtue of lot size, thereby avoiding the need for use permits to replace a damaged or destroyed building on a non-conforming lot. Further, the R-1 district has reduced setback and coverage standards for substandard size lots.
- *Lot coverage* ranges from 35% for substandard sized lots in the R-1 to 15% in the R-1-B district. This range is appropriate for the minimum lot sizes of the respective districts and is not a constraint on housing development. For example, the coverage standard allows a 1,750 square foot building footprint on a 5,000 square foot lot in the R-1 district to accommodate up to 2,350 square feet of building floor area. In the R-1-B district, the maximum lot coverage on a standard size lot is 6,524 square feet. Based on these examples, the coverage standards are not unduly restrictive. In the R-1-C district, coverage is determined based on site characteristics. These properties are generally the steepest lots in the community and therefore need to be evaluated for coverage on a case-by-case basis, due to soil conditions and the possible need to correct landslide conditions.

Conclusions. The R-1 and the R-1-A, -B, and -C development standards have not constrained housing construction in Corte Madera, nor have they been a barrier to the development of affordable housing. Existing densities generally match General Plan land use designations, and the larger lot sizes of the R-1-A, -B, and -C districts are necessary due to hillside conditions. In the past decade, the Town approved 10 single-family homes and 12 second units in the R-1 and the R-1-A, -B, and -C districts. The cumulative effect of the low-density

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housing regulations has been to permit the development of 22 homes, by right, in the past decade. More the 50% of these homes were affordable second units.

Medium density residential district

Description. The R-2 district is Corte Madera's "base" multi-family zoning district. The R-2 district is distributed throughout the flat areas of the community. The minimum lot size is 8,000 square feet, with 4,000 square feet required per dwelling unit. This formula equates to a density of 10.9 units per acre, however, densities up to 21.75 units per acre are allowed for senior housing. The R-2 district allows multiple dwellings (structures with 2 or more units for rent or for lease) by right with no requirement for a use permit and allows multiple houses (structures with 2 or more units for sale) with a conditional use permit. Setback and height standards in the R-2 zoning district match those in the R-1 district. The R-2 district has a usable open space standard of 300 s.f. per unit. There is no FAR formula for the R-2 zoning district. Parking in the R-2 district is based on the number of bedrooms in each dwelling unit, with 1.5 spaces required for an efficiency or single bedroom unit, and 2 spaces required for each unit with more than 1 bedroom. One guest parking space must be provided for every 10 units.

Analysis. Essential elements of the R-2 development standards are assessed below:

- *Building height, lot width, setbacks, and coverage.* These development standards match the corresponding R-1 standards. As discussed above in the analysis of the R-1 standards, the definition and method for measuring height allow for three-story buildings. The lot width and setback standards are minimal and do not act as constraints. The 35% coverage standard allows adequate space to accommodate required parking and landscaping without unduly restricting the potential development yield.
- *Minimum lot area.* The requirement for an 8,000 square foot minimum lot size does not constrain housing development because it is consistent with the lotting patterns in the areas where the R-2 district is applied. Also, the zoning ordinance permits development of substandard lots without the requirement for a variance from the lot area standard.
- *Lot area per dwelling unit.* The requirement for 4,000 square feet of lot per unit results in a density range of up to 10.9 units per acre. The R-2 standards facilitate senior housing by allowing 2,000 square feet of lot area for age-restricted housing.

Conclusions. The R-2 standards are minimal and do not constrain housing development. There are currently two applications for developments that include affordable housing in the R-2 district.

Overlay districts

Description. While the base residential districts are not an obstacle to housing development, the lack of vacant residentially zoned property zoned for medium- and high-density housing is a significant impediment. In response to this problem, in 2003 the Town amended the zoning ordinance to include four housing overlay districts (see Table 57) as part of the implementation program for the 2002 Housing Element. The AHO, AHE-A, AHE-B, and AHMU districts allow densities at 25 units per acre by right without the requirement for a use permit and provide other incentives to redevelop properties for affordable housing. In AHE-A districts, 50% of the units must be affordable to qualify for the increased density allowance. The affordability requirement in the AHE-B district is 100% to qualify for the 25 unit per acre

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density standard. The AHO and AHMU districts are designed to overlay commercial districts. The AHMU district allows 25 units per acre in return for 50% of the units being affordable. The AHO district is similar to the AHMU, except that it requires 100% affordability.

In 2011, the Town amended the zoning ordinance to include a Mixed Use Gateway Overlay (MUGD) district. The MUGD district allows 40 units per acre in return for 10% of the units being affordable.

Analysis. Relevant development standards for the overlay districts are discussed below:

- *Base districts.* The AHO district applies to the Old Corte Madera Square neighborhood, where the base zoning is R-2 Low Density Multiple Dwelling and C-1 Local Shopping. Applying the AHO establishes a density standard to properties zoned C-1 where there is currently no density standard, and more than doubles the density standard in the R-2 district. The AHE-A and -B districts can be used to overlay the R-2 district outside the Old Corte Madera Square area, thereby more than doubling the allowed residential density in return for providing affordable housing. The AHMU district may be placed over the C-1, C-2 and C-4 commercial districts. The effect is to allow high-density housing by right without the requirement for a use permit in commercial districts that otherwise require a use permit for housing for which there is no density standard. The overlay allows mixed use multifamily residential and local serving commercial uses.
- *Building height.* The AHO limits building height to 30 feet. This effectively limits housing to two stories, which is a necessary constraint to preserve the historic character of the Old Corte Madera Square neighborhood. The AHE and the AHMU districts allow building heights up to 38 feet, which is generally considered an incentive for higher densities and affordable housing. The MUGD district allows building heights of 38 feet along the street frontage and 48 feet on inner portions of the lot.
- *FAR.* The AHO, AHE and MUGD districts do not regulate floor area ratios. The AHMU allows a 1.0 FAR for commercial development in return for providing affordable housing. This is a significant increase over the .34 FAR allowed by the base districts.
- *Setbacks.* In the AHO, the front set back is the same as the base district – 20 feet in the case of the R-2 and 10 feet for the C-1 district. The purpose of this standard is to maintain the character of the street frontage in Old Corte Madera Square. The AHO requires 5-foot setbacks for the side and rear yards, which is considered a minimum standard necessary for access. The AHE-A and -B districts have the same front, side, and rear yard setbacks as the R-2 district; historically, these setbacks have not constrained high-density housing in Corte Madera. The AHMU overlay has the same setbacks as AHO district. The front setbacks are set by the base district in order to preserve the existing street frontage patterns. The requirement for 5-foot side and rear yard setbacks is necessary for pedestrian access. The MUGD district has flexible setbacks.
- *Minimum lot area.* With the exception of the MUGD district, the overlay districts do not have minimum lot area standards, thereby avoiding a potential constraint on housing development. The MUGD district has a minimum lot area of one acre.
- *Lot coverage.* Lot coverage for the AHO overlay is set by the base districts, which have a 35% coverage standard in the case of the R-2, and no coverage limits in the C-1 base district. The AHO relies on the base districts in order to maintain the design character of the Old Corte Madera Square neighborhood, where it is applied. The AHE districts have the same 35% coverage requirement as the R-2 base district, so

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as to be consistent with adjacent R-2 properties where the overlay may not be in effect. The coverage standard for the AHMU is set by the underlying base districts, which have no coverage standards. The MUGD district has no lot coverage standard.

Conclusions. The overlay districts promote high density and affordable housing with a variety of incentives, including increased densities, density bonuses in excess of state density bonus law requirements, increased height limits at 38 to 48 feet, a commercial FAR bonus in the AHMU, reduced setbacks in the AHO and AHMU, and reduced parking and open space requirements in all five overlay districts. To date, two projects have used standards in the overlay districts as a basis for developing affordable housing. The 79-unit San Clemente Place project was developed in the AHMU district, and the 180-unit Tam Ridge Residences project was developed in the MUGD district. This experience has shown that the development standards in the overlay districts are an effective incentive for affordable housing.

Neither the base residential districts nor the affordable housing overlay districts have restrictions or require use permits for multifamily rental housing, factory-built housing, mobile homes, supportive housing or transitional housing. The R-2 district and the overlay districts allow multifamily rental housing by right without the requirement for a use permit. In order to clarify current practice, the Housing Element includes a program to add definitions of factory-built housing and mobile homes to the Zoning Ordinance as permitted uses in the base residential, and affordable housing overlay districts.

Non-Residential Development Standards for Commercial Districts Permitting Residential Uses

Corte Madera has 10 non-residential zoning districts. Two non-residential districts, the C-1 and C-3 commercial districts, allow housing, subject to approval of a conditional use permit. Program H-2.9.a will add a Mixed-Use Zone to the Zoning Ordinance to establish clear and objective development standards that will facilitate mixed use in areas that are currently zoned C-1 and C-3.

Affordable Housing Ordinance

Adopted in 2003, the Corte Madera Zoning Ordinance sets inclusionary housing requirements for residential development projects (CMC 18.24.120 – Affordable Housing). Development projects that include from 1 to 9 units are required to provide 1 unit affordable to a lower income household. As an alternative, developers of these smaller projects may pay an in-lieu fee that is based on the difference between the cost of constructing an affordable unit and what a low-income family of three can afford. For purposes of the calculation, the size of the unit is set at 1,500 square feet and the cost of construction at \$125 per square feet, for a total construction cost of \$187,500. In 2014, the in-lieu fee was determined to be \$36,836 per unit. This fee is significantly lower than what other Marin jurisdictions charge. Marin County, for example, charged \$232,020 per unit in 2014, while Tiburon charged \$405,000 per unit. Given that Corte Madera's fee is among the lowest in Marin County, the affordable housing in-lieu fee is not a constraint on development.

Projects that include 10 or more dwelling units must include affordable units at the following ratios:

- 5% of the units for very low-income households;
- 10% of the units for low-income households;

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- 10% of the units for moderate-income households.

Projects that meet the inclusionary ordinance are entitled to a density bonus in accordance with State law. The inclusionary ordinance does not allow projects with 10 or more units to pay the in-lieu fee or to provide the required affordable units off-site. Projects in the affordable housing overlay zones are exempt from the ordinance because by definition they provide affordable housing at ratios in excess of the inclusionary requirements.

As shown in Table 58, the Town’s inclusionary requirements for market-rate developments with 10 or more units are higher than other jurisdictions in Marin County. Corte Madera requires 25 percent of units to be affordable while most other jurisdictions require 15 to 20 percent affordable units. However, recent experience indicates that the inclusionary affordable housing requirement is not constraining development. The proposed 16-unit project at 1421 Casa Buena Drive (Site #2) provides an example. The Town’s inclusionary requirement, in concert with a State density bonus, increased the number of units that could be built on the site from 12 to 16 units. The inclusionary requirement, which is calculated on the number of units before the density bonus is applied, requires three affordable units to be built (one unit affordable to a very low income household, one unit for a low income household, and one unit for a moderate income household). State density bonus law provides a 27.5% density bonus for this project, allowing an additional four units to be built, and thereby offsetting the increased cost of development. Based on this experience, there appears to be no need to revise the inclusionary requirements to more closely align with that of other communities. Nonetheless, Program H-2.12.b states the Town will monitor the Inclusionary Ordinance throughout the planning period and consider adjusting the number and/or percentage of required affordable units as necessary in order to achieve the Town’s affordable housing goals without unduly impacting overall housing production and supply.

Table 58 Comparison of Inclusionary Housing Requirements in Marin

Jurisdiction	Minimum Project Size	Percent Required
Corte Madera	1 unit	1-9 units: in-lieu fee or 1 unit 10+ units: 25%
Larkspur	5 units	5-14 units: 15%; 15+ units: 20%
Marin County	1 unit	Single family dwelling greater than 2,000 square feet (not part of new subdivision) and multi-family rental development pay affordable housing impact fee. Multi-family ownership and subdivisions: 20% (in-lieu fee for below 0.5 unit)
Mill Valley	2 units	2-9 units pay an in-lieu fee. 10+ units: 10% for projects with density less than 7 du/ac; 15% for projects with density more than 7 du/ac
Novato	3 units	Dependent on number of units. Minimum 10% for 3-7 units. Maximum 20% for 20 or more
San Rafael	2 units	2-10 units: 10% (in-lieu fee for up to 0.5 unit); 11-20 units: 15%; 21+ units: 20%
Sausalito	Condo conversion affecting 5+units	15% of units and not less than one.
Tiburon	2 lots/units	2-12 units: 15%; 13+ units: 20%

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Fees and Exactions

Development fees charged by the Town of Corte Madera fall into three categories:

1. Processing fees for direct Town services.
2. Development impact fees charged to finance the cost of capital improvements or mitigate project impacts.
3. Fees collected by the Town for other governmental agencies.

Processing fees are collected when a development application is filed. The Town sets the rate for application fees based on the cost to process the application, including the initial receipt of the application materials, analysis and approval of the application, and post-approval administration such as filing and inspections. Most application fees are charged on a time and materials basis. In these cases, the applicant pays a deposit, and the Town draws down on the deposit based on the number hours worked based on an hourly rate that covers the salary of the employee performing the service and a fixed percentage for overhead. Applications for services that require minimal review times are charged flat rates. These rates are based on time studies that have determined the average processing time for a particular service. Table 59 lists the processing fees for residential development. The Town has received only two applications for General Plan amendments or rezonings in recent years, due to the lack of vacant property, and these applications will be exceptions to the rule for the foreseeable future. It is Town policy to consider waiver of processing fees for affordable housing projects.

The Town of Corte Madera collects four impact fees, listed in Table 60 below, to mitigate the effects of residential development projects on the local environment. The impact fee rates were set based on nexus studies as required by the Mitigation Fee Act (Government Code section 66000–66025).

New subdivisions are required to dedicate land for parks or pay an in-lieu fee pursuant to the Quimby Act. The Park Dedication Ordinance sets a formula for the amount of land to be dedicated for each new lot resulting from subdivision. Due to the small amount of vacant land remaining for subdivision, a fee is collected in lieu of land dedication. The fee formula is based on the appraised value of the property being subdivided.

The Town may waive impact fees for affordable housing projects. The Town waived the Traffic impact fee for the San Clemente Place project.

The Town collects a connection fee for the Marin Municipal Water District and collects impact fees for the Larkspur-Corte Madera and Reed school districts as listed in Table 61 below.

Compared to the fee information provided in the 2011 Housing element, only two fees have increased. The sewer connection fee increased 13%, and the Larkspur-Corte Madera School District impact fee increased 50%.

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Table 59 Processing Fees

Application	Fee	
	Single-family	Multifamily
Planning and Zoning		
General Plan Amendment	Time & materials	Time & materials
Rezoning	Time & materials	Time & materials
Environmental Review	Time & materials	Time & materials
Design Review Application	Time & materials	Time & materials
<i>Variance</i>	Time & materials	Time & materials
<i>Second Unit Permit</i>	Flat Fee = \$1,195.00	NA
Subdivision		
Lot Line Adjustment	Time & materials	Time & materials
Tentative Map	Time & materials	Time & materials
Final Map	Time & materials	Time & materials
Building Permits		
Plan Check Fees	Time & materials	Time & materials
Building Permit Fees	\$2,790	\$3,940 for up to 2 stories \$1,985 for each additional story
SMIP Fee	.0001 X building valuation	.0001 X building valuation
Plan Retention Fee	\$1.00 per plan sheet	\$1.00 per plan sheet
Fire Protection		
Fire Sprinklers	\$348	\$785
Plan Check Fees	Time & materials	Time & materials
Public Works		
Sanitary Sewer Permit	\$475	Time & materials
Erosion & Sediment Control Permit	<ul style="list-style-type: none"> • Surface improvement, less than 1,000 sq. ft. -- \$225 • Surface improvement, 1,000 to 5,000 sq. ft. -- \$475 • Surface improvement greater than 5,000 and less than 10,000 sq. feet -- Time & materials 	<ul style="list-style-type: none"> • Surface improvement, less than 1,000 sq. ft. -- \$225 • Surface improvement, 1,000 to 5,000 sq. ft. -- \$475 • Surface improvement greater than 5,000 and less than 10,000 sq. feet -- Time & materials
Grading & Drainage Permit	<ul style="list-style-type: none"> • <100 cubic yards -- \$275 • 100 to less than 1,000 cubic yards \$525 • >1,000 cubic yards -- Time & materials 	<ul style="list-style-type: none"> • <100 cubic yards -- \$275 • 100 to less than 1,000 cubic yards -- \$525 • >1,000 cubic yards -- Time & materials
Floodplain Development Permit (for FEMA Special Flood Hazard Areas)	Cumulative improvement ratios: <ul style="list-style-type: none"> • Less than 40% -- \$225 • 40-50% -- \$275 • Greater than 50% -- Time & materials 	Cumulative improvement ratios: <ul style="list-style-type: none"> • Less than 40% -- \$225 • 40-50% -- \$275 • Greater than 50% -- Time & materials
Plan Check/Inspection Fees	Time & materials	Time & materials

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Table 60 Impact Fees

Category	Fee	
	Single-family	Multifamily
Park Land Dedication	Dedicate 540 sq. ft. of land per unit or payment of equivalent current value of land.	Dedicate 480 sq. ft. of land per unit or payment of equivalent current value of land.
Sewer Connection Fee	\$7,630/unit	\$7,630/unit
Traffic Impact Fee	\$565 to \$1,010 per unit, depending on location	\$565 to \$1,010 per unit, depending on location
Street Impact	1% of project valuation; charged to projects valued at more than \$10,000 only	1% of project valuation; charged to projects valued at more than \$10,000 only

Table 61 Fees Collected for Other Agencies

Agency	Category	Fee	
		Single-family	Multifamily
Marin Municipal Water District	Water Connection Fee	\$29,260/acre-feet of estimated annual water consumption; residential use is based on area average annual consumption. The area averages in Corte Madera range from .19 acre-feet (\$5,111) to .46 acre-feet (\$12,374). There are 15 areas, each with a different average.	\$29,260/acre-feet of estimated annual water consumption; residential use is based on area average annual consumption. The area averages in Corte Madera range from .19 acre-feet (\$5,111) to .46 acre-feet (\$12,374). There are 15 areas, each with a different average.
Central Marin Sanitation Agency	Sewer Treatment Capacity Charge	\$5,261 per residential unit, indexed to inflation (2013 fee schedule)	\$5,261 per residential unit, indexed to inflation (2013 fee schedule)
Larkspur-Corte Madera School District	School Impact Fee	\$3.94/s.f.	<ul style="list-style-type: none"> • \$3.94/s.f. • \$0.42/s.f. senior housing
Reed School District	School Impact Fee	\$1.40 /s.f	\$1.40 /s.f

Table 62 lists the fees that would be collected for a single-family infill home and a 10-unit multifamily apartment or condominium project. The single-family unit is assumed to be 3 bedrooms, with 2,400 s.f. of floor area on a 10,000 s.f. lot with a 400 s.f. garage at a density of 2 units per acre and a construction valuation of \$500,000. The multifamily project is assumed to be ten 2-bedroom units, each with 1,200 s.f. of floor area, on a .5-acre parcel with a construction valuation of \$400,000 per unit.

The distribution of fees by type for a single family dwelling is shown in Figure 17. The water connection fee, sewer connection fee, and school impact fee comprise about 54% of the total fee cost. The Town’s Building Division collects the school impact and water connection fees when building permits are issued and passes the proceeds to the respective school

4.0 HOUSING CONSTRAINTS

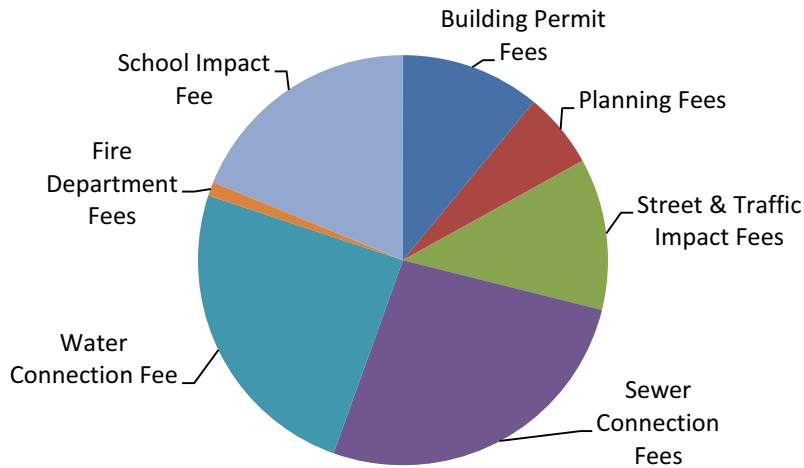
districts and the Marin Municipal Water District. The Town does not have the authority to waive or reduce them. The Town’s planning and building fees represent about 19% of the total fee for a single family dwelling. As a matter of policy, the Town considers a waiver of planning and building fees for affordable housing projects.

Table 62 Residential Development Fees

Category	Fee	
	Single-family	Multifamily
Design Review Application	\$3,000	\$6,000
Building Plan Check Fees	\$1,800	\$3,600
Building Permit Fees	\$2,790	\$3,940
SMIP Fee	\$50	\$400
Plan Retention Fee	\$85	\$200
Fire Sprinklers	\$348	\$785
Fire Plan Check Fees	\$200	\$400
Sanitary Sewer Permit	\$475	\$4,750
Erosion & Sediment Control Permit	\$225	\$475
Grading & Drainage Permit	\$275	\$275
Public Works Plan Check/Inspection Fees	\$300	\$1,000
Sewer Connection Fee	\$7,630	\$76,300
Traffic Impact Fee	\$1,010	\$10,100
Street Impact	\$5,000	\$40,000
Water Connection Fee	\$12,374	\$102,890
Sewage Treatment Capacity Charge	\$5,261	\$52,607
Larkspur School Impact Fee	\$9,456	\$47,280
<i>Total</i>	<i>\$50,279</i>	<i>\$351,002</i>

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Figure 17 Single Family Dwelling Fees



In 2009, the Marin Countywide Housing Workbook, a joint effort by Marin’s towns, cities, and the county, surveyed development fees charged by each of the jurisdictions for a single family home and for a 10-unit condominium project. Although the survey is dated, it provides a good comparison of jurisdictions’ fees, as fees have not changed much over the past five years. The assumptions for the size and value of these hypothetical projects are the same as for the projects analyzed in Table 63. Within the jurisdictions that contributed data, a single family home development is subject to average fees totaling \$46,633. A ten-unit condo development is subject to average fees totaling \$321,071. These figures exclude affordable housing fees.

Table 63 Average and Median Development Fees in Marin County

	Average	Median
Single Family Home		
Planning & Building Fees	\$12,832	\$13,368
Impact Fees	\$33,801	\$30,966
Total Fees	\$46,633	\$41,542
10-Unit Condo		
Planning & Building Fees	\$68,422	\$71,942
Impact Fees	\$252,649	\$240,033
Total Fees	\$321,071	\$300,754

Figures 18 and 19 show the development fees that would be charged for the two hypothetical developments in each jurisdiction. The charts illustrate the difference between jurisdiction fees and non-jurisdiction fees.

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Figure 18 Total Development Fees, Single Family Home

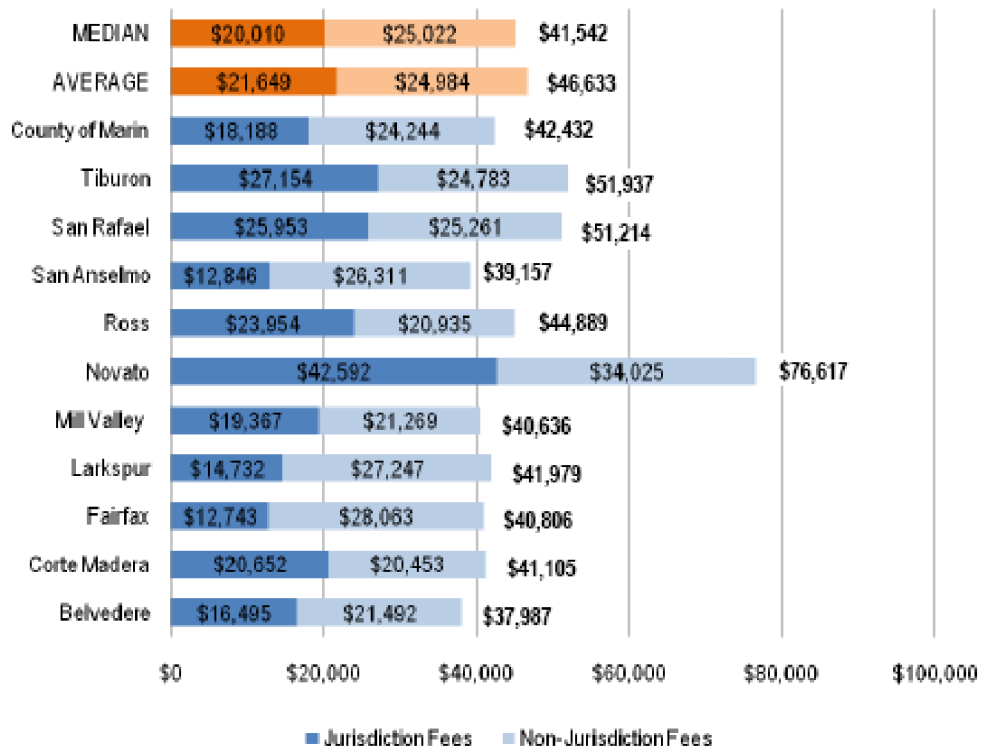
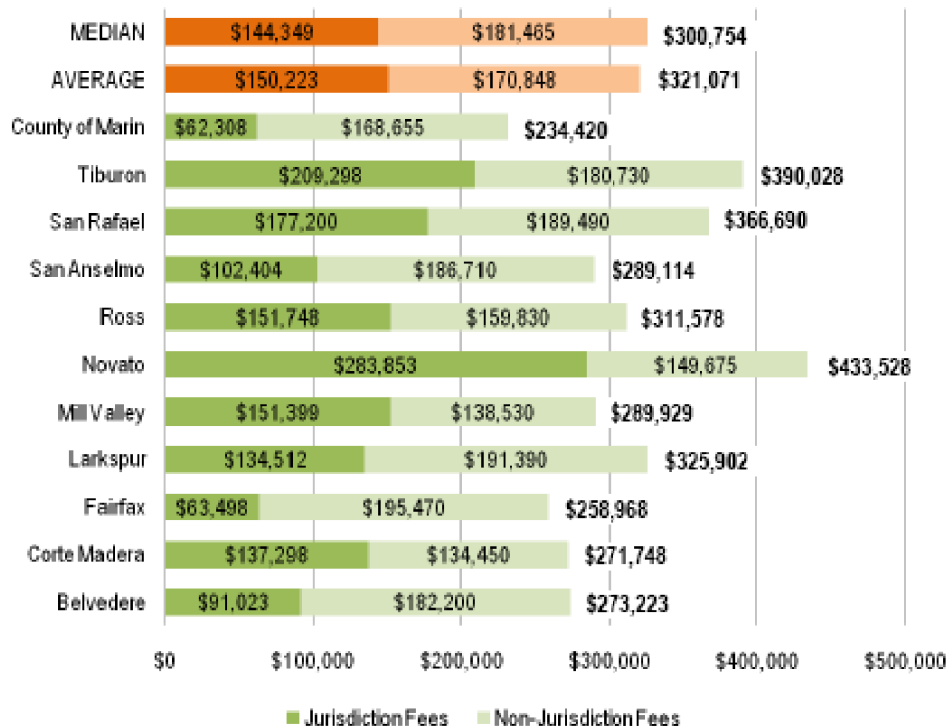


Figure 19 Total Development Fees, 10-Unit Condominium Development



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Corte Madera's residential development fees are in line with the fees charged by other jurisdictions in Marin County. The fees for a single home that are attributable solely to the Town (the "jurisdiction fees" in Figures 18 and 19) are approximately 3% higher than the median for Marin communities and the county. However, the total development fees charged by the Town for both the hypothetical single family home and the 10-unit condominium project are below the median charged by Marin towns, cities and the county. Accordingly, Corte Madera's fees have not affected the Town's competitiveness with neighboring communities in terms of affordable housing.

Corte Madera's second unit fee is \$1,195, which is higher than most jurisdictions' second unit fees in Marin County. In order to encourage second unit development, Housing Element Program H-2.15.c commits the Town to consider waiving or reducing the second unit application fee and to work with special districts to reduce their impact fees.

The preceding analysis shows that the total development fee in Corte Madera represents 9.0% of the construction valuation of a single family home, and 7.5% of the value of a 10-unit multifamily project. When the fees charged by other jurisdictions are discounted from the totals, the Town's fees represent about one half of the fee burden. Recognizing that, while these costs are typical for the market area, the Town Council has readopted Housing Element Policy *H-2.10 Incentives for Affordable Housing Developments* waiving Town fees for affordable housing.

Processing and Permit Procedures

The Town's Zoning Ordinance specifies residential uses allowed in each district and the required permits (see Table 53). Single-family homes are allowed in all of the "R" districts and the affordable housing overlay districts without discretionary review, except design review. Similarly, multifamily rental projects are allowed in the R-2 district and the affordable housing overlay districts with design review. Conditional Use Permits are required for housing in the C-1 and C-2 commercial districts and for multifamily for-sale projects in the R-2 district.

The Planning Department has prepared information sheets for each permit type in an effort to clarify the application process. Application forms for each permit type include a checklist that guides property owners and their consultants through the process of preparing a complete application. Permit procedures and standards are discussed below.

Permitted uses

Permitted uses are allowed without any type of permitting requirement, except Building Permits if construction is involved. Residential care facilities are permitted uses pursuant to California Health and Safety Code section 1502. Residential uses listed in Table 65 as requiring a Design Review permit may be treated as permitted uses if they do not involve significant exterior building modifications that would otherwise trigger Design Review. For example, converting a single family home to a duplex in the R-2 district would be treated as a permitted use if the exterior building modifications were modest.

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Design Review Permits

A Design Review Permit is required in the "R" districts for any structure or addition larger than 250 square feet or taller than 15 feet. Design Review Permits do not regulate or allow residential uses per se. Rather, the design review process controls architecture and site development including the following:

- Location of the structure on the site, especially in relation to adjoining sites in terms of view and privacy impacts.
- Grading and tree loss.
- Size and bulk of the proposed building in relation to the character of other buildings in the vicinity.
- Site planning, architectural, and landscaping details.
- Improvements to existing buildings and site features.

Design Review Permits may be approved at the staff level by the Zoning Administrator without a public hearing or by the Planning Commission with a public hearing. Residential remodeling projects that are confined to the first floor are generally reviewed by the Zoning Administrator. Design Review applications for second story additions and new homes, including multifamily projects, are approved by the Planning Commission.

The Design Review chapter of the Zoning Ordinance provides the following design guidelines:

- Single story design is encouraged in all residential districts. This guideline has been superseded by policies in the Land Use Element of the 2009 General Plan. It will be revised in a project to update the Zoning Ordinance.
- In hillside areas, natural land forms and vegetation should be preserved to the maximum extent possible, natural materials and earth tone colors should be used, and grading should be minimized.
- In bay front areas, views are to be preserved by clustering development.
- On exposed hillsides, building design should follow the natural contours of the site.
- Landscaping should use native plants and drought-tolerant species.
- New utilities are to be underground.
- Senior housing proposals requesting density bonuses are reviewed for proximity to services, compatibility with the character of the surrounding neighborhood, ambient noise levels, parking, and pedestrian access.

The Planning Commission approves Design Review permit applications at public hearings. Most Design Review applications are approved with a single hearing, and the Planning Commission's decision is final unless appealed to the Town Council. The Planning Commission, or the Town Council on appeal, must make the following findings to approve a Design Review Permit application:

- The application is consistent with the General Plan and Zoning Ordinance.

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- The project will not unnecessarily remove trees or natural vegetation, and will preserve natural land forms.
- The project will not significantly affect views, privacy, and sunlight.
- The project is in scale and harmonious with development in the vicinity.
- Development materials and techniques are high quality.
- The structure(s), site plan, and landscaping have an internal sense of order.
- To the maximum extent feasible, the project would improve existing sites structures and landscaping and correct code violations.
- Signs are consistent with the character of building on site.

Second Unit Permits

Consistent with Government code Section 65852.2, second units are allowed in all of the "R" districts as a permitted use. A ministerial Second Unit Permit approved by the Zoning Administrator is required. Second Unit Permit applications that meet the second unit regulations in the Zoning Ordinance are approved. Notice that an application is pending is sent to surrounding properties, but there is no public hearing. The approval process usually takes four weeks. A larger discussion of second units, including the second unit regulations, can be found in Section 3.0, Sites Inventory and Analysis.

Use Permits

Housing may be allowed in the C-1 Local Shopping District and the C-3 Highway Commercial District with a discretionary Conditional Use Permit approved by the Planning Commission. Zoning Ordinance standards for the C-1 and C-3 districts allow "residential units in locations and at densities determined by the Planning Commission to conform to the General Plan." The Town used this authority to approve the 118-unit Aegis senior assisted living complex at the Paradise Shopping Center, which is zoned C-1 Local Shopping District.

The Planning Commission conducts public hearings to review applications for Use Permit for housing in the C-1 or C-3 districts. After considering information in the application and evidence presented at the hearing, the Planning Commission may approve a Use Permit if it makes the following findings:

- The proposed location of the conditional use is consistent with the objectives of the Zoning Ordinance and the provisions of the applicable zoning district.
- The proposed location and the conditions under which the use would be operated will not be detrimental to the public health, safety, or welfare.
- The proposed conditional use will comply with the General Plan and with the applicable Zoning Ordinance regulations.

In 2009, the Town updated the General Plan to revise the land use designations that support the C-1 and C-3 zoning districts. The 2009 Plan applies the Mixed-Use: Old Corte Madera Square designation to a C-1 commercial area on the west side of town. This designation allows housing at up to 25.0 dwelling units per acre. Similarly, the 2009 General Plan provides a Mixed-Use Commercial designation subject to a mixed use zoning district that has yet to be developed by the Town.

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Variance Procedure

The Corte Madera Zoning Ordinance includes a variance procedure to allow development on properties that have special circumstances such that literal enforcement of the zoning regulations would cause practical difficulties or hardships that would be inconsistent with the intent of the ordinance and the General Plan. In Corte Madera, most variance applications are approved by the Zoning Administrator without a public hearing. A limited number of variance applications are reviewed by the Planning Commission at public hearings, usually in tandem with design review applications. The Zoning Administrator and the Planning Commission may grant variances, subject to making the following findings:

- There are special circumstances that apply to the property, including size, shape, topography, location or surroundings that do not apply to other properties with the same zoning.
- Due to the special circumstances, strict application of the zoning regulations would result in practical difficulty that would deprive the property of privileges available to other properties in the same zoning classification.
- The variance would not constitute a special privilege.
- Granting the variance would not be detrimental to the public welfare or injurious to property in the vicinity.
- The variance would be consistent with the objectives of the Zoning Ordinance and the General Plan.

Most variances for housing projects are for relief from setback standards. The special circumstances are usually substandard lot size or steep topography.

Design Review Permits often require variances. In these cases, the Town's policy is to process the applications jointly for a single fee in a combined public hearing. This saves time and costs, and generally simplifies the process.

Land Division

The Corte Madera Municipal Code recognizes three types of land division:

- Lot line adjustment in which property lines between two or more parcels are moved and no new lots are created.
- Parcel maps that divide a property into four or fewer parcels.
- Subdivision of a property into more than four lots.

Lot line adjustments are ministerial, and are approved by the Planning Director without public hearing. No further Town approvals are required to allow the property owner to record a lot line adjustment.

The Planning Commission conducts public hearings to review applications for parcel maps. Subdivision improvement standards apply to parcel maps. The Planning Commission may grant exceptions from the subdivision standards when it approves parcel maps subject to making findings that match the findings for variance approval. The exception process is integral to parcel map hearings and does not involve a separate review process. The

4.0 HOUSING CONSTRAINTS

applicants may record a final parcel map after the Town Engineer has reviewed the documents for compliance with the Planning Commission's action.

Subdivision is a three-step hearing process involving public hearings on the Tentative Map by the Planning Commission and the Town Council, and a third hearing by the Town Council on the Final Map. The Planning Commission's determination on the Tentative Map is advisory to the Town Council. The Town Council considers the Planning Commission's recommendation on the Tentative Map, but the Council's hearing is *de novo*. The Town Council acts on the Final Map without a recommendation by the Planning Commission. The Council's action on the final map is ministerial.

The requirement for dual hearings on Tentative Map applications before both the Planning Commission and the Town Council is not a significant constraint on development. The need to conduct a Town Council hearing adds three weeks to the process. However, given that the public is unfamiliar with the subdivision process because subdivision occurs so infrequently in Corte Madera, it is reasonable to expect that Planning Commission Tentative map approvals would be appealed to the Town Council if the requirement for a Council hearing were not already in place. An appeal hearing would add more time to the process than the requirement for a Town Council *de novo* hearing given the need for ten day filing window before the appeal hearing can be scheduled. Also, once an appeal has been filed, the Planning Department must prepare a separate staff report on the matters under appeal, in addition to the reporting that is required for the Tentative Map application. The need to draft a staff report on the appeal would extend the Tentative Map processing time line. Accordingly, by eliminating the need for an appeal process, the dual hearing requirement for Tentative Map applications is not a constraint on housing development.

Rezoning

Property owners or the Town may initiate rezonings. The Planning Commission considers rezoning proposals at public hearings. If the Commission concurs with the request, it must make a finding that the revision is consistent with the General Plan and forward its recommendation to the Town Council. The Council in turn considers the requested rezoning at public hearings and may approve the proposal on a finding that the change would be consistent with the General Plan. The Town's rezoning process is the minimum required by the California Government Code and does not involve any unusual constraints on development.

The Town initiated and completed the rezonings on the Wornum Drive Extension property (Site #1 in the Available Land Inventory, Table 47), Old Corte Madera Square, and the San Clemente Family Housing site in 2003. More recently, the Town rezoned the WinCup site in 2011 to the Mixed Use Gateway Overlay (MUGD) district. These actions applied affordable housing overly districts to the respective properties.

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Processing Time

Processing time for residential development varies, depending on the scope and complexity of the project. Table 64 lists processing times for the various land use approvals that could be required for residential projects. The listed processing times are for the amount of time between the date an application is complete and ready for processing, and the date the application is approved. The data for design review, variance, second units and use permits are based on applications processed in 2007 through 2009. Due to the lack of applications, comparable data is not available for the land division, rezoning and general plan amendment processes. The times listed for these activities are estimates. Permit processing times in Corte Madera are not a constraint on housing development or maintenance.

Table 64 Table Processing Time by Permit Type

Type of Approval or Permit	Median Processing Time (weeks)
Design review	
Zoning Administrator: Home remodel	3
Planning Commission:	
Home remodel	4
New Home	10
Variance	
Zoning Administrator	3
Planning Commission:	4
Second unit permits	4
Use Permit	
Zoning Administrator	3
Planning Commission	4
Land Division	
Lot line Adjustment	4
Parcel Map	6
Tentative Map	10
Rezoning	10
General Plan Amendment	10

Processing times do not include the time necessary to process environmental review documents where required.

Codes and Enforcement

Corte Madera adopts and enforces the California Building Standards Code and subsidiary regulations, contained in Title 24 of the California Code of Regulations. While these standards raise construction costs, they are necessary to protect the public health and safety and are required pursuant to State law. Title 24 results in energy savings and lower operating cost for property owners and residents. The Town has amended the Fire Code to require sprinklers for all new residential structures and for any addition or substantial remodel that exceeds 50% of the original structure. The Town believes that this amendment is critical to life safety. Corte Madera has also adopted the Wildland-Urban Interface Code, which reduces fire exposure to buildings that are in or near fire-prone open space areas.

The Town’s code enforcement program is complaint-driven. The Town’s planners and the Building Official investigate alleged code violations and most complaints are resolved voluntarily. The Town has a nuisance abatement ordinance that may be used if necessary. The Town may charge additional fees when work has been done without permits and require that the work be brought up to code standards.

The Town is cognizant of Health and Safety Code section 17980(b)(2) and administers code enforcement accordingly.

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On- and Off-Site Improvements

The Town of Corte Madera is built out, and all infrastructure, including curbs, gutters, sidewalks, streets, and utilities are in place. Residential development involves hooking up to the existing utilities, which already exist in the right-of-way.

On-site grading and drainage improvements are frequently required for new and remodeled housing, especially in Corte Madera's older, hillside neighborhoods. Although the public improvements are in place, extensive on-site drainage improvements are often necessary on steep lots to channel flows to the Town's system. On-site drainage improvements can also involve grading and retaining wall work to mitigate erosion and sliding, both for the safety of the property and its occupants and for the protection of adjacent public infrastructure. While these improvements may add to the cost of housing on affected properties, they are necessary for public safety.

Housing for Persons with Disabilities

As noted in the Special Needs section of the Housing Needs Analysis, persons with disabilities have a number of housing needs related to the accessibility of dwelling units; access to transportation, employment, and commercial services; and alternative living arrangements that include on-site or nearby supportive services. The Town ensures that new housing developments comply with the California Building Standards Code and federal requirements for accessibility.

Reasonable Accommodation

Federal and State law impose an affirmative duty on local government to make reasonable accommodations in their zoning and other land use regulations to remove barriers to disabled persons who are seeking housing. The Housing Element must contain policies and programs to implement fair housing laws and to provide housing for all needs groups. In particular, the Housing Element should identify and remove constraints to the development of housing for persons with disabilities, including land use and zoning regulations, and provide reasonable accommodation as one method of promoting equal access to housing. The fair housing laws require that municipalities apply flexibility or waive standards when necessary to eliminate barriers to persons with disabilities. For example, it may be necessary to waive setback standards to allow installation of a ramp to facilitate access to a home.

The California Attorney General has opined that the usual variance or use permit procedure does not provide the correct standard for making fair housing determinations. In the typical process of granting relief from a zoning standard, the focus is on special characteristics of the property. However, in the case of disabled access, the issue is the special need of the individual that makes the zoning standard a barrier to accessing housing. In response to this problem, many California municipalities are adopting fair housing reasonable accommodation procedures to address barriers in land use and zoning regulations.

Procedures for Ensuring Reasonable Accommodations

In 2014, the Town amended the Zoning Ordinance to provide a procedure for people with disabilities to request reasonable accommodation in the application of zoning laws and other land use regulations, policies and procedures. Applications are reviewed and approved by the Planning and Building Director if no discretionary permit approval is required other than

4.0 HOUSING CONSTRAINTS

the request for reasonable accommodation. Otherwise, the request is reviewed by the appropriate reviewing authority.

The Town of Corte Madera does not impose additional zoning, building code, or permitting procedures on group homes other than those allowed by State law. There are no Town initiated constraints on housing for persons with disabilities caused or controlled by the Town of Corte Madera. The Town also allows residential retrofitting to increase the suitability of homes for persons with disabilities in compliance with accessibility requirements. Such construction is regulated under Chapter 11A, Housing Accessibility, of the California Building Standards Code.

Zoning and Other Land Use Regulations

Corte Madera implements and enforces Chapter 11A, Housing Accessibility, of the California Building Standards Code. The Town provides information to all interested parties regarding accommodations in zoning, permit processes, and application of building codes for housing for persons with disabilities.

The Town has not identified any zoning or other land-use controls that could discriminate against persons with disabilities or restrict access to housing for disabled individuals. Examples of the ways in which the Town of Corte Madera facilitates housing for persons with disabilities through its regulatory and permitting processes include:

- The Town permits group homes in all residential districts with no regulatory restrictions, except compliance with the building code.
- The Town does not restrict occupancy of unrelated individuals in group homes and does not limit the number of persons living in a housing unit.
- The Town permits housing for special needs groups, including persons with disabilities, without regard to distances between uses. The Land Use Element of the General Plan does not restrict the sites of special needs housing.

Permitting Procedures

The Town does not impose special permit procedures or requirements that could impede the retrofitting of homes for accessibility. The requirements for building permits and inspections are the same as for other residential projects and not burdensome. Town officials are not aware of any instances in which an applicant experienced delays or rejection of a retrofitting proposal for accessibility to persons with disabilities.

As discussed above, the Town of Corte Madera allows group homes by right, as required by State law. No use permit or other special permitting requirements apply to such homes. The Town does not impose special occupancy permit requirements or business licenses for the establishment or retrofitting of structures for residential use by persons with disabilities. If structural improvements were required for an existing group home, a building permit would be required. If a new structure were proposed for a group home use, design review would be required as for any other new residential structure. The Town's design review process has not been used to deny or substantially modify a housing project for persons with disabilities to the point where it is no longer feasible. All residential projects in the Town require the same level of design review.

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4.3 NON-GOVERNMENTAL CONSTRAINTS

Land Costs

Two major factors contribute to high land costs in Corte Madera: high demand and short supply.⁵ Land costs in Marin vary both between and within jurisdictions based on factors such as the desirability of the location and the permitted density. In Corte Madera, a 0.59 acre vacant lot at 530 Chapman Drive (Site #9 in Table 47) sold in December 2013 for \$350,000⁶.

Generally, land zoned for multifamily and mixed-use developments is more expensive than property zoned for single-family. Based on the assessed land value of the 180-unit Tam Ridge Residences project (\$15,063,560 for 4.54 acres), the estimated value of land zoned for multi-family housing is \$3,300,000 per acre, or approximately \$84,000 per unit.

In Marin County, land costs average around 15-20 percent of construction costs for multifamily developments. Even though land costs for single-family homes vary widely throughout the county, the costs (as a percentage) are significantly higher than for multifamily developments.

Multifamily Construction Costs

Construction costs include both hard costs, such as labor and materials, and soft costs, including architectural and engineering services, development fees, and insurance. According to local developers, hard construction costs (including site improvements) for a typical two or three-story multi-family development average approximately \$200 per square foot. Thus, a 25-unit development with a gross building area of 21,000 square feet would have hard construction costs of approximately \$4.2 million, or about \$168,000 per unit. Soft costs typically add 45 to 50 percent to this base cost, yielding a per unit total construction cost of approximately \$252,000.

Single Family Construction Costs

According to local contractors and realtors, construction costs in Marin County vary between \$200 and \$250 per square foot for average construction and can go up to (and over) \$500 per square foot for a high-end, custom-built single family house. Soft costs (including architectural and engineering fees, property taxes during construction, city and utility fees, and construction loan interest and fees) typically increase these costs by approximately 35 to 40 percent. Construction costs can be higher if lots require substantial site work due to steep slopes, unstable soils, waterways, and other environmental concerns.

Financing

Over the past year, mortgage rates for conventional 30-year fixed rate loans have ranged between 4.2 percent and 4.6 percent for a 30-year fixed rate loan (HSH.com). These conforming loans, which are backed by the federal government through the Federal Housing Administration and the Government Sponsored Entities of Fannie Mae and Freddie Mac, are generally available to home buyers with good credit histories and adequate down payments.

⁵ According to the Marin Economic Commission's Marin Profile 1999: A Survey of Economic, Social and Environmental Indicators, 84 percent of land area in Marin is designated for agriculture, park lands and open space and watershed. Of the remaining land, 11 percent is developed and five percent is listed as potentially developable development.

⁶ Zillow, accessed 8/29/14.

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Interest rates on non-conforming loans (also known as “jumbo” loans) for loan amounts over \$625,500 (in Marin County) are about one-quarter percentage point higher than conforming loan rates, and are more difficult to secure. Tighter lending standards have made it harder to get a home loan, especially for those with poor credit scores and virtually impossible for a borrower with undocumented income.

Small changes in the interest rate for home purchases dramatically affect affordability. A 30-year home loan for \$400,000 at five percent interest has monthly payments of roughly \$2,150. A similar home loan at seven percent interest has payments of roughly 20 percent more, or \$2,660.

Construction loans for new housing are very difficult to secure in the current market. In past years, lenders would provide up to 80 percent of the cost of new construction (loan to cost ratio). In recent years, due to market conditions and government regulations, banks require larger initial investments by the builder. Many builders are finding it difficult to get construction loans for residential property at the current time, with the exception of limited funding available through local banks, and must rely on private funds or seller carry-back loans. Banks that are underwriting construction loans are requiring 25 to 35 percent cash equity; interest rates range from 4 to 6 percent. Loans for land acquisition are extremely difficult to secure, and lenders will typically provide financing for only 50 to 65 percent of the land value, at an interest rate of approximately 7.5 percent, for projects that are permit-ready.

Affordable housing developments face additional constraints in financing. Though public funding is available, it is allocated on a highly competitive basis and developments must meet multiple qualifying criteria, often including the requirement to pay prevailing wages. Smaller developments with higher per unit costs are among the hardest to make financially feasible. This is because the higher costs result in a sale price that is above the affordability levels set for many programs. Additionally, smaller projects often require significant inputs of time by developers, but because the overall budget is smaller and fees are based on a percentage of total costs, the projects are often not feasible. These conclusions were developed in research done for the 2009 Marin Housing Element Workbook.

Rental developments tend to be easier to finance than for-sale projects, as there are more sources of funding available. However, recent cuts in public spending statewide have put pressure on these sources. Tax credits used to be a valuable source of revenue for low-income housing developers, but programs have been cut and the tax credit resale market has softened.

Affordable Housing Fund

In 2001 the Corte Madera Town Council adopted a nonresidential development impact fee ordinance and established an Affordable Housing Fund. The impact fee is assessed on a sliding scale based on the expected density of employees, ranging from \$.40 per square foot for warehouse space to \$4.79 per square foot for office buildings. Nonresidential impact fee proceeds are deposited in the Affordable Housing Fund. The Fund also receives affordable housing in-lieu fees that are paid by market rate housing projects to comply with the inclusionary housing ordinance. Expenditures from the Affordable Housing Fund including any interest derived from the fund can only be for “the land or building costs associated with developing housing affordable to low- and very low-income households” (CMC §3.48.030). In 2005 the Town awarded \$84,000 from the fund as a grant for the San Clemente Place housing project. The Town collected approximately \$155,000 in affordable housing impact

4.0 HOUSING CONSTRAINTS

fees over the 2009-2014 planning period. As of 2014, there was approximately \$165,000 in the Affordable Housing Fund.