APPENDIX A – HOUSING NEEDS ASSESSMENT

DRAFT 03.05.2014

Table of Contents

A. Introduction

The Regional Housing Needs Allocation (RHNA) determines the quantity and affordability of housing for which a community must plan to accommodate. The California Department of Housing and Community Development assigned the Bay Area a RHNA of 187,990 for the 2015-2023 planning period. Of this total, 2,298 units were allocated to Marin County and 79 units were allocated to Sausalito during the planning period through a distribution formula developed by the Association of Bay Area Governments (ABAG). Table A.1 presents Sausalito's RHNA allocation distributed among the four income categories.

Table A.1: Sausalito 2014-2022 RHNA Allocation

Housing Income Limits and Needs (Based on Median Income of $103,000)	
Income Category	**Housing Units**
Very Low (<50% Median Income)	26
Low (<80% Median Income)	14
Moderate (<120% Median Income)	16
Above Moderate	23
Total Allocation	**79**

Source: ABAG 2013

Pursuant to Assembly Bill 1233, local governments which have failed to identify or create adequate sites in the previous planning period (2009-2014 for ABAG jurisdictions) are required to carry over the unaccommodated RHNA need to the current planning cycle.

Knowing that falling short could hinder future planning efforts with carried over units, it is a priority that Sausalito demonstrates that 79 units across the four income categories can be accommodated within the City. In developing its Housing Element, Sausalito must consider factors having an impact on housing supply, demand and affordability. These factors may include population and employment growth, housing stock condition, and the needs of segments of the population with special needs, such as the elderly, persons with disabilities, large families and single parent households.

Much of the data in this report is taken from the 2010 US Census, with 2008-2012 American Community Survey (ACS) information incorporated as available. Projections, estimates and data compiled by ABAG are also cited in this report with some projections extending to 2040.

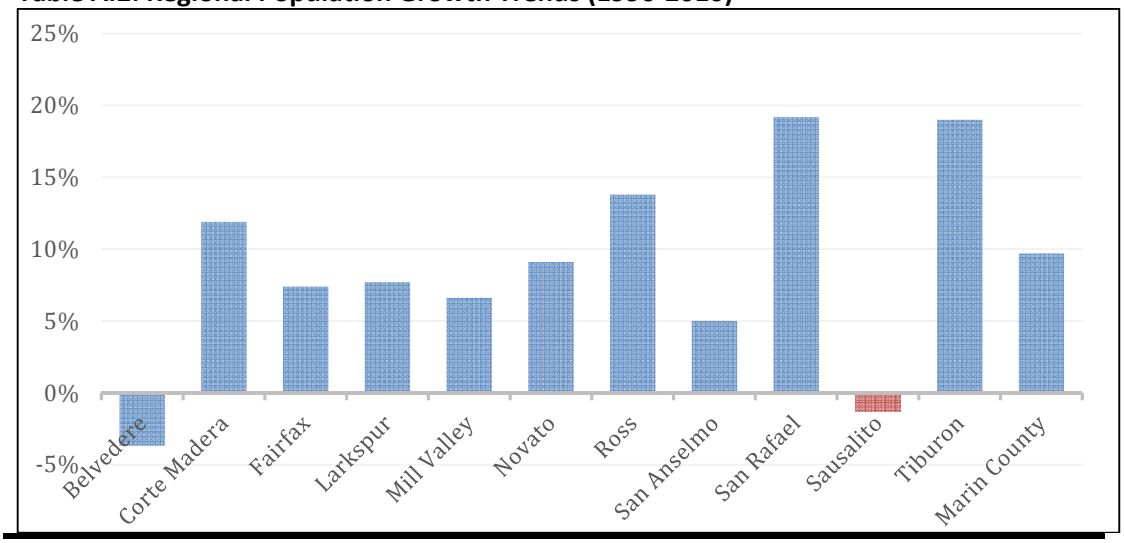
B. Existing Housing Need

1. Population and Employment

a. Population Trends and Projections

The 201 Census documents a total of 7,061 residents in Sausalito, reflecting a 1% decline over the past twenty years (see Table A.2). In contrast, Marin County experienced a 10% growth in population during the same time period, with the cities of San Rafael and Tiburon each evidencing a 19% increase in population. While over 150 new units have been added to Sausalito's housing stock over the past two decades, the decrease in the City's average household size has resulted in a slight decline in population.

Table A.2: Regional Population Growth Trends (1990-2010)



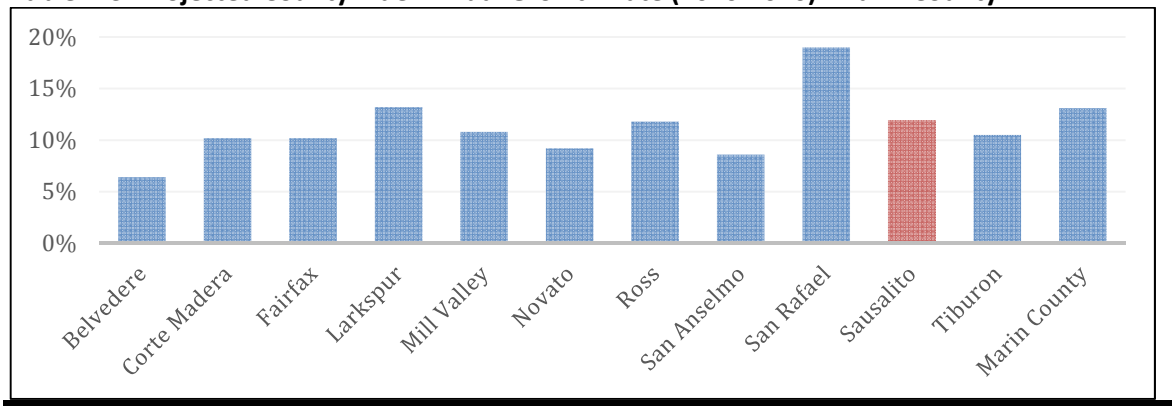
Jurisdiction	1990	2000	2010	% Change 1990-2010
Sausalito	**7,152**	**7,330**	**7,061**	**-1%**
Belvedere	2,147	2,125	2,068	-4%
Corte Madera	8,272	9,100	9,253	12%
Fairfax	6,931	7,319	7,441	7%
Larkspur	11,070	12,014	11,926	8%
Mill Valley	13,038	13,600	13,903	7%
Novato	47,585	47,630	51,904	9%
Ross	2,123	2,329	2,415	14%
San Anselmo	11,743	12,378	12,336	5%
San Rafael	48,404	56,063	57,713	19%
Tiburon	7,532	8,666	8,962	19%
Marin County	230,096	247,289	252,409	10%

Source: US Census 1990, 2000, 2010

In terms of future trends, the Association of Bay Area Governments (ABAG) projects that Marin County will remain one of the least populated and slowest growing counties in the region. Countywide population growth is projected at just 3% during the current 2010-2020 decade, and

4% in the following 2020-2030 decade. In Sausalito, ABAG estimates a similar growth rate to the County, with a projected population of 7,600 by 2030, an increase of approximately 550 residents above the City's current population. Factors contributing to the region's slow growth include the aging population, small household sizes and limited job growth. See Table A.3 below for the population figures and projected annual growth rates for 2010 to 2040.

Table A.3: Projected Countywide Annual Growth Rate (2010-2040): Marin County



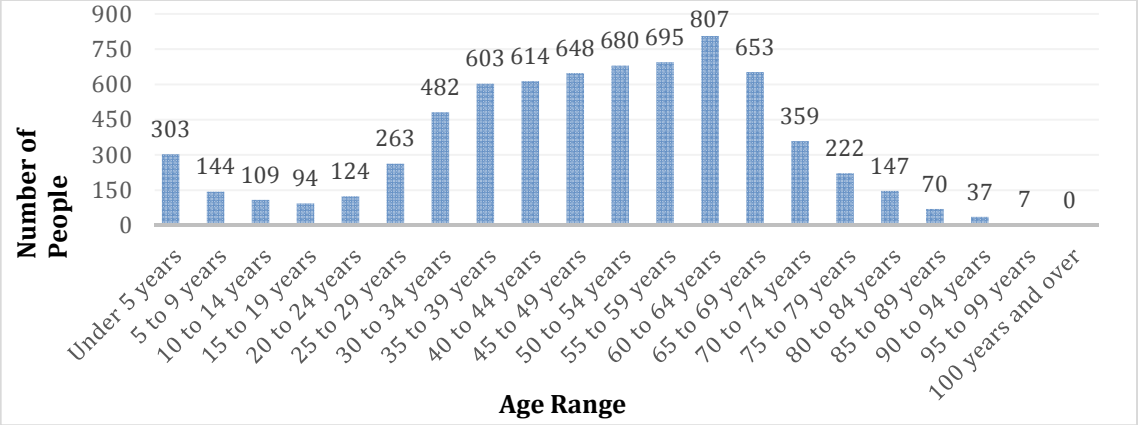
Jurisdiction	2010	2020	2030	2040	2010-2020 Growth Rate	2020-2030 Growth Rate	2030-2040 Growth Rate
Sausalito	**7,061**	**7,300**	**7,600**	**7,900**	**3%**	**4%**	**4%**
Belvedere	2,068	2,100	2,200	2,200	2%	5%	0%
Corte Madera	9,253	9,500	9,800	10,200	3%	3%	4%
Fairfax	7,441	7,600	7,900	8,200	2%	4%	4%
Larkspur	11,926	12,400	12,900	13,500	4%	4%	5%
Mill Valley	13,903	14,300	14,800	15,400	3%	4%	4%
Novato	51,904	53,200	54,700	56,700	3%	3%	4%
Ross	2,415	2,500	2,600	2,700	4%	4%	4%
San Anselmo	12,336	12,600	13,000	13,400	2%	3%	3%
San Rafael	57,713	60,800	64,400	68,700	5%	6%	7%
Tiburon	8,962	9,200	9,500	9,900	3%	3%	4%
Unincorporated	67,427	69,600	72,700	76,600	3%	5%	5%
Countywide	252,409	261,100	272,100	285,400	3%	4%	5%

Source: ABAG 2013 Projections

b. Age Characteristics

As the data suggests, Sausalito's age distribution is skewed towards those 25 and older. The 60-64 year age range contains the largest portion of the population at just over 800 people. Table A.4 below provides the City's age breakdown based on recent data from the 2010 Census.

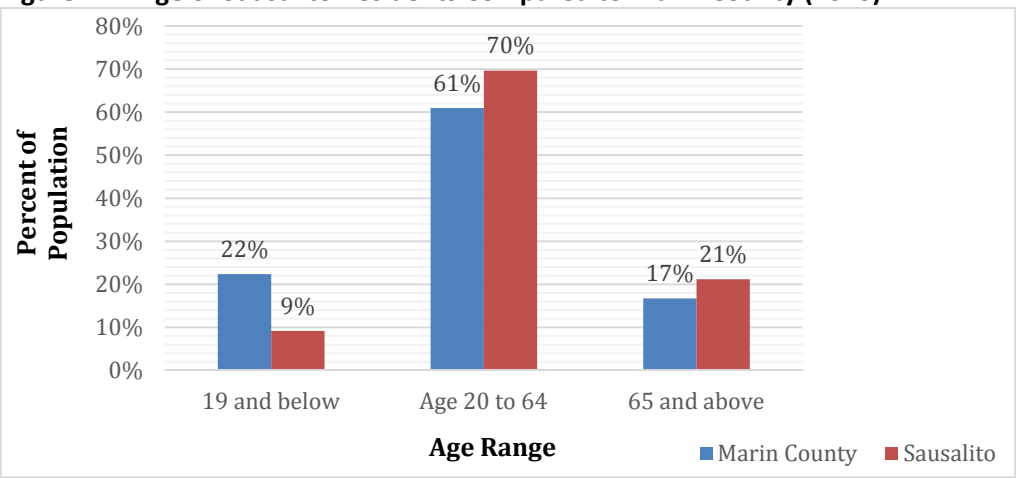
Table A.4: Age Breakdown of Sausalito Residents (2010)



Source: US Census 2010

Sausalito's population distribution is older than that of Marin County's, with a median age of 51.1 years, compared to the County's median age of 44.5 years. Youth (age 19 and below) comprise just 9% of Sausalito's population, compared to 22% countywide. In contrast, 21% of Sausalito's residents are senior (age 65 and above), versus 17% in Marin County. See Figure A.1 for a graph charting age ranges.

Figure A.1: Age of Sausalito Residents Compared to Marin County (2010)



Source: US Census 2010

Over the next 10 years, both elderly and young adult populations are projected to grow at a faster rate than other age groups. Traditionally, these populations also tend to have the lowest income levels. According to the Marin Commission on Aging (MCA), the persons aged 60 or older are expected to represent the highest population increase through 2020. The 2010 Census documented that over one quarter of all Marin County residents were aged 60 years or older.

c. Employment Trends

Data from ABAG documents an estimated 4,581 employed residents in Sausalito. More than one-fourth of these residents are employed in the professional, scientific, management,

administrative, and waste management services industry. See Table A.5 for a complete distribution of employed Sausalito residents per industry.

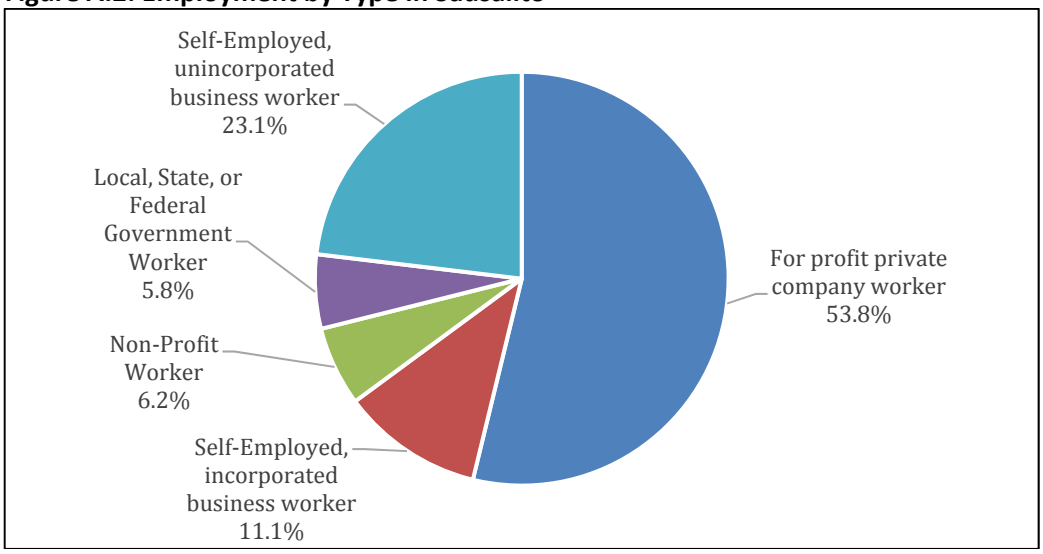
Table A.5: Occupation by Industry in Sausalito

Industry	Number of Employed Sausalito Residents	Percentage
Professional, Scientific, Management, Administrative	1,179	26%
Educational, Health, and Social Services	772	17%
Finance, Insurance, Real Estate and Rental Leasing	693	15%
Manufacturing	370	8%
Retail Trade	265	6%
Wholesale Trade	275	6%
Other Services	282	6%
Information	249	5%
Arts, Entertainment, Recreation, Accommodation and Food Services	161	4%
Transportation on Warehousing and Utilities	108	2%
Construction	148	3%
Agriculture, Forestry, Fishing and Hunting, and Mining	32	1%
Public Administration	47	1%
Total Employed Civilian Population 16 years and over	4,581	100%

Source: ABAG 2013

In 2010, the overwhelming majority of those in the workforce in Sausalito are employed by for-profit organizations or self-employed, representing 54% percent of total workers, though self-employed workers comprise a significant 34% of the local workforce. Government workers accounted for the smallest portion at only 5% (see Figure A.2).

Figure A.2: Employment by Type in Sausalito



Source: 2010 Census, ACS 2008-2012

Housing affordability in Sausalito will continue to be a challenge for workers who earn modest incomes. Table A.6 presents a sampling of occupations in the Bay Area that fall within very low, low and moderate income thresholds (based on a single worker household). The analysis of housing costs and affordability presented later in Section 4 of the Housing Needs Assessment compares current market rents and sales prices in Sausalito with the amount that households of different income levels can afford to pay for housing. This analysis illustrate that very low, low and moderate income occupations, such as elementary school teachers and firefighters, will have great difficulty renting in Sausalito, and with a median sales price of $895,000, homeownership is out of reach for the vast majority of the City's workforce.

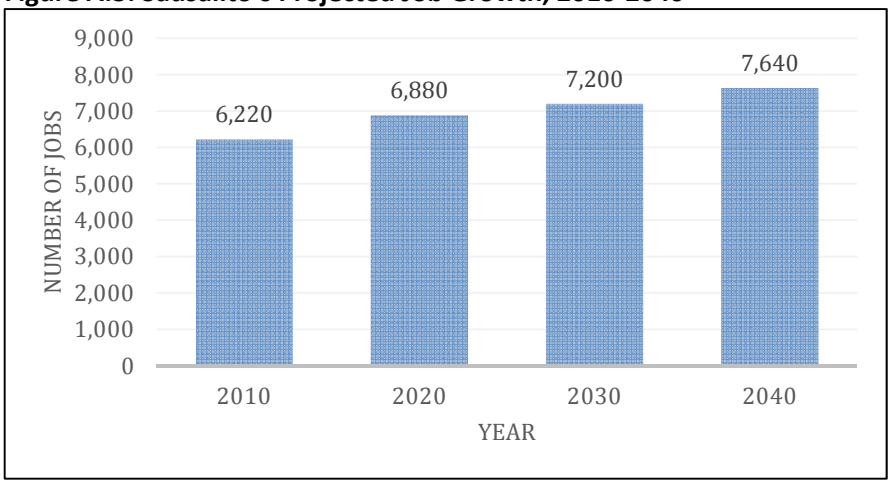
Table A.6: Bay Area Wages for Select Occupations

Very Low Income (< $45,250 - 2 person household)	**Hourly Wage**	**Annual Income**	**Max. Monthly Affordable Housing Cost**
Waiters/Waitresses	$12.02	$25,009	$625
Home Health Aides	$12.39	$25,774	$644
Retail Salespersons	$13.67	$28,427	$711
Security Guards	$15.56	$32,354	$809
Preschool Teachers	$18.18	$37,829	$946
Nursing Assistants	$19.09	$39,713	$993
Low Income ($45,250 -$72,400 - 2 person household)	**Hourly Wage**	**Annual Income**	**Max. Monthly Affordable Housing Cost**
Dental Assistants	$23.00	$47,851	$1,196
Tax Preparers	$31.52	$65,555	$1,639
Computer Support Specialists	$31.67	$65,872	$1,647
Elementary School Teachers	n/a	$66,590	$1,665
Real Estate Agents	$32.16	$66,895	$1,672
Paralegals and Legal Assistants	$33.50	$69,684	$1,742
Moderate Income ($72,400 - $98,900 - 2 person household)	**Hourly Wage**	**Annual Income**	**Max. Monthly Affordable Housing Cost**
Graphic Designers	$34.92	$72,624	$1,816
Social Service and Community Service Managers	$36.41	$75,735	$1,893
Librarians	$36.97	$76,884	$1,922
Accountants and Auditors	$41.65	$86,642	$2,166
Physical Therapists	$44.11	$91,765	$2,294
Firefighters	$44.21	$91,953	$2,299

Source: 2013 California Occupational Employment Statistics – San Francisco- San Mateo-Redwood City MD
Income categories based on two person household with single wage earner
Maximum affordable housing cost based on standard of 30% of income on housing, including rent/mortgage, utilities, taxes, insurance, HOA fees.

Currently, there are an estimated 6,220 jobs based in Sausalito. Projections indicate that there will be an increase 66 jobs per year from 2010 to 2020. This rate is anticipated to decline to between 2020 and 2030 with an expected 32 jobs per year being added in this period and 44 jobs per added between 2030 and 2040. See Figure A.3 depicts Sausalito's projected job growth through 2040.

Figure A.3: Sausalito's Projected Job Growth, 2010-2040

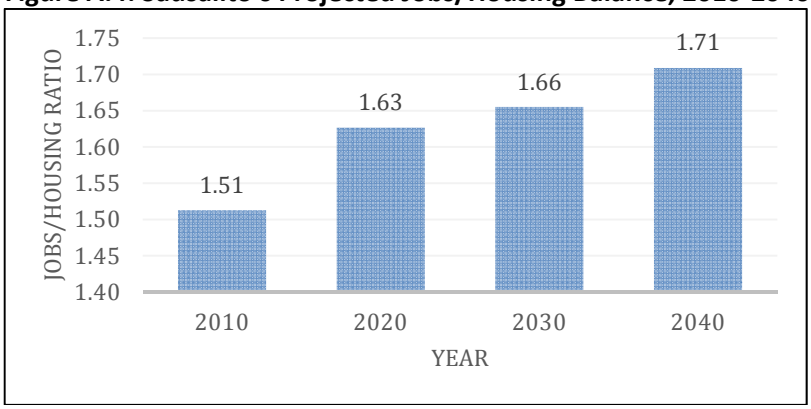


Source: ABAG 2013

The jobs/housing balance is a ratio generally used as a representation of the location of jobs relative to worker housing. A highly skewed ratio in indicative of an unbalanced proportion of jobs to housing location, often meaning that workers must commute far from where they live. The ratio of jobs per households is expected to increase in Sausalito from 1:1.51 in 2010 to 1:1.66 in 2030 (see Figure A.4). It is generally desirable to achieve a jobs/housing balance in order to reduce commute times by bringing housing and employment centers closer together.

Even with an expanding job base in Sausalito, many residents within the City commute elsewhere to work while many people who work in Sausalito commute from other areas due to high housing costs. Considering this, a jobs housing balance of 1:1 is not always representative of reduced commute times. Since this simplified ratio measurement does not weigh the previously mentioned factors, the Housing Element should address the jobs/housing imbalance by matching housing costs and types to the communities workforce and their needs and income.

Figure A.4: Sausalito's Projected Jobs/Housing Balance, 2010-2040



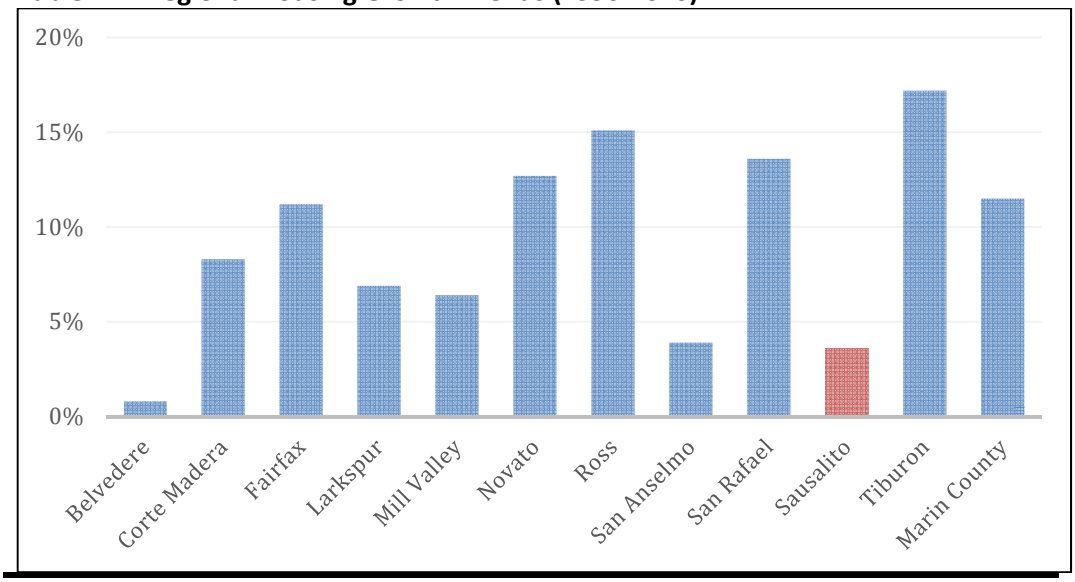
Source: ABAG 2013

2. Housing Condition

a. Housing Types and Production

The 2010 Census documented a total of 4,536 housing units within Sausalito. This represents a 4% increase from the 1990 Census' report, a very slight increase when compared to other Marin County jurisdictions. Table A.7 summarizes the regional housing growth trends between 1990 and 2010 and illustrates Sausalito's relatively slow housing growth over this period.

Table A.7: Regional Housing Growth Trends (1990-2010)



Jurisdiction	1990	2000	2010	% Change 1990-2010
Belvedere	1,037	1,059	1,045	Less than 1%
Corte Madera	3,717	3,850	4,026	8%
Fairfax	3,225	3,418	3,585	11%
Larkspur	5,966	6,413	6,376	7%
Mill Valley	6,139	6,286	6,534	6%
Novato	18,782	18,994	21,158	13%

Ross	768	805	884	15%
San Anselmo	5,330	5,408	5,538	4%
San Rafael	21,139	22,948	24,011	14%
Sausalito	4,378	4,511	4,536	4%
Tiburon	3,433	3,893	4,025	17%
Marin County	99,757	104,990	111,214	12%

Source: US Census 1990, 2000, 2010

Table A.8 presents the mix of housing types in Sausalito. Of the 4,536 housing units in 2010, 57% were single-family (detached and attached) and 43% were multi-family units. In contrast, the City's 2000 housing stock of 4,511 units was comprised of 47% single-family and 53% multi-family units. During the past decade, Sausalito has seen a net loss in over 400 multi-family units in small properties with two to four units, and an increase in over 400 single-family attached units. While some of these changes may be a result of re-categorization of unit types by the Department of Finance, City staff confirms that the majority of new housing growth has been accommodated through the redevelopment of duplexes, triplexes and fourplexes.

Table A.8: Change in Housing Types in Sausalito, 2000-2010

	2000		2010		2000-2010 Change	
Unit Type	**Number**	**Percent**	**Number**	**Number**	**Number**	**Percent**
Single-Family						
Detached	1,706	38%	1,789	39%	83	5%
Attached	423	9%	824	18%	401	95%
Subtotal Single-Family	*2,129*	*47%*	*2,613*	*57%*	*484*	*23%*
Multi-Family						
2-4 units	1,353	30%	900	20%	-453	-34%
5+ Units	805	18%	938	21%	133	17%
Mobile Home and Other	224	5%	85	2%	-139	-62%
Subtotal Multi-Family	*2,382*	*53%*	*1,923*	*43%*	*-459*	*-19%*
Totals	**4,511**	**100%**	**4,536**	**100%**	**25**	**1%**

Source: Department of Finance E-5

b. Age and Condition of the Housing Stock

About 25% of all housing units in Sausalito were constructed prior to 1940. Also more than 50% of the stock was built before 1960 (see Table A.9).

Table A.9: Age of Units Built in Sausalito and Marin County

	Sausalito		Marin County	
Year Built	Number	Percentage	Number	Percentage
2000 to 2009	135	3%	5,568	5%
1990 to 1999	311	7%	6,780	6%
1980 to 1989	302	7%	12,193	11%
1970 to 1979	956	22%	22,619	20%
1960 to 1969	718	16%	25,117	23%
1950 to 1959	483	11%	19,946	18%
1940 to 1949	180	4%	6,163	6%
1939 or earlier	1,291	30%	12,505	11%
Total	4,376	100.0%	111,083	100.0%

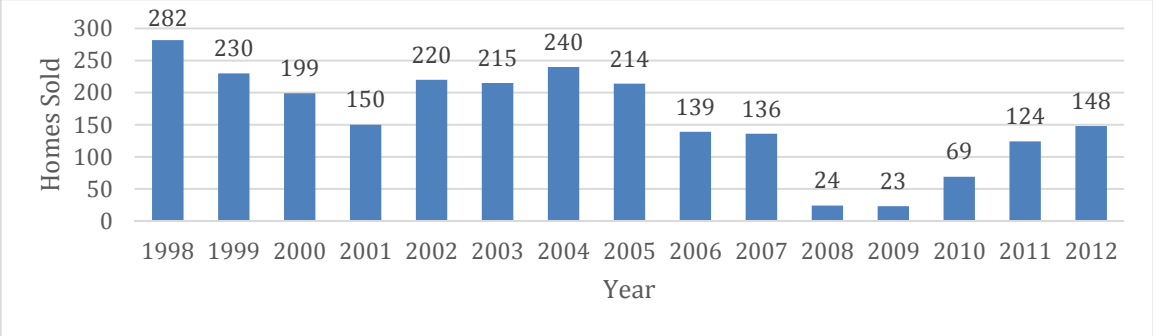
Source: US Census 2010

Though the housing stock in Sausalito consists of older homes, the overall condition of the units is generally very good due to diligent home care, repairs, maintenance, rehabilitation and reconstruction practices. Since land values in Sausalito are very high, the cost of major repairs and/or renovation projects are often minor when compared to the property's cost. The City's Building Official has reported that there are five dwellings in Sausalito that are in need of repair and not currently under permit.

c. Construction trends

From 2000 to 2012, 2,413 homes were sold in Sausalito (see Figure A.5). The economic recession between 2008 and 2010 is shown in depressed home sales during this period. The decline and subsequent increase in home sales generally reflect home sale trends of Marin County.

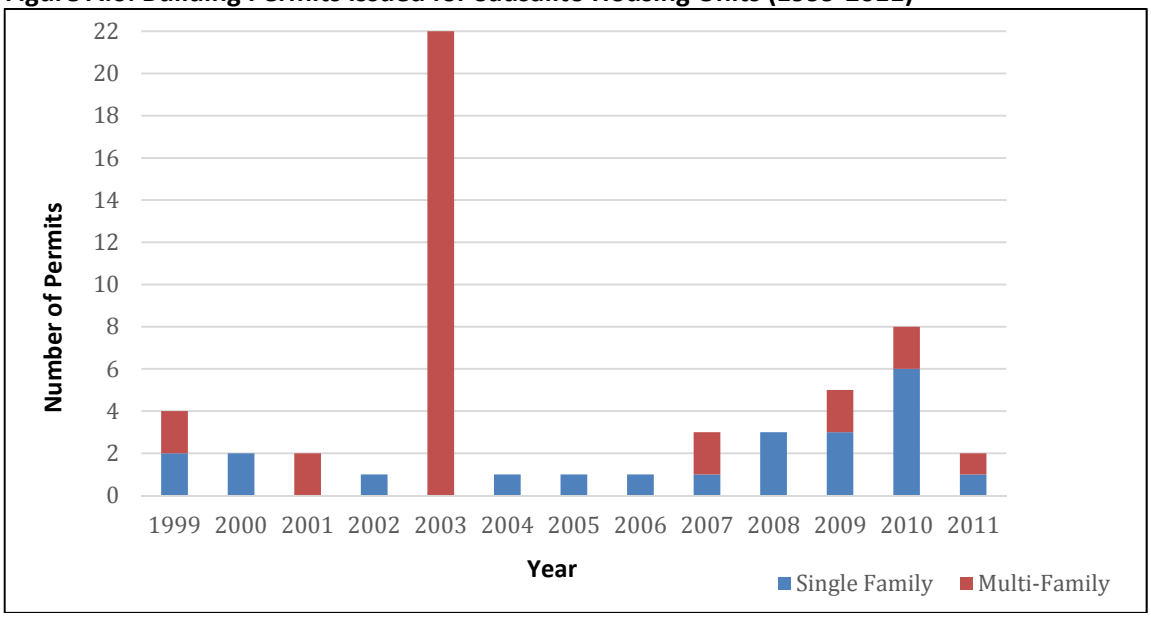
Figure A.5: Homes Sold in Sausalito, 1998-2012



Source: DataQuick, Zillow.com for 2008-2010 sales

In the period between 1999 and 2011, the number of issued building permits for housing units in Sausalito generally fluctuated between 1 and 8 permits for both multi- and single-family homes. The spike in multi-family building permits in 2003 was due to the 22-unit Rotary Village senior housing project. Factoring the Rotary Village project, Sausalito averaged 1.7 and 2.5 building permits per year for single-family and multi-family housing units, respectively. Figure A.6 charts issued building permits for housing units between 2009 and 2011.

Figure A.6: Building Permits Issued for Sausalito Housing Units (1999-2011)



Note: This chart includes building permits for replaced existing units. The building permit issued for one multi-family unit in 2011 was for a residential unit in the Central Commercial Zoning District.
Source: Sausalito Community Development Department, January 3, 2012.

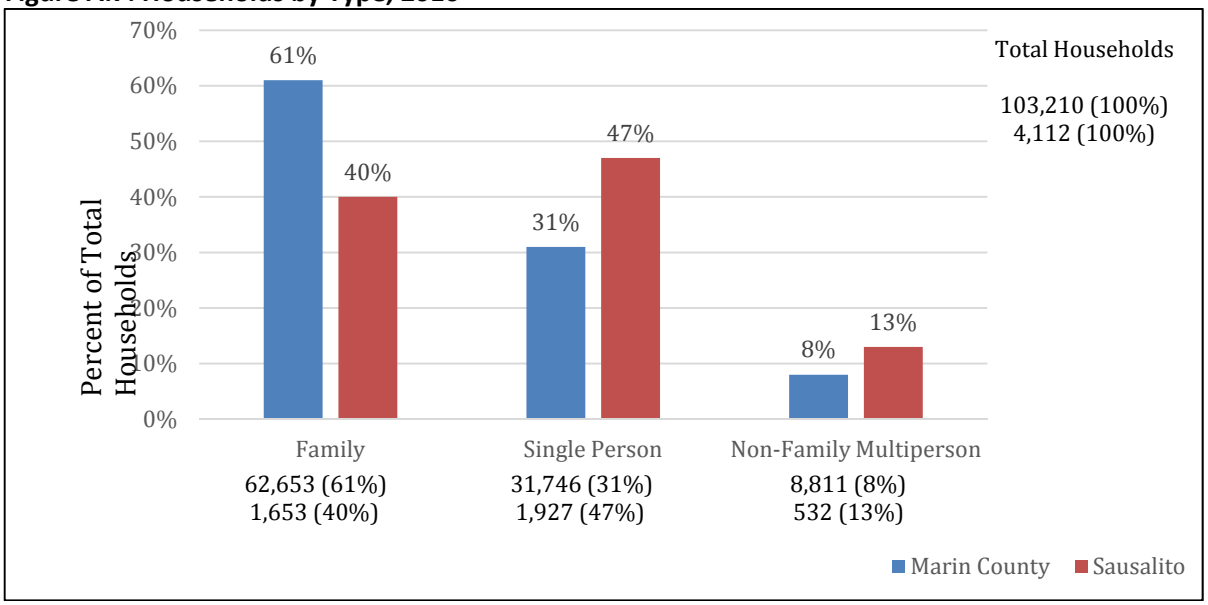
3. Household Characteristics

a. Household Type and Tenure

A household is defined by the US Census as consisting of all the people who occupy a housing unit. A housing unit can be a house, an apartment or other groups of rooms, or a single room that is either occupied or intended to be occupied as separate living quarters when occupants do not live with any other persons in the structure and there is direct access from the outside or through a shared hall. Persons living in group quarters such as in facilities or dormitories are not considered households.

Of the 4,112 total households in Sausalito in 2010, almost half (47%) consisted of people living alone while 40% resided in family households. This differs from household characteristics of other Marin County jurisdictions where family households account for 61% of households types. See Figure A.7 for a comparison of households by type in Sausalito and Marin County in 2010.

Figure A.7: Households by Type, 2010

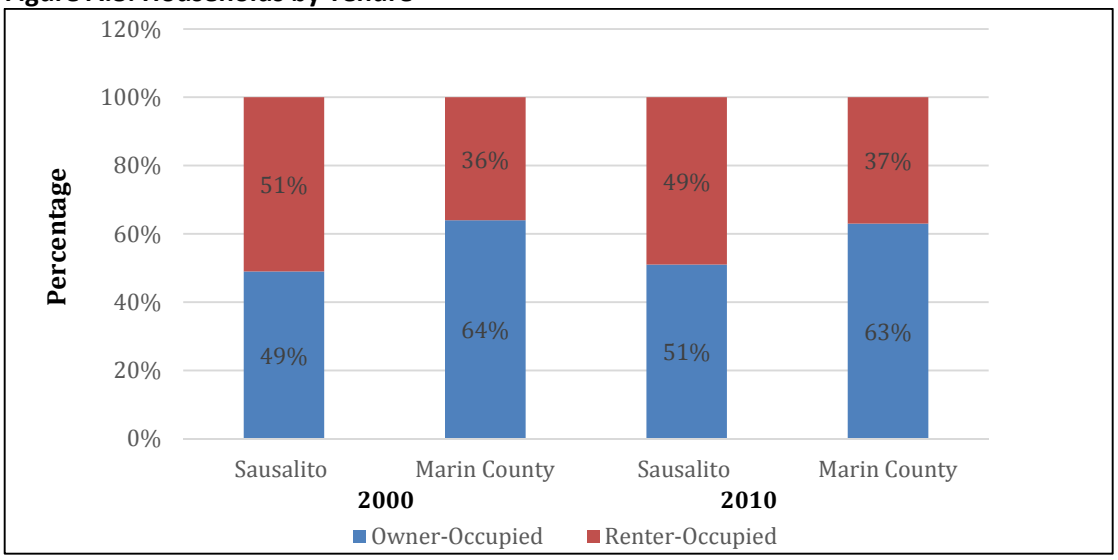


Source: US Census 2010

b. Housing Tenure

Housing tenure distinguishes between housing that is rented or owned. In Sausalito, housing units are almost equally split between renters and owners. This is unique when compared to the County as a whole, which typically sees a 63% owner-occupied housing rate. See Figure A.8 for a comparison of owner and renter occupied households in Sausalito and Marin County in 2000 and 2010.

Figure A.8: Households by Tenure

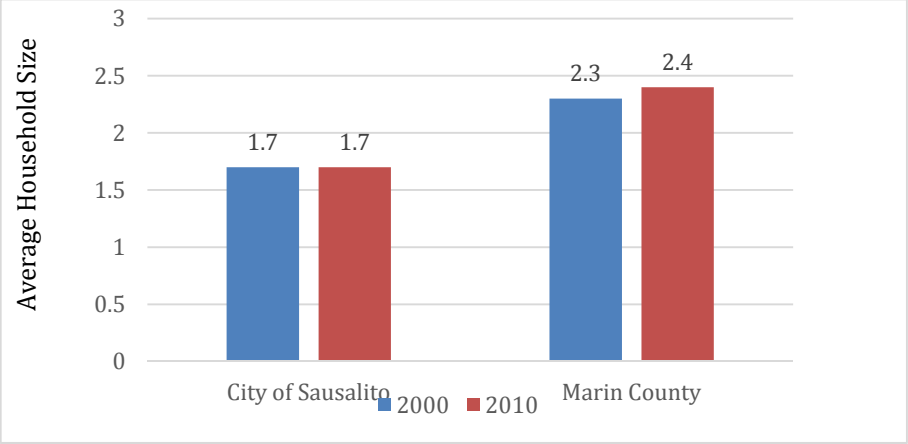


Source: US Census 2000 and 2010

c. Average Household Size

Between 2000 and 2010, the average household size in Sausalito remained constant at 1.7 persons per household. The Marin County average household size is higher than Sausalito's and increased in the same time period, growing from 2.3 persons per household to 2.4. However, a more detailed look at average household size shows a slight decline in Sausalito from 1.75 in 1990 to 1.71 in 2010, explaining the decrease in population during this period. See Figure A.9 for a comparison of Sausalito's and Marin County's average household sizes in 2000 and 2010.

Figure A.9: Sausalito Average Household Size Compared to Marin County

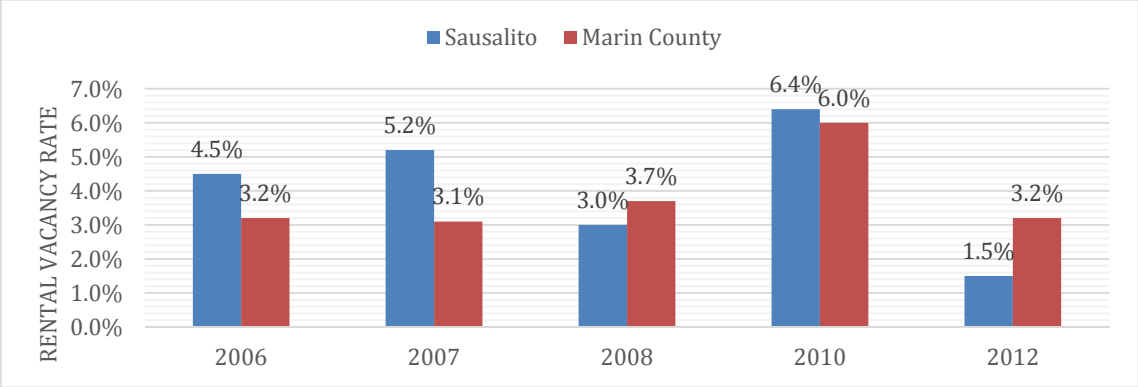


Source: US Census 2000 and 2010

d. Vacancy Rate Trends

Between 2006 and 2010, vacancy rates among rental units have fluctuated between 3% and 6.4% percent in Sausalito. Rental unit vacancy rates in Sausalito were higher than those of Marin County in 2006 and 2007 before falling in 2008. The sharp increase of rental vacancies in both Sausalito and Countywide may be attributed to the recession and the decline in housing values. According to the Census data, Sausalito had 2,044 occupied rental units and 140 vacant rental units in 2010, translating to a rental vacancy rate of 6.4% while Countywide rates were slightly below Sausalito's at 6.0%. The most recent data from the American Community Survey projected a low 1.5% vacancy rate in 2012 (see Figure A.10).

Figure A.10: Sausalito Vacancy Rates in Rental Units (2006-2012)



Source: RealFacts, US Census 2010, ACS 2008-2012

Housing experts consider a five percent rental vacancy rate as necessary to permit ordinary rental mobility. In a housing market with a lower vacancy rate, tenants will have difficulty locating appropriate units and strong market pressure will inflate rents. In situations where the housing market is extremely tight, there can be a greater tendency among landlords to discriminate against renters. Fair Housing of Marin is a civil rights agency that investigates housing discrimination, including discrimination based on race, origin, disability, gender and children. Their caseload consists almost entirely of renters. The organization receives approximately 1,200 inquires a year county-wide, of which about 250 are discrimination complaints that are fully investigated. Fair Housing of Main also educates landowners on fair housing laws, provides seminars in English, Spanish and Vietnamese on how to prepare for a housing search and recognize discrimination, and education programs on the importance of community diversity in schools, which includes an annual "Fair Housing" poster contest.

4. Household Income, Housing Costs and Ability to Pay for Housing

a. Household Income

Income is defined as wages, salaries, pensions, social security benefits, dividends and other forms of cash earnings received by a household. Non-cash benefits and items such as insurance benefits are not included as income. Generally, people are expected to devote about 30% of their gross income towards housing costs, which can include rent or principal, property taxes, and insurance. Utilities, food, repairs, and other like expenses are not considered housing costs. Understanding the relationship between household income and housing costs is important in assessing the affordability of provided housing within the City.

The U.S. Department of Housing and Urban Development (HUD) maintains and annually updates information on household income and size for each county in the United States. Income categories are grouped by percentage brackets and based on the countywide median income for four-person households, otherwise known as area median income (AMI). The income categories are defined as follows:

- Extremely Low-Income – Less than 30% AMI
- Very Low-Income – Between 30% and 50% AMI
- Low-Income - Between 51% and 80% AMI
- Moderate-Income – Between 81% and 120% AMI
- Above Moderate-Income – Greater than 121% AMI

Income limits for all income categories are adjusted for household size so that larger households have higher income limits than smaller households and are calculated using a four person household as a base. Data from the 2013 State Income Limits states the median income for Marin County is $**103,000.** The maximum income for each income category based on this median income (for a four-person household) is as follows:

Table A.10: Income Categories in Marin County (2013)

Extremely Low Income	(<30% of area median income, or AMI)	0-$33,950
Very Low-Income	(30-50% of AMI)	$33,951-$56,550
Low-Income	(51-80% of AMI)	$56,551-$90,500
Moderate-Income	(81-120% of AMI)	$90,501-$123,600
Above Moderate-Income	(>120% of AMI)	over $123,601

Source: HCD 2013

In 2011 434 Sausalito households (11%) earned less than $25,000 per year, 502 households (13%) earned between $25,000 and $49,999 per year, 388 households (10%) earned between $50,000 and $74,999 per year, 488 households (12%) earned between $75,000 to $99,999 per year, and 2,212 households (55%) earned over $100,000 per year. According to ABAG data, very low, low and moderate-income households account for a majority portion (55%) of the renting population. The only category that shows a higher percentage of home owner tenure in Sausalito is the above moderate income category (63%). Table A.12 demonstrates 2010 tenures by income of households in Sausalito.

Table A.11: Household Tenure by Income in Sausalito (2010)

	Renters		Owners	
Income Category	**Number**	**Percent**	**Number**	**Percent**
Very Low-Income (≤50% of AMI)	380	17%	335	16%
Low-Income (51%-80% of AMI)	325	15%	230	11%
Moderate-Income (81%-120% of AMI)	530	23%	210	10%
Above Moderate Income (>121% of AMI)	1,010	45%	1,300	63%
Total Occupied	2,245	100.0%	2,075	100.0%

Source: ABAG 2013

b. Extremely Low Income Housing Needs (<30% AMI)

The availability of rental housing is critical for families and individuals living on extremely low incomes and is oftentimes the only feasible housing option. Rentals can be deed restricted to serve this income category and can be supplemented with supportive services.

c. Housing Costs and Affordability

Rental Housing Market

A rent survey was conducted in March 2014 to evaluate the cost of rental housing within Sausalito. Rental data was collected based on asking rents for units advertised on several rental websites, including Craigslist, Trulia, and Bay4Rent. A total of 33 apartments were identified for rent, with median rents of $1,850 for a studio, $2,400 for a one-bedroom, and $3,075 for a two-bedroom units. Just one three-bedroom unit was advertised, with an asking rent of $3,075 for a two-bedroom units. Just one three-bedroom unit was advertised, with an asking rent of $5,700. Nine single-family homes were also advertised for rent in Sausalito, with median rents of $4,500 for a two bedroom home, and $6,350 for homes with three to four bedrooms. In addition, several liveaboard boats were listed for rent.

Table A.13 presents the maximum affordable rents for very low, low and moderate-income households by household size, and compares with median apartment rents in Sausalito (as documented in Table A.12). As the table below indicated, Citywide median rents are above the level of affordability for all very low and low income households, with an affordability gap ranging from $367 to $1,174 per month for low income households depending on household size. Unlike most other Marin jurisdictions, even households earning moderate incomes are priced out of the rental market in Sausalito, with the exception of studio units which are extremely limited in supply.

Table A.12: Survey of Vacant Rental Units in Sausalito March 2013

Unit Type and Bedrooms	# Units Advertised	Rental Range	Median Rent
Apartments/Condominiums			
Studios	2	$1,750-$1,950	$1,850
1	14	$1,875-$3,100	$2,400
2	16	$2,285-$4,500	$3,075
3	1	$5,700	$5,700
Single-Family Homes			
2	3	$3,200-$10,000	$4,500
3-4	6	$4,500-$20,000	$6,350

Source: www.craigslist.org, Trulia.com, Bay4Rent.com

Table A.13: 2013 Maximum Affordable Rents in Marin County

Income Level[1]	Maximum Affordable Rent After Utilities Allowance[2]			
	Studio (1 person)	1 Bedroom (2 person)	2 Bedroom (3 person)	3 Bedroom (4 person)
Very Low Income	$890	$1,016	$1,138	$1,239
Low Income	$1,483	$1,695	$1,901	$2,087
Moderate Income	$2,062	$2,357	$2,646	$2,915
Sausalito Median Apartment Rent	**$1,850**	**$2,400**	**$3,075**	**$23**

Source: Karen Warner Associates

[1] Income levels based on State HCD published Income Limits for 2013.

[2] Utility costs based on Marin Housing multi-family utility allowance schedule (gas heating, cooking and water heating; assumes monthly refuse service included in rent): $100 for studios, $115 for 1 bedrooms, $135 for 2 bedrooms, and $175 for 3 bedrooms.

Homeownership Market

Table A.14 compares median home sales prices during calendar year 2013 in Sausalito and other Marin communities by zip code, and contrasts this with sales prices during the prior year. Within Sausalito zip code 94965, a total of 162 single-family homes and condominiums were sold in 2013 for an overall median sales price of $895,000, reflecting a significant 35% price increase from the prior year. At $707, the price per square foot of homes sold in Sausalito is among the highest in the County, surpassed only by the communities of Belvedere/Tiburon and Ross.

Table A.14: Regional Single-Family Homes and Condominium Sales Jan-Dec 2013

Community	Zip code	# Homes/ Condos Sold	% Change from 2012	Median Sales Price	% Change from 2012	Price/ Sq. Ft.
Sausalito	**94965**	**162**	**8.7%**	**$895,000**	**34.9%**	**$707**
Belvedere/Tiburon	94920	223	-6.7%	$1,800,000	21.8%	$769
Corte Madera	94925	158	11.3%	$872,000	3.8%	$592
Fairfax	94930	118	20.4%	$645,000	15.2%	$432
Greenbrae	94904	197	8.2%	$1,255,000	20.1%	$627
Inverness	94937	25	-7.4%	$920,000	89.7%	$522
Larkspur	94939	92	-29.8%	$1,255,000	19.5%	$638
Mill Valley	94941	489	6.1%	$1,050,000	16.7%	$616
Novato	94945	229	-9.5%	$615,000	21.8%	$315
Novato	94947	351	-10.0%	$488,250	16.5%	$343
Novato	94949	250	-12.0%	$639,500	9.3%	$328
Ross	94957	35	16.7%	$2,220,000	3.3%	$869
San Anselmo	94960	285	11.8%	$869,500	11.0%	$535
San Rafael	94901	459	-15.3%	$745,000	29.6%	$437
San Rafael	94903	441	-4.3%	$610,000	16.8%	$413
Stinson Beach	94970	35	-7.9%	$1,550,000	29.4%	$931

Source: Dataquick Annual Sales Price Charts by Zip Code, 2013.

For purposes of evaluating home purchase affordability, Table A.15 presents the maximum affordable purchase price for moderate income households (120% AMI), and compares this with the 2013 median sales price in Sausalito of $895,000. As illustrated below, the maximum affordable purchase price ranges from $451,000 for a two-person household up to $627,000 for a household with five persons rendering median housing prices in Sausalito well beyond the reach of moderate income households.

Table A.15: 2013 Marin County Maximum Affordable Housing Cost (Moderate Income)

Moderate Income Affordable Housing Cost	1 Bedroom (2 persons)	2 Bedroom (3 persons)	3 Bedroom (4 persons)	4 Bedroom (5 persons)
Household Income @ 120% Median	$98,900	$111,250	$123,600	$133,500
Income Towards Housing @ 35% Income	$34,615	$38,937	$43,260	$46,725
Maximum Monthly Housing Cost	$2,885	$3,245	$3,605	$3,995
Less Ongoing Monthly Expenses:				
Utilities	-$150	-$170	-$210	-$250
Taxes (1.1% affordable hsg price)	-$413	-$468	-$518	-$574
Insurance	-$85	-$100	-$115	-$130
HOA Fees & Other	-$180	-$180	-$180	-$180
Monthly Income Available for Mortgage	$2,057	$2,327	$2,582	$2,861
Supportable 30-yr Mrtg @ 4.5% interest	$406,000	$459,000	$510,000	$565,000
Homebuyer Downpayment (10%)	$45,000	$51,000	$56,000	$62,000
Maximum Affordable Purchase Price	**$451,000**	**$510,000**	**$566,000**	**$627,000**
Sausalito Median Housing Price		**$895,000**		

Source: Karen Warner Associates
Utility costs based on 2013 Housing utility allowance schedule for attached units (gas appliances).

d. Overpayment

Housing overpayment is a critical problem that generates numerous cost burdens for lower and moderate income individuals and families. Overpayment occurs when inflated housing prices result in payments that exceed 30% of the residents' gross income. Severe overpayment describes conditions when residents spend more than 50% of their incomes on housing.

According to 2013 ABAG data, 38% of households in Sausalito overpay for housing. Of this percentage, 56% are severely overpaying for housing. Much of this cost burdened population is below 80% AMI as nearly three quarters of low and very low income households are overpaying for housing. Table A.14 below shows the number of residents overpaying for housing, organized by tenure and AMI category.

Table A.16: Housing Cost Burden by Tenure in Sausalito

	Occupant Type	Very Low-Income (less than 30-50% AMI)	Low-Income (50%-80% AMI)	Moderate Income (80%-120% AMI)	Above Moderate Income (Above 120% AMI)	Total	% of Total Occupied Units
Overpayment (30%-50% of income for housing)	Renters	55	90	280	15	440	10%
	Owners	15	15	45	220	295	7%
	Subtotal	**70**	**105**	**325**	**235**	**735**	**17%**
Severe Overpayment (50% or more of income for housing)	Renters	310	100	15	0	425	10%
	Owners	195	135	75	90	495	11%
	Subtotal	**505**	**235**	**90**	**90**	**920**	**21%**
Total		**575**	**340**	**415**	**325**	**1655**	**38%**

Source: ABAG 2013

e. Overcrowding

The State defines an overcrowded unit as one that is occupied by more than 1.01 persons per room, excluding kitchens and bathrooms. A housing unit consisting of more than 1.5 people per room is defined as severely overcrowded. Determining the amount of overcrowded units can serve as an indicator of housing availability as widespread overcrowding could signify a severe housing shortage. Overcrowding issues have improved in Sausalito since 2000, when 1.43% percent (61 households) of all households were considered overcrowded. Currently, there are 15 overcrowded units in Sausalito all of which house 1.5 or more persons, classifying them as severely overcrowded. Though overcrowding generally occurs more often in rental units, all of the overcrowded units within Sausalito occur in owner occupied units. Table A.17 summarizes the distribution of overcrowded units across tenure types.

Table A.17: Number of Households in Sausalito Living in Overcrowded Units

Tenure	Condition	# of Units
Owner Occupied	Overcrowded (1.01-1.5 people per room)	0
	Severely Overcrowded (over 1.5 people per room)	15
Renter Occupied	Overcrowded (1.01-1.5 people per room)	0
	Severely Overcrowded (over 1.5 people per room)	0

Source: ABAG 2013

f. Foreclosure

Compared to other areas in the State and Country, Marin fared relatively well during the foreclosure crisis in 2008. Though the Marin Independent Journal reported that the foreclosure

rate in Marin had tripled in 2008, the foreclosure rate was nearly three times smaller than that of the State's. On January 17, 2014, the Journal reported that the foreclosure rate has declined each year since 2010 with a 60% drop in foreclosures experienced in 2013.

When accessed in February of 2014, the website www.Realtytrac.com identified 10 properties in Sausalito in various states of foreclosure, including "pre-foreclosure".

g. Assisted Developments at Risk of Conversion

State Housing Element law requires all jurisdictions to conduct a survey of lower income housing units which may be at risk of losing their affordability restrictions and being removed from the affordable housing inventory.

As documented in the previous Housing Element, Sausalito maintains a stock of 38 affordable housing units. Six of these are owned by Bee Street Housing, Inc. and managed by EAH Housing, a nonprofit corporation. This development is maintained as affordable housing for seniors with a maximum annual income of $39,600 per person or $45,250 for a two-person household. Bee Street Housing was developed through a HUD loan and contract which is valid through March 2025, preserving the affordability of the units for the next ten years.

The remaining 32 affordable housing units within Sausalito are Rotary Place (10 units) and Rotary Village (22 units) both of which are owned and managed by the Sausalito Rotary, a nonprofit organization. Both developments are dedicated for low-income seniors, maintain low rents, and accept Section 8 vouchers.

5. Special Needs Housing

California jurisdictions must also make an effort to facilitate the development of housing to serve special needs groups. Special needs groups include persons with disabilities, seniors, large families and female headed households, farm/fishery workers, and homeless populations. Finding housing solutions for special needs groups is often challenging and requires creative planning and problem solving in order to properly allocate the required amount of housing stock for these populations. Table A.15 provides the number of households and people in Sausalito within special needs groups.

Table A.18: Estimate of Special Needs Households in Sausalito (2000 and 2010)

Special Needs Households/Persons	Total in 2000	Total in 2010
Persons with disabilities:	1,166	n/a
16-64 years	*(866)*	n/a
65+ years	*(300)*	n/a
Elderly Households (65+)	1,111	1,083
Large Family Households	28	41
Single-Female Headed Households	148	146
Farm/fishery workers	10	n/a

Source: Census 2000 and 2010

Special needs housing may include a variety alternative housing and living arrangements. This can range from traditional independent living to assisted living (from licensed facilities), supportive housing, transitional housing, and emergency shelters. The majority of special needs housing is serviced enriched, meaning residents are offered services to help them maintain independent lifestyles for as long as possible.

a. Persons with Disabilities

According to 2000 Census data (also reference in the 2013 ABAG data set), there are 1,166 persons with disabilities in Sausalito, representing 16 percent of the population.

Among the City's senior population (persons aged 65 and over) an estimated 300 have a disability of some sort. Disabled populations often require a range of accommodating housing types to suit their needs, depending on the severity and condition of their disabilities. The location, type, and design of housing can all contribute to the livability of a housing unit and potentially accommodate those with disability. These may include proximity to transit and services, modifications that enable accessibility, and developing group living quarters. Incorporating universal design a range of choices and is mandated by the State of California and Federal Fair Housing laws.

Special considerations towards income and affordability should be practiced as many residents with disabilities may rely on fixed and limited incomes. The Marin Center for Independent Living indicates that most people they assist live below the level of poverty. With the average population of the City projected to age, the demand and need for housing for disabled persons is anticipated to increase as well. It is important that these projections are recognized and that adaptation measures are sought to address them.

Developmental Disabilities: In 2010 the California legislature passed SB 812 which requires the housing element to specifically analyze the housing needs of persons with developmental disabilities, and to identify resources available to serve this population. The State Department of Developmental Services (DDS) currently provides resources, information and services to assist developmentally disabled individuals. The DDS also contracts with nonprofit corporations which are established as regional centers. The Golden Gate Regional Center (GGRC) serves Marin County's developmentally disabled population. The GGRC aims to prevent institutionalization and dislocation of developmentally disabled persons as well as assist individuals in leading more independent and productive lives.

According to the DDS, the GGRC serves 1,100 persons within Marin County. The following list outlines the living situations of the center's clients:

- At home with a Parent or Guardian – 46%
- Community Care Facility – 23%
- Independent Living – 24%
- Intermediate Care Facility – 5%
- Skilled Nursing Facility – 1%
- Other – 1%

Table A.19 reports the number of persons with developmental disabilities and served by the Golden Gate Regional Center living within Sausalito's 94965 Zip Code.

Table A.19: Estimate of Developmentally Disabled Residents Served by GGRC within Sausalito Zip Code

Zip Code 94965	0-14 Years	15-22 Years	23-54 Years	55-65 Years	65+ Years	Total	Est. Housing Need*
	7 persons	1 person	0	0	0	8 persons	3 units

Source: Golden Gate Regional Center (GGRC), 2012.
* GGRC utilizes the following need factors to estimate housing need by age group: age 0-14 25% need housing; age 15-22 50% need housing; age 23-54 35% need housing; age 55-65 25% need housing; age 65+ 20% need housing.

Housing types appropriate for persons living with a developmental disability may include licensed community care facilities and group homes, supervised apartment settings with support services, SB 962 homes (for persons with special health care and intensive support needs), rent subsidized homes for those able to live independently, inclusionary housing, and Section 8 rental vouchers.

Sausalito's Housing Element sets forth several programs which seek to encourage and facilitate housing for persons with disabilities, enable group homes and ensure reasonable accommodation.

b. Seniors

Seniors are a significant special needs group in Sausalito as 21 % of the City's population is age 65 and above in 2010. Over one-quarter of Sausalito's households are headed by seniors, with homeowners comprising three-quarters of the community's 1,083 senior households and renters comprising the remaining one-quarter. Based on 2013 ABAG data, and estimated 480 seniors live alone (45% of senior households) and approximately 38% of senior households are low income (<80% AMI).

The senior population increased 40% between the years 2000 and 2010. As this trend continues, the need for affordable and specialized housing for older residents will grow. In order to adequately serve this increasing population, the housing units must be tailored to the needs of senior citizens, incorporating universal design principles and locating housing in areas serviced by transit. Alternative types of housing may be needed as the population further ages to were elderly residents may require living assistant and provided care on a consistent basis. Typical types of housing to meet the needs of seniors include:

- Smaller attached or detached housing for independent living (both market rate and below market rate);
- Second units;
- Shared housing;
- Age-restricted subsidized rental developments;
- Congregate care facilities;

- Licensed facilities, and;
- Skilled nursing homes.

The Alzheimer's Association estimates that by 2025, there will be an estimated 660,000 seniors living with Alzheimer's in California. The Association also released a report in 2009 that estimates one in eight Californians aged 55 and older, or the baby boomers, will developed Alzheimer's disease with one in six developing some form of dementia. This trend indicates an increasing need for housing and facilities to accommodate and treat seniors who develop these conditions. Housing types such as specialized care facilities or accessory dwelling units, that allow seniors to live close with family and receive care, are housing opportunities that can be considered to help accommodate this population.

An additional need for housing will grow as the number of seniors increases due to extended longevity and an aging population of baby boomers. This surge in demand for senior housing may lead to numerous conflicts due to housing constraints. As these is a limited supply of vacant residential land in Sausalito, senior housing will likely be forced to compete with market rate and non-age-restrictive housing developments for sites which may conflict with the City's goals in fulfilling other housing needs.

Seniors who are on fixed income may also experience hardships in maintaining and rehabilitating their homes, as Sausalito's older housing stock may require consistent and sometimes expensive upkeep. Some homes may also require modifications to make them more livable for senior residents, some of which may be very costly projects.

Care centers and facilities are another option for seniors with moderate to above moderate incomes. Though licensed facilities provide quality services and care for seniors, the associated expense of these centers ($3,500-$4,000 per month) are prohibitive to low- and very-low income households and individuals and should not be considered as a prescribed solution for the entire senior population.

c. Large Households

Large households generally consist of families with many children and are correlated with areas having a large youth population. The number of large households in Sausalito is very limited, constituting less than one percent of total households according to the 2010 Census. Due to this, the development of provisions that support housing for large households in Sausalito is not imperative. The City should, however, closely monitor demographic trends and changes in the future to identify potential increases of large households as it can be a particularly sensitive special needs group.

d. Single Parent and Female-Headed Households

Single parent and female-headed households are subject to unique housing challenges. Since a single parent general raises the child while maintaining a job with little to no assistance from a spouse, these households rely heavily on support services such as daycares and recreation programs in order to function. Ideally, these services and schools should be located in proximity to the housing location. Despite fair housing laws, discrimination against these households and renting to tenants with children exists and has made it challenging for single parents and female-headed households to find housing, let alone adequate housing to accommodate their

particular needs. As these households operate on a single income, they are particularly prone to overspending as well and are sensitive to rising rates in both rental and ownership units. The 2010 Census recorded 146 total female-headed households in Sausalito, roughly nine percent of total family households. Of this number, 62 households (42.5%) had children under 18 present.

e. Farmworkers (or Fishery Workers)

California law requires that jurisdictions evaluate housing needs for farmworker populations. Farmworkers are identified as an occupational category in the US Census and are defined as persons working in the farming, fishing, and forestry industries. As Sausalito does not have any farming sites due to small lot sizes, the farmworker occupational category is liking representative of person working in the fishing industry. The 2000 Census provides the most recent data on farmworkers and determined that 10 persons in Sausalito were employed in this field. Sausalito's significant stock of houseboats and liveaboards best serves this population.

f. Marine Workers

Marine workers represent an rich piece of Sausalito's history and its current status as an active waterfront community. Marine workers engage in a variety of occupations including boatbuilding and repair, marine surveying, captains, sailmakers, and harbor masters and serve Sausalito's commercial and recreational marine activities. Many of these workers, most of which are lower income, are quartered in the City's stock of houseboats and liveaboards moored in Richardson Bay. The affordable liveaboard community is represented by the Galilee Harbor Co-op which has helped to provide 38 rent and income-restricted berths and supports the marine workers community through social and arts functions.

g. Individuals and Families who are Homeless

Pursuant to Senate Bill 2 (SB 2), Sausalito is currently working to update its zoning ordinance and establish standards and allowed locations of emergency shelters and transitional and supportive housing to serve homeless populations. Emergency shelters are defined as housing that offers some supportive service and allows occupants to stay for up to six-months. These shelters are not permitted to deny families or individuals who cannot pay for the housing. The law also requires that the City analyzes the housing needs of its homeless population.

Allocation and provision of housing for homeless families and individuals is a challenge as the population faces a complexity of factors and the issue itself can generate political strife with many communities. The condition of homeless can be a challenge to identify and address as housing situations and populations are volatile and subject to constant change.

i. Number of Homeless People

The best local source of data for estimating the number of homeless people is the 2013 Marin Homeless Point in Time Count, conducted by the Marin Health and Human Services on January 24, 2013. The census was carried out by various housing and service providers, faith-based groups, educational institutions and community members and reported numbers of sheltered and unsheltered homeless persons to the U.S. Department of Housing and Urban Development (HUD), consistent with HUD's requirements and definition of homelessness.

The count found a total of 933 homeless persons (unsheltered, sheltered, and other homeless populations). This represents a 24% decline from the last Countywide assessment in 2011. The unsheltered homeless count is broken down by jurisdiction in Table A.20 off a sampled population of 368.

Table A.20: Marin County Unsheltered Homeless, 2013

City / Location on the day of the count: "What city/area did you stay last night?"	Unsheltered Homeless Count	Percentage of Unsheltered Homeless Count
Sausalito	**23**	**6%**
Bolinas	27	7%
Belvedere	2	1%
Corte Madera	4	1%
Fairfax	3	1%
Forest Knolls	2	1%
Greenbrae	0	0%
Inverness	2	1%
Kentfield	0	0%
Lagunitas	0	0%
Larkspur	0	0%
Marin City	1	0%
Mill Valley	3	1%
Novato	32	9%
Olema	1	0%
Out of area	7	2%
Pt. Reyes	9	2%
Ross	2	1%
San Anselmo	3	1%
San Geronimo	1	1%
San Rafael	175	48%
Stinson	0	0%
West Marin	0	0%
Woodacre	0	0%
Not stated	71	19%
Total	**368**	**100%**

Source: County of Marin Homeless Point in Time Count 2013

As shown above, the count found 23 unsheltered homeless individuals in Sausalito that met the Marin County Health and Human Services definition of "unsheltered" homeless.[2] No data is available for a breakdown of attendance at shelters throughout the County.

In addition to the homeless count, there were 4,388 persons who were precariously housed (at risk of homelessness) on the same day, an increase over the 2011 count's

[2] The County defines unsheltered as any person that resides in a place not meant for human habitation, such as a vehicle, park, sidewalk, open space or on the street.

number of 4,179. This can include persons who are currently housed but are subject to one or more of the following:

- At risk of losing housing and have no other place to live,
- Living temporarily with friends or family because they lack the resources or support networks to retain or obtain permanent housing;
- Frequently move due to economic reasons, and;
- Living in severely overcrowded housing.

ii. Homeless Subpopulations and Service Needs

SB 2 also requires that jurisdictions describe subpopulations of homeless people in the community within their Housing Elements. This should include data that identifying specific service needs such as mental illness, substance use, developmental disability, and emancipated foster youth. Data from the 2013 Marin Homeless Point in Time Count provides information on health issues experienced by surveyed members of the homeless population. See Table A.21 below for a county-wide summary of these needs.

Table A.21: Health Issues of the Homeless Community in Marin County, 2013

"Do you have any of the following health issues?"	Number	Percentage
Alcohol Use	233	32%
Physical Disability	175	24%
Mental Illness	177	24%
Multiple Conditions	122	17%
Drug Use	51	7%
Chronic Health Condition	50	7%
Developmental	36	5%
HIV/AIDS	19	3%

Source: County of Marin Homeless Point in Time Count 2013

Overall, 52% of homeless adults surveyed reported having at least one health issue and 17% suffered from multiple conditions. When asked how long they had been homeless, 41% did not state an answer or declined to respond. Of those that provided a response, 43% reported that they had been homeless for a period between one and 12 months while 33% claimed to have been living for one to nine years without a home. The survey also revealed that 26% of adults counted reported experiencing domestic violence, and veterans comprised 9% of the adults counted.

iii. Inventory of Resources Available

SB 2 also requires Cities to inventory existing homeless housing resources in the Housing Element, including emergency shelters and transitional and supportive housing. Though Sausalito does not have an existing dedicated emergency shelter, transitional housing or supportive housing within its jurisdictional boundary, measures are being implemented that will permit these centers by-right within designated zoning districts within the City. Emergency shelters nearest to Sausalito are located within Novato and San Rafael while the Fireside Apartments, located in the neighboring City of Mill Valley, provide 10 units of supportive housing for homeless families.

Table A.22: 2013 Homeless Housing Inventory

	Emergency Shelter	Transitional Housing	Permanent Supportive Housing	Total # of Beds
Family Beds	49	252	185	486
Individual Beds	216	90	316	622
Totals	265	342	501	1,108
Chronic Homeless Beds	varies	varies	209	209
Veteran Beds	1	16	35	52
Seasonal Beds	66	--	--	66
Domestic Violence Beds	20	84	--	104

Source: Marin County Continuum of Care: 10 Year Plan to Prevent & End Homelessness 2013-2023

iv. Unmet Need for Emergency Shelter, Transitional and Supportive Housing

There is no data currently available for examining the seasonal demand for shelter in Marin County. Since Marin enjoys a relatively temperate climate, there is an assumed surge in demand for shelter during the colder winter months (December through March). Since the 2013 Marin Homeless Point in Time Count was conducted in January, it can be safely assumed that the counts reflect highpoints in the demand for shelter.

In Sausalito, the estimated 23 unsheltered homeless individuals determined by the 2013 Marin Homeless Point in Time Count creates an unmet need of 23 emergency shelter beds.

Sources:

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