City of Mill Valley 2023-2031 Housing and Land Use Elements Updates and Zoning Amendments Notice of Preparation

Revised September 15, 2022

The information below has been revised to correct errors in the original Notice of Preparation (NOP) and to incorporate public comments received during the 30-day NOP public comment period (July 21, 2022 through August 22, 2022). Clarifications and minor editions are highlighted in track changes through strike out and underlined format.

2023-2031 Housing Element Update Overview

The City of Mill Valley (City) is updating its Housing Element in order update the City's housing policies and programs through 2031 and to accommodate the Regional Housing Needs Allocation (RHNA) for the City as determined by the California Department of Housing and Development and the Association of Bay Area Governments. The Housing Element update also requires amendments to the General Plan Land Use Element, as well as the Mill Valley Municipal Code (MVMC), including the Zoning Ordinance (MVMC, Title 20).

Setting/Project Location

The City of Mill Valley is bounded on the east by U.S. Highway 101 and the unincorporated neighborhoods of Strawberry and Alto; on the north by the cities of Corte Madera and Larkspur; on the west by Mount Tamalpais; and on the south by the unincorporated neighborhoods of Homestead and Almonte, and Richardson Bay. Mill Valley and its relationship to surrounding cities and communities are illustrated in Figure 1, Regional Map.

Mill Valley is surrounded by the hillsides and steep ridges of the coastal mountains and the water of Richardson Bay, which form natural edges to urban growth. Many of the ridgelines that create the dominant visual backdrop for the community are now preserved as permanent open space. Much of the bayfront land has been preserved as park and open space, providing important habitat as well as visual and physical access to Richardson Bay and the greater San Francisco Bay beyond. Creeks, marshes, redwood groves, heavily forested and grass-covered hillsides, and chaparral are commonplace. Single-family residential neighborhoods are located in the valleys and on the hillsides,

with commercial and more intensive residential uses clustered on the flat low lands, in close proximity to transit and along the main arterial roadways. The residential and commercial areas, together with the natural setting, create a small-town community character that is cherished by the area's residents (City of Mill Valley 2013).

General Plan Elements to be Amended

Housing Element

State law requires the City to have and maintain a general plan with specific contents in order to provide a vision for the City's future, and inform local decisions about land use and development, including issues such as circulation, conservation, and safety. The Housing Element is one of the state-mandated elements of the General Plan. State law specifically requires the City to update the Housing Element of its General Plan by January 15, 2023, while making any changes to other elements of the General Plan needed to maintain internal consistency and undertaking any related changes to the City's Municipal Code (including the City's Zoning Ordinance). The City's Housing Element for the 2015-2023 planning period was adopted in May 2015. In accordance with State law, the eight-year planning period for the updated Housing Element will extend from 2023 to 2031; this is also referred to as the 6th Cycle Housing Element Update. The City is updating its Housing Element to comply with the requirements of State law by analyzing existing and projected housing needs, and updating goals, policies, objectives, and implementation programs for the preservation, improvement, and development of housing for all income categories.

Regional Housing Needs Allocation (RHNA)

The Housing Element Update addresses any changes that have occurred since adoption of the current (2015-2023) Housing Element. These changes include, among others, updated demographic information, housing needs data, and analysis of the availability of housing sites. The Housing Element map of available housing sites is updated to identify sites that could accommodate the City's Regional Housing Needs Allocation (RHNA) for the 2023-2031 planning period. The final RHNA allocation, broken down by income level, for the City is shown below in Table 1, Mill Valley 2023-2031 Final RHNA Allocation.

Table 1 Mill Valley 2023-2031 Final RHNA Allocation

Income Level	Units
Very Low Income (Less than 50 percent of Area Median Income)	262
Low Income (50 to 80 percent of Area Median Income)	151
Moderate Income (80 to 120 percent of Area Median Income)	126
Above Moderate Income (Above 120 percent of Area Median Income)	326
Total RHNA Allocation	865

SOURCE: ABAG 2021

Community Outreach

Over the last nine months, the City has held four public workshops, conducted two public surveys, held a series of focus group meetings and tabling events, and held several City Council, Planning Commission, and Housing Advisory Committee Meeting debriefs as reflected in Table 2, Mill Valley Housing Element Update Outreach Events. One of the primary goals of the workshop series was to engage the community in a conversation that focused on identifying varying housing-related policy considerations and issues, and methodically developing Mill Valley's vision and planning framework for addressing regional and local housing needs, and meeting the State-mandated RHNA.

Table 2 Mill Valley Housing Element Update Outreach Events

Type of Outreach	Date	Targeted Outreach/Action	Summary of Outreach
City Council Debrief (in person)	September 1, 2021	Review and approval of Draft Schedule and Outreach Plan	Project Kick-Off: Discuss the proposed Work Plan, including schedule and public outreach for the Housing Element Update.
Survey #1 (online)	September-October 2021	Inform and gather input	Online survey (118 responses) regarding housing needs, goals and interests from the community.
Workshop #1 (online)	September 23, 2021	Inform, listen and gather input	City staff reviewed Housing Element Update requirements and overall process, discussed housing trends and demographics, and reviewed existing housing goals (38 individuals registered).
City Council Debrief (in person)	October 10, 2021	Inform and review comments	Review housing needs and input from the community, including workshop 1 and online survey.
Workshop #2 (online)	November 10, 2021	Inform, listen, and gather input	This workshop focused on the sites analysis. The workshop provided an overview of the requirements for a sites analysis, the overall process and criteria used to evaluate and identify potential locations or sites to accommodate new housing. (64 individuals registered).

Type of Outreach	Date	Targeted Outreach/Action	Summary of Outreach
Survey #2 (online and paper copies available)	January-February 2022	Inform and gather input	Online survey (1,039 responses) regarding strategies for identifying sites and housing programs of interest.
City Council Debrief (in person)	February 7, 2022	Inform and review comments	Review of Workshop 2 and preliminary responses from online survey #2.
Focus Group Meetings and Tabling (online and in person)	January-March 2022	Inform, listen, and gather input	Focus groups to discuss: housing needs; strategies to address RHNA and developing housing programs, including: Mill Valley School District (January 12, 2022); Farmers Market (February 9, 2022); Housing Advocates, including Mill Valley Affordable Housing Committee, Mill Valley Force for Racial Equity and Empowerment and Mount Tam Community Land Trust (February 10, 2022).
Workshop #3 (online)	February 16, 2022	Inform, listen and gather input	City staff reviewed a series of draft scenarios to develop its sites inventory to achieve the City's RHNA allocation (175 individuals registered).
Joint City Council/Planning Commission Meeting (in person)	March 22, 2022	Comment and advise	Joint study session to review the proposed housing strategies and draft sites inventory list to achieve the City's RHNA allocation.
Workshop #4 (online)	April 28, 2022	Inform, listen, and gather input	City staff reviewed existing housing programs and provided an opportunity to discuss new housing policies and programs to address community interests (64 individuals registered).
Housing Advisory Committee Meeting (online)	May 17, 2022	Review, comment, and advise	Review of feedback from Workshop 4 and Draft Chapter 2, Housing Programs (48 individuals registered).

SOURCE: City of Mill Valley 2022

Sites Inventory

The Housing Element Update will identify specific sites appropriate for the development of multifamily housing (including affordable units), and the City would rezone those sites as necessary to meet the requirements of State law. The preliminary sites inventory list of existing and proposed sites that can accommodate development of multifamily housing includes sites that are located throughout Mill Valley, and is subject to refinement based on additional public input and review of the draft Housing Element by City's Planning Commission and City Council, and the California Department of Housing and Community Development. A summary of the maximum development potential for all sites is included below in Table 3, Sites Inventory Summary. Locations of the potential housing sites are shown on Figure 2, Sites Inventory Map.

Table 3 Sites Inventory Summary

Type of Site	Number of Sites	Number of Units (Anticipated Based on Existing Use without Rezoning)	Number of Units (Maximum Based on Allowable Density After Rezoning)
Vacant Single-Family Zoned Sites	88	88	88
Projected SB 9 Lot Splits	<u>9</u> 10	<u>36</u> 40	4 <u>0</u> 36
City-Owned Site (1 Hamilton)	1	<u>0</u> 4 0	50
Underutilized Sites: Commercial and Multi-Family Zoned Sites under ½ acre with Housing Overlay¹	<u>33 35</u>	<u>138</u> -149	<u>294</u> 328
Opportunity Sites: Commercial Zoned Sites over ½ acre with Housing Overlay¹	27	258	492
Office Conversions with Housing Overlay	13	65	173
Totals	<u>171</u> 174	<u>585</u> 640	<u>1,133</u> 1,171

SOURCE: City of Mill Valley 2022

NOTE: 1. The City anticipates no change in the existing commercial square footage on each of the opportunity sites with existing commercial uses.

In addition to the Sites Inventory, the City anticipates an additional 160 Accessory Dwelling Units (ADUs) based on the City's 4-year trend of issuing over 20 new ADU building permits a year. Additional units are also anticipated based on three overlay districts proposed and the rezoning of 300 East Blithedale and the Presidio Neighborhood. See details below.

Land Use Element

The Land Use Element will be amended to redesignate land use designations on the Land Use Map and Land Use Categories Table contained in the General Plan based on proposed rezoning for the parcels and areas discussed below.

Amendments to Land Use/Zoning

The proposed project includes amending the general plan land use designations and redesignating the zoning district for several parcels in Mill Valley in order to create consistent land use and zoning designations and accommodate the City's RHNA allocation. The sites identified by City staff requiring amendments to land use designations and zoning amendments include the following locations as reflected in Figure 2, Sites Inventory and Figure 3, 300 East Blithedale Ave and Presidio Neighborhood.

1 Hamilton Drive

Mill Valley City Council has declared the northern portion of 1 Hamilton Drive (030-250-01) as "exempt surplus land" for the sole purpose of building affordable rental housing on the site. The 1 Hamilton parcel is approximately 11 acres in size and is zoned Open Area (O-A) with a land use designation of Community Facility (C-F) containing the Bayfront and Hauke Park, Public Safety Building (PSB), Hauke Park and PSB parking lots, electric vehicle charging stations, ground-mounted solar panels, and community garden. The surplus land is identified as the northern portion of 1 Hamilton ("the site") and is approximately 1.6 - 1.73 acres in size, pending additional survey, topographical and preliminary site planning required to determine the feasibility of relocating existing facilities that are on the site. In order to build affordable housing on the site, a separate parcel will be created with rezoning and land use amendments required. Zoning and land use amendments are assumed to be similar as those multi-family residences in the surrounding area, which are zoned Multi-Family Residential Bayfront (RM-B) with a land use designation of Multi-family (MFR-2) allowing up to 29 units/acre.

300 East Blithedale Avenue

The 0.5-acre site, located at 300 East Blithedale Avenue, is currently operating as a server building for Comcast inside an existing building. The parcel is currently zoned for single-family use. Amending the General Plan designation and rezoning the property to multi-family would result in a maximum of eight units. Table 4, 300 East Blithedale Existing and Proposed Conditions, presents a breakdown of existing and proposed land use and zoning conditions at the site.

Table 4 300 East Blithedale Existing and Proposed Conditions

	Existing	Proposed
General Plan Land Use Designation	Single Family Residential (SFR-2)	Multi-Family Residential (MFR-1)
Zoning District	Single-Family Residential, minimum lot size of 6,000 square feet (RS-6)	Multi-Family Residential Parkway (RM-P)
Density Range	One (1) dwelling units per acre to seven (7) dwelling units per acre	Nine (9) dwelling units per acre to 15 dwelling units per acre
Total Units (excluding Accessory Dwelling Units permitted by-right under State law)	0	8

SOURCE: City of Mill Valley 2022

Presidio Neighborhood (Properties Currently Zoned RM-3.5)

Currently the Presidio neighborhood, located in close proximity to Downtown between Forrest Street and Millwood Street, consist of 64 parcels in which the Single-Family land use designation in the General Plan does not align with the RM-3.5 zoning designation. As part of the Housing Element Update, the land use and zoning for these properties will be updated to ensure General Plan and zoning consistency. The General Plan land use designation for these properties will be amended from Single Family to "Downtown Residential" and the "RM 3.5" zoning will be modified to "Downtown Residential" with maximum densities increasing from remaining at 15 units/acre to 16 units/acre. Table 5, Presidio Neighborhood Existing and Proposed Conditions, presents a breakdown of existing and proposed land use and zoning conditions at the site.

Table 5 Presidio Neighborhood Existing and Proposed Conditions

	Existing	Proposed
General Plan Land Use Designation	Single Family Residential (SFR-2)	Multi-Family((MFR-1 Downtown Residential-(DR-1)
Zoning District	Multi-family Residential minimum lot 3,500 square feet (RM-3.5)	Downtown Residential (DR)
Density Range	Per SFR 2 Land Use: One (1) dwelling units per acre to seven (7) dwelling units per acre Per RM 3.5 Zoning: up to 15 units per acre	Nine (9) dwelling units per acre to 1645 dwelling units per acre
Units (excluding Accessory Dwelling Units or Duplexes permitted by-right under State Law)	94	15

SOURCE: City of Mill Valley 2022

In the Presidio Neighborhood, assessor data indicates one (1) parcel operating as commercial use; 22 parcels operating as multi-family use and 41 parcels operating as single-family use. Modification

of the zoning designation to Downtown Residential allows all existing uses to remain, and permits the redevelopment and use of property as either single-family or multi-family. The average size parcel in this neighborhood is less than 5,000 square feet. Based on allowable densities and assuming that all parcels convert to a multi-family use, an additional 15 units could be added (excluding Accessory Dwelling and Duplex Units permitted by right under State Law).

Site Inventory Housing Overlays

To accommodate its regional housing numbers and to facilitate the development of housing in Mill Valley, the following three Overlay Zoning Districts and Zoning Map Update will be adopted in conjunction with the Housing Element Update process. As such, the following housing overlays will specifically apply to those properties identified on the City's Sites Inventory list under the categories of office conversion; underutilized "small lot" sites and opportunity sites.

Small Lot Housing Overlay:

The "small lot overlay zone" will apply to those parcels that are less than $\frac{1}{2}$ acre as identified on the sites inventory list.

The following modified standards apply to projects seeking to develop a parcel through this overlay district:

- 1. reduced parking (1 space per unit for units less than 1,000 square feet);
- 2. increased height up to 40-feet for buildings being raised to address the floodplain management requirements or to provide higher ceiling heights on the first floor of a mixed-use building;
- 3. increased density up to 40 units/acre;
- 3.4. modified Floor Area as allowed under State Law (SB 478); and
- 4.5. exemption to the inclusionary housing requirement for those projects that provide units that are 1,000 square feet or less.
- Opportunity Site Housing Overlay: 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 (1 parking space 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. revised density standards: minimum density of 20 units/acre and maximum density of 40 units/acre;
 - 4. full residential projects permitted;
 - 5. mixed use projects must have at least 50% of the floor area for residential uses;
 - 6. lot consolidation permitted to facilitate proposed development; and

- 7. modified Floor Area as allowed under State Law (SB 478);
- 7.8. subject to inclusionary requirements, established in MVMC 20.80, with the following incentives: a) projects subject to the inclusionary regulations must include six or more new units, b) waiving the maximum micro-unit standards in MVMC 20.24.040(B)(1) for those projects that allocate 25% of the inclusionary units as low income, and 3) waiving one affordable inclusionary unit for projects that provide one three-bedroom unit as a low-income inclusionary unit; and
- 8.9. those redevelopment projects that designate 20% of the units as affordable to lower income households are subject to by-right ministerial approval by the Planning Director (not subject to a hearing or discretionary review) as required by state law.
- Office Conversion Overlay: The "office conversion overlay zone" will apply to those
 parcels identified on the sites inventory that currently utilize upper floor space as office
 space.

The following modified standards apply to projects seeking to develop a parcel through this overlay district:

- 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. modified density standard, up to 40 units/acre;
- 3. exemption to the inclusionary housing requirement for those projects that provide units that are 1,000 square feet or less; and
- 4. ministerial approval (no hearing) based on objective standards to streamline approval.

Other Zoning Code Amendments

Various amendments to code section addressing Commercial Zones (20.36 through 20.48), plus some changes under 20.66 Design Review.

- Modifications to Design Review, as discussed above;
- Removal of Conditional Use Permit for residential use in commercial zoned districts;
- Modification of Development Standards based on state law, including but not limited to State Density Bonus and creating objective standards and guidelines; and
- Modification of allowable uses and development standards based on state law, including but not limited to emergency shelters, residential care facilities and low barrier navigation centers.

Summary of Zoning Map and Land Use Amendments

The proposed project includes amending the Zoning Ordinance as referenced above. In doing so, as reflected in Table 6, Summary of Zoning Map and Land Use Amendments, the following amendments will be made to the Zoning Map and General Plan Land Use Map and Land Use Categories Table.

Table 6 Summary of Zoning Map and Land Use Amendments

Site/Location	Proposed Zoning Amendment	Proposed Land Use Map	Proposed Land Use Density Category
1 Hamilton Drive	Multi-Family Residential Bayfront (RM-B)	Multi-Family Residential (MFR-2)	17 dwelling units per acre to 29 dwelling units per acre
300 East Blithedale Avenue	Multi-Family Residential Parkway (RM-P)	Multi-Family Residential (MFR-1)	Nine (9) dwelling units per acre to 15 dwelling units per acre
Presidio Neighborhood (RM3.5 Zoning District)	Downtown Residential (DR)	Multi-Family Residential (MFR-1)	Nine (9) dwelling units per acre to 15 dwelling units per acre
Small Lot Overlay Zoning District	Overlay district applied to sites identified Table 2 and Figure 2	Overlay district applied to sites identified Table 2 and Figure 2	17 dwelling units per acre to 40 dwelling units per acre
Office Conversion Overlay Zoning District	Overlay district applied to sites identified Table 2 and Figure 2	Overlay district applied to sites identified Table 2 and Figure 2	17 dwelling units per acre to 40 dwelling units per acre
Opportunity Site Overlay Zoning District	Overlay district applied to sites identified Table 2 and Figure 2	Overlay district applied to sites identified Table 2 and Figure 2	20 dwelling units per acre to 40 dwelling units per acre

SOURCE: Mill Valley 2022

Subsequent EIR Approach

Consistent with CEQA Guidelines Section 15162, the EIR will provide subsequent environmental analysis to the 2013 *City of Mill Valley 2040 General Plan Certified Final EIR* (general plan EIR), updating existing analysis where appropriate, and presenting new analysis where necessary. This subsequent EIR will evaluate only the impacts resulting from the amendments to the general plan elements. The subsequent EIR will not evaluate total buildout of the amended General Plan.

CEQA Guidelines section 15146 states that, "The degree of specificity required in an EIR will correspond to the degree of specificity involved in the underlying activity which is described in the EIR." The underlying activity is adoption of the 2023-2031 Housing Element and associated general plan and zoning amendments. Therefore, the subsequent EIR will evaluate the environmental impacts of the 2023-2031 Housing Element to the greatest degree feasible; however, later environmental review in compliance with CEQA may be required when development proposals

requiring discretionary action are proposed. Later projects may be able to "tier" off of this SEIR, meaning they can rely on the environmental analysis in this document to the extent applicable to their project, limiting environmental analysis to impacts not previously identified, or increases to impacts that were previously identified.

Probable Environmental Effects

Based on a review of the general plan EIR, the following environmental issues have been determined to be adequately addressed in the general plan EIR and will not be addressed further in the subsequent EIR:

- Agricultural and Forestry Resources;
- Cultural Resources (with the exception of Tribal Cultural Resources);
- Geology and Soils (including Paleontological Resources);
- Hazards and Hazardous Materials (with the exception of Sea Level Rise and Wildfire);
- Hydrology and Water Quality; and
- Mineral Resources.

Environmental effects to be addressed in the subsequent EIR will be based on a review of the environmental analysis contained in the general plan EIR and an understanding of current conditions in the city. Probable environmental effects associated with adoption of the 2023-2031 Housing Element and associated updates to the City's Land Use Element and Zoning Ordinance will be addressed in the subsequent EIR and are briefly discussed below.

Aesthetics

The aesthetics discussion and analysis in the general plan EIR will be utilized in this section, and updated where necessary to address the proposed project. For example, the project may include increasing the allowed heights of buildings. This section will address both project-level and cumulative visual resource impacts.

Air Quality

This section of the subsequent EIR will reflect current air quality analyses, as well as current federal, state, regional, and local regulations. The proposed project could result in an increase in operational criteria air emissions through new vehicle trips generated by additional housing. The proposed project may also increase community health risks and hazards by placing sensitive receptors near existing or planned sources of toxic air contaminants (TACs) or other hazardous emissions.

Biological Resources

The biological resources section of the subsequent EIR will utilize the California Natural Diversity Database (CNDDB) to determine whether there have been any status changes to special status plant and wildlife species, and whether the general plan EIR adequately addresses sensitive biological resources to current standards.

Energy

The proposed project is presumed to create new development capacity that would result in increased energy demand. The three primary sources of energy demand would likely be fuel use in vehicles, and electricity and natural gas use in buildings. The net change in demand for these types of energy will be modeled in CalEEMod and EMFAC. Because the threshold of significance for energy impacts is qualitative, the impact discussion and analysis will also be qualitative.

Greenhouse Gas Emissions

The City is anticipating that it will adopt and updated climate action plan (CAP) in the summer of 2022. The forthcoming update to the City's will include GHG emission projections that incorporate the new residential development capacity enabled by the Housing Element Update. Consequently, the Housing Element would be consistent with the CAP and GHG reduction measures included in the CAP would be applicable to that new residential development. Consequently, the GHG impact analysis can be streamlined pursuant to CEQA Guidelines section 15183.5. The Housing Element Update GHG impact would be less than significant provided each new future individual project made possible is conditioned to implement applicable GHG reduction measures found in the updated CAP.

In addition, this section of the subsequent EIR will address potential impacts associated with sea level rise. CEQA does not require the evaluation of the environment's impact on a project, but does require an analysis if a project contributes to an environmental effect that could have an effect on a project. The general plan EIR and updated CAP address sea level rise. Existing documentation will be used in this section of the subsequent EIR to present the anticipated flooding impacts of sea level rise, and a qualitative discussion as to how the project could exacerbate these flooding issues.

Noise

This section will address whether the proposed project would result in an increase in the noise levels identified in the general plan EIR with implementation of the proposed project. Cumulative project impacts will be discussed.

Public Services

This section will address whether the proposed project would require new or expanded public services facilities, and whether those facilities would result in significant environmental impacts.

Public services to be addressed include fire protection and emergency medical services, law enforcement, public schools and recreation facilities. Cumulative project impacts will be discussed.

Transportation

The transportation section of the subsequent EIR will address the vehicle miles traveled (VMT) impacts of the project. VMT was not a required component of a CEQA transportation impact analysis when the general plan EIR was prepared.

Tribal Cultural Resources

This section of the subsequent EIR will report on the City's SB 18 and AB 52 Tribal Consultation process, which was not a required component of the CEQA cultural resources impact analysis when the general plan EIR was prepared. If consultation does occur, this section will address whether the proposed project may have an adverse change on the significance of a tribal cultural resource.

Utilities and Service Systems

This section will address possible physical changes associated with expanded water, wastewater treatment or storm water drainage, electric power, natural gas, or telecommunications facilities, sufficient water supplies, waste water treatment capacity, and solid waste. Various agencies will be consulted including City of Mill Valley, Marin Municipal Water District, Sewerage Agency of Southern Marin, PG&E, Mill Valley Refuse Service, and the Redwood Landfill. Cumulative project impacts will be discussed.

Wildfire

This section of the subsequent EIR will address whether the project would substantially impair an adopted emergency response plan or emergency evacuation plan; expose people to pollutant concentrations from a wildfire or the uncontrolled spread of a wildfire; require installation or maintenance of associated infrastructure that may exacerbate fire risk or that may result in temporary or ongoing impacts to the environment; or expose people or structures to significant risks, including downslope of downstream flooding or landslides as a result of runoff, postfire slope instability, or drainage changes. Cumulative project impacts associated with wildfire hazards will also be discussed.

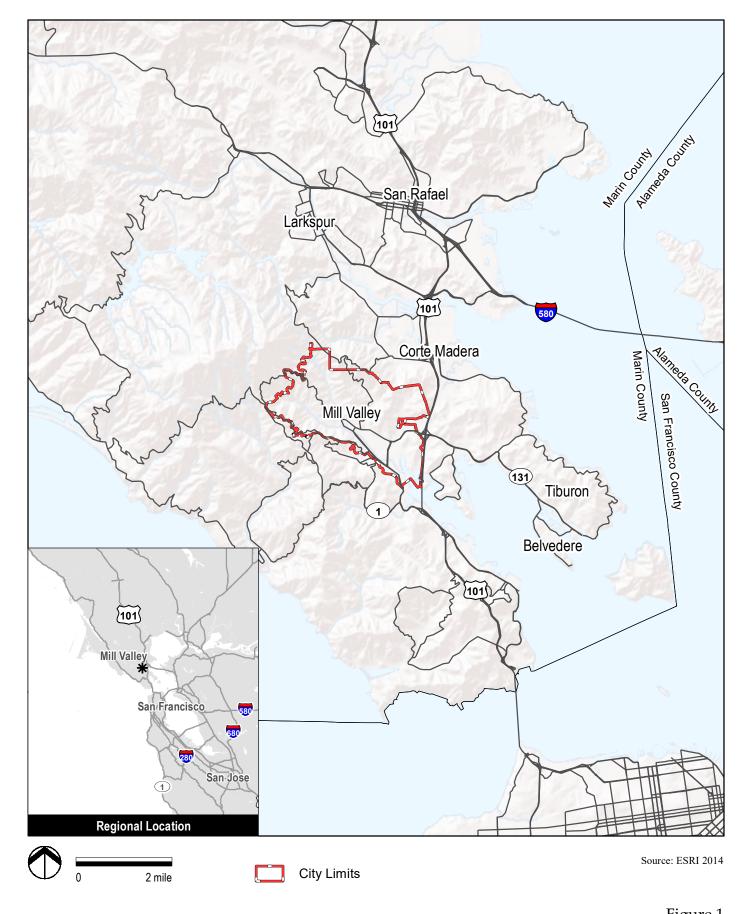


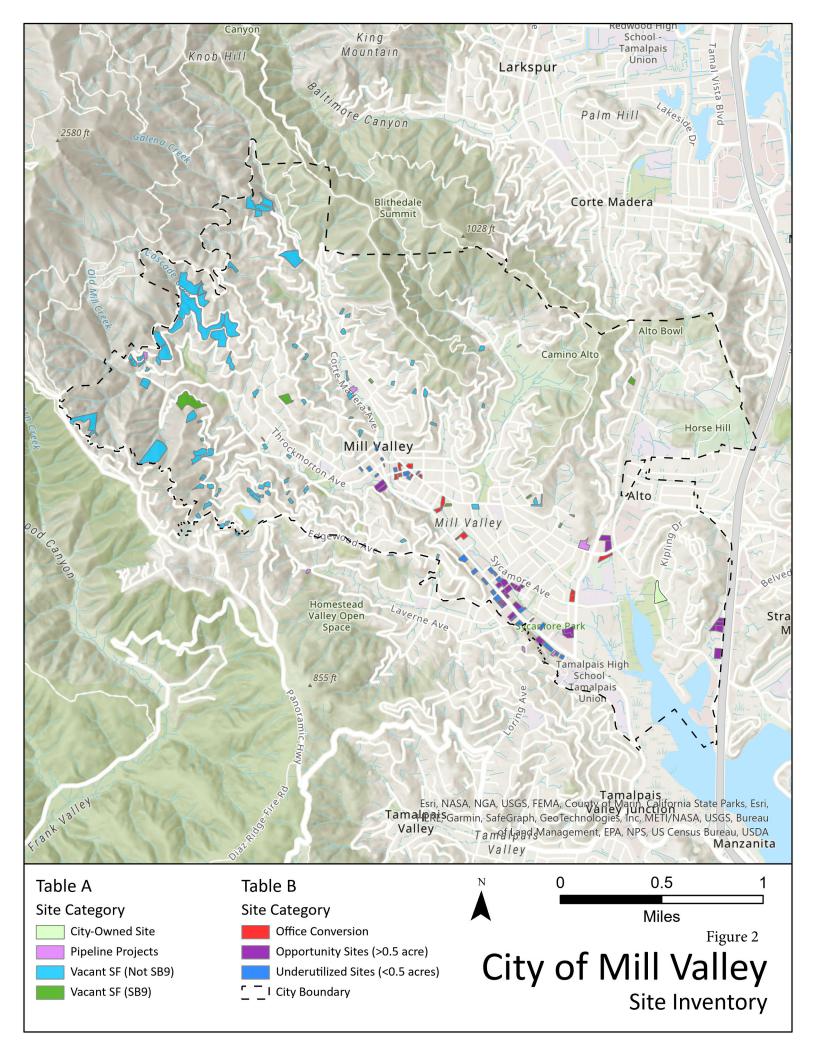
Figure 1 Regional Map







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300 E. Blithedale Ave.

Presidio Neighborhood









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